
NENDO PROJECT UPDATE

Pacific Bauxite Limited (ASX: PBX) (**Pacific Bauxite** or **Company**) is pleased to provide an update on the court proceedings regarding the Nendo Bauxite Project in Solomon Islands (ASX Announcement 26 November 2018).

On 5 April 2019, the High Court of the Solomon Islands (**Court**) delivered its ruling in relation to the proceedings commenced by the Company's 50% owned joint venture company, Eight South Investments Pty Ltd (**JVC**), disputing the Minister of Mines, Energy and Rural Electrification's (**Minister**) decision to cancel the JVC's Prospecting Licence for the Nendo Bauxite Project (**PL 01/16**) (ASX Announcement 17 July 2018).

The Court ordered that:

1. The Minister's decision to cancel PL 01/16 by letter dated 24 May 2018 was beyond power, quashed, and declared null and void.
2. PL 01/16 was valid as at 24 May 2018.
3. The Minerals Board is to decide on the cancellation of PL 01/16 and whether there was a breach of the Act, Regulation or licence conditions.
4. Costs against the Defendants, being the Minister and the Director of Mines, including reserved costs, with certification for overseas Counsel, are to be assessed.

The parties have 30 days from 5 April 2019 within which to file any appeals. The JVC is considering its position in relation to the order that the Minerals Board make the decision on the cancellation of PL 01/16 and whether there was a breach of the Act, Regulation or licence conditions. The JVC is otherwise satisfied with the Court's decision.

Prior to the expiry of PL 01/16, the JVC took steps to extend or renew the term of PL 01/16, pending the outcome of the court proceedings. The Company and JVC will now pursue the extension or renewal of the term of PL 01/16.

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