

31 December 2021

PACIFIC BAUXITE TO ACQUIRE PGE PROJECTS AND RECAPITALISE

Pacific Bauxite Ltd (**Pacific Bauxite** or **Company**) (ASX:PBX) is pleased to announce that it has entered into agreements to acquire 100% of the issued capital of Western Yilgarn PGM Pty Ltd (**Western Yilgarn**) and AAM Resources Pty Ltd (**AAM Resources**), who own various projects located in the Eastern Goldfields and Pilbara regions of Western Australia prospective for platinum group metals, gold, nickel and other minerals (**Proposed Acquisitions**).

The tenement package to be acquired as a result of the Proposed Acquisitions comprises three exploration licences (E36/1010, E36/1011 and E70/5767) granted to Western Yilgarn, three exploration licences (E52/3861, E58/0562 and E59/2496) granted to AAM Resources and two exploration licence applications (E36/1025 and E70/5921) applied for by Western Yilgarn in its own name (collectively, the **PGE Projects**).

The material terms of the Proposed Acquisitions are summarised in Annexure A.

The Proposed Acquisitions are conditional on various conditions precedent including the Company obtaining all necessary regulatory and shareholder approvals to effect the Proposed Acquisitions and satisfying all other requirements of the ASX for the reinstatement to official quotation of the Company's shares on ASX.

On completion, the Proposed Acquisitions, together with the transactions contemplated in connection with the recapitalisation of the Company pursuant to the Deed of Company Arrangement (**DOCA**) presented by Oceanic Capital Pty Ltd (**Oceanic Capital**) signed on 6 September 2021, as previously announced by the Company, will amount to a significant change to the scale of the Company's activities. As such, the Company will be required to obtain approval from shareholders and re-comply with Chapters 1 and 2 of the ASX Listing Rules.

To facilitate its application for re-admission to the official list of the ASX and to provide funding for the Company's proposed activities, the Company proposes to undertake a capital raising to raise up to \$4,500,000 (before costs) through the issue of shares at \$0.20 per share and free attaching options on a 1:2 basis (each exercisable at \$0.30 and expiring three years from issue) under a full form prospectus (**Re-Listing Prospectus**) (**Capital Raising**).

The Company's securities have been suspended from quotation on the official list of ASX since 24 December 2019 (following the Company being placed into voluntary administration) and will remain suspended from quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules, including by satisfying the conditions to reinstatement imposed by ASX. If the Proposed Acquisitions do not proceed, the Company may not complete the re-compliance.

Pursuant to ASX Guidance Note 33, ASX's policy is to remove from the official list an entity whose securities have been suspended from quotation for a continuous period of 2 years. Pursuant to ASX guidance, ASX may agree to a short extension of this 2 year deadline for delisting if the entity can demonstrate to ASX's satisfaction

that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities.

As at 24 December 2021, the Company's shares had been suspended from trading for a continuous period of 2 years. ASX has advised the Company that its delisting date has been extended, subject to various conditions. The Company will provide an update to shareholders in due course. Extensions to the Company's delisting date are at the ultimate discretion of ASX. Shareholders should be aware that there is no guarantee that the Company will be able to meet any conditions imposed by ASX to avoid automatic removal of the Company from the official list of ASX. If that occurs, the Administrators will be required to convene a meeting of the Company's creditors (in accordance with the DOCA) for the purposes of varying or terminating the DOCA. In those circumstances, the administrators are currently uncertain about the return likely to the Company's creditors.

PGE Projects

Overview of PGE Projects

The PGE Projects (comprising the Mount Magnet (Challa & Boondanoo), Sylvania, Bulga and Melbourne Projects) are primarily located in the Eastern Goldfields and Pilbara regions of Western Australia and are prospective for platinum group metals, gold, nickel and other minerals. An overview of the location of the PGE Projects is shown below.



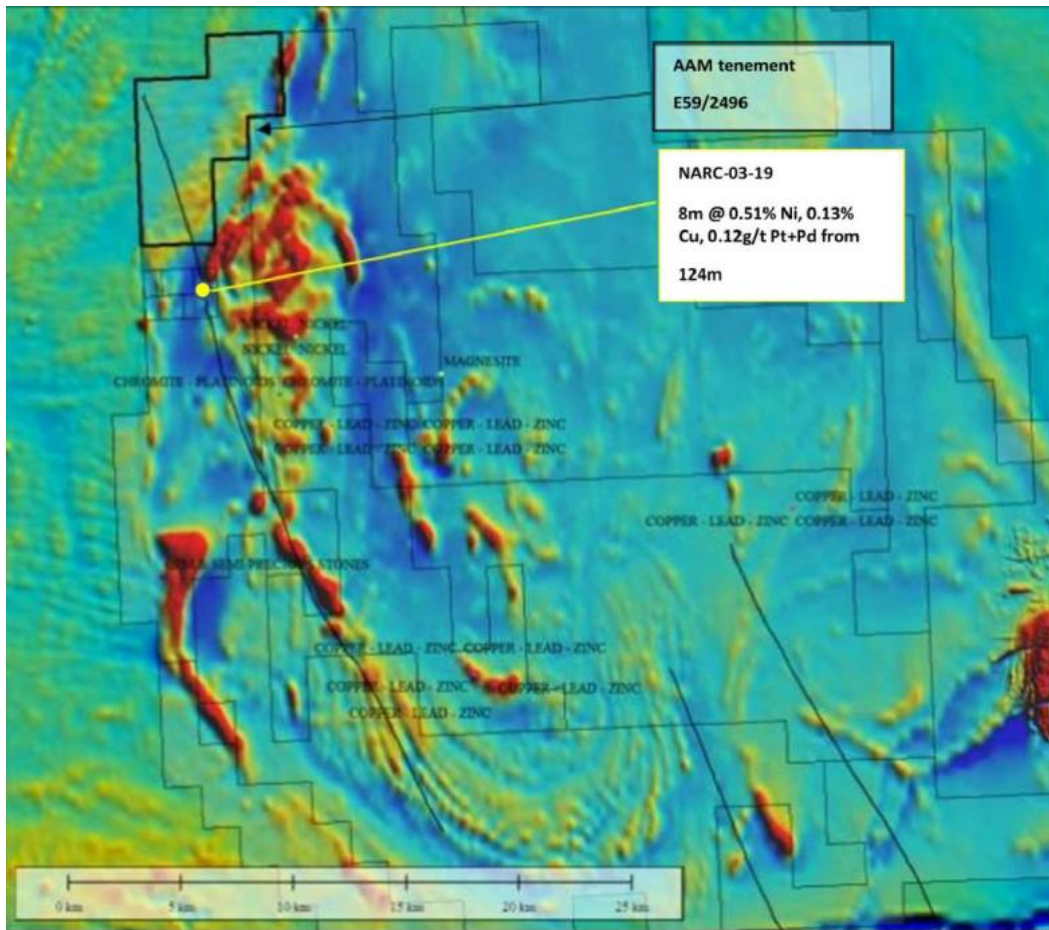
Further information on the tenements which comprise the PGE Projects is set out in the table below:

Prospect	Tenement	Holder	Status	Expiry	Area (blocks)
Sylvania	E52/3861	AAM	Granted	01/07/26	43
Challa	E58/562	AAM	Granted	13/01/26	1
Boodanoo	E59/2496	AAM	Granted	06/01/26	13
Bulga	E36/1010	Western Yilgarn	Granted	12/09/26	21
Bulga	E36/1011	Western Yilgarn	Granted	12/09/26	16
Bulga	ELA36/1025	Western Yilgarn	Pending	-	14
Melbourne	E70/5767	Western Yilgarn	Granted	11/07/26	35
Melbourne	ELA70/5921	Western Yilgarn	Pending	-	35

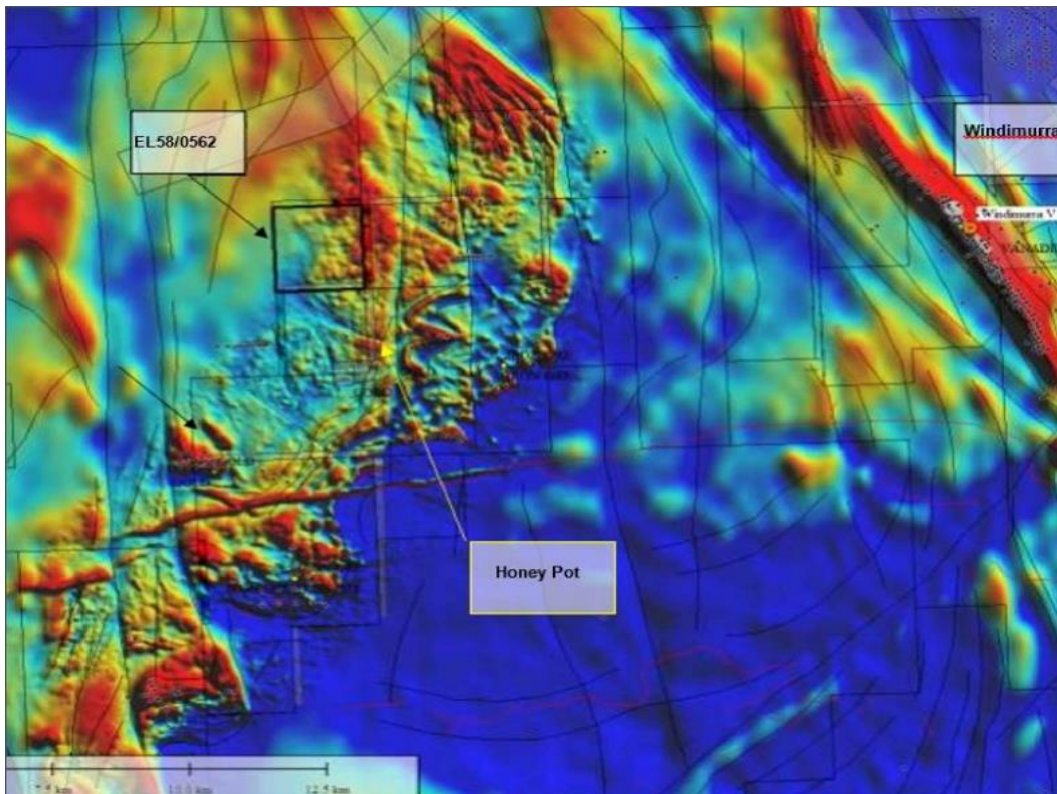
Mount Magnet Project (E59/2496 and E58/562)

The Mount Magnet Project comprises two separate exploration licences E59/2496 (Boodanoo) and E58/562 (Challa) which are centred on the Narndee and Windimurra layered mafic complexes in the Youanmi Terrane of the Archean Yilgarn Craton. The Narndee and Windimurra igneous complexes are large, multiphase layered mafic intrusions located at the interpreted crustal boundary separating the Murchison and Southern Cross granite-greenstone provinces of the Yilgarn Craton.

The Boodanoo exploration licence covers an area of approximately 42km² located approximately 410km northeast of Perth. The tenure lies in close proximity to Aldoro Resources Limited Narndee Project and Golden Mile Resources Limited's Yarrabee Project which are targeting magmatic nickel-copper-cobalt and nickel-copper-zinc mineralisation respectively.

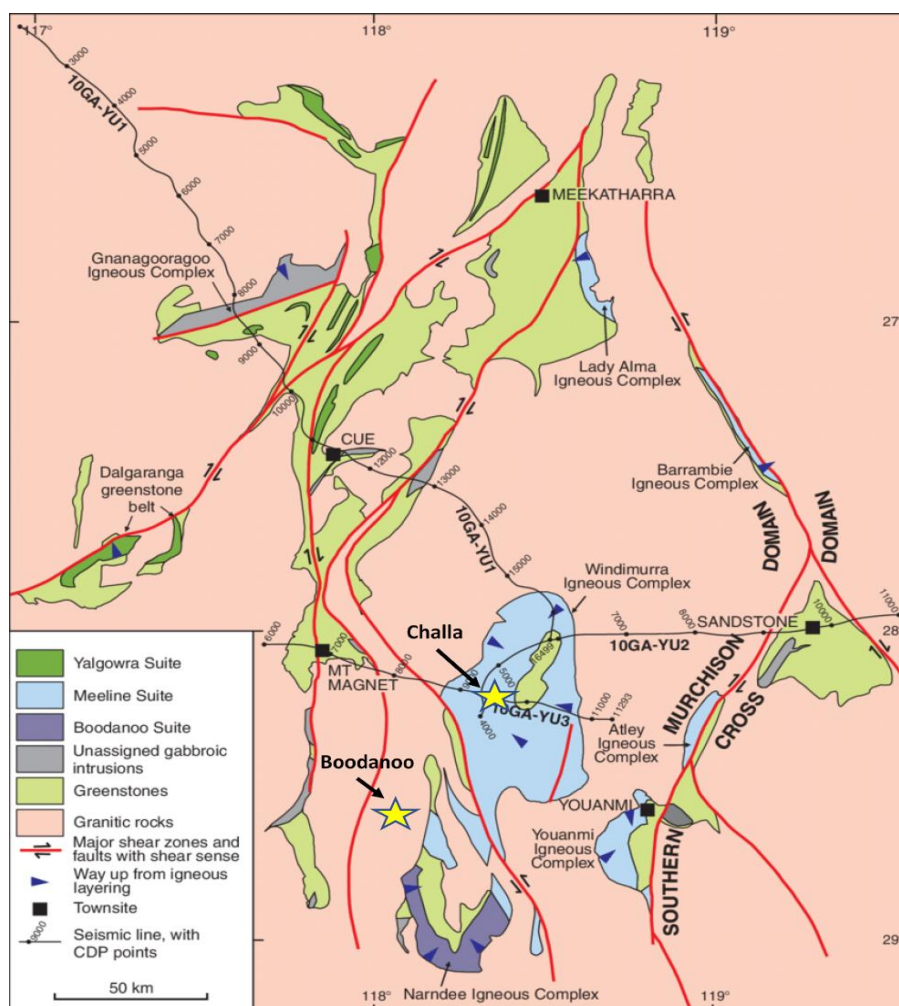


The Challa exploration licence covers approximately 302ha and is located approximately 475km northeast of Perth. The tenure is located approximately 15km west of Atlantic Limited's Windimurra Vanadium Project and adjacent to Flinders Mines Limited's Canegrass Vanadium Project and Honey Pot Anomalous gold zone.



Whilst initial prospecting and mining activities focused on gold began during the late 1800s and early 1900s, many companies have previously explored the Narndee and Windimurra Igneous Complexes for gold, a variety of base metals, PGEs and vanadium. Previous explorers have established the presence of anomalous concentrations of nickel, PGE and gold in the Narndee and Windimurra Complexes, whilst secondary uranium mineralisation has also been intersected in calcrete deposits occupying region drainage systems. Recently, in October 2020, Aldoro announced the commencement of a major exploration effort at its Narndee Igneous Complex Project including airborne EM and ground based fixed loop time-domain EM surveys identifying several major targets and deeper targets for near term drill assessment. Subsequent field reconnaissance outlined two nickel-copper gossans which were geologically mapped and sampled.

The Company intends to focus its exploration on the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits in the two complexes. Following the acquisition of the tenements, the Company will seek to target magnetic geophysical anomalies located at the intersection of the Narndee Complex and the north-western edge of a regionally significant structure located on the Boodanoo exploration licence. Exploration over the Challa exploration licence will examine extensions to a laterally extensive iron-vanadium-titanium bearing horizon forming part of the broader Windimurra Igneous Complex and will further evaluate the potential for gold and PGE mineralisation associated with the contact between the upper and middle units of the Windimurra Igneous Complex.



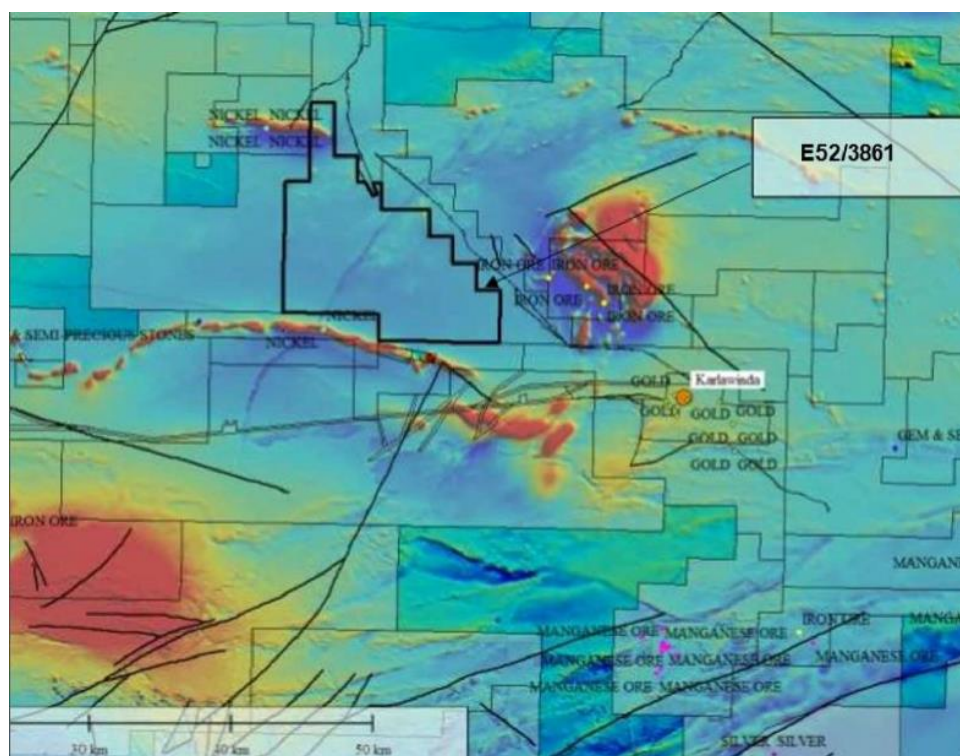
Sylvania (E52/3861)

The Sylvania Project is located in the Pilbara region of Western Australia approximately 70km southeast of the regional mining town of Newman. The Sylvania Project comprises a single granted exploration licence (E52/3861) which covers an area of approximately 138km². The tenement sits close to Capricorn Metals Limited's Karlawinda gold project.

The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. The project is interpreted to predominantly host granitic units of the Sylvania Inlier. In the northern portion of the exploration licence, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic nickel-copper-PGE sulphide mineralisation associated with komatiitic basalt flows and related sub-volcanic feeders of the Archean Fortescue Group.

The Sylvania Inlier has been extensively explored with previous companies conducting significant early-stage exploration for iron, uranium, base metal (Cu, Pb, Zn and Ni), diamonds and gold however no drilling has been completed over E52/3861. Previous holders Rio Tinto Exploration Pty Ltd, Atlas Iron Limited and BHP Limited have held overlapping tenure in the past and conducted exploration programs focused on searching for iron ore deposits. Base metals directed exploration commenced in and around the area in the 1970s and continued into the early 1980s with exploration resulting in the discovery of numerous geochemical anomalies and several small deposits of Ag, Pb and Zn within the surrounding area.

The Company intends to focus exploration on key concepts and targets which have not been rigorously tested. Thereafter, and depending on exploration success, more regional, structural, geochemical and geophysical targets will be investigated.



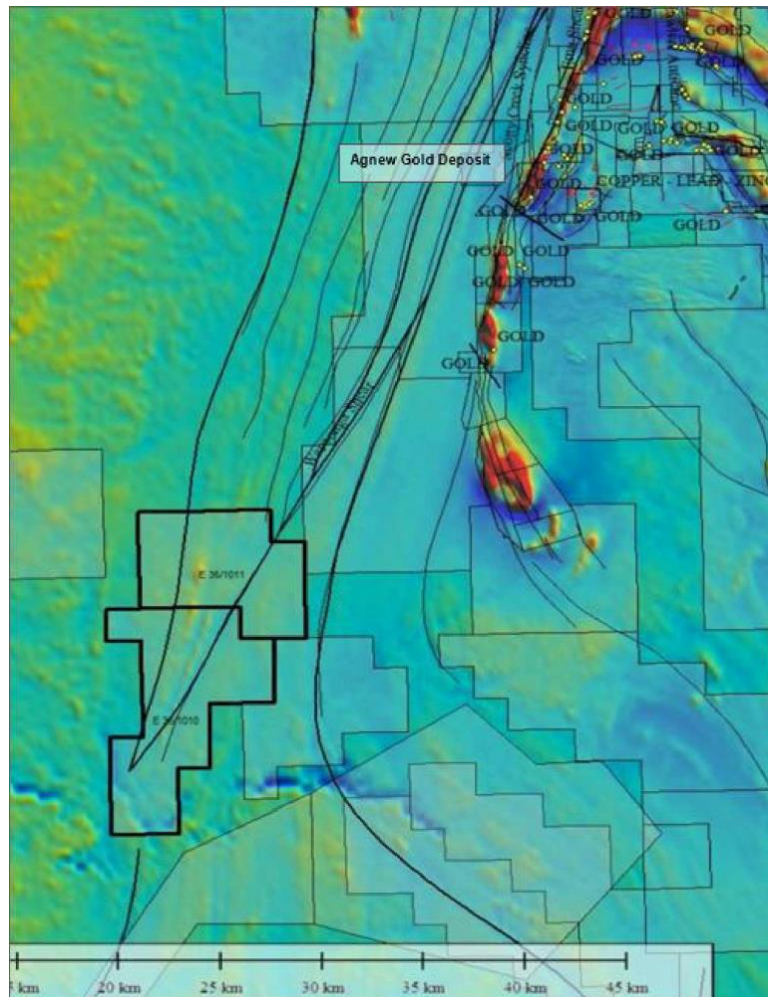
Bulga (E36/1010, E36/1011 & ELA36/1025)

The Bulga Project is a continuous landholding comprising two granted exploration licences (E36,1010 and E36/1011) covering a combined area of 118km² and exploration licence application E36/1025. The Bulga Project is located approximately 840km northeast of Perth, 120km northwest of Leonora and 40km southwest of the town of Leinster in the Gascoyne Region of Western Australia. There are numerous gold and nickel mines in the surrounding district including the New Holland, Waroonga, Lawlers, Redeemer, Bounty, Deliverer, Cox-Crusader, Vivien, Turrent and McCaffer gold mines as well as the Yakabindie, Leinster and Perseverance nickel sulphide mines.

The Bulga Project is interpreted to lie along the trend of the Ida fault, an early steep structure marking the boundary between the Eastern Goldfields Superterrane in the east from the Youanmi Terrane in the west. Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulphides have been encountered to date, the presence of ultramafic rocks offers potential for Mount Alexander style nickel-copper or komatiitic nickel sulphide deposits.

Previous exploration over the project area targeted granite hosted gold and nickel sulphide mineralisation within deformed migmatised ultramafic belts within granite terrain. Work included heritage surveys, exploration planning and interpretation, geological mapping, surface geochemical sampling (soils), surface geophysical surveying (including fixed loop and moving loop EM), aircore and RC drilling. Results were encouraging with 20 holes intersecting moderate to high MgO ultramafic in bedrock with elevated nickel (maximum 1.29% Ni) in the regolith. These ultramafic units were delineated over a 5km strike length adjacent to the Ida Fault. As this area was previously interpreted as granite, the discovery of prospective ultramafic units was a significant exploration milestone. Drilling by St George Mining confirmed a greenstone sequence, with further drilling and surface geophysical surveying recommended to assess the potential for nickel sulphide mineralisation and, given the proximity and geological relationships to historical gold production at the Idea Valley area, also for gold.

The Company views the Bulga Project as prospective for Mount Alexander style mafic hosted nick-copper mineralisation and shear-hosted gold mineralisation similar to that of the nearby Agnew gold mining centre. To test this concept, the Company intends to assess and develop an exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone as well as to further assess the newly outlined greenstone sequences as encountered by previous tenement holders. The potential for medium-high MgO ultramafic requires further assessment, particularly given its proximity to regionally significant structures which are known to host significant gold and nickel mines at Agnew and Yakabindie respectively.



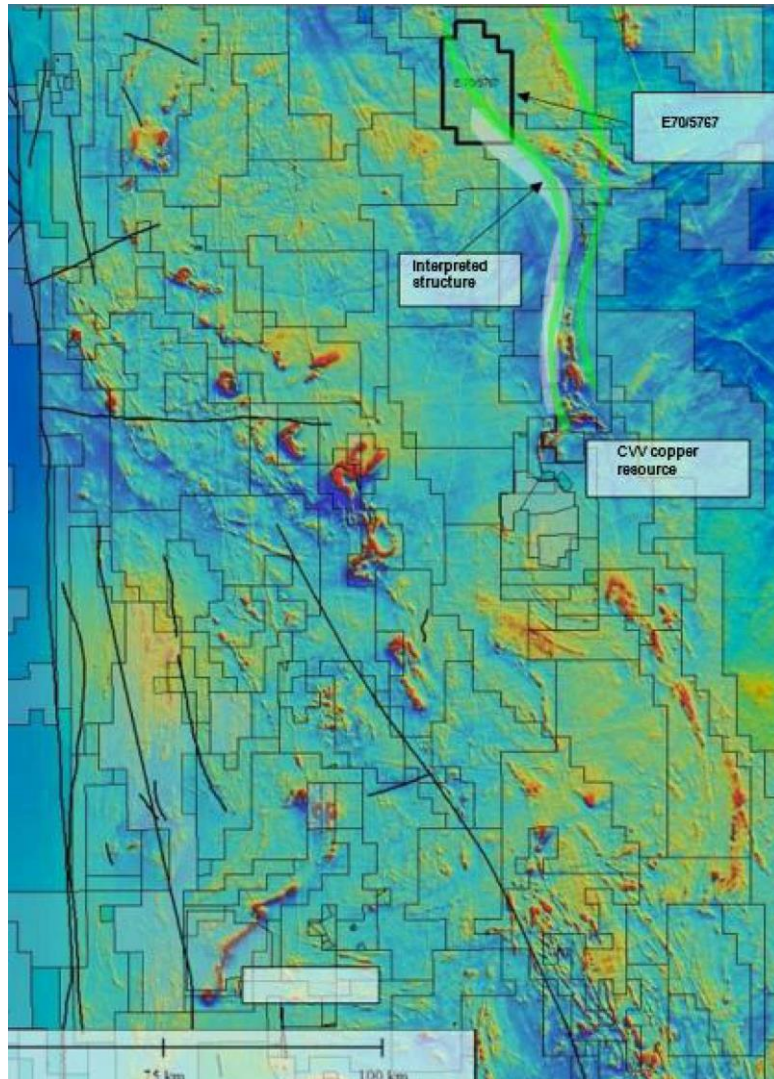
Melbourne (E70/5767 & ELA70/5921)

The Melbourne Project comprises granted exploration licence (E70/5767) which covers an area of approximately 112km² and exploration licence application E70/5921 both located in the Wheatbelt region of Western Australia.

Despite a lack of modern minerals exploration conducted of the tenure, the Company considers the Melbourne Project to be prospective for Caravel-style copper-molybdenum mineralisation which is interpreted to lie some 15km southeast of the project at Caravel Minerals Limited's Caravel Copper Project.

The Melbourne Project is a conceptual, early stage nickel-copper-PGE exploration project for which only cursory exploration has been completed to date. Emboldened by Chalice's exploration success at the Gonville Intrusive Complex, Julimar is seeking to replicate the exploration philosophy. To test this concept, Julimar has proposed a systematic exploration program to test several magnetic anomalies located along the interpreted north-western strike extensions to Caravel Mining's Copper Project.

As part of its exploration strategy for the area, the Company plans to undertake a compilation of the available technical data along with geological mapping, geochemical sampling and geophysical surveying. Analysis of the results from these programs will then be carried out to highlight targets with the potential to host significant polymetallic base metal and/or gold mineralisation. Subject to the results of the data assessment phase, a program of reconnaissance air core drilling is proposed.

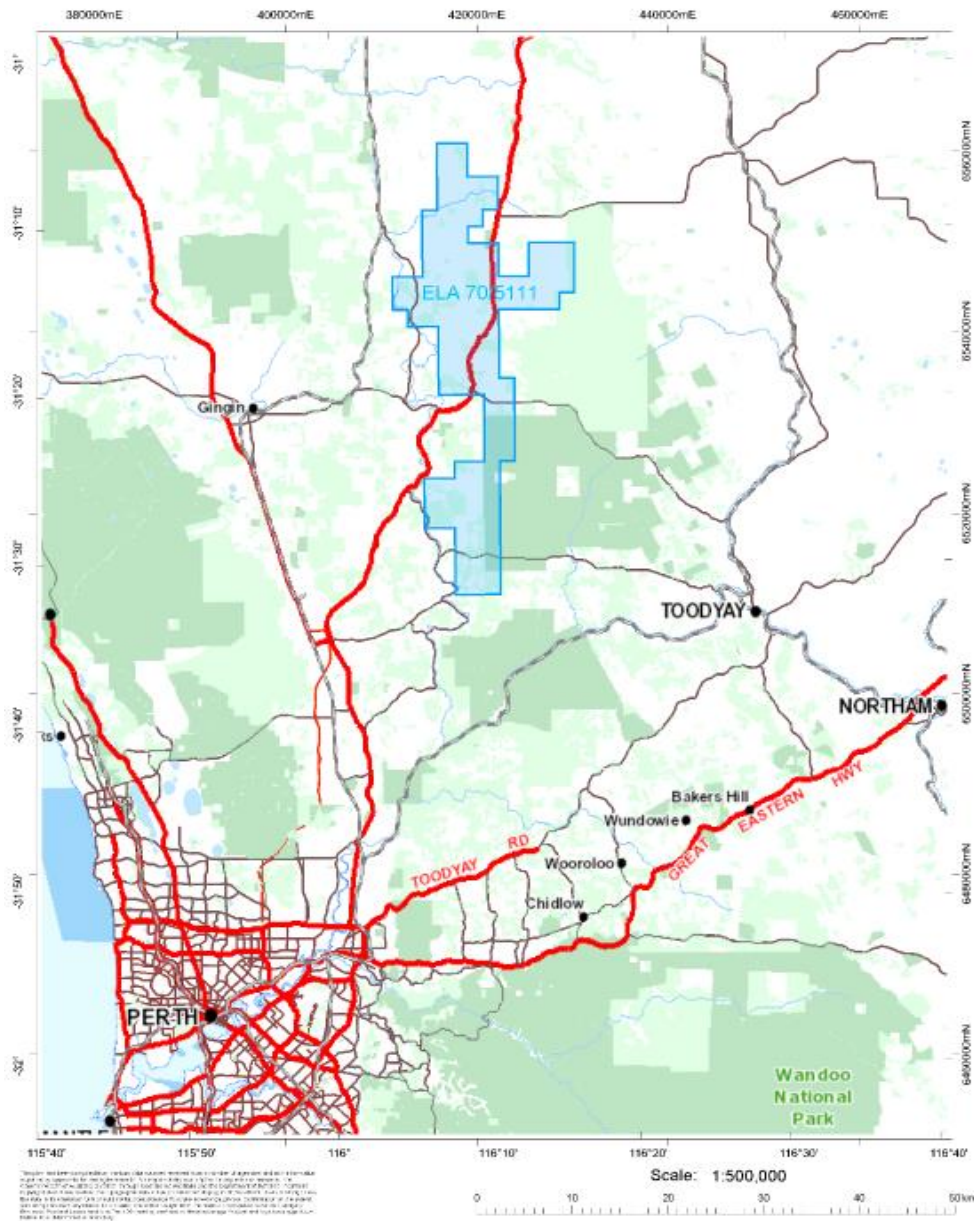


Company's Existing Projects

The Company's existing projects are the Darling Range Bauxite Project (ELA 70/5011) and the Nendo Bauxite Project. The Company's interest in the Nendo Bauxite Project is proposed to be divested pursuant to the terms of the Oceanic DOCA. Further details are set out below.

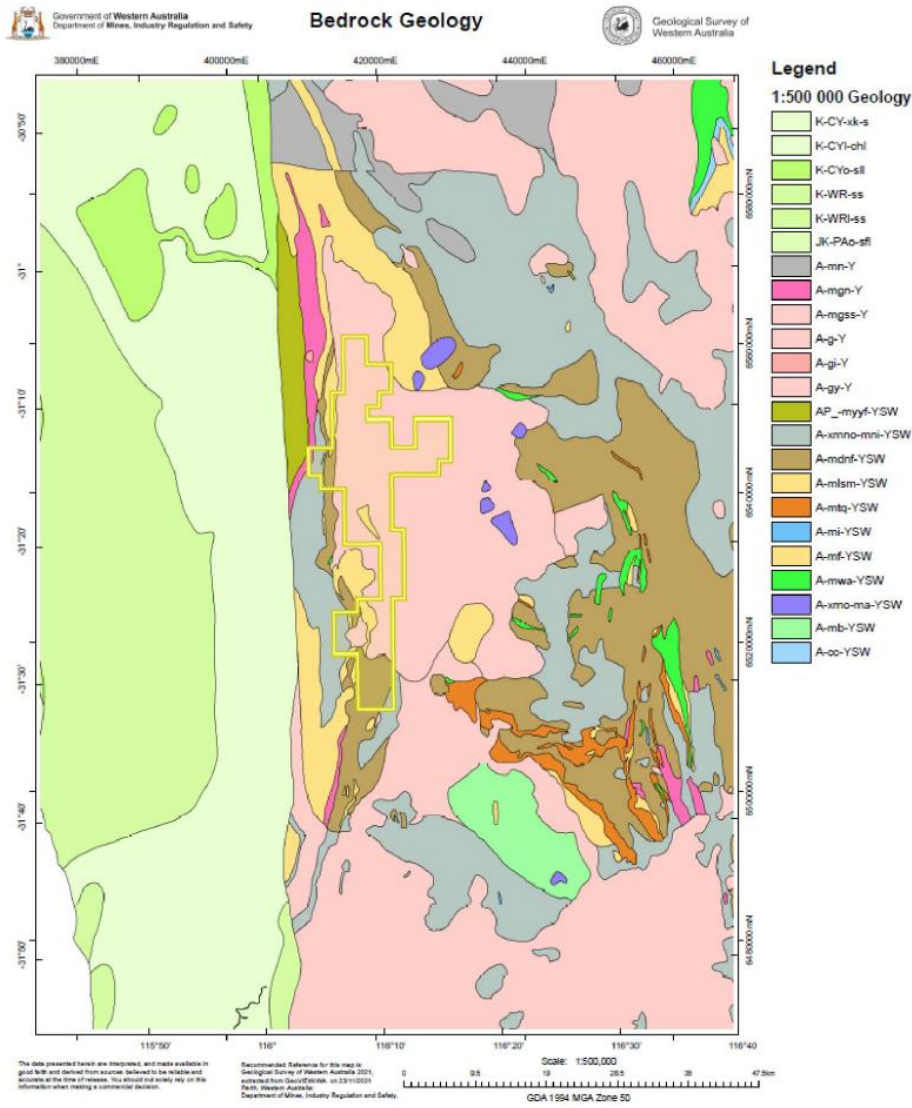
Darling Range Bauxite Project

The Company, through its wholly owned subsidiary PBX Aus, has a 100% interest in exploration licence application ("ELA") 70/5111. The project covers a total area of 349km² within the Darling Ranges located approximately 75km northeast of Perth, Western Australia. A map of the application is shown below.



The Darling Range Bauxite Project is geologically within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e. gold, nickel, iron, bauxite and tantalite) which includes the Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna gold mining centres. Within the Yilgarn Craton, nickel is also sourced from Mount Keith, Kambalda, Lake Johnston, Forrestania and Ravensthorpe areas, whilst iron is derived predominantly from Koolyanobbing, Koolanooka, Weld Range and Tallering Peak in the central/west Yilgarn. In addition, bauxite is currently mined at Huntley and Willowdale from the Darling Ranges south of Perth. The Darling Ranges area is considered to be a highly prospective geological region for bauxite, PGE, nickel and copper mineralisation.

The regional geology of the Darling Range Bauxite Project is shown below:



The southern portion of the ELA lies immediately adjacent to, and west of, Chalice Mining Limited's Julimar deposit within the Gonnevillie Intrusive, which was discovered in 2020. The northern part of the ELA lies in proximity to Caspin Resources Limited's Yarawindah Brook Project, where initial drilling has outlined a package of mafic and ultramafic rocks extending over a 6km strike length with anomalous levels of PGE, nickel and copper.

The Company applied for ELA 70/5111 on 4 January 2018. The application was recommended for grant on 16 February 2018 and has since cleared Native Title and other approval processes. The application overlaps approximately 2.97% with a file notation area for the Strategic Assessment of the Perth-Peel Green Growth Plan (**SAPPR**). The Department of Mines, Industry, Regulation and Safety (**DMIRS**) previously delayed the grant of tenements which overlap the SAPPR, including ELA 70/5111, however DMIRS recently advised that they are consulting with the Department of Biodiversity, Conservation and Attractions for the application to be granted on the basis that a no-mining condition be applied to the application upon grant to protect the reserved area. The application also encroaches on the Julimar State Forest and other land-use stakeholders, including private landholders.

In relation to the file notation and State Forest areas encroaching on ELA 70/5111, if the usual condition restricting mining activities in the affected areas is imposed on the application upon grant, the Company will need to seek ministerial consent to conduct such activities which would require the approval of a conservation

management plan. The Company currently understands that approval to grant over the SAPP area is the final step before the application is granted. The Company continues to investigate the impact of all conflicting land-uses affecting ELA 70/5111 and further updates will be provided to shareholders in due course.

Upon granting of ELA 70/5111, the Company plans to undertake an extensive reconnaissance mapping, geophysical surveying and re-interpretation work to delineate targets for drill testing. Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice Mining Limited, the Company has prioritised data compilation and analysis over the Darling Range Bauxite Project to delineate targets capable of representing known extensions or repetitions of this mineralisation style.

Nendo Bauxite Project

The project comprises a single prospecting licence (PL 01/16) in the Solomon Islands granted to Eight South Investments. Eight South Investments is an entity in which the Company holds a 50% interest, through its wholly owned subsidiary Iron Mountain. The Nendo Bauxite Project previously demonstrated areas of potentially high-grade DSO bauxite mineralisation. On 6 June 2018, the Company advised it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification advising PL 01/16 had been cancelled. In accordance with the requirements of the Minister's letter, work at Nendo Bauxite Project was immediately suspended.

On 5 April 2019, the High Court of Solomon Islands delivered a ruling in relation to proceedings commenced by Eight South Investments which included orders that:

1. the Minister's decision to cancel PL 01/16 was beyond power, quashed and declared null and void; and
2. PL 01/16 was valid as at 24 May 2018.

The Attorney General of the Solomon Islands (on behalf of the Minister, the Director of Mines and the Mines and Minerals Board) subsequently filed and served a Notice of Appeal with the Solomon Islands Court of Appeal.

On 1 February 2021, the Company received a judgment from the Court of Appeal which confirmed the High Court's original judgment, namely that the Minister's decision of 24 May 2018, which cancelled Eight South Investments' prospecting licence PL 01/16, was quashed. However, whilst the Court of Appeals ruling declared that the prospecting licence was still valid as of 24 May 2018, the protracted litigation resulted in the expiry date of 1 December 2018 passing.

The judgment entitled Eight South Investments to legal costs in the amount of approximately \$250,000. The Administrators have previously assessed options for recovery of this amount as well as seeking possible reinstatement of the prospecting licence, which may be explored following the proposed divestment (refer below).

Proposed Divestment

A condition of the DOCA presented by Oceanic is for the Company's wholly owned subsidiary Iron Mountain to be divested (**Proposed Divestment**) as follows:

1. 80% of the issued share capital to be divested to directors of Aurum Pacific; and

2. 20% of the issued share capital to be divested to Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust for the shareholders of the Company as at the date of voluntary administration.

To effect the Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to sell the Company's shares in Iron Mountain in the proportions and on the terms and conditions summarised in Annexure A.

The Company had previously announced its intentions to divest the Nendo Bauxite Project prior to the administration of the Company, as announced on 13 December 2019. However, opportunities to extract value from the Nendo Bauxite Project were limited given the funding required to progress the project and the sovereign risk hurdles. While the Company will receive no consideration for the Proposed Divestment, the Company believes the Proposed Divestment is in the best interests of the Company based on an assessment of the advantages and disadvantages of the proposed transaction (refer below for further details). Shareholders of the Company as at the date of voluntary administration will also retain a 20% interest in the Nendo Bauxite Project via the Iron Mountain Trust.

Reasons for Proposed Acquisitions and the Proposed Divestment

The Board is of the view that the following non-exhaustive list of advantages and disadvantages relating to the Proposed Acquisitions and the Proposed Divestment:

Advantages

1. The Proposed Divestment will allow the Company to transition to a focus on solely Australian assets, which presents lower sovereign risks hurdles and a better proposition for growth.
2. The Proposed Divestment removes the ongoing financial burden of the Nendo Bauxite Project on the Company and the risks associated with the substantial capital and time required progress the development of the project.
3. The Proposed Acquisitions represent an opportunity for the Company to enter into PGE minerals exploration in a known PGE minerals region.
4. The Proposed Acquisitions would diversify the Company's exposure to a broader range of commodities in Western Australia, including PGE minerals, nickel and copper.
5. The PGE Projects are located in the same state as the Company's Darling Range Bauxite Project (being in Western Australia), which will allow the Company to benefit from potential synergies in exploration and development activities in close proximity.
6. The diversification of the Company from bauxite to PGE minerals will reduce the risk in the Company's operating profile through increased project diversity and represents an opportunity to attract new investors to the Company seeking exposure to PGE minerals exploration.

Disadvantages

1. The Proposed Divestment will reduce the Company's projects and operations, resulting in the Company being heavily dependent and exposed to the success of its remaining projects.
2. The Proposed Divestment will remove the Company's exposure to any upside in the Nendo Bauxite Project, whether actual or perceived, which may have an impact on investors attracted to the Company.
3. The Proposed Acquisitions will require the Company to spend additional funds on exploration to advance the PGE Projects.
4. Shareholders will have their interests in the Company diluted by the Shares issued pursuant to the Proposed Acquisition.
5. Exploration activities at the PGE Projects may not identify economically viable mineral resources.

Key dependencies of Proposed Acquisitions and the Proposed Divestment

The viability of the Proposed Acquisitions and the Proposed Divestment are dependent on various factors including shareholder approvals and the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-admission to quotation of the Company's shares on the official list of ASX. The Company will also be required to raise sufficient funds to meeting its proposed activities, as proposed under the Capital Raising (see above for details).

Business Strategy

The Company is a resource exploration company with its activities having recently been focused on its Darling Range Bauxite Project. Post-completion of the DOCA and receipt of the required shareholder approvals, the Company will also be the holder of the PGE Projects.

The Company's immediate plans following approval and successful implementation of the recapitalisation proposals are to:

1. focus on exploration of mineral resource opportunities within its projects that have the potential to deliver value and growth for shareholders, by its own exploration and development activities;
2. systematically explore its projects;
3. conduct scoping studies and other economic evaluation studies on its projects, if successful and when appropriate; and
4. pursue a growth strategy by evaluation and acquiring other mineral resource opportunities that have a strategic fit for the Company and have the potential to deliver growth for shareholders.

Background to Voluntary Administration and DOCA

Voluntary Administration

On 24 December 2019 the Company announced that Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants (**Administrators**) were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act (**Voluntary Administration**). The events leading up to the appointment of the Administrators are detailed in the Voluntary Administrator's Reports dated 9 June 2020, 10 June 2020 and 5 August 2021.

On 7 January 2020, the Administrators convened the first meeting of the Company's creditors pursuant to Section 436E of the Corporations Act. The purpose of the first creditors meeting was for the Administrators to provide an update on the Voluntary Administration of the Company and ratify their appointment.

On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act. The purpose of the second creditors meeting was to determine the future of the Company. At the second creditors meeting, the Company resolved that the Deed of Company Arrangement (**DOCA**) proposal presented by First Guardian Synergy Capital Limited (**First Guardian**) or its nominee(s) be accepted by the Company. The Administrators consented to be the deed administrators of the DOCA proposal presented by First Guardian. On 9 July 2020, the DOCA was executed by First Guardian and the Company.

Following multiple extensions granted to First Guardian to satisfy the conditions precedent required under their DOCA, on 16 June 2021, the Administrators advised the market that First Guardian had withdrawn from the DOCA. On 5 August 2021, a replacement proponent, Oceanic Capital Pty Ltd presented to the Administrators a revised recapitalisation proposal which was accepted by creditors on 23 August 2021.

On 6 September 2021, the Administrators announced that the Company's creditors resolved to accept the variation to the DOCA and recapitalisation proposed presented by Oceanic. The DOCA variation was executed on 6 September 2021 and control of the Company passed to the new board of Directors with the Administrators retaining supervisory powers. Mr Peter Michael and Mr John Traicos were appointed as Non-Executive Directors of the Company effective 6 September 2021.

Oceanic DOCA

Oceanic is an Australian based private investment company, incorporated in February 2005 with its head office in Perth, Western Australia. Oceanic will act as the proponent to the DOCA and, subject to approval and successful implementation of the recapitalisation proposals, will receive a substantial interest in the Company.

The purpose of the DOCA is to provide for the affairs of the Company to be administered in a way that maximises the chances of the Company continuing in existence and resulting in a better return for the Company's creditors than would result from an immediate winding up of the Company. The DOCA is designed to recapitalise the Company through an advance of at least \$1,600,000 and seeking re-quotations of the Company's securities on the ASX.

The material terms of the DOCA are summarised in Annexure A, which include the Oceanic providing the Company with at least \$1.6 million in funding to pay existing creditors of the Company and to meet the fees, costs and expenses and liabilities associated with obtaining all necessary approvals and consents required to meet the conditions under the DOCA (**Fund**). Various other issues of securities are contemplated under the DOCA (refer to indicative capital structure below).

The DOCA is conditional on various conditions precedent, including the Company undertaking a 50:1 share consolidation and receipt of shareholder approvals necessary to obtain re-quotations of the Company's securities on the official list of ASX.

As at the date of this announcement, Oceanic estimates that it will provide a maximum of \$1,820,000 in funding to the Company (including \$220,000 in top-up funding under the DOCA). Accordingly, pursuant to the terms of the DOCA, Oceanic is entitled to be issued a total of 32,440,000 shares and 32,440,000 options (each exercisable at \$0.20 and expiring three years after issue) (**Proponent Securities**) by the Company for providing such funding, subject to Shareholder approval. The Company will accordingly seek shareholder approval to issue the Proponent Securities to Oceanic (and/or its nominees) under the DOCA. Should the top-up funding be less than currently estimated, the number of securities will be reduced accordingly. Should the top-up funding be more than currently estimated, no additional securities will be issued to Oceanic under the DOCA.

Administration costs

The Administrators are entitled to be paid remuneration for acting as administrators of the Company, administrators of the DOCA as approved by the Company's creditors (**Remuneration Entitlement**) and be indemnified for debts, liabilities and expenses suffered or incurred by them in the conduct of the administration of the Company of the DOCA (**Administration Costs**).

Subject to the conditions subsequent to the DOCA being satisfied by the requisite timeframes included in the DOCA, the Remuneration Entitlement and the Administration Costs will be capped at a total of sum of \$1,300,000 (exclusive of GST), in respect of which the Administrators have agreed to settle by receiving \$1,100,000 in cash from the Fund and 1,000,000 Shares at a deemed issue price of \$0.20 each (**Administrator Shares**).

The Administrator Shares are being issued as part of the remuneration to the Administrators and was proposed by Oceanic to increase the cash available for the Company's future working capital purposes. The Administrator Shares are in lieu of equivalent cash consideration that would otherwise be payable by the Company as part of the Administrators' remuneration.

Effect of the DOCA

The Company's shares were last able to be traded on ASX prior to the suspension on 24 December 2019. Prior ASX share trading prices for the Company are not considered a reliable basis to assess the new Shares. Due to the Company's current state of affairs, lack of profit history and the uncertainties relating to the Company's existing assets, maintainable earnings are not considered a reliable basis to assess the value of the Company's shares.

The Administrators have estimated that creditors may receive a return in a liquidation scenario, however the estimate of the dividend is unknown and would be

subject to resolving various uncertainties which currently exist, including in relation to the Company's assets.

Some of the advantages of the effectuation of the DOCA include:

1. a substantial reduction in the debt position of the Company through the discharge of all debts incurred prior to 6 September 2021 owed to the Company's creditors likely delivering a better return to creditors than would have been achieved on liquidation;
2. the Company achieving effectuation of the DOCA and retirement of the Administrators;
3. the Company having a re-constituted balance sheet and sufficient working capital to fund its proposed activities;
4. completion of the DOCA will assist the Company to achieve a level of financial condition, proportion of assets in cash, level of spread and appropriate structure and operations that will potentially allow it to comply with Chapter 12 of the ASX Listing Rules and seek reinstatement of its shares to trading on the ASX; and
5. some value will be retained for existing shareholders.

The principal disadvantage to shareholders of the recapitalisation proposal under the DOCA is that their existing shareholding will be diluted following effectuation of the DOCA. However, this must be balanced with the fact that their existing shareholdings currently have a value of between nil and \$0.097 per Share (with a preferred value of \$0.011) (as valued by independent expert, BDO Corporate Finance) and the fact that, should the DOCA not complete, the Company could be placed into liquidation.

If the DOCA is not effectuated, it is likely that the Administrators will, in the absence of any other deed of company arrangement proposal or a variation to the terms of the DOCA, have no other option but to recommend to creditors that the Company be put into liquidation.

Capital Raising

Pursuant to the Capital Raising, the Company proposes subject to shareholder approval to issue up to 22,500,000 shares and 11,250,000 options (each exercisable at \$0.30 and expiring three years after issue) (**Capital Raising Securities**) to existing Shareholders and new investors in the Company.

The Capital Raising will include a priority offer to existing shareholders as determined by the Company, with applications to be scaled back pro-rata if the priority offer is oversubscribed. The Company will otherwise determine allocations under the Capital Raising.

The Company is in discussions with potential lead managers and brokers in relation to the Capital Raising. The Company expects it will be required to pay customary capital raising fees equal to 6% of the gross amount raised under the Capital Raising. The Company will update shareholders should a lead manager or lead broker be appointed, including confirming the fees payable to such parties.

Convertible Note Funding

In addition to the Capital Raising, the Company is proposing to issue convertible notes to sophisticated and professional investors to raise up to \$550,000 (before costs) (**Convertible Notes**). The purpose of the issue is to provide funding to cover the costs of the Company seeking re-admission to the official list of ASX and for general working capital purposes.

The Convertible Notes will be unsecured, non-voting, attract interest at 10% pa (repayable in cash at maturity or conversion, whichever occurs earlier), mature 18 months after issue and, subject to shareholder approval, may be converted into Shares at a conversion price of \$0.10 at the election of the holder no earlier than 6 months after issue or convert automatically upon completion of a qualifying capital raising by the Company. The Capital Raising, as proposed, will be a qualifying capital raising of the Company.

Where the conversion of the Convertible Notes is triggered by the Company conducting a qualifying capital raising, Convertible Note holders are entitled to be issued issue such other securities (other than Shares) issued to participants in such capital raising on the same terms and on the same basis issued to such participants. As the Capital Raising terms include the issue free attaching options on a 1:2 basis, the Convertible Note holders will be entitled to be issued options on the same basis.

Indicative Capital Structure

As part of the recapitalisation proposal received from Oceanic or as otherwise proposed by the Company in connection with the Proposed Acquisitions and seeking re-admission to the Official List of the ASX, it is proposed that the Company will:

1. consolidate its issued capital on a 50:1 basis;
2. issue 3,000,000 Shares to the vendors of the PGE Projects;
3. issue the 32,440,440 shares and 32,440,440 options (each exercisable at \$0.20 and expiring three years after issue) (**Proponent Securities**) pursuant to the DOCA to Oceanic;
4. issue 300,000 Shares to Peter Lewis in Lieu of \$30,000 of outstanding director's fees owed at 30 June 2021;
5. issue 6,000,000 shares and 6,000,000 options (each exercisable at \$0.20 and expiring three years after issue) (**Aurum Pacific Securities**) to Aurum Pacific;
6. issue the Administrator Shares to the Administrators;
7. issue up to 5,500,000 Shares and 2,750,000 options (each exercisable at \$0.30 and expiring three years after issue) on conversion of the Convertible Notes;
8. issue the Capital Raising Securities under the Capital Raising;
9. issue 450,000 Shares to Bellatrix (an entity controlled by the Company's joint company secretaries) in satisfaction of \$45,000 worth of debts arising from company secretarial services provided by Bellatrix;

10. issue a total of 2,492,469 incentive options (each exercisable at \$0.20, expiring three years from issue and subject to various vesting conditions) to Directors, comprising a total of 830,823 class A incentive options (vesting on the Company's re-admission to the official list of ASX), 830,823 class B incentive options (vesting on the Company's shares reaching a 20-day VWAP of \$0.30) and class C incentive options (vesting on the Company's shares reaching a 20-day VWAP of \$0.40); and

11. issue 6,000,000 options (each exercisable at \$0.30 and expiring three years after issue) to various advisers to the Company.

Further details in relation to the above issues will be set out in a Notice of Meeting to be dispatched to shareholders shortly following this announcement.

The capital structure of the Company assuming that each of the required shareholder are obtained and the relevant securities are issued will be as follows:

Capital Structure	Shares	Options
Currently on issue	396,614,034	-
Post-consolidation (on 50:1 basis)	7,932,281	-
Issue of shares to the vendors of the PGE projects	3,000,000	
Issue of securities to Oceanic under DOCA	32,440,000	32,440,000 ¹
Issue of shares to Peter Lewis in lieu of Director's fees	300,000	-
Issue of securities to Aurum Pacific under DOCA	6,000,000	6,000,000 ¹
Issue of Administrator Shares under DOCA	1,000,000	-
Conversion of Convertible Notes	5,500,000	2,750,000 ²
Issue of Capital Raising Securities	22,500,000	11,250,000 ²
Issue of shares to Bellatrix	450,000	-
Issue of incentive options to Directors	-	2,492,469 ³
Issue of options to advisers	-	6,000,000 ²
Pro-forma total issued capital	79,122,281	60,932,469
Notes:		
1.	Options exercisable at \$0.20 and expiring 3 years after issue.	
2.	Options exercisable at \$0.30 and expiring 3 years after issue.	
3.	Options exercisable at \$0.20, expiring 3 years after issue and subject to various vesting conditions. Refer to Annexure C for a valuation of these options being issued to Directors.	

Pro-forma balance sheet of the Company

A statement of financial position of the Company as at 30 June 2021 (prior to effectuation of the DOCA) together with the pro-forma balance sheet (statement of financial position) assuming all required shareholder resolutions are obtained and the DOCA is effectuated (all liabilities eliminated) is set out in Appendix B.

Proposed use of funds

The Company intends to apply funds raised from the Capital Raising (subject to shareholder approval), together with existing cash reserves, over the two years following completion of the Proposed Acquisitions and re-admission of the Company to the Official List of the ASX as follows:

Funds available	Amount (\$)
Existing cash reserves	\$557,016
Funding provided by Oceanic under the DOCA	\$1,600,000
Repayment of trade creditors under the DOCA	(\$1,600,000)
Funds raised from issue of Capital Raising Shares (Resolution 14)	\$4,500,000
Total	\$5,057,016
Exploration and development expenditure	\$2,320,000
<i>Sylvania (E52/3861)</i>	\$480,000
<i>Challa (E58/562)</i>	\$270,000
<i>Boodanoo (E59/2496)</i>	\$370,000
<i>Bulga (E36/1010)</i>	\$370,000
<i>Bulga (E36/1011)</i>	\$370,000
<i>Melbourne (E70/5767)</i>	\$320,000
<i>Darling Range Bauxite Project (ELA70/5111)</i>	\$140,000
Costs of recapitalisation process and Capital Raising costs	\$798,577
General and administrative costs	\$750,000
Working capital	\$1,188,439
Total	\$5,057,016

The above table is indicative only and is a statement of current intentions as at the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied, including the granting of any of the Company's tenement applications in particular the Darling Ranges Bauxite Project. The Board reserves the right to alter the way funds are applied on that basis.

Indicative Timetable

Set out in the table below is the indicative timing for completion of the Proposed Acquisitions, the recapitalisation proposals under DOCA and the other transactions

contemplated in connection with the Company seeking re-admission to the official list of ASX:

Event	Date
2021 Annual General Meeting of shareholders ASX notified whether shareholder approval has been granted for the Resolutions	31 January 2022
Effective Date of Consolidation	1 February 2022
Lodgement of Re-Listing Prospectus with ASIC	2 February 2022
Last day for pre-Consolidation trading	2 February 2022
Post-Consolidation trading starts on a deferred settlement basis	3 February 2022
Record date: Last day for Company to register transfers on a pre-Consolidation basis	4 February 2022
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	7 February 2022
Opening for the Capital Raising	9 February 2022
Change of details of holdings date. Deferred settlement market ends.	11 February 2022
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	
Closing date for the Capital Raising	23 February 2022
Issue of securities under the Capital Raising, the DOCA, the Proposed Acquisitions and the other transactions contemplated in connection with the Company seeking re-admission to the official list of ASX.	7 March 2022
Dispatch of holding statements	9 March 2022
Expected date for reinstatement of the Company's Shares to the Official List of the ASX	16 March 2022

The above dates are indicative only and may change without notice, subject to the requirements of the Corporations Act and the ASX Listing Rules.

Change of Name

The Board proposes to change the name of the Company to "Julimar Minerals Limited" to more accurately reflect the future operations of the Company, assuming the Proposed Acquisitions are completed and the required shareholder approvals are obtained.

Change of Company Type and New Constitution

Subject to shareholder approval, in connection with the recapitalisation of the Company under the DOCA, the Board proposes to change the Company's status from a public company limited by shares to a public no liability company and adopt a new constitution. Further details will be set out in the Notice of Meeting to be dispatched to shareholders shortly following this announcement.

Board

The current Directors of the Company are Peter Lewis, John Traicos and Peter Michael. No changes to the Board are proposed in connection with the Proposed Acquisitions. It is noted that Peter Michael and John Traicos were appointed as Non-Executive Directors of the Company effective 6 September 2021 pursuant to the DOCA. Mr Peter Lewis has served as a director since 30 January 2018.

Recent Security Issues

The Company has not issued any securities in the previous 6 months.

In relation to the entities to be acquired by the Company under the Proposed Acquisitions, AAM Resources has not issued any securities in the previous 6 months. The shareholders of AAM Resources are St Barnabas Investments Pty Ltd, an entity controlled by David Michael, and Glen Goulds. The shareholders of Western Yilgarn are also St Barnabas Investments Pty Ltd and Glen Goulds. Western Yilgarn issued shares to Glen Goulds on 3 November 2021 for no consideration. As David Michael and Glen Goulds are the beneficial owners of the PGE Projects, the purpose of the issue was to restructure the issued capital of Western Yilgarn to reflect this ownership.

Control Issues

Section 606(1) of the Corporations Act states that a person must not acquire a relevant interest in the issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the Company increases:

1. from 20% or below to more than 20%; or
2. from a starting point that is above 20% and below 90%.

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

3. are the holder of the securities;
4. have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
5. have power to dispose of, or control the exercise of a power to dispose of, the securities.

Following completion of the Proposed Acquisitions and the other transactions contemplated under the DOCA, the following parties will hold a relevant interest in voting shares in the Company:

Party	Relevant interest in the securities of the Company on completion of acquisition	
	Shares	Options
Oceanic ¹	26,440,000	26,440,000
St Barnabas ²	1,500,000	0
Glen William Goulds ³	7,500,000	6,000,000
Total	35,440,000	32,440,000
Notes: <ol style="list-style-type: none"> 1. Issues pursuant to the DOCA. 2. Received as a vendor of the PGE Projects. 3. Received as a vendor of the PGE Projects and via nomination of securities to be received by Oceanic under the DOCA. 		

None of the above parties currently have a relevant interest in any securities in the Company.

Oceanic, St Barnabas and Glen William Goulds may be associated with one another as they have common control or they may arguably be acting in concert in relation to the implementation of the DOCA and recapitalisation of the Company. St Barnabas is considered to be an associate of Oceanic as both St Barnabas and Oceanic are controlled by David Michael. David Michael is the brother of Director, Peter Michael. Glen William Goulds and St Barnabas are collectively the vendors of the PGE Projects. Further, Oceanic has advised the Company that it intends to nominate 6,000,000 shares and 6,000,000 options to Glenn William Goulds out of the Proponent Securities to be issued to Oceanic, subject to shareholder approval. As such, Glen William Goulds and St Barnabas may arguably be acting in concert in relation to the implementation of the DOCA and recapitalisation of the Company.

Accordingly, the relevant interests of the Proponent Group (comprising Oceanic, St Barnabas and Glenn William Goulds) in the Company should be aggregated for the purposes of Chapter 6 of the Corporations Act until at least such time as the recapitalisation of the Company and the implementation of the DOCA are completed.

The aggregated voting power of the Proponent Group following completion of the Proposed Acquisitions and the other transactions contemplated under the DOCA will be 44.79% (on an undiluted basis) to 48.47% (on a fully diluted basis). As the relevant interest of the Proponent Group will exceed 20% of the issued capital of the Company, shareholder approval under item 7 of section 611 of the Corporations Act will be required.

Further details will be set out in the Notice of Meeting to be dispatched to shareholders shortly following this announcement, which will include an independent's expert's report on the proposed issue of securities to the Proponent Group prepared by BDO Corporate Finance. Shareholders should carefully consider the independent expert's report as it comments on the fairness and reasonableness of the transaction to the non-associated shareholders.

ASX Waivers and Confirmations Required

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of equity securities, or agreement to issue equity securities, to a related party of the Company. Listing Rule 10.13 sets out the

requirements for shareholder approval under ASX Listing Rule 10.13 including that the notice of meeting must state the date by which the securities will be issued which must be no later than 1 month after the date of the meeting (or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules).

The Company will apply to ASX for a waiver of the requirements of ASX Listing Rule 10.13.5 to allow the Company to issue securities to related parties no later than 3 months after the date of the Annual General Meeting of shareholders to be held on 31 January 2022. Further details of any waivers, including conditions imposed, will be disclosed to shareholders in due course.

Shareholder Approvals

A notice of meeting seeking shareholder approvals for the resolutions required to give effect to the Proposed Acquisitions, Proposed Divestment and the transactions contemplated under the DOCA will be dispatched to shareholders shortly following this announcement. It is expected that the Company will convene an annual general meeting of shareholder to be held on 31 January 2022 to seek such approvals. It is expected that the following shareholder approvals will be sought at such shareholder meeting:

1. customary annual general meeting approvals, including adoption of remuneration report, director rotations and re-elections and approval of additional 10% placement capacity;
2. approval of share consolidation (on 50:1 basis);
3. approval of change to scale of activities;
4. approval to issue shares to vendors of PGE projects;
5. approval to issue securities to Oceanic (and/or its nominees) under DOCA;
6. approval to issue shares to Peter Lewis in lieu of director's fees;
7. approval to issue securities to Aurum Pacific under DOCA;
8. approval to issue securities to Administrators under DOCA;
9. approval to issue securities on conversion of Convertible Notes;
10. approval to issue securities under Capital Raising;
11. approval to issue shares to Bellatrix;
12. approval to issue incentive options to Directors;
13. approval to issue options to advisers;
14. approval to change Company's name;
15. approval to change Company's status from limited to no liability; and
16. approval to adopt replacement constitution.

Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

Since the Proposed Acquisitions, together with the transactions contemplated in connection with the recapitalisation of the Company pursuant to DOCA, will amount to a significant change to the scale of the Company's activities, the Company will be required to obtain approval from shareholders and re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Important Notices

It is noted that:

1. the Proposed Acquisitions and the Proposed Divestment require shareholder approval under the ASX Listing Rules and therefore may not proceed if those approvals are not obtained;
2. the transactions contemplated under the DOCA require shareholder approval under the terms of the DOCA, the ASX Listing Rules and the Corporations Act and therefore may not proceed if those approvals are not obtained;
3. the Company is required to re-comply with ASX's requirements for admission and quotation on the official list of the ASX, and therefore the Proposed Acquisitions may not proceed if those requirements are not met;
4. if the Company does not complete the Proposed Acquisitions, the Proposed Divestment and the transactions contemplated under the DOCA and re-comply with ASX's requirements for admission and quotation, the Company's securities will not be reinstated to trading until such time as the Company has demonstrated to ASX that it satisfied Chapter 12 of the ASX Listing Rules;
5. ASX has absolute discretion in deciding whether to re-admit the Company to the official list of the ASX and to quote its securities and therefore the Proposed Acquisitions may not proceed if ASX exercised that discretion;
6. the DOCA and the agreements for the Proposed Acquisitions are subject to various conditions being met within a certain timeframe and therefore these transactions may not proceed if such conditions are not met; and
7. investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

The Company also notes that ASX takes no responsibility for the contents of this announcement.

The Company confirms it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

The Company confirms that all material information available to Directors has been included in this announcement.

Authorised for release by the Board of Pacific Bauxite Limited.

Ends.

All Shareholder enquires relating to the DOCA – Please contact:
Aaron Dominish - ADominish@hallchadwick.com.au or (08) 6557 6200

All Shareholder enquiries relating to the Company's operations – Please contact:
Peter Lewis on 0418 785 259 or (08) 6166 9107

Competent Person

The information contained in this announcement that relates to exploration results is based on information compiled or reviewed by George Karageorge who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) who fairly represents this information. George Karageorge is a consultant to the Company who has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the "JORC Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". George Karageorge consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Annexure A – Material Terms of Agreements

DOCA

The material terms of the DOCA comprise of the following:

- 1) Oceanic will provide the Company with \$1,600,000 (**Fund**) with \$150,000 required as a non-refundable upfront deposit upon the creditor resolution accepting the proposal.
- 2) Funds to be applied as follows:
 - a. Payment of the Administrators remuneration (including disbursements and costs) subject to a creditors resolution but not otherwise to exceed:
 - i. \$1,100,000 from the Fund; and
 - ii. The issue of 1,000,000 shares (on a post-Consolidation basis) to the Administrators.
 - b. Full payment to any employee creditors of the Company.
 - c. Payment to Aurum Pacific in the sum of \$184,100.57.
 - d. A cash payment of \$267,114.25 to be distributed pro-rata between the creditors of the Company (save any employee claims and Aurum Pacific that are to be paid in full) and Scott James Dodd, Peter Forrest Pty Ltd and Nicholas Michael Wixon Willis in final satisfaction of their claims against the Company.
 - e. The balance being available to the Company for working capital purposes.
- 3) Oceanic will also provide additional funding to the Company to the extent the above payments and the fees, costs, expenses and liabilities associated with obtaining all necessary approvals and consents required to meet the conditions under the DOCA exceed the Fund ("top-up funding"). Oceanic is entitled to 2 Shares and 2 options (ex. \$0.20, exp. 3 years from issue) (both on a post-Consolidation basis) for each dollar of top-up funding provided.
- 4) The DOCA also provides that the ownership of the Company's wholly owned subsidiary Iron Mountain Bauxite Pty Ltd (**Iron Mountain**) (which has an interest in the Nendo Bauxite Project) will be transferred by the Company to:
 - a. Aurum Pacific Management Pty Ltd (**Aurum Pacific**) obtaining an 80% holding in Iron Mountain; and
 - b. The Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust retaining a 20% holding of Iron Mountain. The beneficiaries of the Iron Mountain Trust are the shareholders of the Company at the time trading of the securities was suspended on 24 December 2019.
- 5) The DOCA is conditional on:
 - a. Shareholder approval being obtained by 31 January 2022 for the following:
 - i. a 50:1 consolidation of the Shares (**Consolidation**);
 - ii. the issue of fully paid ordinary shares and options as outlined in paragraph 2;

- iii. any other resolutions necessary to obtain re-quotations of the Company's securities to the ASX's Official List;
 - b. the execution of an instrument documenting the sale of Iron Mountain and the trusteeship as set out in paragraph 4;
 - c. Oceanic paying the Fund into a solicitor's trust account prior to the third creditors meeting to consider the proposal; and
 - d. the Darling Range Bauxite Project tenement (ELA 70/5111) not being altered, reduced, amended, varied, or otherwise changed, withdrawn, revoked, denied, declined or refused without the written consent of Oceanic.
- 6) On effectuation of the DOCA, the Company will also grant to Oceanic a 1.5% net smelter royalty on all base and precious metals and rare earths and a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually) extracted from the Darling Range Bauxite Project or any subsequent tenement over any of the land or area comprising the Darling Range Bauxite Project in the future.

PGE Projects Acquisition Agreements

The consideration payable to the vendors as follows:

- 1) 1,500,000 Shares to St Barnabas Pty Ltd and Glen William Goulds for the acquisition of Western Yilgarn and 1,500,000 Shares to St Barnabas Pty Ltd and Glen William Goulds for the acquisition of AAM Resources (all on a post-Consolidation basis and all Shares issued at a deemed issue price of \$0.20) (together, the **Consideration Shares**);
- 2) a 2% net smelter return royalty payable to the vendors on all minerals extracted from the PGE Projects; and
- 3) reimbursement to the vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good standing (currently totalling approximately \$43,000).

Completion of the Proposed Acquisitions is conditional on the satisfaction of various conditions precedent including:

- 4) completion of due diligence by the Company on the PGE Project tenements and each company's business, assets, financial position, operations and interest in the PGE Project tenements;
- 5) the PGE Projects having been maintained in good standing, in full force and effect and free from encumbrances, third party interests or any liability for forfeiture or non-renewal;
- 6) the Company securing all shareholder, board and regulatory approvals required to perform under the Proposed Acquisitions; and
- 7) the Company lodging its Re-Listing Prospectus, receiving the minimum subscription under the Capital Raising and receiving a conditional re-listing letter from ASX on terms that the Company acting reasonably believes can be satisfied.

If the above conditions are not satisfied (or waived by mutual agreement) within 6 months following execution of each agreement with the vendors (or such later date as the parties may agree), or if the DOCA is terminated, then any party may terminate each agreement by notice in writing to the other party.

The acquisition agreements for the Proposed Acquisitions otherwise contain provisions considered standard for an agreement of its nature.

Iron Mountain Share Transfer Deed

The Company holds 100 Shares in Iron Mountain, representing 100% of the total issued shares. The Company will transfer these shares to the following parties in the proportions as set out below:

Buyer	Shares
Richard Albarran and Cameron Shaw as trustees for the Iron Mountain Trust ¹	20
Peter Forrest Pty Ltd as trustee for the Peter Forrest Family Trust ²	66
Nicholas Michael Wixon Willis ³	14
Total	100
Notes:	
1. The Iron Mountain Trust is a trust established for the benefit of those persons who were Shareholders of the Company as at the date of voluntary administration, with Richard Albarran and Cameron Shaw appointed as the initial trustees. Such trustees will aim to seek opportunities to derive value from the sale of Iron Mountain in the future.	
2. Peter Forrest Pty Ltd is an entity controlled by Peter Forrest who is a director of Aurum Pacific Pty Ltd, a creditor of the Company. Aurum Pacific holds the remaining 50% interest in Eight South Investments. Peter Forrest is also an existing shareholder of Eight South Investments.	
3. Nicholas Willis is a director and shareholder of Eight South Investments, and is also a director of Aurum Pacific.	

Subject to the conditions for completion outlined below, the Company agrees to transfer to each buyer their respective portion of shares in Iron Mountain as set out above, subject to such buyers, Aurum and Iron Mountain releasing claims against the Administrators and the Company in relation to the DOCA, the Company or its administration.

The parties have no obligation to complete the transfer of shares in Iron Mountain unless each of the following conditions is met or waived:

- (i) a new shareholders deed is executed and exchanged between the parties to that deed;
- (ii) a release deed in relation to debts owed by the Company to the buyers is executed by the parties;
- (iii) the DOCA has been effectuated, and notice of that effectuation has been lodged with ASIC; and
- (iv) there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of Iron Mountain since the Iron Mountain share transfer deed was executed.

If the conditions set out above are not met or waived by the date agreed by the parties, then the share transfer deed may be terminated by any party by notice.

Annexure B – Pro Forma Balance Sheet

	Note	Audited (30 June 2021)	Pro Forma
Current Assets			
Cash	(i)	7,016	4,258,439
Restricted Cash		61,500	61,500
Trade and other receivables		32,582	32,582
		101,098	4,352,521
Non-Current Assets			
Exploration assets	(ii)	0	600,000
		0	600,000
Total Assets		101,098	4,952,521
Current Liabilities			
Trade and other payables - Trade creditors	(iii)	360,051	(0)
Trade and other payables - Accruals	(iii)	1,142,334	0
Trade and other payables - PAYE	(iii)	4,800	0
Provisions for Annual Leave	(iii)	1,745	(0)
Convertible Note	(iv)	0	0
Short Term Loan	(v)	0	0
		1,508,930	(0)
Total Liabilities		1,508,930	(0)
Net Assets / (Liabilities)		(1,407,832)	4,952,522
Equity			
Issued capital	(vi)	20,321,348	28,996,348
Reserves		1,624,540	1,624,540
Accumulated losses		(23,353,720)	(25,668,367)
Net Assets / (Liabilities)		(1,407,832)	4,952,521

Notes:

(i) Cash

Per audited balance sheet at 30 June 2021	7,016
Loan from Oceanic Capital Pty Ltd to PBX Aus Pty Ltd	120,000
Convertible note funding	550,000
DOCA effectuation	1,600,000
DOCA effectuation – payment of creditors	(1,600,000)
Placement (net of expenses)	4,230,000
Expenses of the reinstatement	(512,944)
Repayment of loan from PBX Aus Pty Ltd to Oceanic Capital Pty Ltd	(120,000)
Interest paid on loan to Oceanic Capital Pty Ltd	(8,038)
Interest paid on convertible notes	(7,595)
Per pro-forma balance sheet following reinstatement	4,258,439

(ii) Exploration Assets

Per audited balance sheet at 30 June 2021	0
Acquisition of exploration assets	600,000
Per pro-forma balance sheet following reinstatement	600,000

(iii) Trade and Other Payables and Provisions

Per audited balance sheet at 30 June 2021	1,508,930
DOCA effectuation – payment of creditors	(1,508,930)
Per pro-forma balance sheet following reinstatement	0

(iv) Convertible Note

Per audited balance sheet at 30 June 2021	0
Convertible note funding	550,000
Conversion of convertible note	(550,000)
Per pro-forma balance sheet following reinstatement	0

(v) Short Term Loan

Per audited balance sheet at 30 June 2021	0
Loan from Oceanic to PBX Aus Pty Ltd	120,000
Repayment of loan to PBX Aus Pty Ltd	(120,000)
Per pro-forma balance sheet following reinstatement	0

(vi) Issued Capital

Per audited balance sheet at 30 June 2021	20,321,348
Issue of shares acquisition of exploration assets	600,000
Issue of shares to Oceanic Capital Pty Ltd - DOCA effectuation	1,600,000
Issue of shares to Oceanic Capital Pty Ltd - DOCA effectuation	220,000
Issue of shares to Peter Lewis - Conversion of debt	30,000
Issue of shares to Pacific	1,200,000
Issue of shares to Administrator	200,000
Issue of shares for conversion of convertible notes	550,000
Issue of shares pursuant to placement	4,500,000
Issue of shares to Bellatrix Corporate Pty Ltd – Conversion of debt	45,000
Capital raising costs	(270,000)
Per pro-forma balance sheet following reinstatement	28,996,348

Annexure C – Valuation of Incentive Options

The incentive options to be issued to Peter Lewis, John Traicos and Peter Michael have been valued by internal management. Using the Black & Scholes option pricing and based on the assumptions set out below, the options were ascribed the following value range:

Assumptions:	
Valuation date	13 December 2021
Market price of Shares	\$0.20 (using the price of Shares to be issued under the Capital Raising)
Exercise price	\$0.20
Expiry date (length of time from issue)	3 years from date of issue
Risk free interest rate	0.50%
Volatility	100%
Indicative value per Incentive Option	\$0.123
Total Value of Incentive Options	\$306,573.69
- Peter Lewis	\$102,191.23
- John Traicos	\$102,191.23
- Peter Michael	\$102,191.23

Note: The valuation ranges noted above are not necessarily the market prices that the Incentive Options could be traded at and they are not automatically the market prices for taxation purposes.