



ABx Successfully Completes Equity Placement to Drive Development

Australian Bauxite Limited (ASX: ABX) (**ABx** or **Company**) is pleased to announce that it has completed a placement of 32,500,000 fully paid ordinary shares at \$0.10 per share (**New Shares**) with attaching options on a 1 for 1 basis, exercisable at \$0.20 before 31 May 2023 (**Placement Options**) to sophisticated investors to raise **\$3.25 million** (“**Placement**”).

Highlights

- **Placement supported by directors, new institutional and sophisticated investors**
- **Funds to support Aluminium Fluoride development program at subsidiary ALCORE**
- **Aggressive program planned for Rare Earth Elements (REE) discovery strategy**
- **Continued bauxite exploration and mine development**

Ian Levy, Managing Director and CEO commented, “We are delighted with the support for the Placement from our directors, existing shareholders and new investors. The offer was fully subscribed. With the proceeds of this capital raise, ABx is now well funded to support the development of the Aluminium Fluoride pilot plant by its subsidiary ALCORE and continue its investigation of rare earth elements (REE).”

The following table presents the number of Shares and Placement Options to be placed under the Company’s Listing Rule 7.1 and 7.1A capacities to the extent permitted under the Listing Rules, with the balance (including to directors) to be issued subject to approval by Shareholders at the next AGM:

| LR Rule / Shareholder Approval | Shares | Placement Options |
|--------------------------------------|------------|-------------------|
| LR 7.1 | 16,923,382 | 5,534,000 |
| LR 7.1A | 14,576,618 | |
| Shareholder approval LR 7.1 or 10.11 | 1,000,000 | 32,500,000 |

The terms of the Placement Options are attached.

Settlement of the Placement is scheduled to occur on Wednesday 26th of May and quotation of the new shares is expected on the following day.

As the Lead Manager, CPS Capital, will subscribe for 6 million options, which the company will issue on the same terms as the Placement Options.

Directors have applied for securities to a value of \$100,000 in the Placement. Approval for the issue of the securities will be sought at the next AGM.

This announcement is authorised by the Board of Australian Bauxite Limited.

For further information please contact:

Ian Levy, CEO and MD Australian Bauxite Limited

Mobile: +61 (0) 407 189 122

Email: ilevy@australianbauxite.com.au



Australian Bauxite Limited Option Conditions

1. Definitions

In these option conditions:

ASX means ASX Limited;

Bonus Issue has the same meaning as ascribed to the expression "bonus issue" in the Listing Rules;

Business Day means any day except a Saturday or a Sunday or other public holiday in any State or Territory of Australia;

Exercise Commencement Date means the date on which the Options are issued;

Exercise Notice means a notice in writing by the Optionholder to the Issuer pursuant to which the Optionholder states that the Optionholder wishes to exercise the Option duly completed and signed accompanied by the Exercise Price;

Exercise Period means the period between the Exercise Commencement Date and 31 May 2023;

Exercise Price means \$0.20 per Share;

Issuer means Australian Bauxite Limited ACN 139 494 885;

Listing Rules means the listing rules of the ASX;

Option means an option to acquire a Share on the terms and conditions set out in this Schedule;

Option Certificate means a certificate of holding of an Option issued by or on behalf of the Issuer;

Pro Rata Issue has the same meaning as the expression "pro rata issue" has in the Listing Rules;

Register means the register of Optionholders maintained by or for and on behalf of the Issuer;

Share means a fully paid ordinary share in the Issuer;

Tax includes all income tax, company tax, fringe benefits tax, withholding tax, undistributed profits tax, group tax, payroll tax, sales tax, GST, customs or excise duties, land tax, stamp duty or any other tax or levy imposed by a governmental authority together with any interest, penalty, charge, fee or other amount imposed or made on or in respect of any of the foregoing and "Taxation" has a corresponding meaning.



2. Interpretation

In these Option Conditions, unless the context otherwise requires:

- (a) the Introduction is correct;
- (b) headings do not affect interpretation;
- (c) singular includes plural and plural includes singular;
- (d) words of one gender include any gender;
- (e) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (f) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity;
- (g) reference to a party includes that party's personal representatives, successors and permitted assigns;
- (h) reference to a thing (including a right) includes a part of that thing;
- (i) reference to two or more persons means each of them individually and any two or more of them jointly;
- (j) if a party comprises two or more persons:
- (k) reference to a party means each of the persons individually and any two or more of them jointly;
- (l) a promise by that party binds each of them individually and all of them jointly;
- (m) a right given to that party is given to each of them individually;
- (n) a representation, warranty or undertaking by that party is made by each of them individually;
- (o) a provision must not be construed against a party only because that party prepared it;
- (p) a provision must be read down to the extent necessary to be valid. If it cannot be read down to that extent, it must be severed;
- (q) if a thing is to be done on a day which is not a Business Day, it must be done on the Business Day before that day;
- (r) another grammatical form of a defined expression has a corresponding meaning;
- (s) an expression defined in the Corporations Act 2001 has the meaning given by the act at the date of this agreement.



3. Option Certificates

The Issuer must issue to the Optionholder an Option Certificate with respect to the Options.

4. Registration

The Issuer must register the Optionholder as the Optionholder of the Options in the Register.

5. Exercise of the Options

5.1 Method

The Optionholder must exercise the Options during the Exercise Period by completing and lodging with the Issuer an Exercise Notice duly executed by the Optionholder and paying the Exercise Price.

6. Allotment of Shares

The Issuer must after an Exercise Notice and payment of the Exercise Price is received in accordance with this clause 6 allot the number of Shares referred to in the Exercise Notice to the Optionholder in accordance with the Listing Rules.

7. Cancellation or endorsement of Option Certificate

Upon the allotment of Shares in accordance with clause 6, the Issuer must in respect of the Option Certificate lodged with the Issuer for the purposes of an exercise of Options:

- (a) if the outstanding Options have been exercised, cancel the Option Certificate; or,
- (b) if part only of the outstanding Options have been exercised, endorse the Option Certificate with the number of Options that have been exercised and the number of outstanding Options and return the same to the Optionholder.

8. Issues and Reorganisations

8.1 New Issues

The Optionholder is not entitled by reason only of being a Optionholder of Options to participate in any Bonus Issue, Pro Rata Issue or any other issue of rights to subscribe for additional Shares or any other securities to be issued by the Issuer.

8.2 Reorganisation of Capital

- (a) If an Option has not been exercised and the Issuer reorganises its issued capital including without limitation
 - (1) a consolidation of capital;
 - (2) a subdivision of capital
 - (3) a return of capital;



- (4) a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled;
- (5) a pro rate cancellation of capital,

the number or the Exercise Price of the Options or both to which the Optionholder is entitled will be adjusted in accordance with Listing Rule 7.22.

- (b) This clause 8.2 is subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reorganisation of capital.
- (c) Any other rights of the Holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation but in all other respects the terms for the exercise of the Options shall remain unchanged.

8.3 Rights issues

If the Issuer makes an offer of Shares pro rata to all or substantially all holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option before the date for determining entitlements to the rights issue then the new Exercise Price of the Option will be adjusted in accordance with the following formula:

$$O^1 = O - \frac{E(P - (S + D))}{N + 1}$$

- Where
- O^1 = the new exercise price of the Option;
 - O = the old exercise price of the Option;
 - E = the number of Shares into which one Option is exercisable;
 - P = average market price per share (weighted by reference to volume) of the Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;
 - S = the subscription price (application money plus calls) for new Shares Issued under the rights issue;
 - D = any dividends declared but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the rights issue; and
 - N = the number of Shares required to be held to receive a right to one new share under the rights issue.

The number of Shares which the Optionholder is entitled to subscribe for on exercise of the Option will not change.



8.4 ASX Listing Rules

- (a) This clause 8 is to be read subject to the requirements of the Listing Rules.
- (b) In the event of any inconsistency between the provisions of this clause 8 and the provisions of the Listing Rules, the provisions of the Listing Rules must prevail.

9. Shares

9.1 Rights attaching to Shares

Shares issued pursuant to the exercise of an Option rank pari passu in all respect with all other issued Shares of the Issuer.

9.2 Quotation of Shares

The Issuer must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to quotation.

9.3 Interest in Shares

A Holder has no interest in the Shares the subject of the Optionholder's Options until those Options are exercised in accordance with this agreement and the Shares allotted to the Optionholder pursuant to the exercise.

9.4 Assignment

The Options are transferable but will not be quoted on the ASX (unless the Issuer determines otherwise).

9.5 Duty

The Optionholder must pay all stamp duty with respect to this agreement and/or the exercise of an Option.

10. Application of Listing Rules

- (a) Notwithstanding anything contained in these option conditions, if the Listing Rules prohibit an act being done, the act must not be done.
- (b) Nothing contained in this agreement prevents an act being done that the Listing Rules required to be done.
- (c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be.
- (d) If the Listing Rules require this agreement not to contain a provision and it contains such a provision, this agreement is deemed not to contain that provision.
- (e) If any provision of this agreement is or become inconsistent with the Listing Rules, this agreement is deemed not to contain that provision to the extent of any inconsistency.