

7th December 2017

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Australia's largest hemp food production underway

This week provided further major milestones in Queensland Bauxite's (ASX:QBL) investment in Medical Cannabis Ltd (MCL). MCL has made major progress in its Vitahemp brand's "farm-gate to retail" fully vertically integrated journey. Mass production and mass farming is now underway and Australia's largest current hemp seed import for sowing has now cleared quarantine for MCL.

Vitahemp is MCL's Hemp seed (low THC cannabis) food brand.

Mass Production Underway

A significant amount of approximately 60 metric tonnes of hemp seed ready for food production, is now being held for Vitahemp in storage. Following the highly successful soft launch of MCL's Vitahemp initial sample range at the HHI expo earlier this week, 20 metric tonnes is now being transported to Waltanna Farms for oil, protein and flour production by MCL's joint venture company Waltanna Hemp Group. A further 10 metric tonnes will be delivered to MCL's production company Hemp Hulling Co for seed processing. This will form the basis of the MCL - Vitahemp bulk commercial product launch in January 2018.

Mass Farming Underway

This is in addition to the 20 tonnes of seeds being planted by MCL's contracted farmers that has been imported this week that should yield in excess of a further 500 tonnes of seed for Vitahemp's further planned ramped up bulk production in March 2018. A further larger Autumn crop is being planned to enable the continuation of supply to meet the enormous demand MCL and Vitahemp have been receiving.

Vitahemp is now well placed to be the first mover and leader in the Australian hemp seed food industry, and the board of QBL are pleased to see the Team at Vitahemp meeting its milestones under its business plan for the roll out of its premier Gold Star quality brand.

At the moment Vitahemp is working on the orders from last weekend's highly successful launch, and as the sample range has been quickly snapped up by shareholders, the further larger orders including from the wholesale market, will begin to be filled in the coming weeks following the upcoming completion of Vitahemp's initial bulk production run. The Company will report on the results of the bulk production and sales as soon as the information is available.

This is Australia's largest current hemp seed import for sowing

In a significant event for both Company and Industry, Australia's largest hemp food sowing seed shipment of 20t was cleared this week by AQIS (Australian Quarantine and Inspection Service), on behalf of MCL.

As mentioned above, these sowing seeds are now being used to grow Australian hemp (low THC cannabis) from which will be extracted all-Australian grown hemp seed to be used for food products.

This gives Vitahemp a huge advantage over competitors who are currently using overseas seeds to produce their hemp products, as pursuant to the new change in Australian legislation, Hemp food seeds from any country other than Australia now require rigorous processing such as being denatured and irradiated for safety and health reasons. Much of the potency of the seed is lost as a result which is not the case with hemp food seed extracted from hemp grown in Australia.

That is one significant reason of many why the Company believes that Vitahemp's product will surpass any local competitor's product not manufactured as all-Australian.

Right now the seed cleared by quarantine is being shipped to large broad-acre growing power-houses and to the expert carefully selected farmers who will grow the seeds for MCL with non-propagation agreements. This is "first-in best-dressed" step one in MCL having the ability to lead in the mass production of all-Australian hemp-seed food. Quite some time has already been spent visiting farmers and organising enough suitable ground to grow large quantities of hemp.

Although Queensland Bauxite has the majority controlling interest in MCL, the Vitahemp Team and Queensland Bauxite request that orders are not made by phone to Queensland Bauxite, but are sent via email to sales@vitahemp.com to enable efficient processing.

With farming and sowing taking place, and the current manufacturing, marketing and distribution being organised, the Board of QBL believe that the Company is very well placed to ensure cashflow as soon as possible for anticipated dividends to shareholders.



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About Queensland Bauxite

Queensland Bauxite Ltd is an Australian listed company focused on the exploration and development of its bauxite tenements in Queensland and New South Wales. The Company's lead project is the South Johnstone Bauxite Deposit in northern Queensland which has rail running through the project area and is approximately 15-24 kilometres from the nearest deep water port. The Company intends to become a bauxite producer with a focus on commencing production at South Johnstone as early as possible. The Company also pursues additional investment opportunities, and has acquired a 55% shareholding in Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.