
PACIFIC BAUXITE LIMITED

ACN 112 914 459

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:00pm (WST)
DATE: 27 June 2018
PLACE: The Celtic Club
48 Ord Street
West Perth, WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:00pm (WST) on 25 June 2018.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES IN JANUARY 2018

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF TRANCHE 1 OF PLACEMENT UNDER LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 42,349,104 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF TRANCHE 1 OF PLACEMENT UNDER LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 28,899,403 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES FOR TRANCHE 2 OF PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 9,138,390 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO PARTICIPANTS IN THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 40,193,449 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – PARTICIPATION OF DIRECTOR JOHN CIGANEK IN THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,720,000 Shares and 860,000 Options to Mr John Ciganek (or nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Ciganek (or his nominee) or any of their associates (**Resolution 6 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – PARTICIPATION OF DIRECTOR PETER LEWIS IN THE PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,100,000 Shares and 2,050,000 Options to Mr Peter Lewis (or nominees) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Lewis (or his nominee) or any of their associates (**Resolution 7 Excluded Party**). However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO SHAREHOLDERS WHO PARTICIPATE IN THE SPP

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue such number of Options that is equal to one Option for every two Shares issued under the SPP on the terms and conditions set out in the Explanatory Statement.”

ASX waiver: On 16 May 2018, the ASX granted a waiver from Listing Rule 7.3.8 to enable all Shareholders to vote on Resolution 8 despite their interest in the outcome of the Resolution as Eligible Shareholders under the SPP who could be entitled to receive Options under this Resolution. Accordingly, no voting exclusion applies to Resolution 8.

9. RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO BROKER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 15,000,000 Options Zenix Nominees Pty Ltd (or its nominated entity/entities) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by any person who may participate in the proposed issue and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any person who is an Associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 18 May 2018

By order of the Board



John Ciganek
Director

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9481 4478.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 TO 3 – RATIFICATION OF PRIOR ISSUES

1.1 General

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.2 Resolution 1 – Ratification of issue of shares in January 2018

On 15 January 2018, the Company announced the acquisition of a new bauxite project in Western Australia in consideration for the issue of 1,000,000 Shares. Resolution 1 seeks the ratification of the issue of those Shares.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to **Resolution 1**:

- (a) 1,000,000 Shares were issued;
- (b) The Shares will issued for nil cash consideration as they were issued as consideration for the acquisition of exploration licences in Western Australia;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Nearology Pty Ltd, who is not a related party of the Company; and
- (e) no funds were raised from the issue as they were issued for consideration of the new exploration licences.

1.3 Resolutions 2 and 3 – Ratification of tranche 1 of the Placement

On 4 May 2018, the Company announced a placement to raise up to \$2.5 million to be undertaken in two separate tranches (**Placement**). 71,248,507 Shares were issued under the first tranche, 42,349,104 under the Company's Listing Rule 7.1 capacity and 28,899,403 under the Company Listing Rule 7.1A

capacity. Resolutions 2 and 3 seeks the ratification of the issue of 42,349,104 Shares issued under the first tranche of the Placement:

- (a) Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to **Resolution 2**:
- (i) 42,349,104 Shares were issued;
 - (ii) The Shares will issued at 2.9 cents per Share to raise approximately \$1,228,124;
 - (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (iv) the Shares were issued to sophisticated investor clients of Hartleys Limited, none of whom were related parties of the Company; and
 - (v) the funds raised from the issue, when combined with the funds to be raised under the second tranche of the placement (subject to shareholder approval) and the SPP will be used to accelerate exploration programs at its Solomon Islands bauxite projects.
- (b) Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to **Resolution 3**:
- (i) 28,899,403 Shares were issued;
 - (ii) The Shares will issued at 2.9 cents per Share to raise approximately \$837,792;
 - (iii) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (iv) the Shares were issued to sophisticated investor clients of Hartleys Limited, none of whom were related parties of the Company; and
 - (v) the funds raised from the issue, when combined with the funds to be raised under the second tranche of the placement (subject to shareholder approval) and the SPP will be used to accelerate exploration programs at its Solomon Islands bauxite projects.

2. RESOLUTION 4 – APPROVAL TO ISSUE SHARES FOR TRANCHE 2 OF PLACEMENT

2.1 General

Resolution 4 seeks Shareholder approval for the issue of up to 9,138,390 Shares at an issue price of \$0.029 per Share to raise approximately \$265,013 under tranche 2 of the Placement.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 4 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to **Resolution 4**:

- (a) the maximum number of Shares to be issued is 9,138,390;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.029 per Share;
- (d) the Shares will be issued to sophisticated investor clients of Hartleys Limited. None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from the issue, when combined with the funds raised under the first tranche of the Placement and the SPP will be used to accelerate exploration programs at its Solomon Islands bauxite projects.

3. RESOLUTION 5 – APPROVAL TO ISSUE OPTIONS TO PARTICIPANTS IN THE PLACEMENT

3.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 40,193,449 Options to participants in the Placement on the basis of 1 Option for every 2 Shares subscribed for and received.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to **Resolution 5**:

- (a) the maximum number of Shares to be issued is 40,193,449;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;

- (c) the Options will be issued for nil cash consideration, as they are being issued to the parties that participated in the Placement;
- (d) the Options will be issued to sophisticated investor clients of Hartleys Limited who participated in the Placement. None of these subscribers are related parties of the Company;
- (e) the Options will be issued on the terms set out in Schedule 1. Any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Options. Any funds received from the exercise of the Options will be applied to general working capital.

4. RESOLUTIONS 6 AND 7 – PARTICIPATION OF DIRECTORS IN PLACEMENT

4.1 General

Two of the Directors, Mr John Ciganek and Mr Peter Lewis (**Related Parties**) have agreed to subscribe for Shares and Options in the Company at the same price and on the same terms as participants in the Placement and the SPP, subject to Shareholder approval. The participation of the Related Parties will raise an additional \$168,780 under the Placement.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Although the Related Parties are receiving a financial benefit under the Corporations Act, the Company notes:

- the Related Parties will be paying the same price for their Shares as all unrelated participants in the Placement, as well as Eligible Shareholder participants in the SPP;
- the price and terms of the Placement and SPP has been determined in consultation with the Company's broker, Hartleys Limited;
- the participation of the Related Parties in the Placement will raise an additional \$168,780 for the Company and will reduce the potential for scale-back of Eligible Shareholder participants in the SPP as the Related Parties will not be participating in the SPP.

Accordingly, approval under Chapter 2E of the Corporations Act is not being sought for the participation of the Related Parties in the Placement.

4.2 Technical information required for Listing Rule 10.11

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to **Resolution 6 and 7**:

- (a) the Shares and Options will be granted to Mr John Ciganek and Mr Peter Lewis or their respective nominees;
- (b) the number of Shares and Options to be issued is as follows:
 - (i) 1,720,000 Shares and 860,000 Options to John Ciganek (or his nominee); and
 - (ii) 4,100,000 Shares and 2,050,000 Options to Peter Lewis or his nominee);
- (c) the Shares and Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the Shares will be issued at \$0.029 per Share;
- (e) the Options will be issued for nil cash consideration on the basis of 1 Option for every 2 Shares subscribed for and issued, accordingly no funds will be raised;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the terms and conditions of the Options are set out in Schedule 1; and
- (h) funds raised from the issue under Resolutions 6 and 7, when combined with the other funds raised under the Placement will be used to accelerate exploration programs at its Solomon Islands bauxite projects.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options under this Resolution 7 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO SHAREHOLDERS WHO PARTICIPATE IN THE SPP

5.1 General

As announced on 4 May 2018, the Company intends to undertake a share purchase plan (**SPP**) for eligible Shareholders to apply for up to \$15,000 worth of Shares in the Company, to raise up to \$1,000,000.

Participants in the SPP will also be entitled to apply, under a separate offer, for 1 Option for every 2 Shares that they apply for and are issued under the SPP, such that they are participating on the same terms as participants in the Placement.

Resolution 6 therefore seeks approval to issue those Options to participants in the SPP.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to **Resolution 8**:

- (a) the maximum number of Options to be issued is unknown, however the number will be calculated on the basis of 1 Option for every 2 Shares issued under the SPP. The SPP will raise up to \$1,000,000 at \$0.029 per Share, which is 34,482,758 Shares. Therefore, the number of Options to be issued under this Resolution will be approximately 17,241,380 (subject to rounding);
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration, as they are being issued to the Eligible Shareholders that participated in the SPP;
- (d) the Options will be issued to Eligible Shareholders that participate in the SPP. None of these subscribers are related parties of the Company;
- (e) the Options will be issued on the terms set out in Schedule 1. Any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Options. Any funds received from the exercise of the Options will be applied to general working capital.

6. RESOLUTION 9 – APPROVAL TO ISSUE OPTIONS TO BROKER

6.1 General

Resolution 9 seeks Shareholder approval for the issue of up to 15,000,000 Options to Zenix Nominees Pty Ltd, the nominee of Hartleys Limited (**Zenix**). Zenix have been involved in securing the Placement and providing corporate advisory advice to the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 9 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to **Resolution 9**:

- (a) the maximum number of Options to be issued is 15,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Zenix, or its nominated entity/entities;
- (e) the Options will be issued on the terms set out in Schedule 1. Any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Options. Any funds received from the exercise of the Options will be applied to general working capital.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Pacific Bauxite Limited (ACN 112 914 459).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Shareholders means an eligible Shareholder registered as holders of Shares at 7.00pm (Sydney time) on the Record Date of 3 May 2018 and whose registered address is in Australia or New Zealand.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

SPP means a share purchase plan undertaken in accordance with ASIC Class Order 09/425.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options are as follows:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 25 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.


(k) Change in exercise price


An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

PBX

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 2.00pm (WST) Monday, 25 June 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

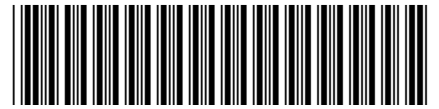
Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Pacific Bauxite Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Pacific Bauxite Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 27 June 2018 at 2.00pm (WST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Ratification of prior issue of Shares in January 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratification of Tranche 1 of Placement under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of Tranche 1 of Placement under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue Shares for Tranche 2 of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval to issue Options to participants in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Participation of Director John Ciganek in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Participation of Director Peter Lewis in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval to issue Options to shareholders who participate in the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval to issue Options to Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>	<input style="width: 100%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____