

## PACIFIC BAUXITE JV GRANTED NEW BAUXITE PROJECT IN SOLOMON ISLANDS – IMMINENT COMMENCEMENT OF EXPLORATION

### HIGHLIGHTS

- Pacific Bauxite has been granted a Prospecting Licence over the South West New Georgia Bauxite Project, located in the Western Province of the Solomon Islands.
- Project hosts historically defined DSO-quality bauxite.
- Reconnaissance work by the Company supports past exploration - validation of historical results underway.
- Surface Access Agreements completed with traditional landowners.
- Provincial business and prospecting licences granted by the Western Province Government, allowing immediate commencement of prospecting activities.
- New project is close to a major port and other beneficial infrastructure.
- First phase of fieldwork to commence immediately - field team mobilising.

Pacific Bauxite Limited (ASX: PBX) ("**Pacific Bauxite**" or "**Company**") is pleased to announce it has completed the acquisition of the South West New Georgia Bauxite Project (previously known as the Noro Project) in the Solomon Islands.

The Company has received final approval from the Solomon Islands Government's Ministry of Mines, Energy and Rural Electrification ("**MMERE**") for Prospecting Licence PL04/17, which covers the South West New Georgia Project area ("**Prospecting Licence**").

The Prospecting Licence is granted for an initial period of three years and can be extended for two years upon application. A further extension of two years may be applied for, totaling seven years.

The Company believes the South West New Georgia Bauxite Project is prospective for large tonnage direct shipping ore ("**DSO**") bauxite mineralisation, which appears analogous with deposits in the Nendo and Rennell Islands, both within the Solomon Islands (Figure 1). This style of mineralisation provides the opportunity for quick, cost-effective resource definition and a simple, low cost, dig-load-ship style mining operation.

The granting of the Prospecting Licence follows an extensive Awareness Program, conducted by Pacific Bauxite and involving all stakeholders including traditional landowners, local communities and Provincial Government representatives.

The Company has received overwhelming widespread local support for its proposed prospecting activities, with all relevant communities executing Surface Access Agreements. This allows for the immediate commencement of prospecting over the entire license area.

The Prospecting Licence was granted to Australian Pacific Bauxite Pty Ltd, a wholly owned subsidiary of AU Capital Mining Pty Ltd, a joint venture between Pacific Bauxite (50% ownership and management) and private Australian entities.

## **About the South West New Georgia Bauxite Project**

The South West New Georgia Prospecting Licence covers an area of 236km<sup>2</sup> and targets bauxitic clays on uplifted limestone reef (averaging more than 100m above sea level), analogous in nature to the Company's lead asset - the Nendo Bauxite Project, also located in the Solomon Islands (ASX announcement, 27 September 2016). Much of the tenure at South West New Georgia appears unexplored, and represents a significant exploration opportunity for Pacific Bauxite. The area to be explored within the new Prospecting Licence is three times the area being targeted at the Nendo Project.

Prior exploration by Australian companies in the early 1970's identified extensive areas of bauxite mineralisation and postulated the potential for economic deposits at South West New Georgia.

This historical work targeted the southern part of the Prospecting Licence, with the main area tested (identified in Figure 2) located north of the village of Ziata. This work included several hand-auger drilling and pit sampling programs (ASX announcement, 27 April, 2017). The primary drilling campaign focused on an area of approximately 3.5km by 1km and included 39 auger holes for 101 samples. **This work identified substantial tonnages of material with grades of between 40% and 45% total Al<sub>2</sub>O<sub>3</sub> and 5% to 10% total SiO<sub>2</sub>.**

During Pacific Bauxite's recent Awareness Program, Company representatives substantiated the results of historical fieldwork and identified extensive bauxite mineralisation present in road cuttings and areas of ground disturbance.

Past exploration indicates the tenor of the mineralisation at the South West New Georgia Project is in line with typical DSO bauxite deposits in the Asia-Pacific region, and comparable to that defined by Pacific Bauxite at the Nendo Bauxite Project (Table 1).

## **Significant infrastructure requirements in place**

The project is adjacent to commercial port facilities, offering significant infrastructure advantages for any future export mining operations. The Noro Port can accommodate Handymax and Supermax bulk cargo ships and is proposed for an infrastructure upgrade program in the near term. The project is well serviced by daily domestic flights from Honiara to Munda Airport, which is currently being upgraded to accommodate international flights. Access within the project appears good with extensive logging tracks crisscrossing the Prospecting Licence.

## **National Minerals Policy**

In June 2017, the National Government of the Solomon Islands launched the new National Minerals Policy ("**Policy**"). This Policy clearly describes the rights of traditional land owners in the decision-making process for the granting and management of mining licences, as well as the rights and responsibilities of prospectors and miners. Representatives of the Company attended the launch in Honiara. The Policy provides a clear vision and objectives for the minerals sector for ethical and respectful development in the Solomon Islands and is welcomed by the Company.



Figure 1 – Project Locations

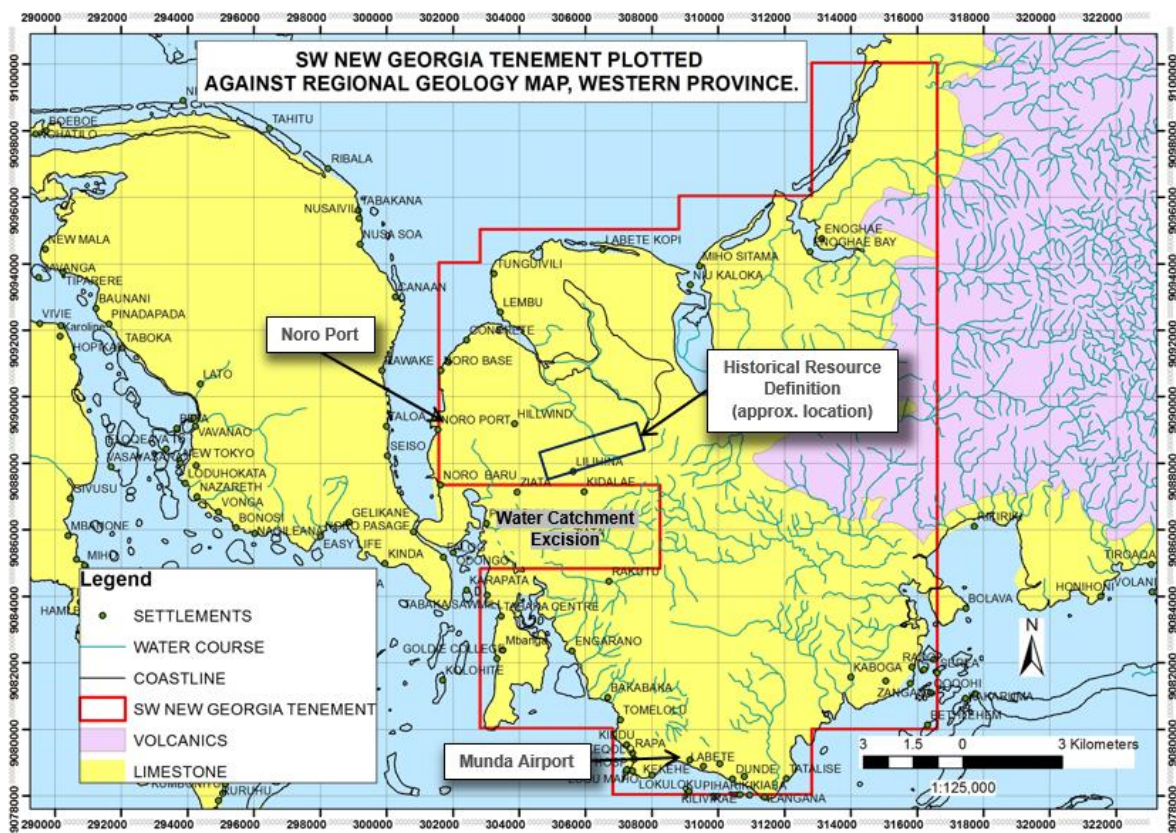


Figure 2 – South West New Georgia Tenement Location Map

Pacific Bauxite has a strong commitment to recognising and respecting traditional land owners, customs and culture, and the environment.

The Company has developed its own program for community assistance, targeting key areas of health and education. These programs are undertaken in consultation with all stakeholders including traditional landowners and communities, and Provincial and National authorities.

## Nendo Bauxite Project – Next Phase of Exploration to Commence

The Company's Nendo Bauxite Project has demonstrated extensive areas of potentially high-grade DSO bauxite mineralisation (ASX announcement, 27 September 2016). While much of the project area remains unexplored, the Company has delineated an initial priority target area of approximately 12km by 2km.

**The Company is pleased to advise that its next phase of exploration at Nendo will commence in the immediate future.** This phase of exploration will target identified-higher-grade areas of bauxite mineralisation and is intended to generate sufficient data to determine an exploration target, and possibly an interim resource estimate. Exploration will also continue to test prospective new areas with auger drilling.

Category/Criteria	Total Al <sub>2</sub> O <sub>3</sub> (%)	Total SiO <sub>2</sub> (%)	av_Al <sub>2</sub> O <sub>3</sub> (%)	rxSiO <sub>2</sub> (%)
<b>Field XRF Results</b>				
Samples with <7% SiO <sub>2</sub>	40.28	4.50		
Samples with <7% SiO <sub>2</sub> and +40% Al <sub>2</sub> O <sub>3</sub>	43.35	4.22		
<b>Laboratory Results</b>				
Samples with <5% rxSiO <sub>2</sub>	38.91	5.48	30.66	2.90
Samples with <5% rxSiO <sub>2</sub> and +40% Al <sub>2</sub> O <sub>3</sub>	<b>41.21</b>	<b>4.08</b>	<b>33.34</b>	<b>2.39</b>

**Table 1 – Nendo Bauxite Project** average of auger sample results for Field and Lab assays as reported in ASX announcement dated 27<sup>th</sup> September 2016.

**Table Notes:**

Al <sub>2</sub> O <sub>3</sub> = Total Alumina
av_Al <sub>2</sub> O <sub>3</sub> = Available Alumina = Gibbsite Alumina + Kaolinite Alumina - Low Temperature Desilication Product.
totSiO <sub>2</sub> = SiO <sub>2</sub> = Total Silica
rxSiO <sub>2</sub> = Reactive Silica

## Bauxite in the Solomon Islands

The presence of bauxite in the Solomon Islands has been known since shortly after World War II. However, until recent mining on West Rennell Island by Asia Pacific Investment & Development Limited (“**APID**”), plans to develop these deposits has never proceeded further than the mining of bulk samples for pilot plant test work.

Bauxite in the Solomon Islands is predominantly of the favoured gibbsite (low-temperature, trihydrate) type of mineralisation. These bauxite deposits typically occur as discontinuous pockets that fill depressions within the uneven karst surface of the uplifted Pliocene coral limestone basement. Bauxite profile depths vary considerably due to the uneven and

discontinuous nature of the pockets, which are typically marked by fern clearings and not the usual tropical flora.

Exploration activity for this style of bauxite deposits has increased significantly in recent years, largely due to the increase in demand for bauxite to feed growing alumina demand in China and the Asia Pacific Region.

In addition to the mining activity on Rennell Island by APID, Australian company South West Pacific Bauxite Pty Ltd recently received mining approvals for its Vaghena Bauxite Project, located approximately 110km northeast of the South West New Georgia Bauxite Project. The Vaghena Project has a reported JORC 2012 resource of 30.1Mt at 46.9% Al<sub>2</sub>O<sub>3</sub> with 3% total SiO<sub>2</sub>.

Enormous scope remains to explore for and validate historically reported occurrences of bauxite in the Solomon Islands, with a view to establishing premium grade DSO bauxite operations for export into the Asian market.

**END**

For further information, visit [www.pacificbauxite.com.au](http://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 employee 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 statements". 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.