

11th December 2017

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Breakthrough for GMP Quality Medicinal Cannabis

The Board at Queensland Bauxite (ASX:QBL) is excited with the recent success and progress of its investment in Medical Cannabis Ltd ("MCL" or "the Company"), particularly as the medicinal focused arm of that Company, Vitacann, has signed a Letter of Intent for a joint venture subject to full documentation with an Israeli recommended group of North American chemists who have put together what we understand to be a world first in the Medical Cannabis industry.

The group has devised and has manufactured a sample range of patent pending GMP quality short and extended release pain relieving pills (not capsules) from the cannabis plant, and has offered the Company the opportunity to test and exclusively market the pill in Australasia.

The funding for this groundbreaking undertaking will be shared by both parties to the JV (the Group), with the initial \$1M to be invested first by the Company, and any profits of the JV to be shared equally.

As quoted by Professor Oded Shoseyov, Head of Cannabis Research at Hebrew University on July 18 2017 at a conference in Sydney, pain relief formulations, with research and the application of newly designed equipment, can be replicated for much cheaper with use of the cannabis plant. For example, the pain reliever Humira, costing a patient a minimum of \$35k / annum, is being used by only 1 in a 1000 patients who need the relief. This drug generated \$15b in 2016. Duplication with cannabis of such a pain reliever, after concentrated and informed research, will potentially allow all patients access to a drug with the same effects, at 1/15 of the price of Humira, and therefore the commercial benefit of being the first in producing such a drug with cannabis is astronomical.

MCL with its contacts and knowledge in the Australian Cannabis regulatory environment, together with its uniquely cultivated and exclusive seed bank, is anticipated to be of immense benefit to the continued research of its intended JV partner in the newly developed pill and other medications that will be studied by the combined group in order to produce. This ongoing research will be done in parallel with the research currently being undertaken by iCan on behalf of MCL as previously announced. Further details will be provided to the market once the full documentation has been finalised.

Currently all research is being carried out overseas and the world first to the best of our combined knowledge, the Pill, is an immensely exciting breakthrough awaiting formal clinical human trials in Australia, which as with any new medical product is necessary prior to being approved as a medication in Australia, and due to anecdotal evidence of current users of this new product to date, it is believed that it will work as an effective and measured pain reliever.



Pnina Feldman
Executive Chairperson
Queensland Bauxite Limited



For further information, please contact:

Queensland Bauxite Ltd

Tel: +61 (0)2 9291 9000

For further information or any queries please email the Company at:

sfeldman@queenslandbauxite.com.au



www.twitter.com/QLDBauxite

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.