

15 November 2021

SEPTEMBER 2021 QUARTERLY REPORT

Pacific Bauxite Ltd (**Pacific Bauxite** or **Company**) (ASX: PBX) provides its Quarterly Activities Report for the period ending 30 September 2021 (**Quarter**).

CORPORATE

VOLUNTARY ADMINISTRATION

On 24 December 2019, Pacific Bauxite announced that Messrs Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 on 23 December 2019 (**Voluntary Administration**).

On 7 January 2020, the Administrators convened a first meeting of creditors of the Company pursuant to Section 436E of the Corporations Act 2001 (**Initial Creditors Meeting**). The purpose of the Initial Creditors Meeting was for the Administrators to investigate the financial affairs of the Company.

On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act 2001 (**Second Creditors Meeting**). The purpose of the Second Creditors Meeting was to determine the future of the Company. At the Second Creditor Meeting, the Company resolved that the Deed of Company Arrangement (**DOCA**) proposal presented by First Guardian Synergy Capital Limited (**First Guardian**) or its nominee(s) be accepted by the Company. On 9 July 2020, the DOCA was executed by First Guardian and the Company. On 16 June 2021, the Deed Administrators advised the market that First Guardian had withdrawn from the DOCA.

During the quarter, the Deed Administrators announced (refer 12 August 2021 announcement) that a replacement proponent, Oceanic Capital Pty Ltd (**Oceanic**) had presented a revised recapitalisation proposal which was accepted by creditors on 23 August 2021 (**Third Creditors Meeting**).

On 6 September 2021, the Deed Administrators advised the market that the Company's creditors resolved to accept the variation to the DOCA and recapitalisation proposed presented by Oceanic. The DOCA variation was executed on 6 September 2021 and control of the Company passed to the new board of Directors with the Deed Administrators retaining supervisory powers.

Board Changes

During the quarter, the Deed Administrators advised the appointment of Mr Peter Michael and Mr John Traicos as Non-Executive Directors of the Company effective 6 September 2021. Additionally, the Company confirmed the appointment of Ms Melissa Chapman and Ms Catherine Grant-Edwards as Joint Company Secretaries effective 6 September 2021.

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FINANCIALS

APPENDIX 5B QUARTERLY REPORT AND STATEMENT OF CASH FLOWS

The ASX Appendix 5B quarterly report is attached to and lodged with this report. The Company's Appendix 5B Quarterly Report covers the 3-month period from 1 July 2021 to 30 September 2021.

During the quarter, an amount of \$150,000 was paid to the administrators' accounts from Oceanic in accordance with the recapitalisation proposal. These funds were used to make payment to creditors of the Company for services provided during the administration.

During the quarter, a loan of \$120,000 was made to the Company's wholly owned subsidiary PBX Aus Pty Ltd in relation to its Darling Range project.

The Company remained in voluntary suspension at 30 September 2021.

PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

In accordance with ASX Listing Rule 5.3.5, there was no payments to related parties of the Company and their associates during the Quarter.

PROJECTS

NENDO BAUXITE PROJECT

The Nendo Bauxite Project (**Nendo**) is located in the Solomon Islands.

On 6 June 2018, the Company advised it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification (**Minister**), advising that prospecting license PL 01/16 (**Prospecting License**) held by its 50% owned subsidiary joint venture company, Eight South Investments Pty Ltd (**JVC**), in respect of the Nendo project was cancelled (**Minister's Letter**) (ASX announcement 6 June 2018).

In accordance with the requirements of the Minister's Letter, work at Nendo was immediately suspended.

Following lengthy court proceedings, the Company provided an update on the court proceedings (ASX announcement 5 September 2019).

The JVC received a letter from the Registrar of the High Court and Court of Appeal of the Solomon Islands confirming that the Attorney General's Notice of Appeal was filed out of time. If the Attorney General wished to further pursue an appeal, he would be first required to bring an application to obtain the leave of the High Court to apply to extend the period for lodging a Notice of Appeal and only then if successful could he again apply to the High Court for leave to bring such an appeal.

On 13 September 2019, the Attorney General filed an application for leave to file an appeal out of time and on 29 October 2019, the Court of Appeal advised that the Attorney General's application for leave had been granted.

On 6 December 2019, the Court of Appeal ordered that the parties to the proceedings were

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to provide submissions to the Court.

Prior to the expiry of PL 01/16, the JVC took steps to extend or, alternatively, to renew the term of PL 01/16. Those matters were not determined, pending the outcome of the proceedings before the High Court and subsequent appeal.

On 8 June 2020, the JVC received an order from the Registrar of the High Court and Court of Appeal of the Solomon Islands amending previous orders made on 6 December 2019 relating to the Prospecting License. The direction orders dated 8 June 2020 require that written submissions be provided to the Court of Appeal by 15 June 2020. The JVC applied for an extension and filed a submission in November 2020. Both parties to the proceedings have agreed to determine the appeal on the papers.

On 2 February 2021, the Company announced the judgement from the Court of Appeal in the Solomon Islands on 1 February 2021 where "the Court of Appeal agreed with the High Court's judgement that the Minister for Mines, Energy and Rural Electrification acted ultra vires his powers under Section 71(1) and (2) of the Mines and Minerals Act [CAP. 42] thereby quashing the Minister's decision of 24 May 2018 which cancelled the Respondent's Prospecting Licence (PL No. 01/16)" (refer ASX Announcement dated 2 February 2021).

During the quarter to 30 September 2021, the Administrators continued to seek options as to the possibility of reinstating the Prospecting Licence.

The Company confirms that a condition of the varied DOCA presented by Oceanic is for the Solomon Islands' interests to be divested. PBX notes its previous intentions to divest the Solomon Islands' interests prior to the external administration as announced to the market on 13 December 2019.

Authorised for release by the Board and the Joint and Several Deed Administrators of Pacific Bauxite Limited.

Ends.

All Shareholder enquires relating to the DOCA – Please contact:

Julian Bell - JBell@hallchadwick.com.au or (08) 6557 6200

All Shareholder enquiries relating to the Company's operations – Please contact:

Peter Lewis on 0418 785 259 or (08) 6166 9107

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PBX SCHEDULE OF INTEREST IN MINING TENEMENTS
(as required by ASX Listing Rule 5.3.3)**Mining Tenements at 30 September 2021**

Location	Tenement	Name	Holder	Equity	Status	Area
Western Australia	ELA 70/5111	Darling Range	Pacific Bauxite Ltd	100%	Application Pending	Total 405 km2

The Company advises that during the June 2018 quarter, the Minister of Mines, Energy and Rural Electrification, advised that prospecting license PL 01/16, held by the Company's subsidiary Eight South Investments Pty Ltd, in respect to the Nendo Bauxite Project was cancelled. Refer to commentary in the Quarterly Report for further details.

Mining Tenements Cancelled During the Quarter

None to report.

Mining Tenements Acquired During the Quarter

None to report.

Mining Tenements Disposed During the Quarter

None to report.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pacific Bauxite Ltd

ABN

62 112 914 459

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(125)	(125)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (refunds of costs)	-	-
	Other (new project dd costs)	-	-
	Other (movement cash from restricted to non-restricted)	-	-
1.9	Net cash from / (used in) operating activities	(125)	(125)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (royalty sale costs)	-	-
2.5	Other (DOCA proceeds)	150	150
2.6	Net cash from / (used in) investing activities	150	150

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	120	120
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment for financial lease liabilities)	-	-
3.10	Net cash from / (used in) financing activities	120	120

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7	7
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(125)	(125)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	150	150

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	120	120
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	152	152

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	152	7
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	152	7

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	120,000	120,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(125)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(125)
8.4	Cash and cash equivalents at quarter end (item 4.6)	152
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	152
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.21
Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
No. On 24 December 2019 Pacific Bauxite announced that Messrs Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 on 23 December 2019 (Voluntary Administration).		

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. On 12 August 2021, the Deed Administrators announced that Oceanic Capital Pty Ltd (**Oceanic**) has presented a revised recapitalisation proposal which was accepted by creditors on 23 August 2021 (**Third Creditors Meeting**). On 6 September 2021, the Deed Administrators advised the market that the Company's creditors resolved to accept the variation to the DOCA and recapitalisation proposed presented by Oceanic. The DOCA variation was executed on 6 September 2021 and control of the Company passed to the new board of Directors with the Deed Administrators retaining supervisory powers..

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, refer to response under section 8.8.1 and 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 15 November 2021.....

Authorised by: Cameron Shaw – Joint and Several Deed Administrator.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.