
BAUXITE EXPLORATION PROGRAMS UNDERWAY

HIGHLIGHTS

- Exploration programs initiated on two Solomon Islands bauxite projects
 - Activities targeted to define large tonnage DSO quality bauxite deposits – resource definition a priority
 - Logistical preparation for field work completed - exploration teams currently being mobilised to the projects
 - Pacific Bauxite is fully funded for a significant next 12 months of exploration
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Pacific Bauxite Limited (**Pacific Bauxite** or the **Company**) (ASX:PBX) is pleased to announce that new exploration programs at its bauxite projects in the Solomon Islands have commenced.

As announced on 4 May 2018, the Company received firm commitments to raise \$2.5 million pursuant to a placement (**Placement**) with tranche 1 of the Placement completed on 11 May 2018. Proceeds from the Placement will be used to accelerate exploration at the Company's Nendo Bauxite Project (**Nendo**) and Southwest New Georgia Bauxite Project (**Southwest New Georgia**) in the Solomon Islands.

The current exploration programs will consist of predominantly low-impact style exploration and auger drilling that has the capacity to advance the projects to Resource definition status.

Recent exploration at both Nendo and Southwest New Georgia has identified the projects' potential to host large tonnage, direct shipping quality (**DSO**) mineralisation, suitable for the supply of sea-borne bauxite into China, greater Asia and the Middle East.

The continuation of work programs at both projects has progressed to targeting higher-grade zones of bauxite mineralisation (identified by the Company's previous phases of exploration), with the intention of defining JORC Resources.

Pacific Bauxite's focus on both projects is intended to provide optionality with respect to scheduling personnel, equipment and also potential product specification.

Field activities are being managed and controlled by international consultancy CSA Global, with samples for Resource definition being analysed by accredited Australian laboratories. Field activities are expected to be completed over the next two to three months, with results from this work to be released to the market as they become available. If initial programs are

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successful, the Company will seek to establish and publish Exploration Targets as a pre-cursor to Resource Estimates.

The Company has worked with local communities to establish landowner consultation groups and community trusts, empowering stakeholders to be fully engaged in the exploration process. This community engagement has, and will continue to, include training and employment opportunities for local people.

Securities Purchase Plan

In addition to the fully subscribed Placement, the Company has undertaken a Securities Purchase Plan (**SPP**) on the same terms as the Placement to raise up to a maximum of \$1 million. The SPP opened on Friday, 11 May 2018 and will be closed at 5:00pm (AEST) on Monday, 21 May 2018.

If total demand for the SPP exceeds \$1 million, the Company reserves the right to close the SPP early and scale back applications in its absolute and sole discretion. When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including the size of an applicant's shareholding in the Company, the extent to which an applicant has sold or bought additional shares in the Company after the SPP record date and the date on which an application was made.

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For further information, visit www.pacificbauxite.com.au or contact:

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Competent Persons' Statement

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and Director of Pacific Bauxite Limited. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward looking Statements in the announcement based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.