
WELL-SUPPORTED PLACEMENT TO FUND ACCELERATED BAUXITE EXPLORATION AT NENDO AND SOUTHWEST NEW GEORGIA PROJECTS

HIGHLIGHTS

- Up to \$3.5 million to be raised pursuant to an oversubscribed \$2.5 million Placement and a \$1.0 million Share Purchase Plan (SPP)
 - Oversubscribed placement of \$2.5 million to settle on Friday, 11 May 2018
 - SPP of \$1.0 million to open shortly
- Company is now fully funded to undertake an aggressive exploration programs at the Nendo and Southwest New Georgia bauxite projects in the Solomon Islands
- At Nendo, exploration has commenced targeting further definition of known higher-grade zones of bauxite mineralisation
 - Activities include low-impact hand-auger drilling and detailed site surveys
 - Exploration focused on the delivery of an Exploration Target, followed by a maiden Resource Estimate
- Ongoing community awareness and engagement programs have been successful in facilitating continued work at Nendo Project

Pacific Bauxite Limited (**Pacific Bauxite** or the **Company**) (ASX: PBX) is pleased to announce it has received commitments to raise \$2.5 million through a two tranche placement of fully paid ordinary shares and options to sophisticated investors (**Placement**). Proceeds from the Placement will allow the Company to fully fund accelerated exploration programs at its Solomon Islands bauxite projects.

Oversubscribed Placement

\$2.5 million is to be raised pursuant to the Placement by the issue of 86,206,897 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of 2.9 cents each with one (1) free attaching option for every two (2) Shares, exercisable at 6 cents on or before the date that is three (3) years from issue (**Option**).

Hartleys Limited acted as Lead Manager to the Placement. The Placement was very well subscribed, by new professional investors together with existing shareholders.

The Placement will be completed in two tranches, with Tranche 1 (comprising 42,349,104 Shares to be issued under the Company's existing Listing Rules 7.1 and 28,899,403 Shares to be issued under the Company's existing Listing Rules 7.1A capacity. The Company will seek shareholder approval for Tranche 2 of the Placement (comprising 14,958,390 Shares and 35,624,254 Options) at a shareholder meeting expected to be held in June 2018.

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Tranche 1 of the Placement is expected to settle on Friday, 11 May 2018. A Notice of Meeting to approve Tranche 2 of the Placement will be sent to shareholders as soon as possible.

Securities Purchase Plan

In addition to the Placement, the Company will now undertake a Securities Purchase Plan (**SPP**) on the same terms as the Placement to raise up to a maximum of \$1 million.

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. The SPP record date is 3 May 2018.

Use of Proceeds

The proceeds of the Placement will be used to accelerate exploration at the Company's Nendo Bauxite Project (**Nendo**) and South-West New Georgia Bauxite Project (**SWNG**) in the Solomon Islands, as well as for resource estimation work and general working capital.

Significant Exploration Programme Underway

Exploration at Nendo is now underway. Work is targeting higher-grade zones of bauxite mineralisation identified in the Company's previous phase of exploration at Nendo. The current phase of work is designed to generate sufficient data to confirm an Exploration Target. Subject to results, this would be followed by a maiden Resource estimate.

Pacific Bauxite's previous exploration programs at Nendo have confirmed the presence of extensive, high-quality bauxitic soils.

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.

Field activities are planned for completion over the next two months, with results from this work to be released to the market as they become available.

Chairman's Comment

The Company's Non Executive Chairman Mr. John Ciganek commented, "The support we have received for the placement is very encouraging. We have strong belief in the potential of our projects to host significant bauxite orebodies, and look forward to unlocking their significant potential in the coming months."

Chief Executive Officer / Executive Director Process

As announced on 30 April 2018, Mr. Mark Gwynne's resigned as Chief Executive Officer (**CEO**) of the Company. Mr. Gwynne played an instrumental role in the development of the

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Company's bauxite assets in the Solomon Islands, and the Board thanks him for his stewardship of the Company during his tenure and wishes him well in his future endeavors.

The Company has commenced a process to identify a suitable new CEO or Executive Director. The Company expects to provide investors with more news on the CEO/executive director process in the coming months.

To ensure continuity of operations, Mr. Andrew Harwood of CSA Global has been appointed as Project Manager to advance the Company's Solomon Islands bauxite projects. Mr. Harwood has over 30 years' experience as a geologist in exploration and mining across a range of deposit types and jurisdictions, including the South West Pacific region. He holds a Masters of Applied Science (Mining and Exploration Geology) from James Cook University, and his depth of experience and skill set will enable the Company to aggressively pursue its objectives at its Solomon Islands bauxite project portfolio.

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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.