

28 April 2022

MARCH 2022 QUARTERLY REPORT

Pacific Bauxite NL (**Pacific Bauxite** or **Company**) (ASX: PBX) provides its Quarterly Activities Report for the period ending 31 March 2022 (**Quarter**). Key highlights are:

- **DOCA effectuated ending voluntary administration**
- **Divestment of the Nendo Bauxite Project (Solomon Islands) completed**
- **ASX reinstatement scheduled for early May 2022**
- **Successful \$4.5m placement completed**
- **Acquisition of prospective PGE tenements enhances projects portfolio**
- **Application for Darling Range PGE Project being pursued**

CORPORATE

VOLUNTARY ADMINISTRATION

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

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. Following multiple extensions granted to First Guardian to satisfy the conductions precedent required under their DOCA, on 16 June 2021, the Administrators advised the market that First Guardian had withdrawn from the DOCA.

On 12 August 2021, the Administrators announced 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 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

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Company passed to the new board of Directors with the Administrators retaining supervisory powers.

On 31 January 2022, the Company held its 2020 and 2021 annual general meeting of shareholders to approve the DOCA with all resolutions passing via poll.

Subsequent to the quarter end, the DOCA was fully effectuated with the Company no longer the subject to any form of external administration effective from 12 April 2022.

ASX REINSTATEMENT

The Company's securities have been suspended from quotation on the official list of ASX since 24 December 2019 (following the Company being placed into Voluntary Administration) and will remain suspended from quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, including by satisfying the conditions to reinstatement imposed by ASX.

On 7 February 2022, the Company lodged with ASIC and the ASX its prospectus which outlined the Company's pathway for reinstatement to the ASX (**Prospectus**).

Subsequent to the quarter end on 5 April 2022, ASX provided its confirmation to the Company that it would admit Pacific Bauxite to the official list of the ASX and quote its securities, subject to the satisfaction of certain conditions precedent.

The Company is currently working through these conditions precedent with the expected date for official re-quotation on the ASX to be 3 May 2022.

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 January 2022 to 31 March 2022.

During the quarter, an amount of \$1,450k was received from Oceanic pursuant to the DOCA. In addition, an amount of \$325k was raised from the issue of convertible notes. During the quarter, an amount of \$1,645k was paid to creditors of the Company relating to historical balances payable before the Company entered into Voluntary Administration, as well as for services provided as part of the ASX reinstatement process.

The Company remained in voluntary administration as at 31 March 2022.

Subsequent to quarter end, the Company raised a further \$4,230,000 (net of capital raising costs) via completion of the public offer under the Prospectus on 12 April 2022.

PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES

In accordance with ASX Listing Rule 5.3.5, an amount of \$30k was paid to a Director of the Company from the funds received pursuant to the DOCA in respect to historical Director fees owing.

PROJECTS

PGE PROJECTS

On 31 December 2021, the Company announced that it had entered into agreements to acquire 100% of the issued capital of Western Yilgarn PGM Pty Ltd (**Western Yilgarn**) and AAM Resources Pty Ltd (**AAM Resources**), who own various projects located in the Eastern Goldfields and Pilbara regions of Western Australia prospective for platinum group metals, gold, nickel and other minerals (**Proposed Acquisitions**).

The tenement package to be acquired as a result of the Proposed Acquisitions comprises three exploration licences (E36/1010, E36/1011 and E70/5767) granted to Western Yilgarn, three exploration licences (E52/3861, E58/0562 and E59/2496) granted to AAM Resources and two exploration licence applications (E36/1025 and E70/5921) applied for by Western Yilgarn (collectively, the **PGE Projects**). The PGE Projects is comprised of the Mount Magnet (Challa & Boondanoo), Sylvania, Bulga and Melbourne Prospects. An overview of the location of the PGE Projects is shown below.



Material terms of the Proposed Acquisitions are:

- 1,500,000 Shares to St Barnabas Pty Ltd and Glen William Goulds (collectively, the **Vendors**) for the acquisition of Western Yilgarn and 1,500,000 Shares to the Vendors for the acquisition of AAM Resources (all on a post-Consolidation basis and all Shares issued at a deemed issue price of \$0.20) (together, the **Consideration Shares**);

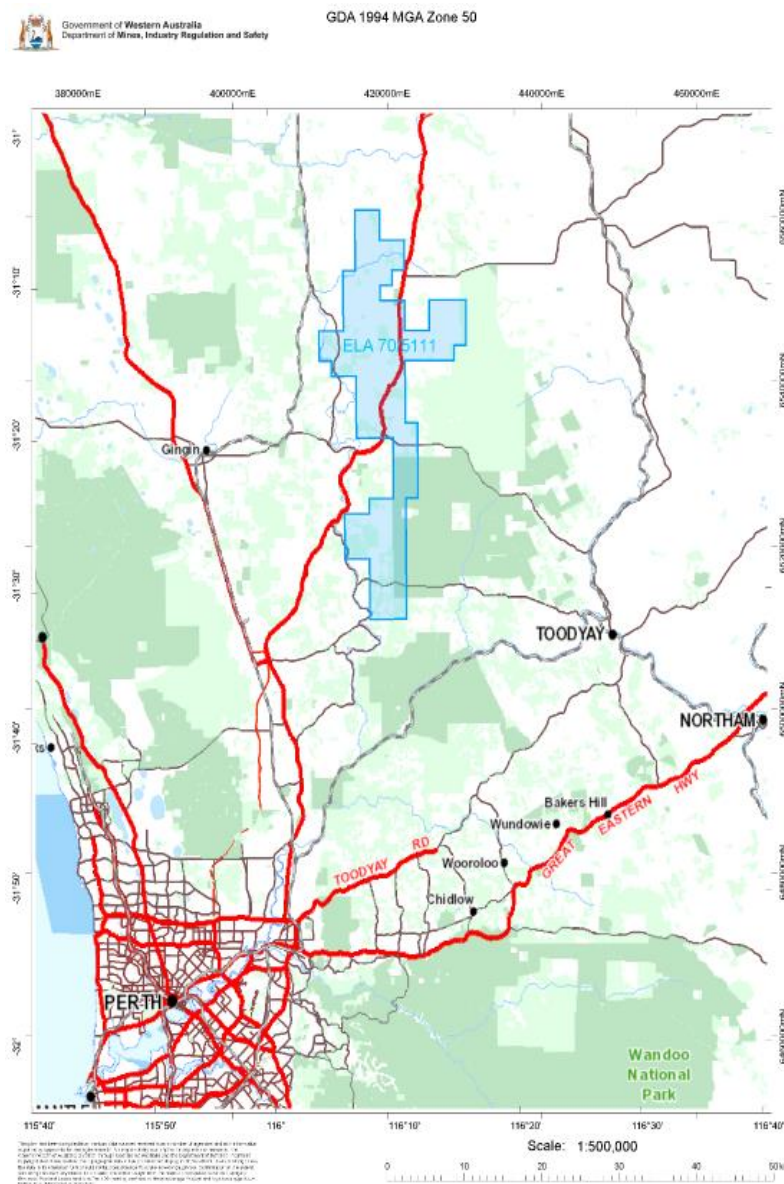
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2. a 2% net smelter return royalty payable to the vendors on all minerals extracted from the PGE Projects; and
3. reimbursement to the Vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good standing (currently totalling approximately \$43,000).

Subsequent to the quarter end on 12 April 2022, the Company completed the Proposed Acquisitions through the issue of the Consideration Shares and reimbursement to the Vendors of outgoings in respect of the PGE Projects totalling \$47,981.12 .

DARLING RANGE PGE PROJECT

The Company, through its wholly owned subsidiary PBX Aus Pty Ltd, has a 100% interest in exploration licence application (ELA) 70/5111 (**Darling Range Project**). The project covers a total area of 349km² within the Darling Ranges located approximately 75km northeast of Perth, Western Australia. A map of the application is shown below.



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The Darling Range Project is geologically within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e. gold, nickel, iron, bauxite and tantalite) which includes the Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna gold mining centres. Within the Yilgarn Craton, nickel is also sourced from Mount Keith, Kambalda, Lake Johnston, Forrestania and Ravensthorpe areas, whilst iron is derived predominantly from Koolyanobbing, Koolanooka, Weld Range and Talling Peak in the central/west Yilgarn. In addition, bauxite is currently mined at Huntley and Willowdale from the Darling Ranges south of Perth. The Darling Ranges area is considered to be a highly prospective geological region for bauxite, PGE, nickel and copper mineralisation.

The Company applied for ELA 70/5111 on 4 January 2018. The application was recommended for grant on 16 February 2018 and has since cleared Native Title and other approval processes. The application overlaps approximately 2.97% with a file notation area for the Strategic Assessment of the Perth-Peel Green Growth Plan (**SAPPR**). The Department of Mines, Industry, Regulation and Safety (**DMIRS**) previously delayed the grant of tenements which overlap the SAPPR, including ELA 70/5111, however DMIRS recently advised that they are consulting with the Department of Biodiversity, Conservation and Attractions for the application to be granted on the basis that a no-mining condition be applied to the application upon grant to protect the reserved area. The application also encroaches on the Julimar State Forest and other land-use stakeholders, including private landholders. During the quarter, the Company continued to be in contact with the DMIRS to determine the status of the application.

In relation to the file notation and State Forest areas encroaching on ELA 70/5111, if the usual condition restricting mining activities in the affected areas is imposed on the application upon grant, the Company will need to seek ministerial consent to conduct such activities which would require the approval of a conservation management plan. The Company currently understands that approval to grant over the SAPPR area is the final step before the application is granted. The Company continues to investigate the impact of all conflicting land-uses affecting ELA 70/5111 and further updates will be provided to shareholders in due course.

Upon granting of ELA 70/5111, the Company plans to undertake an extensive low impact minimal disturbance reconnaissance mapping, geophysical surveying and re-interpretation work to delineate targets for drill testing. Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice Mining Limited, the Company has prioritised data compilation and analysis over the Darling Range Project to delineate targets capable of representing known extensions or repetitions of this mineralisation style.

NENDO BAUXITE PROJECT

The Company, through its wholly owned subsidiary Iron Mountain Pty Ltd (**Iron Mountain**), holds a 50% interest in Eight South Investments Pty Ltd (**ESI**). ESI is the holder of the Nendo Bauxite Project, which is comprised of a single prospecting licence PL 01/16 (**Prospecting Licence**) located in the Solomon Islands.

On 6 June 2018, the Company advised Shareholders that it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification (**Minister**),

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advising that the Prospecting Licence was cancelled (**Minister's Letter**) (refer to ASX announcement 6 June 2018).

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

On 5 April 2019, the High Court of Solomon Islands delivered a ruling in relation to proceedings commenced by ESI which included orders that:

1. the Minister's decision to cancel the Prospecting Licence was beyond power, quashed and declared null and void; and
2. the Prospecting Licence was valid as at 24 May 2018.

The Attorney General of the Solomon Islands (on behalf of the Minister, the Director of Mines and the Mines and Minerals Board) subsequently filed and served a Notice of Appeal with the Solomon Islands court of appeal. Following lengthy court proceedings, the Company provided an update on the court proceedings (refer to ASX announcement 5 September 2019).

On 2 February 2021, the Company announced that it had received a judgment from the Court of Appeal which confirmed the High Court's original judgment, namely that the Minister's decision of 24 May 2018, which cancelled the Prospecting Licence, was quashed. However, whilst the Court of Appeals ruling declared that the Prospecting Licence was still valid as at 24 May 2018, the protracted litigation resulting in the expiry date of 1 December 2018 passing (ASX Announcement dated 2 February 2021).

The judgment entitled ESI to legal costs in the amount of approximately \$250,000. The Administrators have previously assessed options for recovery of this amount as well as seeking possible reinstatement of the Prospecting Licence, which may be explored following the Proposed Divestment (see below).

A condition of the DOCA presented by Oceanic is for the Nendo Bauxite Project to be divested via the divestment of Iron Mountain (**Proposed Divestment**) as follows:

1. 80% of the issued share capital to be divested to parties associated with Aurum Pacific, a creditor of the Company encapsulated by the DOCA (being Scott James Dodds, Nicholas Michael Wixon Willis and Peter Forrest Pty Ltd); and
2. 20% of the issued share capital to be divested to Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust. The Iron Mountain Trust is a trust established for the benefit of those persons who were shareholders of the Company as at the date of the Voluntary Administration being 24 December 2019.

To effect the Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to sell the Company's shares in Iron Mountain (refer ASX Announcement 31 December 2021).

Subsequent to the quarter end, on 12 April 2022, the Company effectuated the DOCA, and as such effected the Proposed Divestment.

Authorised for release by the Board of Pacific Bauxite NL.

Ends.

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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 31 March 2022²

Location	Tenement	Name	Holder	Equity	Status	Area (blocks)
Western Australia	ELA 70/5111	Darling Range	PBX Aus Pty Ltd	100%	Application Pending	119
Western Australia	E52/3861	Sylvania	AAM Resources	0% ¹	Application Granted	43
Western Australia	E58/562	Challa	AAM Resources	0% ¹	Application Granted	1
Western Australia	E59/2496	Boodanoo	AAM Resources	0% ¹	Application Granted	13
Western Australia	E36/1010	Bulga	Western Yilgarn	0% ¹	Application Granted	21
Western Australia	E36/1011	Bulga	Western Yilgarn	0% ¹	Application Granted	16
Western Australia	E36/1025	Bulga	Western Yilgarn	0% ¹	Application Pending	14
Western Australia	E70/5767	Melbourne	Western Yilgarn	0% ¹	Application Granted	35
Western Australia	E70/5921	Melbourne	Western Yilgarn	0% ¹	Application Granted	33

Notes:

- Tenement to be acquired subject to Proposed Acquisitions (refer to commentary above).
- The Company's subsidiary, Eight South Investments, is the granted holder of prospecting licence PL 01/16 located in the Solomon Islands. Prior to entering voluntary administration, the Company announced its intention to divest its interests in PL 01/16. This remains the Company's intention and it is a condition of the DOCA presented by Oceanic that the Company's interest in PL 01/16 be divested. Refer to commentary in this Quarterly Report for further details on the Proposed Divestment. As such, the details of PL 01/16 have not been included in the above table.

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")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(15)	(16)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(30)	(30)
	(e) administration and corporate costs	(1,645)	(1,782)
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	-	-
1.9	Net cash from / (used in) operating activities	(1,690)	(1,828)
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	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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 (DOCA proceeds)	1,450	1,600
2.6	Net cash from / (used in) investing activities	1,450	1,600

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	325	550
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(14)
3.5	Proceeds from borrowings	-	120
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	311	656

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	364	7
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,690)	(1,828)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,450	1,600
4.4	Net cash from / (used in) financing activities (item 3.10 above)	311	656

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	435	435

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	435	364
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)	435	364

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	30
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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.		
	On 22 September 2021, PBX Aus Pty Ltd, a wholly owned subsidiary of the Company, entered into a \$120,000 loan facility with Oceanic Capital Pty Ltd (Oceanic) (Oceanic Loan). The Oceanic Loan is for a term of 6 months and accrued interest of 15% per annum. The Oceanic Loan is secured over the assets of PBX Aus Pty Ltd.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,690)
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)	(1,690)
8.4	Cash and cash equivalents at quarter end (item 4.6)	435
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	435
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.26
	<i>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.</i>	
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. Subsequent to the quarter end, on 12 April 2022 the Company raised \$4,230,000 (net of capital raising costs) via completion of the public offer under the Company's prospectus dated 7 February 2022 (Prospectus). The Company expects to be re-quoted on ASX on or around 2 May 2022. The Company's expected net operating cash flows are set out in the use of funds table in section 4.7 of the Prospectus.	
	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, refer to response in section 8.8.1.	

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

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 responses 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: 28 April 2022.....

Authorised by: Board of Directors.....
(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.