Targeting Premium DSO Bauxite

30th April 2012

MARCH 2012 QUARTERLY REPORT

Highlights

- Further review of bauxite drilling results to determine future exploration programmes
- QBL is continuing to negotiate and finalise access agreements for identified high priority drilling targets
- Bauxite infrastructure studies ongoing
- QBL is continuing to assess new project opportunities

Queensland Bauxite Limited (ASX: QBL) (QBL or the Company) is focused on defining significant bauxite resources with a view to commencing direct shipping ore (DSO) bauxite mining and export operations. During the Quarter QBL has concentrated on reviewing bauxite exploration to date, progressing bauxite infrastructure studies and advancing its noncore focus gold assets. QBL is actively pursuing potential partners or sale of its gold assets. QBL presents the following report on activities for the three months ending 31 March 2012.

BAUXITE PROJECTS

Review of Queensland Bauxite Projects.

Due to access negotiations at the higher priority areas of QBL's Queensland Projects (**Figure 1**) no further drilling activities were carried out during the March Quarter. All projects were reviewed in light of the exploration completed to date to determine the best strategy moving the bauxite projects forward.

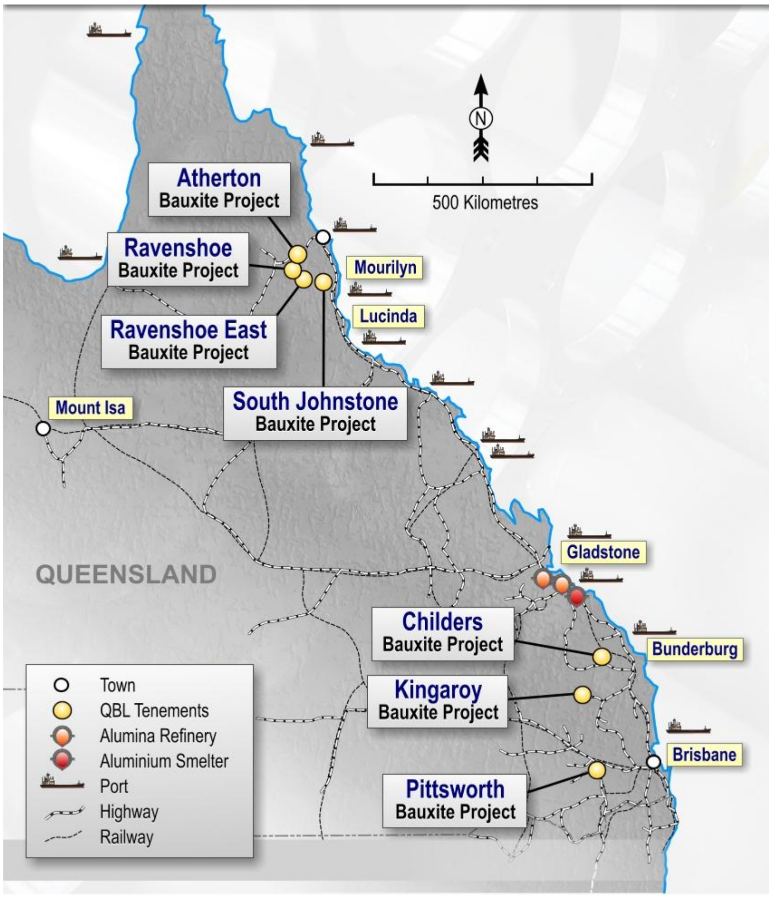

Figure 1 QBL Queensland Projects

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North Queensland Bauxite Projects

The North Queensland Projects are situated west and north-west of the town of Innisfail (**Figure 2**) in north Queensland. All planned initial aircore drilling was completed in EPM 18463 and 18464 during the last quarter. Sampling of the drill intervals has been by the use of the Innovex Mineral Analyser. Results of the PIMA study indicate the presence of sporadic gibbsite in the upper few metres of several drill holes mixed with a high % of kaolinitic ferruginous clay which is masking the gibbsite response. Further work involving sieving of selected drill intervals is being considered as well as further focused air core drilling.

During the quarter the decision was made to relinquish EPM 18464 (Ravenshoe East) due to the rugged nature of the topography and lack of “gibbsite” signatures from the PIMA study.

Figure 2 Atherton, Ravenshoe and South Johnstone Projects

Ban Ban Springs/Childers Bauxite Projects

The Ban Ban Springs and Childers Projects are situated to the south east of the town of Gayndah and north of the town of Childers in Central Queensland **(Figure 3).** A bauxite horizon located in the north of EPM 19078 was sampled during the last quarter with encouraging %avlAl and %rxSi. The horizon is associated with lateritised Tertiary basaltic volcanics and extends for 2km in an arcuate E-W direction. The bauxite horizon is situated primarily within an environmental exclusion zone and we are in discussions with DERM as to how best to explore this area. During the next Quarter exploration will be focused on locating further bauxite horizons.

Preliminary field investigations have been carried out within the Childers Project and further field traverses and geochemical sampling is envisaged for the coming quarter.

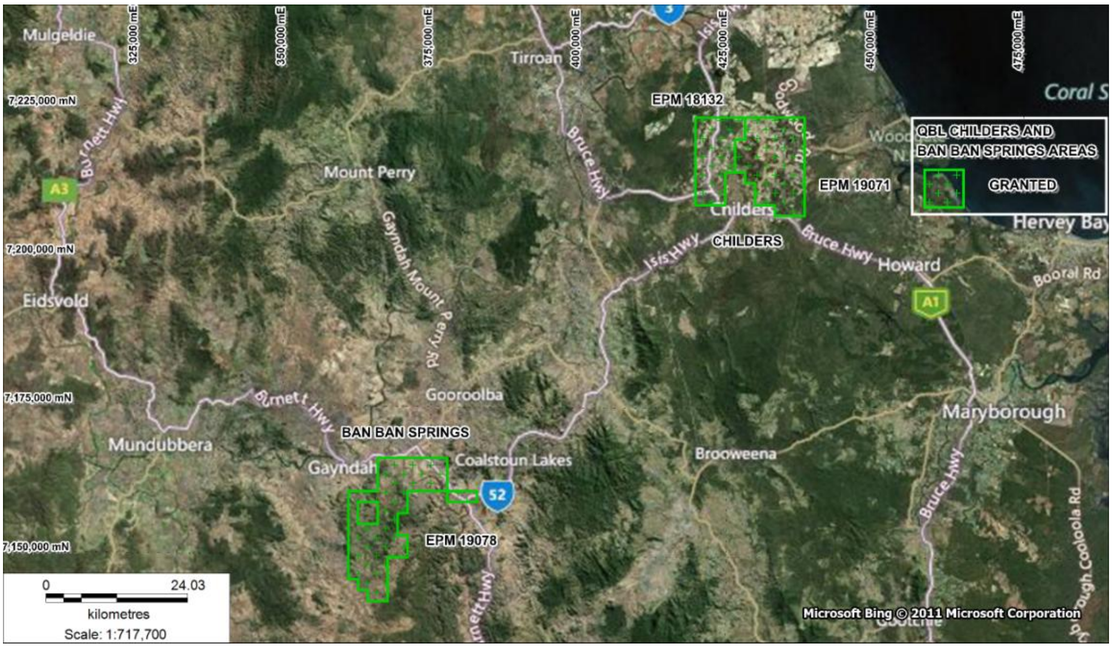

Figure 3 Ban Ban Springs and Childers Projects

Kingaroy Bauxite Project

The Kingaroy Bauxite Project is situated mainly to the north of the town of Kingaroy (**Figure 4**). All but 3 of the tenements are currently granted apart from EPMA's 19069, 19072 and 19068. A review of all drilling, surficial geochemical and geological mapping data is currently being undertaken to determine which areas will be the focus of exploration during the upcoming quarter. Nodular gibbsite has been noted at several road cuttings with high %avlAl and low %rxSi so these areas will be further investigated to determine the extent of the bauxite mineralisation.

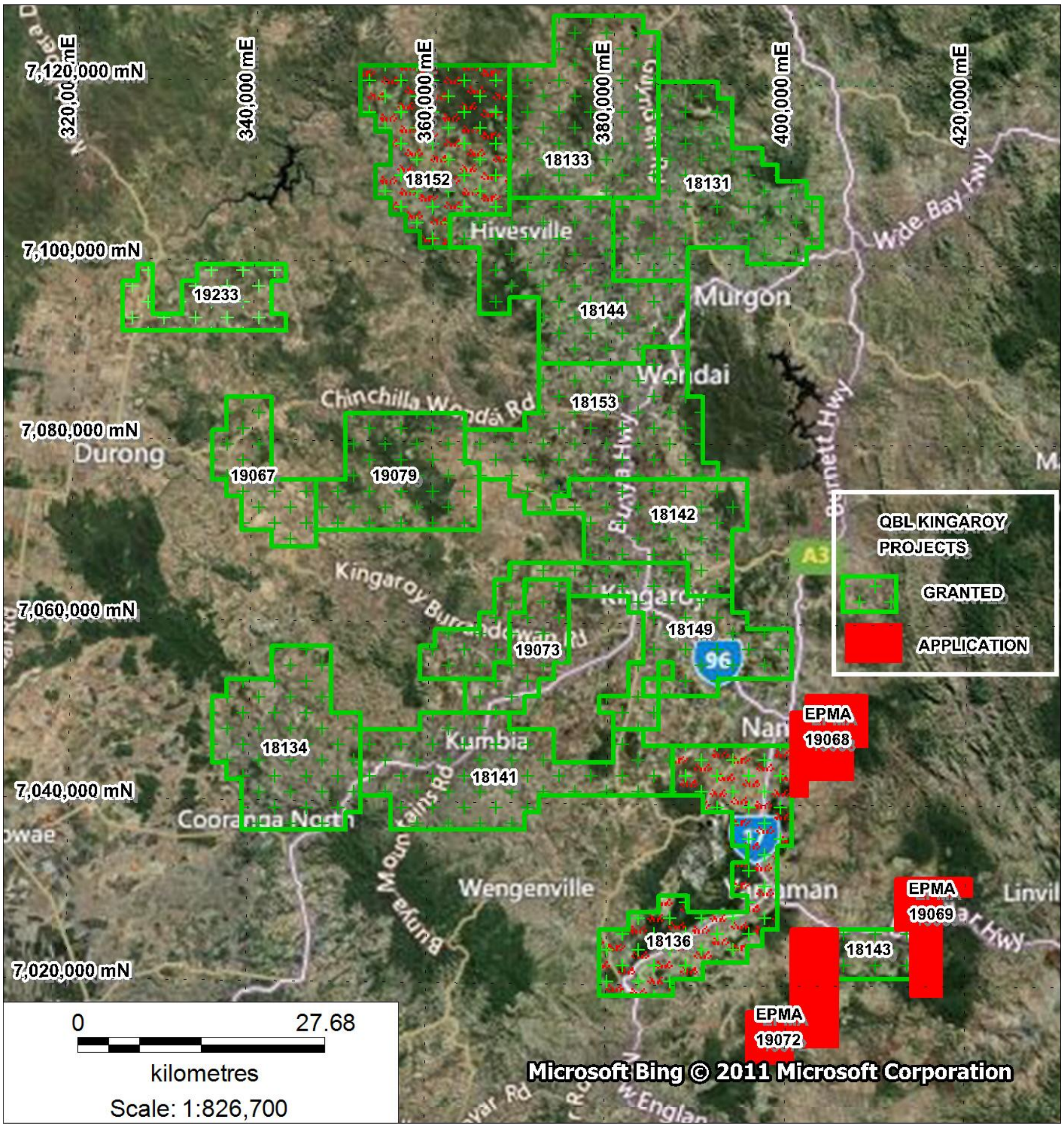

Figure 4 Kingaroy Projects

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Queensland Bauxite Limited

Pittsworth Bauxite Project

The Pittsworth Bauxite Project is situated west of the city of Toowoomba in South East Queensland. Exploration to date has shown bauxite to be developed in small restricted areas to the west and south west of Toowoomba. This project is currently being reviewed for the extent of its bauxite potential.

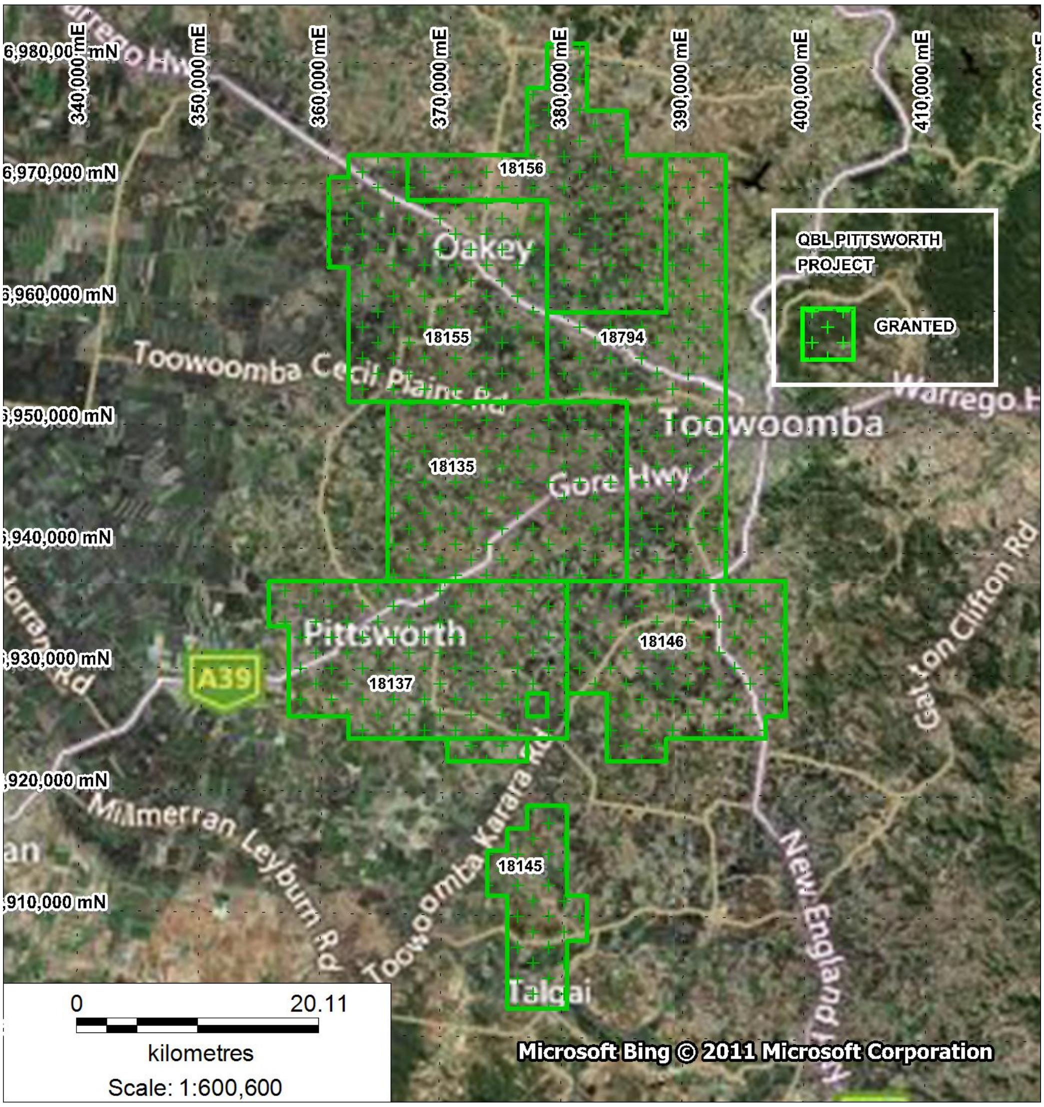

Figure 5 Pittsworth Projects

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Further information on land access matters relating to Environmentally sensitive areas

As a result of the results of the recent drilling and sampling programmes on the Company's tenements, the Company and its representatives are now negotiating with relevant stakeholders to allow access for further drilling and work on the areas that have been determined to focus more intense exploration. This includes landowners and other potential government bodies and companies. There are also some sites that the company wishes to progress which are currently affected by Environmentally Sensitive areas.

The Company is working towards securing the necessary approvals to progress drilling in the areas identified as high priority yet affected by any restrictions. The Company is confident of successfully securing the required approvals in due course.

QBL assessing new significant project acquisition opportunities

As a result of QBL's strong shareholder base and technical expertise, QBL has been approached in relation to substantial project opportunities. QBL's directors and management, together with its technical and corporate advisors, are currently reviewing these opportunities, and the Company will inform the market should any opportunity be progressed.

Bauxite Infrastructure Study

During the quarter while field activities were restricted our infrastructure study was progressed to understand the economic viability of any operation in more detail.

QBL has a significant tenement package in Queensland with the projects being close to rail/road and existing ports such as the Nth Qld Projects which are 18km from deep water Mourilyan Port and SE Qld Projects being linked by rail/road to Ports of Brisbane, Bundaberg and Gladstone. Negotiations have commenced with several infrastructure providers who are keen to participate in upgrades as required as well as planned expansion of port/rail facilities to meet future export requirements should the need arise.

Corporate

QBL's cash position as at 31 March 2012 was $4.59 million.

For further information please visit the company's website at **www.queenslandbauxite.com.au** or contact:

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**References to targets of Bauxite "tonnage", "reserves", "resources", "ore" and "grades" are only conceptual in nature as, where these targets are mentioned there has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource*

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based" on information compiled Mr Mark Derriman (BAppSC Hons, MAppSc, and MBA). Mr Derriman is a member of the Australian Institute of Geoscientists. Mr Mark Derriman is a full time employee of Queensland Bauxite Limited. d Mr Mark Derriman has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking and to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources or Ore Reserves". Mr Mark Derriman consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

1Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Queensland Bauxite Limited

ABN

18 124 873 507

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		155
1.2	Payments for (a) exploration & evaluation	- 173	-1451
	(b) development		
	(c) production		
	(d) administration	-133	-931
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	77	251
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material) Reimbursement of Exploration Expense		
	Net Operating Cash Flows	-229	-1976
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		2112
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans from other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		2112
1.13	Total operating and investing cash flows (carried forward)	-229	136

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	-229	136
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held	-229	136
1.20	Cash at beginning of quarter/year to date	4819	4454
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	4590	4590

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans from the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	500
4.2	Development	
4.3	Production	
4.4	Administration	250
	Total	**750**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	4450	4679
5.2	Deposits at call	140	140
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	4590	4819

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EPM 18464	relinquished	100%	-

+ See chapter 19 for defined terms.

6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	271,363,192	271,363,192		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		45,291,763	Nil	*$0.20*	*31/12/2012*
		5,000,000 Performance Options	Nil	*$0.20*	*31/12/2012*
		5,000,000 Performance Options	Nil	*$0.30*	*31/12/2012*
		65,000,000	Nil	*$0.05*	*31/12/2015*
		1,000,000 Performance Options	Nil	*$0.25*	*31/12/2015*
		1,000,000 Performance Options	Nil	*$0.35*	*31/12/2015*
		1,000,000 Options	Nil	*$0.45*	*31/12/2015*
		5,000,000	Nil	*$0.25*	*30/06/2014*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 30 April 2012
(Company secretary)

Print name: Sholom D Feldman

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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