
PACIFIC BAUXITE LIMITED
(TO BE RENAMED TO JULIMAR MINERALS LTD)
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 112 914 459

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9:00 am WST
DATE: 31 January 2022
PLACE: 25 Colin Street
West Perth, Western Australia 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 4:00 pm WST on 29 January 2022.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

1. □ RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. □ RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER LEWIS

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

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Peter Lewis, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. □ RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JOHN TRAIÇOS

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Traicos, a Director who was appointed as an additional director on 6 September 2021, retires, and being eligible, is elected as a Director.”

4. □ RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR PETER MICHAEL

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Peter Michael, a Director who was appointed as an additional director on 6 September 2021, retires, and being eligible, is elected as a Director.”

5. □ RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6. □ RESOLUTION 6 – CONSOLIDATION OF CAPITAL

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

“That, subject to the passing of all Recapitalisation Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, Shareholders approve the Company to consolidate the issued capital of the Company on the basis that every fifty (50) Shares be consolidated into one (1) Share on the terms and conditions set out in the Explanatory Statement.”

7. □ RESOLUTION 7 – CHANGE TO SCALE OF ACTIVITIES

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change to the scale of the Company's activities resulting from the divestment of Iron Mountain Bauxite Pty Ltd and the acquisition of the PGE Projects on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the counterparties to the Proposed Divestment and Proposed Acquisitions, of itself and any other person who will obtain a material benefit as a result of the transactions (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. □ RESOLUTION 8 – APPROVAL TO ISSUE SHARES TO THE VENDORS

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and section 611 (item 7) of the Corporations Act and for all other purposes, Shareholders approve the issue of 3,000,000 Shares (on a post-Consolidation basis) to the Vendors (and/or their nominee/s) as part of the consideration for the acquisition of the PGE Projects on the terms and conditions set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should carefully consider the Independent Expert’s Report prepared by BDO for the purpose of seeking Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the transaction to the non-associated Shareholders and concludes that the transaction is fair and reasonable.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and/ or their nominee/s), or any other person who might obtain a benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9. □ RESOLUTION 9 – APPROVAL OF ISSUE OF PROPONENT SECURITIES

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and section 611 (item 7) of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 32,440,000 Shares and 32,440,000 New Options (both on a post-Consolidation basis) to Oceanic (and/or its nominee/s) on the terms and conditions of the Deed of Company Arrangement as set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should carefully consider the Independent Expert’s Report prepared by BDO for the purpose of seeking Shareholder approval required under section 611 (item 7) of the Corporations Act. The Independent Expert’s Report comments on the fairness and reasonableness of the transaction to the non-associated Shareholders and concludes that the transaction is fair and reasonable.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Oceanic (and/or its nominee/s), or any other person 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) if this Resolution is passed, or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10. □ RESOLUTION 10 – APPROVAL TO ISSUE SHARES TO PETER LEWIS IN LIEU OF DIRECTOR’S FEES

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 300,000 Shares (on a post-Consolidation basis) to Peter Lewis (and/or his nominee/s) in lieu of director’s fees 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 Peter Lewis (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11. □ RESOLUTION 11 – APPROVAL OF ISSUE OF AURUM PACIFIC SECURITIES

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,000,000 Shares and 6,000,000 New Options (both on a post-Consolidation basis) to Aurum Pacific Management Pty Ltd (and/or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Aurum Pacific Management Pty Ltd (and/or its nominee/s), or any other person 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 entity) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

12. □ RESOLUTION 12 – APPROVAL OF SHARE ISSUE TO ADMINISTRATORS

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Shares (on a post-Consolidation basis) to the Administrators (and/or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by the Administrators (and/or its nominee/s), or any other person 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 entity) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

13. **RESOLUTION 13 – APPROVAL TO ISSUE SECURITIES ON CONVERSION OF CONVERTIBLE NOTES**

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,500,000 Shares and 2,750,000 Placement Options (on a post-Consolidation basis) on conversion of the Convertible Notes (having a total face value of up to \$550,000) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in the proposed issue, or any other person 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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

14. □ RESOLUTION 14 – APPROVAL TO ISSUE CAPITAL RAISING SECURITIES

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:

- (a) 22,500,000 Shares; and
- (b) 11,250,000 Placement Options (on the basis of one free attaching Placement Option for every two Shares subscribed for in the Capital Raising),

(both on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in the proposed issue, or any other person 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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

15. □ RESOLUTION 15 – APPROVAL TO ISSUE SHARES TO BELLATRIX

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 450,000 Shares (on a post-Consolidation basis) to Bellatrix (and/or its nominee/s) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by Bellatrix (and/or its nominee/s), or any other person who will obtain a material benefit as 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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

16. □ RESOLUTION 16 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO PETER LEWIS

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 830,823 Incentive Options (on a post-Consolidation basis) to Peter Lewis (and/or his nominee/s) 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 Peter Lewis (and/or his nominee/s), any other person who will obtain a material benefit as a result of the issue of the securities (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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

17. □ RESOLUTION 17 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO JOHN TRAIICOS

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 830,823 Incentive Options (on a post-Consolidation basis) to John Traicos (and/or his nominee/s) 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 John Traicos (and/or his nominee/s) any other person who will obtain a material benefit as a result of the issue of the securities (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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

18. □ RESOLUTION 18 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO PETER MICHAEL

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 830,823 Incentive Options (on a post-Consolidation basis) to Peter Michael (and/or his nominee/s) 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 Peter Michael (and/or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

19. □ RESOLUTION 19 – APPROVAL TO ISSUE ADVISER OPTIONS TO ADVISERS

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

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 6,000,000 Adviser Options (on a post-Consolidation basis) to the Advisers on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who is expected to participate in the proposed issue, or any other person 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, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

20. □ RESOLUTION 20 – APPROVAL TO CHANGE COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of section 157 of the Corporation Act and for all other purposes, approval is given for the name of the Company to be changed to “Julimar Minerals Limited” with effect from the date that ASIC alters the details of the Company’s registration.”

21. □ RESOLUTION 21 – CHANGE IN COMPANY STATUS FROM LIMITED TO NO LIABILITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of all Recapitalisation Resolutions, for the purposes of section 162 of the Corporation Act and for all other purposes, approval is given to change the status of the Company from a public company limited by shares to a public no liability company.”

22. □ RESOLUTION 22 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to the passing of all Recapitalisation Resolutions, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

CONTINGENT BUSINESS OF THE MEETING

23. □ RESOLUTION 23 – BOARD SPILL MEETING (CONTINGENT RESOLUTION)

Note – The following Resolution will only be put to the Meeting if at least 25% of votes cast on Resolution 1 (to adopt the remuneration report) are “against” that resolution at the 2020 Annual General Meeting and at the 2021 Annual General Meeting. If less than 25% of the votes cast on Resolution 1 are against that resolution at the 2020 Annual General Meeting or the 2021 Annual General Meeting, then there will no second strike and Resolution 23 will not be put to the Meeting.

If put, the Meeting is to consider and, if thought fit, to pass the following resolution as **ordinary resolution**:

“That, as required by Division 9 of Part 2G.2 of the Corporations Act:

- a) *A meeting of the Company’s members be held within 90 days of the date of this meeting (the Spill Meeting);*
- b) *All of the Directors in office when the Board resolution to approve the directors’ reports for the financial year ended 30 June 2021 was passed (excluding the Managing Director), and who remain in office as Directors at the time of the Spill Meeting (Vacating Directors), cease to hold office immediately before the end of the Spill Meeting; and*
- c) *Resolutions to appoint persons to offices that will be vacating immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*
- d) *In accordance with section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting.”*

Voting Exclusion:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Dated: 30 December 2021

By order of the Board



Melissa Chapman
Joint Company Secretary

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 6166 9107.

EXPLANATORY STATEMENT

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

1. □ FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.pacificbauxite.com.

2. □ OVERVIEW

2.1 □ Recapitalisation proposals

A recapitalisation proposal typically involves an injection of new cash (by way of issuing new securities) into a company that is either in financial distress or has been placed into voluntary administration. In the ordinary course, the entity in question will retain some or all of its assets and seek reinstatement to trading following completion of a recapitalisation proposal. That is what is proposed by the Resolutions set out in this Notice of Meeting. The background on the Company and an overview of the recapitalisation proposal is set out in the balance of this Section of the Explanatory Statement below.

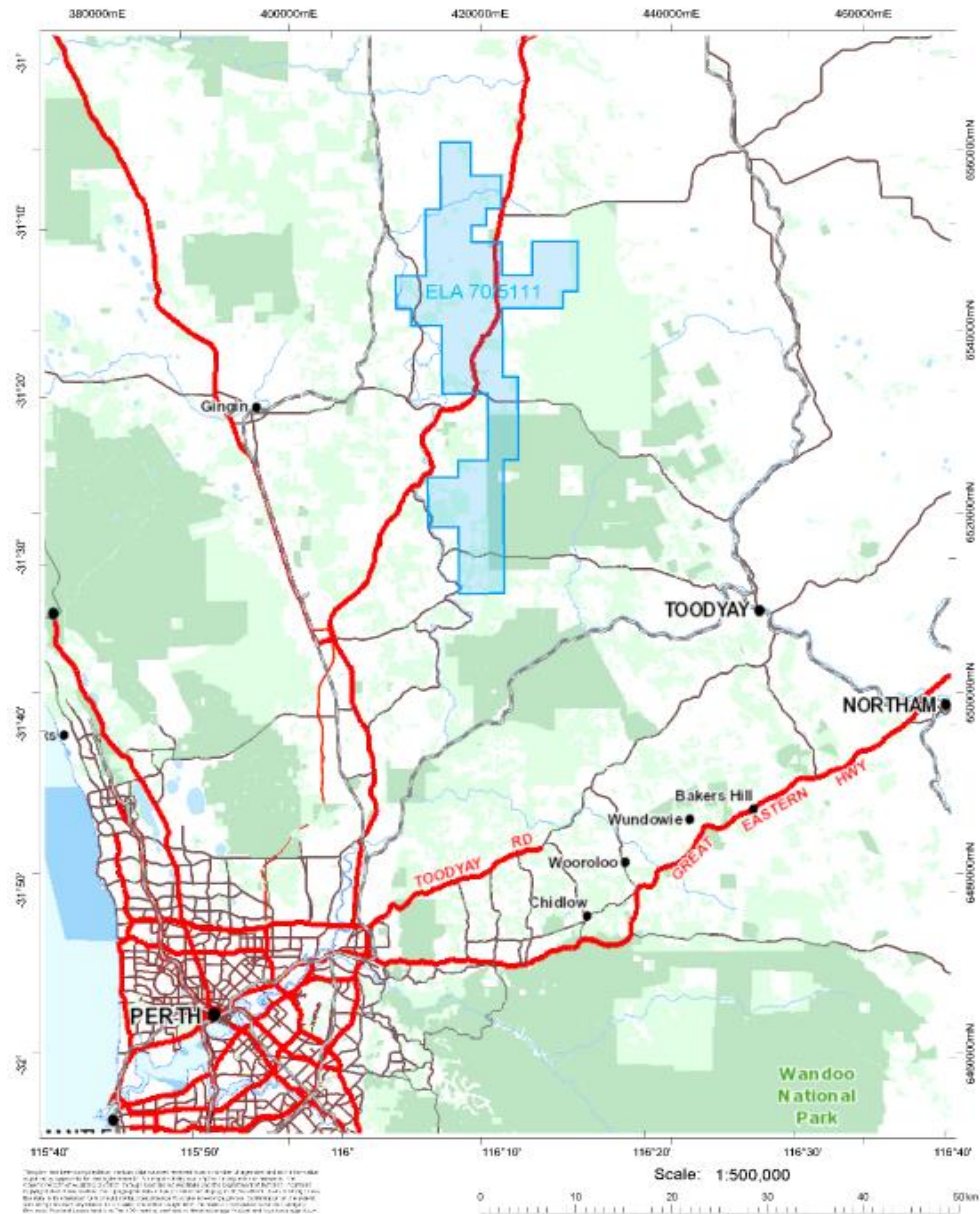
2.2 □ Background

The Company was incorporated on 14 February 2005 and subsequently listed on the ASX on 23 May 2007 (ASX code: PBX). The Company's Shares were last able to be traded on ASX on 24 December 2019 and have been suspended since then (see Section 2.15 below).

The Company's current activities involve resource exploration, with a focus on bauxite exploration. The Company currently holds an interest in the Darling Range Bauxite Project and the Nendo Bauxite Project. The Company's interest in the Nendo Bauxite Project is proposed to be divested (see Section 8.1 for further details). Details of Darling Range Bauxite Project are set out below.

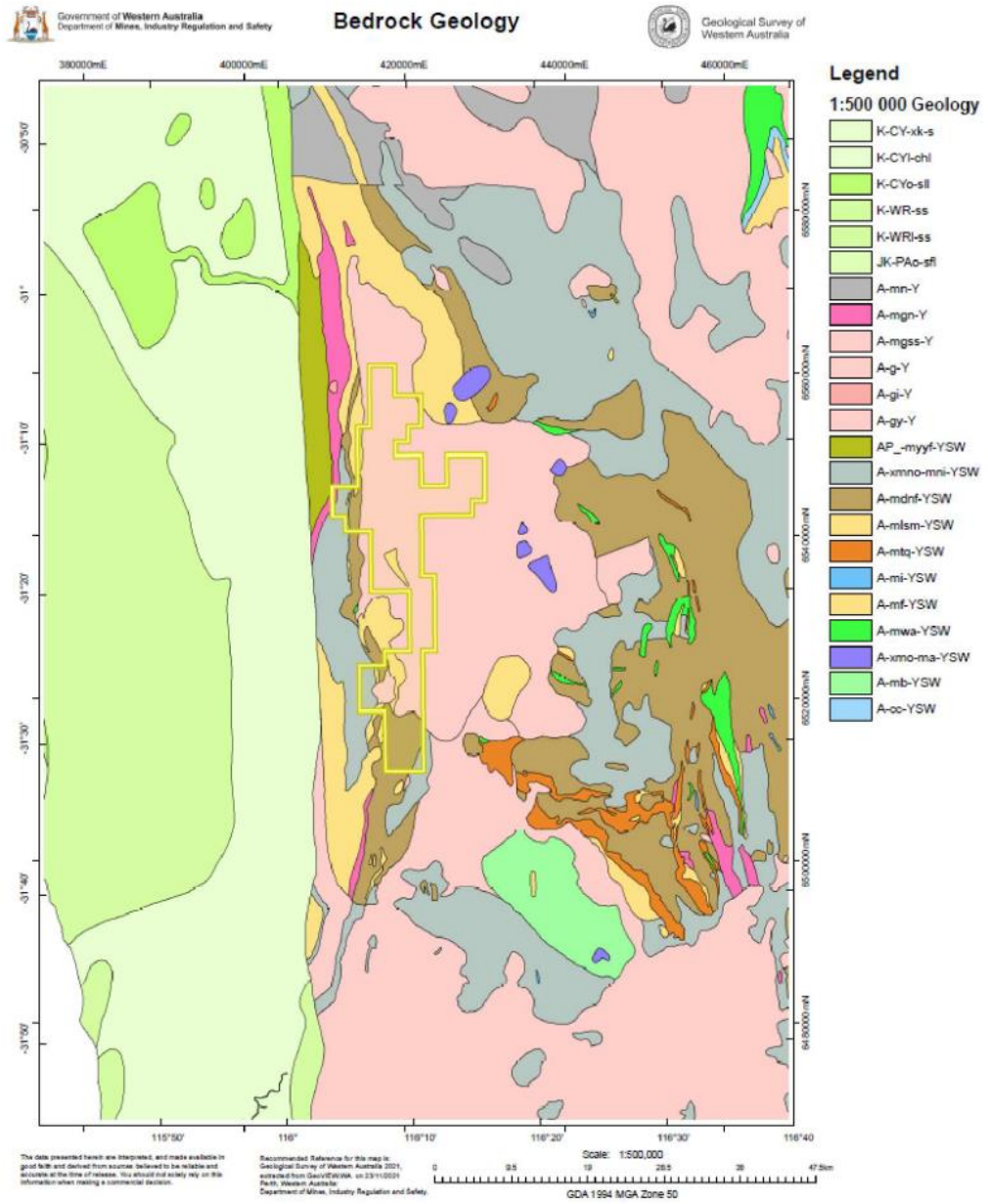
(a) Darling Range Bauxite Project

The Company, through its wholly owned subsidiary PBX Aus, has a 100% interest in exploration licence application ("ELA") 70/5111 (**Darling Range Bauxite Project**). 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 Gonneville 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 SAPPR 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.

(b) **Corporate – Voluntary Administration**

On 24 December 2019 the Company announced that Richard Albarran and Cameron Shaw of Hall Chadwick 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 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.

2.3 **Deed of Company Arrangement**

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 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 New Options (both on a post-Consolidation basis) for each dollar of Top-Up Funding Provided.

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:

- Aurum Pacific Management Pty Ltd (**Aurum Pacific**) obtaining an 80% holding in Iron Mountain; and
- 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.

As at the date of this Notice, Oceanic estimates that it will provide a maximum of \$1,820,000 in funding to the Company (including \$220,000 in Top Up Funding). Accordingly, pursuant to the terms of the DOCA, Oceanic is entitled to be issued a total of 440,000 Shares and 440,000 New Options (both on a post-Consolidation basis) by the Company for providing such Top-Up Funding, subject to Shareholder approval. The Company is accordingly seeking Shareholder approval to issue the Proponent Securities 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.

Subject to the conditions in Section 2.4 below, the Company will:

- 1) issue to:
 - a. Oceanic (and/or its nominee/s) a total of 32,440,000 Shares and 32,440,000 New Options (both on a post-Consolidation basis);
 - b. Aurum Pacific (and/or its nominee/s) 6,000,000 Shares and 6,000,000 New Options (both on a post-Consolidation basis); and
 - c. the Administrators 1,000,000 Shares (on a post-Consolidation basis) (**Administrator Shares**); and
- 2) 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.

2.4 □ DOCA Conditions

The DOCA is conditional on:

- 1) Shareholder approval being obtained by 31 January 2022 for the following:
 - a. a 50:1 consolidation of the Shares (**Consolidation**);
 - b. the issue of fully paid ordinary shares and New Options as outlined in Section 2.3;
 - c. any other resolutions necessary to obtain re-quotations of the Company's securities to the ASX's Official List;

- 2) the execution of an instrument documenting the sale of Iron Mountain and the trusteeship as set out Section 2.3;
- 3) Oceanic paying the Fund into a solicitor's trust account prior to the third creditors meeting to consider the proposal; and
- 4) 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.

2.5 □ Proposed Acquisition of PGE Projects

Overview

The Company has entered into agreements with St Barnabas and Glen William Goulds (the **Vendors**) to acquire the entire issued share capital of Western Yilgarn and AAM Resources (**Proposed Acquisitions**). Such acquisitions are conditional on Shareholder approval.

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 PGE Projects are located in the Eastern Goldfields and Pilbara regions of Western Australia and are prospective for platinum group metals, gold, nickel and other minerals.

A summary of the material terms of the Proposed Acquisitions are set out below:

Consideration

The consideration payable to the Vendors is as follows:

- (a) 1,500,000 Shares to the Vendors for the acquisition of Western Yilgarn and 1,500,000 Shares to the Vendors 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**);
- (b) a 2% net smelter return royalty payable to the Vendors on all minerals extracted from the PGE Projects; and
- (c) reimbursement to the Vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good standing (which as at the date of this Notice total approximately \$43,000).

Conditions Precedent

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

- (a) 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;

- (b) 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;
- (c) the Company securing all shareholder, board and regulatory approvals required to perform under the Proposed Acquisitions; and
- (d) 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.

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.



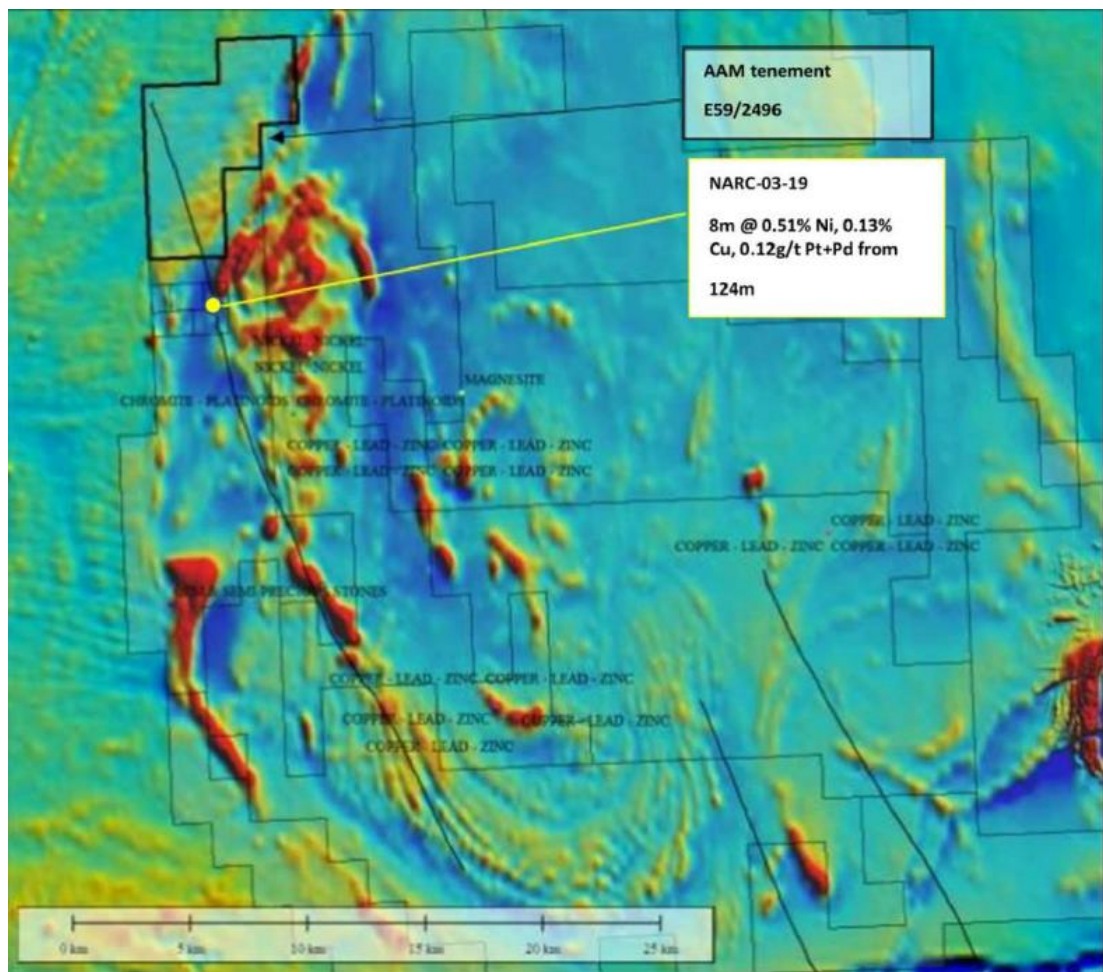
Further information on the tenements which comprise the PGE Projects is set out in the table below:

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

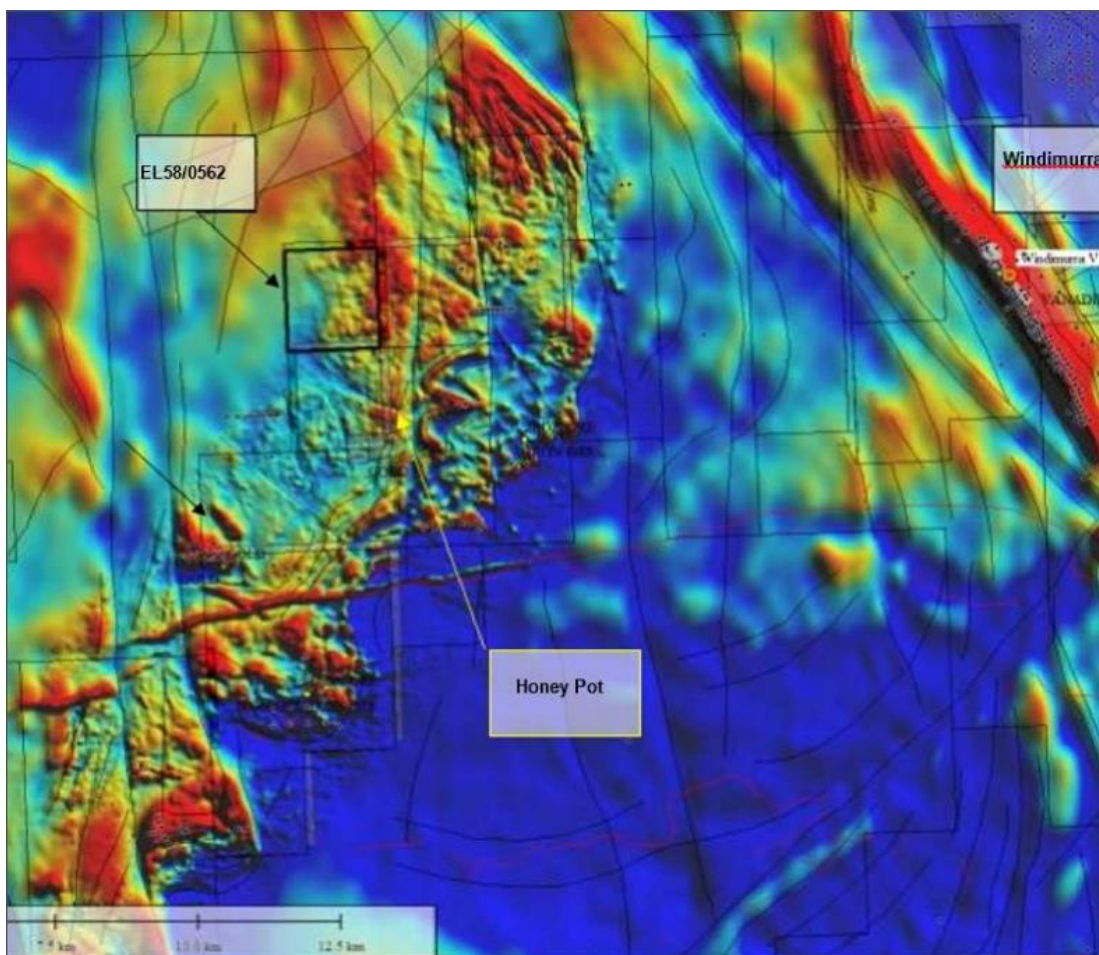
Mount Magnet Project (E59/2496 and E58/562)

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.

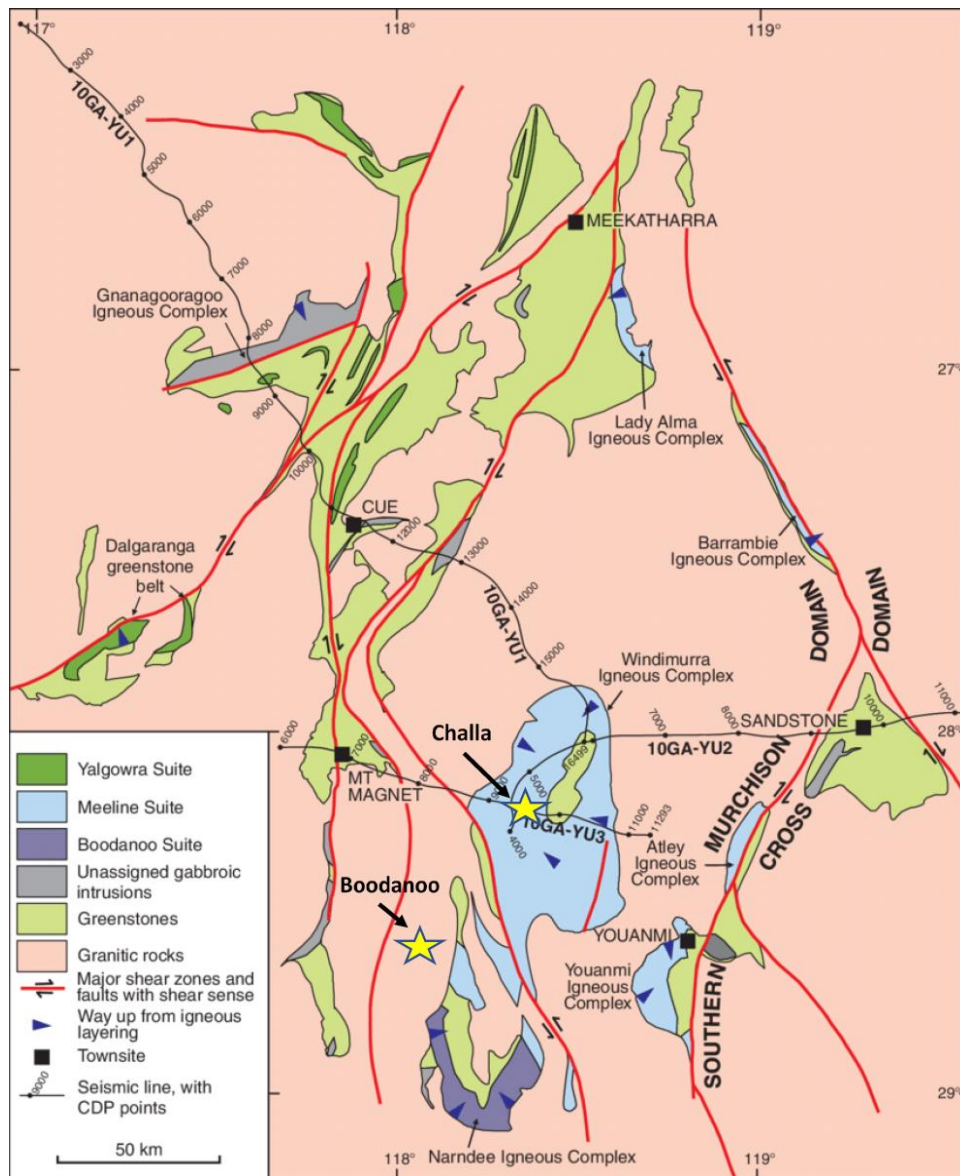


The Challa exploration licence covers approximately 302ha and is located approximately 475km northeast of Perth. The tenure is located approximately 15km west of Atlantic Limited's Windimurra Vanadium Project and adjacent to Flinders Mines Limited's Canegrass Vanadium Project and Honey Pot Anomalous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

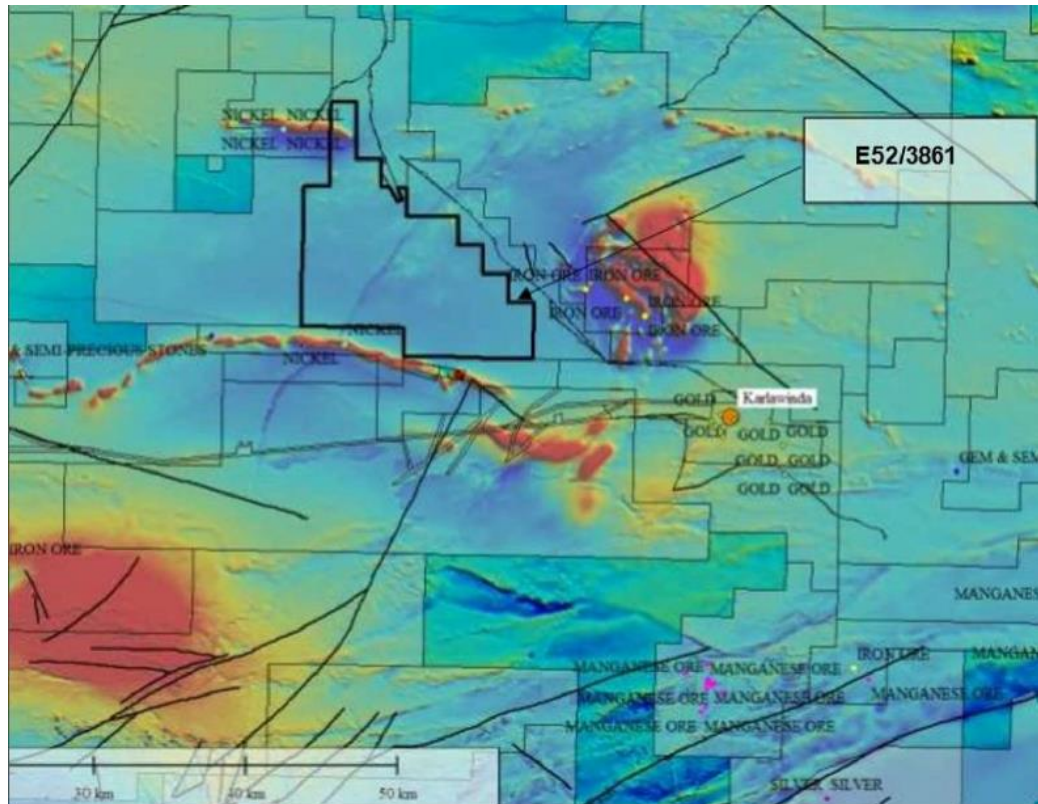
The Sylvania Project is located in the Pilbara region of Western Australia approximately 70km southeast of the regional mining town of Newman. The Sylvania Project comprises a single granted exploration licence (E52/3861) which covers an area of approximately 138km². The tenement sits close to Capricorn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

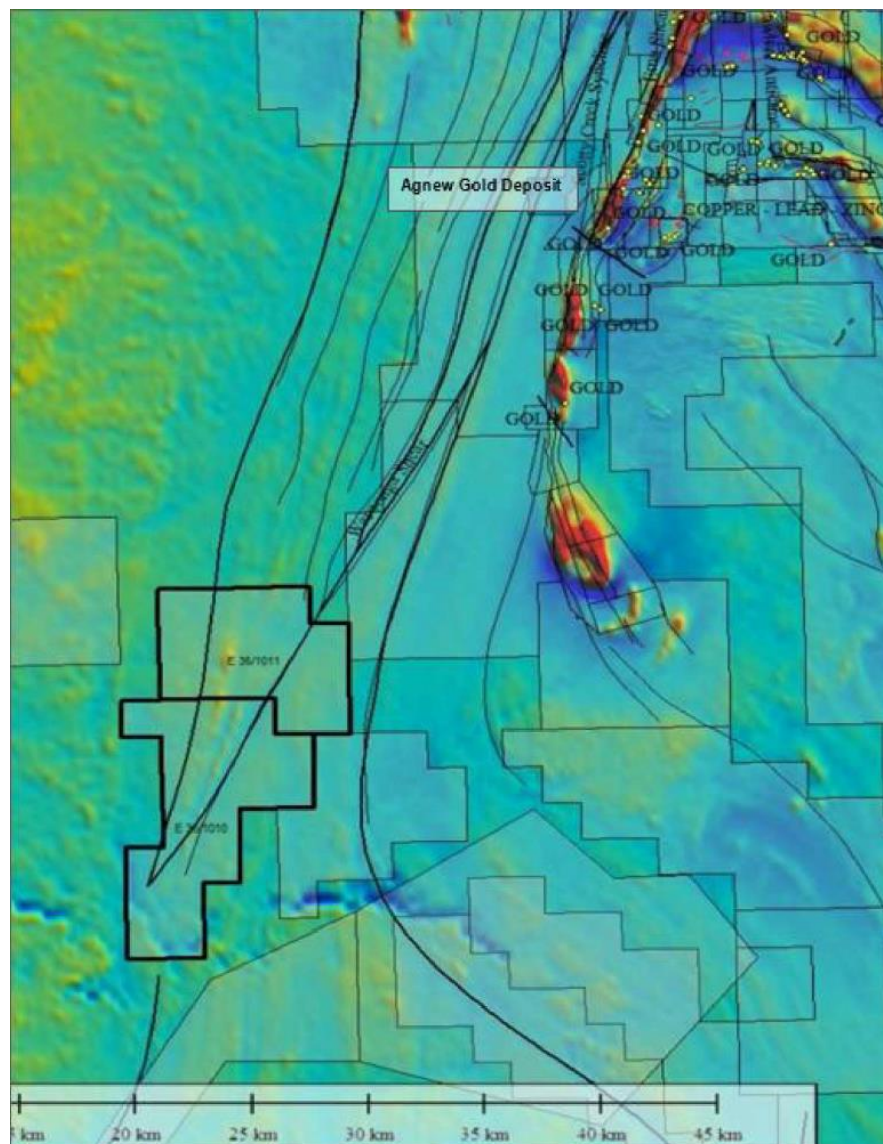
The Bulga Project is a continuous landholding comprising two granted exploration licences (E36,1010 and E36/1011) covering a combined area of 118km² and exploration licence application E36/1025. The Bulga Project is located approximately 840km northeast of Perth, 120km northwest of Leonora and 40km southwest 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.



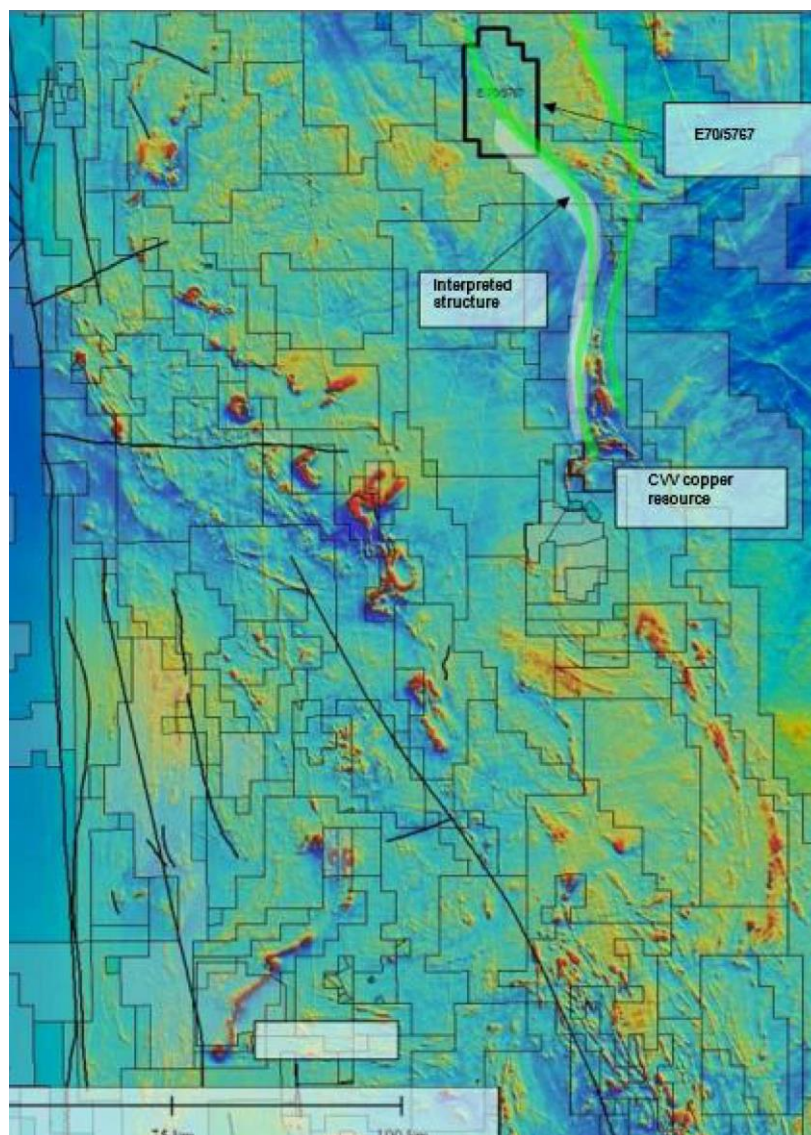
Melbourne (E70/5767 & ELA70/5921)

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.



Resolutions 7 and 8 seeks Shareholder approval for effectuation of the Proposed Acquisition and the issue of the Consideration Shares to the Vendors.

2.6 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.

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.

Resolution 12 seeks Shareholder approval for the issue of Administrator Shares.

2.7 **Convertible Notes**

The Company is proposing to issue Convertible Notes to sophisticated and professional investors to raise up to \$550,000 (before costs). The purpose of the issue is to provide funding to cover the costs of the Company seeking re-admission to the Official List and for general working capital purposes.

Pursuant to their terms, the Convertible Notes are 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 (on a post-Consolidation basis) 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.

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.

Resolution 13 seeks Shareholder approval for the issue of Shares on conversion of the Convertible Notes.

2.8 **Capital Raising**

To facilitate its application for re-admission to the Official List 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 Placement Options under a prospectus (**Re-Listing Prospectus**) (**Capital Raising**).

Under the Capital Raising, subject to Shareholder approval, the Company proposes to issue 22,500,000 Shares (at an issue price of \$0.20) and 11,250,000 Placement Options (on the basis of one free attaching Placement Option for every two Shares subscribed for in the Capital Raising) collectively the **Capital Raising Securities**) to existing Shareholders and new investors in the Company. These figures are quoted on a post-Consolidation basis. 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.

Resolution 14 seeks Shareholder approval for the issue of the Capital Raising Securities under the Capital Raising.

2.9 **Business Strategy**

The Company is a resource exploration company with its activities having recently been focused on its Darling Range Bauxite Project (refer to Section 2.2(a) above for further details). Post-completion of the DOCA and receipt of the required

Shareholder approvals sought under this Notice, 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.

Further details on the Company's planned exploration activities are set out in Sections 2.2(a) (in relation to the Darling Range Bauxite Project) and 2.5 (in relation to the PGE Projects).

2.10 **Capital Structure**

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

- 1) consolidate its issued capital on a 50:1 basis (Resolution 6);
- 2) issue 3,000,000 Shares to Vendors for the acquisition of the PGE Projects (Resolution 8);
- 3) issue the Proponent Securities to Oceanic (Resolution 9);
- 4) issue 300,000 Shares to Peter Lewis in Lieu of outstanding Director's fees (Resolution 10);
- 5) issue the Aurum Pacific Securities to Aurum (Resolution 11);
- 6) issue the Administrator Shares to the Administrators (Resolution 12);
- 7) issue up to 5,500,000 Shares and 2,750,000 Placement Options on conversion of the Convertible Notes (Resolution 13);
- 8) issue the Capital Raising Securities under the Capital Raising (Resolution 14);
- 9) issue 450,000 Shares to Bellatrix (Resolution 15);
- 10) issue a total of 2,492,469 Incentive Options to the Directors (Resolutions 16 to 18); and
- 11) issue 6,000,000 Adviser Options to the Advisers (Resolution 19).

The capital structure of the Company assuming that each of the Resolutions in this Notice are approved and the relevant securities are issued will be as follows:

Capital Structure	Shares	Options
Currently on issue	396,614,034	-
Post-Consolidation (Resolution 6)	7,932,281	-
Issue of Shares to Vendors (Resolution 8)	3,000,000	
Issue of Securities to Oceanic (Resolution 9) ¹	32,440,000	32,440,000 ²
Issue of Shares to Peter Lewis in Lieu of Director's Fees (Resolution 10)	300,000	-
Issue of Securities to Aurum Pacific (Resolution 11)	6,000,000	6,000,000 ²
Issue of Administrator Shares (Resolution 12)	1,000,000	-
Conversion of Convertible Notes (Resolution 13)	5,500,000	2,750,000 ³
Issue of Capital Raising Securities (Resolution 14)	22,500,000	11,250,000 ³
Issue of Shares to Bellatrix (Resolution 15)	450,000	-
Issue of Incentive Options to Directors (Resolutions 16 to 18)	-	2,492,469 ⁴
Issue of Adviser Options to the Advisers (Resolution 19)	-	6,000,000 ³
Pro-forma total issued capital	79,122,281	60,932,469
Notes:		
1.	Comprising 32,000,000 Shares and 32,000,000 New Options to be issued pursuant to Clause 6.1 (a) of the Oceanic DOCA, and 440,000 Shares and 440,000 New Options to be issued pursuant to the Top-Up Funding provided by Oceanic under Clause 6.1 (b) of the Oceanic DOCA.	
2.	Options exercisable at \$0.20 and expiring 3 years after grant.	
3.	Options exercisable at \$0.30 and expiring 3 years after grant.	
4.	Options exercisable at \$0.20, expiring 3 years after grant and subject to various vesting conditions.	

2.11 □ 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 Resolutions are passed and consummated and the DOCA is effectuated (all liabilities eliminated) is set out in Schedule 6 of this Notice.

2.12 □ Proposed use of funds

The Company intends to apply funds raised from the Capital Raising (subject to Shareholder approval to issue the Capital Raising Securities under Resolution 14), together with existing cash reserves, over the two years following 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 Notice. 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.

2.13 Indicative Timetable

Set out in the table below is the indicative timing for completion of the recapitalisation proposal under DOCA or the other proposed transactions the subject of this Notice, subject to compliance with all regulatory requirements.

Event	Date
2021 Annual General Meeting of Shareholders	31 January 2022
ASX notified whether Shareholder approval has been granted for the Resolutions	

Event	Date
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 and pursuant to the other Resolutions the subject of this Notice.	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.

2.14 **Financial information**

The Independent Expert's Report that is included as Annexure A to this Notice includes financial information on the Company and its subsidiaries that will be relevant to the way in which Shareholders may vote on the Resolutions. The Directors urge Shareholders to read the Independent Expert's Report carefully.

2.15 **Effect of the DOCA**

For the purposes of this Explanatory Statement, the following information is provided for consideration by the existing Shareholders.

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 passing the Resolutions set out in this Notice and subsequent effectuation of the DOCA include:

- a) 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;
- b) the Company achieving effectuation of the DOCA and retirement of the Administrators;
- c) the Company having a re-constituted balance sheet and sufficient working capital to fund its proposed activities;
- d) completion of the DOCA and the Recapitalisation Resolutions 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 ASX Listing Rules 12.1 to 12.5 and seek reinstatement of its Shares to trading on the ASX; and
- e) 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 Recapitalisation Resolutions. However, this must be balanced with the fact that their existing Shareholdings currently have, according to the Independent Expert's Report, a value of between nil and \$0.097 per Share (with a preferred value of \$0.011) (all on a post-Consolidation basis) and the fact that, should the DOCA not complete, the Company could be placed into liquidation.

If Shareholders do not approve the Recapitalisation Resolutions, 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.

2.16 **Reinstatement to official quotation**

The Company is already admitted to the Official List of the ASX. However, The Company's Securities have been suspended from official quotation since 24 December 2019.

Subject to all the Recapitalisation Resolutions being passed, the Company will seek reinstatement of its Shares to the Official List of the ASX. As at the date of this Notice, ASX has indicated to the Company on the basis of the information provided to ASX that completion of all transactions the subject of this Notice will not affect the Company seeking reinstatement of its Shares to quotation. However, the Company will be required to re-comply with the ASX's requirements under Chapters 1 and 2 of the ASX Listing Rules, prior to reinstatement. Re-

instatement to trading is at the ultimate discretion of ASX and will be subject to compliance with ASX and Corporations Act regulatory requirements.

2.17 **Reinstatement of Company's securities to the Official List of the ASX**

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.

2.18 **Forward looking statements**

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company, its Directors and the Administrators, which could cause actual results, performance or achievements to be materially different from those expressed, implied or projected by the forward looking statements or information contained in this Explanatory Statement. Forward looking statements include those containing words such as 'anticipated', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

2.19 **Competent Person**

The information contained in this Notice 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.

2.20 **Other**

The Company notes that, upon lodgement of this Notice with ASIC and ASX, ASIC and ASX take no responsibility for the contents of this Notice.

The Company confirms it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1. The Company also confirms that all the material and accessible information available to the Directors required to fully and fairly inform

Shareholders of the matters to be considered at the Meeting have been included in this Notice.

3. □ RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

3.1 □ General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

3.2 □ Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

4. □ RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER LEWIS

4.1 □ General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Peter Lewis, who has served as a director since 30 January 2018 and was re-elected on 30 November 2018, retires by rotation and seeks re-election.

4.2 □ Qualifications and other material directorships

Peter Lewis is a Queensland based businessman with a long and successful career predominantly in the property industry. He is a former director of Ray White, Richard Ellis Group, founder and Managing Director of Savills (QLD), founder and Managing Director of Unity Pacific (formerly Trinity Ltd), Director of Eumundi Brewing Group Ltd and CEC Ltd. Mr Lewis is the chairman of Aurum Pacific Group, a private mining company with diverse interest both in Australia and internationally that is associated with the vendors of Eight South Investments. He has also previously served as Chairman of the Queensland Rugby Union. Mr Lewis does not hold any other directorships of listed companies.

4.3 Independence

If re-elected, the Board considers Peter Lewis will be an independent director.

4.4 Board recommendation

The Board supports the re-election of Peter Lewis and recommends that Shareholders vote in favour of Resolution 2.

5. RESOLUTIONS 3 AND 4 – RE-ELECTION OF DIRECTORS

5.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

5.2 John Traicos

John Traicos, having been appointed by the Board on 6 September 2021 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election from Shareholders.

John Traicos is a lawyer with more than 30 years' experience in legal and corporate affairs in Australia and Southern Africa. He has acted as a commercial and legal manager to several Australian resource companies and has been involved in resource projects and acquisitions in Australia, Africa and Indonesia. John is admitted to practice law in Western Australia and has been Legal Manager and company Secretary for MZI Resources Ltd since 2013, having previously held the positions of company Secretary and Commercial Legal Manager for Perilya Limited [2000 – 2005] and Tanami Gold NL [2005 – 2007], Commercial Legal Manager for Strike Energy Limited [2007 - 2011] and General Manager for Oro Verde Limited [formerly Ezenet Limited] [2011 – 2012]. John is currently Non-Executive Director of Bassari Resources Ltd (ASX: BSR).

John Traicos has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If re-elected, the Board considers Mr John Traicos will be an independent director.

5.3 Peter Michael

Peter Michael, having been appointed by the Board on 6 September 2021 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election from Shareholders.

Peter Michael has over 20 years' experience in the property sector encompassing the execution of commercial and residential property transactions, land development, construction and joint venture operations. Peter is currently a Non-Executive Director of Argent Minerals Ltd (ASX: ARD), an Executive Director of a

private investment firm specialising in developing resource exploration companies, and Managing Director of Emerald Life Aged Care.

Peter Michael has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If re-elected, the Board considers Peter Michael will be an independent director.

5.4 **Board recommendation**

The Board supports the re-election of John Traicos and Peter Michael and recommends that Shareholders vote in favour of Resolutions 3 and 4.

6. **RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

6.1 **General**

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under ASX Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes. As at the date of this Notice, the Company is an 'eligible entity' as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$300,000,000 or less.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

6.2 **Technical information required by ASX Listing Rule 14.1A**

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

6.3 **Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.3(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company may only seek to issue the Equity Securities under the 7.1A Mandate for cash consideration. The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate towards:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current assets/or projects (funds would then be used for project, feasibility studies and ongoing project administration);
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the Capital Raising Shares proposed to be issued by the Company at \$0.20 per Share).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate (multiplied by the inverse of the Consolidation ratio).

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.10	\$0.20	\$0.40
			50% decrease	Issue Price	100% increase
		Funds Raised			
Current	7,932,281 Shares	793,228 Shares	\$79,322.80	\$158,645.60	\$317,291.20
50% increase	11,898,421 Shares	1,189,842 Shares	\$118,984.20	\$237,968.40	\$475,936.80
100% increase	15,864,562 Shares	1,586,456 Shares	\$158,645.60	\$317,291.20	\$634,582.40

The table above uses the following assumptions:

1. There are currently 396,614,034 Shares on issue.
2. The Consolidation under Resolution 6 is approved.
3. The latest available market price of Shares as at 23 December 2019 was \$0.003. Prior ASX share trading prices for the Company are not considered a reliable basis to assess the new Share issues. Accordingly, the issue price in the above table has been adjusted on the basis of the Capital Raising Shares proposed to be issued by the Company (at \$0.20 per Share).
4. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
6. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
10. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company is not seeking approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general for the financial year ending 30 June 2020 (being held immediately prior to this Meeting).

The Company did not make any issued pursuant to its Previous Approval in the 12 months prior to the Meeting.

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6.4 **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 5.

7. **RESOLUTION 6 – CONSOLIDATION OF CAPITAL**

7.1 **Background**

Resolution 6 seeks Shareholder approval for the Consolidation so as to undertake a consolidation of the Company's share capital on a 50:1 basis. The Company currently has no options or performance rights on issue, so the Consolidation will only affect the Company's Shares on issue.

7.2 **Applicable Corporations Act provisions**

Section 254H of the Corporations Act provides that a company may, by resolution passed at a general meeting, convert all of any of its shares into a larger or smaller number.

7.3 **Technical information required by ASX Listing Rule 14.1A**

If Resolution 6 is approved, it will reduce the number of Shares on issue from 396,614,034 to approximately 7,932,281.

Resolution 6 is a Recapitalisation Resolution. Accordingly, if Resolution 6 or any of the other Recapitalisation Resolutions is not passed, the restructure will not be implemented, and this may lead to the Company being placed into liquidation and/or a sale of the Company's assets occurring. In those circumstances, the return to Shareholders would be uncertain and possibly nil. In addition, the Consolidation will not take place. As a condition subsequent to the DOCA will be incapable of being satisfied, 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.

7.4 **Effect of consolidation**

(a) Fractional entitlements

Not all Shareholders will hold that number of Shares which can be evenly divided by the Consolidation ratio of 50:1. Where a fractional entitlement to a post-Consolidation security occurs, the Directors will round that fraction up to the nearest whole Share.

(b) Taxation implications

It is not considered that any taxation implications will exist for Shareholders arising from the Consolidation. However, Shareholders are advised to seek their own tax advice in this respect. The Company, the Directors and the Company's advisors do not accept any responsibility for the individual taxation implications arising from the Consolidation.

(c) Holding statements

From the date of the Consolidation, all holding statements and certificates for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders. It is the responsibility of each Shareholder to check the number of Shares held prior to disposal or exercise (as the case may be).

(d) Effect on capital structure

The estimate effect which the proposed Consolidation will have on the capital structure of the Company is set out in the table in Section 2.10.

(e) Indicative timetable

If this Resolution is passed, the reduction of capital will take effect in accordance with the timetable as set out in Section 2.11.

7.5 □ Board recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 6.

8. □ RESOLUTION 7 – CHANGE TO SCALE OF ACTIVITIES

8.1 □ Background to Proposed Divestment

Nendo Bauxite Project

The project comprises a single prospecting licence (PL 01/16) granted to Eight South Investments (**Nendo Bauxite Project**). 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 is located in the Solomon Islands and has 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:

- a) 80% of the issued share capital to be divested to directors of Aurum Pacific; and
- b) 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 the time trading of securities was suspended on 24 December 2019.

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 set out below:

Iron Mountain Share Transfer Deed

- (a) **(Transfer of Shares)** 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 (ACN 119 584 422) 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 (ACN 119 584 422) 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.

- (b) **(Conditions for Completion)** 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.

The Iron Mountain share transfer deed otherwise contains provisions considered standard for an agreement of its nature.

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 to Section 8.4 below). 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.

8.2 □ **Background to Proposed Acquisition**

Further details in relation to the proposed acquisition of the PGE Projects are set out in Section 2.5.

8.3 □ **Financial effect of the transactions on the Company**

A pro-forma balance sheet of the Company, which includes all transactions the subject of this Notice is set out in Schedule 6.

8.4 □ **Reasons for the transaction**

The directors are of the view that the following non-exhaustive list of advantages and disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 7.

Advantages

- (a) 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.
- (b) 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.
- (c) The Proposed Acquisitions represent an opportunity for the Company to enter into PGE minerals exploration in a known PGE minerals region.
- (d) The Proposed Acquisitions would diversify the Company's exposure to a broader range of commodities in Western Australia, including PGE minerals, nickel and copper.
- (e) 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.

- (f) 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

- (g) 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.
- (h) 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.
- (i) The Proposed Acquisitions will require the Company to spend additional funds on exploration to advance the PGE Projects.
- (j) Shareholders will have their interests in the Company diluted by the Shares issued pursuant to the Proposed Acquisition.
- (k) Exploration activities at the PGE Projects may not identify economically viable mineral resources.

The Directors believe that the Proposed Acquisitions and the Proposed Divestment are in the best interest of the Company.

8.5 **Ongoing activities**

The Company's assets following completion of the Proposed Divestment and Proposed Acquisitions will comprise of:

- (a) the Darling Range Bauxite Project (refer to Section 2.2(a) for further details); and
- (b) the PGE Projects (refer to Section 2.5 for further details),

consisting of a total of 9 tenements (6 granted) with bauxite, PGE, gold, nickel and other minerals targets.

The Company's business strategy following completion of these transactions and on effectuation of the DOCA has been summarised in Section 2.9.

8.6 **What happens if the transaction does not proceed?**

Should the Proposed Divestment or the Proposed Acquisitions not proceed, the Company will be required to seek alternative opportunities to derive value for Shareholders, which will likely incur further costs and result in further delays.

8.7 **ASX Listing Rule 11.1**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable (and before making the change) and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were apply for admission to the Official List.

ASX has indicated to the Company that the change in the scale of the Company's activities as a result of the Proposed Divestment and Proposed Acquisitions requires the Company, in accordance with ASX Listing Rule 11.1.2 to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

8.8 Directors Recommendation

The Directors do not have a material personal interest in the outcome of the Resolution and unanimously recommend that Shareholders vote in favour of the Resolution. The Directors consider the proposed transactions to be in the best interests of Shareholders as, after assessment of the advantages and disadvantages referred to in Sections 8.4, the Directors are of the view that the advantages outweigh the disadvantages.

9. RESOLUTIONS 8 AND 9 – ISSUE OF SHARES TO VENDORS AND ISSUE OF PROPONENT SECURITIES

9.1 Background to Resolutions

As set out in Section 2.5, the Company has entered into agreements with the Vendors to acquire the PGE Projects. The Company is proposing to issue the Consideration Securities to the Vendors as part of the consideration payable for the acquisition of the PGE Projects. The Vendors are St Barnabas and Glen William Goulds, who are not related parties of the Company.

As set out in Section 2.2, the creditors of the Company together with the Administrators have agreed to a proposal to progress the restructure and recapitalisation of the Company pursuant to the DOCA presented by Oceanic. The Company is proposing to issue up to 32,440,000 Shares and up to 32,440,000 New Options (collectively the **Proponent Securities**) to Oceanic (and/or its nominees) pursuant to the DOCA, as detailed in Section 2.3. Oceanic is not a related party of the Company.

As explained further in Section 9.4 below, it is arguable that the interests of Oceanic, St Barnabas and Glen William Goulds in the Company should be aggregated for the purposes of Chapter 6 of the Corporations Act. Accordingly:

- (a) Resolution 8 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 and section 611 (item 7) of the Corporations Act for the issue of the Consideration Shares to the Vendors; and
- (b) Resolution 9 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 and section 611 (item 7) of the Corporations Act for the issue of the Proponent Securities to Oceanic (and/or its nominees),

and to allow Oceanic, St Barnabas and Glen William Goulds collectively to acquire a relevant interest in the issued voting shares of the Company otherwise

prohibited by section 606(1) of the Corporations Act by virtue of the issue of the Consideration Shares and Proponent Securities.

The issues proposed by Resolutions 8 and 9, if approved, will result in the voting power of Oceanic, St Barnabas and Glen William Goulds collectively to increase from 0% to 44.79% on an undiluted basis and from 0% to 48.47% on a fully diluted basis.

9.2 Chapter 6 of the Corporations Act – Prohibition on certain acquisitions of relevant interest in voting shares

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:

- a) from 20% or below to more than 20%; or
- b) 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:

- a) are the holder of the securities;
- b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power. The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a Company involves determining the voting shares in the Company in which the person and the person's associates have a relevant interest.

In addition, section 608(3) of the Corporations Act provides that a person is deemed to have a 'relevant interest' in any securities that a body corporate has if their voting power in that body corporate is above 20% or they control that body corporate.

There are various exceptions to the prohibition in section 606 of the Corporations Act. Section 611 contains a table setting out circumstances in which acquisitions of relevant interests are exempt from the prohibition. Item 7 of section 611 of the Corporations Act provides an exception to the prohibition, whereby a person may make an otherwise prohibited acquisition of a relevant interest in a company's voting shares provided that the company's shareholders approve the acquisition prior to the acquisition being made.

9.3 Associates

In determining who is an associate for the purposes of calculating a person's voting power, section 12(2) of the Corporations Act provides that:

- (a) the following entities are associates of a body corporate:
 - (i) another body corporate which it controls;
 - (ii) another body corporate which controls it; and
 - (iii) and another body corporate that is controlled by the same entity which controls it;
- (b) a person will be an associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing:
 - (i) the composition of a body's board; or
 - (ii) the conduct of a body's affairs; and
- (c) a person will be an associate of another person if they are acting, or propose to act, in concert in relation to the affairs of a body.

9.4 Reason section 611 Approval is Required

Shareholder approval under item 7 of section 611 of the Corporations Act is required because 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, as at the date of this Notice, Oceanic has advised that it intends to nominate 6,000,000 Shares and 6,000,000 New 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 relevant interest of the Proponent Group in the Company after implementation of all Resolutions will exceed 20% of the issued capital of the Company.

9.5 Information required under section 611 (item 7) of the Corporations Act and ASIC Regulatory Guide 74

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74. Shareholders are also referred to the Independent Expert's Report attached to this Notice at Annexure A.

- (a) **Identity of the acquirer and their associates**

If Resolutions 8 and 9 are passed, up to 35,440,000 Shares and 32,440,000 Options will be issued to the Proponent Group as set out in Section 9.5(b) below.

(b) Relevant Interest

The relevant interest of the Proponent Group in voting shares in the capital of the Company (both current and following the issue of the securities to be issued pursuant to Resolutions 8 and 9) are set out in the table below:

Party	Relevant interest in the securities of the Company as at the date of this Notice of Meeting		Relevant interest in the securities of the Company on completion of acquisition	
	Shares	Options	Shares	Options
Oceanic	0	0	26,440,000	26,440,000
St Barnabas	0	0	1,500,000	0
Glen William Goulds	0	0	7,500,000	6,000,000
Total	0	0	35,440,000	32,440,000

(c) Maximum extent of increase in voting power

As at the date of this Notice of Meeting, no member of the Proponent Group has any Security holdings in the Company.

The aggregated voting power of the Proponent Group after implementation of all Resolutions under this Notice of Meeting will be 44.79% (on an undiluted basis) to 48.47% (on a fully diluted basis).

Further details on the voting power of the Proponent Group are set out in the Independent Expert's Report contained in Annexure A of this Notice.

(d) Reasons for the proposed issue

The Proponent Securities are to be issued to Oceanic (and/or its nominees) in consideration for Oceanic implementing its proposed DOCA and effecting the recapitalisation of the Company through an advance of up to \$1,820,000 (including \$1,600,000 under the Fund and up to \$220,000 in Top-Up Funding) (see Section 2.3 for further details).

The Consideration Shares are to be issued to the Vendors as part of the consideration for the acquisition of the entire issued share capital of Western Yilgarn and AAM Resources, the holders of the PGE Projects (see Section 2.5 for further details).

(e) Material terms and timing of the proposed acquisition

The material terms of the DOCA are set out in Section 2.3. The Proponent Securities 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).

The material terms of the Proposed Acquisitions are set out in Section 2.5. The Consideration 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).

(f) **The Proponent Group's intentions regarding the future of the Company should Shareholders approve the acquisition**

If Shareholders approve Resolutions 8 and 9 and securities are issued to the Proponent Group, the Proponent Group has informed the Company that, other than as disclosed elsewhere in this Notice, the Proponent Group has no intention to:

- (i) make any significant changes to the business of the Company;
- (ii) inject any further capital into the Company;
- (iii) make changes regarding the future employment of the present employees of the Company;
- (iv) transfer any fixed asset of the Company to any member of the Proponent Group;
- (v) redeploy any fixed assets of the Company; or
- (vi) significantly change the financial or dividend distribution policies of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Proponent Group at the date of this document. These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operation, commercial, taxation and financial implications of those decisions at the relevant time. Accordingly, the statements set out above are statements of current intentions only.

(g) **Capital Structure**

The capital structure of the Company following the issue of securities to the Proponent Group is set out in Section 2.10.

(h) **Independent Expert's Report**

The Corporations Act provides that an independent expert's report on the proposed issue of Securities (which includes the acquisition of the relevant interest in the Company by the Proponent Group (and/or its nominee/s) in excess of the threshold prescribed by section 606(1) of the Corporations Act) must be provided to Shareholders.

BDO, a professional services firm based in Perth, has been appointed as the independent expert to produce the Independent Expert's Report. The Independent Expert's Report is contained in Annexure A of this Notice of Meeting.

BDO has concluded that that the acquisition of the voting and interest by the Proponent Group (and/or its nominee/s) may on balance be considered to be fair and reasonable to the non-associated Shareholders, as of the date of the Independent Expert's Report.

The advantages and disadvantages of the acquisition of the voting power and interest by the Proponent Group are outlined in the Independent Expert's Report and are provided to enable non-associated Shareholders to determine whether

they are better off if the acquisition of the voting power and interest proceeds as opposed to if it did not proceed.

Shareholders are urged to carefully read the Independent Expert's Report before deciding how to vote on this Resolution.

(i) Advantages of the Issue

The Directors consider that the advantages of the issue of securities to the Proponent Group include:

- (i) Improved financial condition: Implementation of the DOCA and the successful recapitalisation will result in the injection of an approximate net cash amount of at least \$1,600,000 and up to \$1,820,000 into the Company after costs, and the Company will have minimal or no liabilities.
- (ii) Greater potential return to Shareholders and the Company's creditors: It is a condition of the DOCA that if Shareholders do not approve the issue of Proponent Securities the subject of this Resolution, as well as the other Recapitalisation Resolutions under this Notice, the Company may go into liquidation. Therefore, the alternative to the issue of Proponent Securities is liquidation, which may not result in a better potential return for Shareholders and the Company's creditors.
- (iii) Advantages of the Proposed Acquisitions: The issue of the Consideration Shares to the Vendors for the acquisition of the PGE Projects also provides the Company with the advantages in relation to the Proposed Acquisitions set out in Section 8.4.

(j) Disadvantages of the Issue

The Directors consider that the advantages of the issue of the securities to the Proponent Group include:

- (i) Dilution of existing Shareholders: In the event the DOCA is successfully implemented, the Company is recapitalised and the Proposed Acquisitions are effectuated, the issue of the Proponent Securities and Consideration Shares will have a significant dilutionary effect on the holdings of existing Shareholders.
- (ii) Disadvantages of Proposed Acquisitions: The issue of the Consideration Shares to the Vendors for the acquisition of the PGE Projects also presents the Company with the disadvantages in relation to the Proposed Acquisitions set out in Section 8.4.
- (iii) Concentration of ownership with the Proponent Group: The securities to be issued to the Proponent Group subject to Shareholder approval of Resolutions 8 and 9 will constitute up to approximately 48.47% of the Company's fully diluted capital (as set out in Section 2.10). Therefore, there will be a concentration of ownership of the Company with the Proponent Group. This may allow the Proponent Group to exert significant influence over matters relating to the Company, including the election of future directors or the approval of future transactions involving

the Company. Also, given the size of the holdings, there may be an impact on the liquidity of the Company's securities.

(k) **Board recommendation**

The Board considers that the advantages of the issue of the Proponent Securities and Consideration Shares outweigh the disadvantages and unanimously recommend that Shareholders vote in favour of Resolutions 8 and 9.

(l) **Professional Advice**

If you have any doubt, or do not understand Resolutions 8 and 9, it is strongly recommended that you seek advice from an accountant, solicitor or other professional advisor.

9.6 **ASX Listing Rule 7.1**

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.

Pursuant to ASX Listing Rule 7.2 (Exception 16), Shareholder approval pursuant to ASX Listing Rule 7.1 is not required where approval is being obtained pursuant to section 611 (Item 7) of the Corporations Act. Accordingly, if Resolutions 8 and 9 are passed by the requisite majority, the issue of the Proponent Securities and Consideration Shares will be made without the Company's 15% annual placement capacity and the Company will retain flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1.

10. **RESOLUTION 10 – APPROVAL TO ISSUE SHARES TO PETER LEWIS IN LIEU OF DIRECTOR'S FEES**

10.1 **Background**

Resolution 10 seeks Shareholder approval for the issue of 300,000 Shares (on a post-Consolidation basis) at an issue price of \$0.10 to Peter Lewis (and/or his nominee/s) in lieu of \$30,000 in director's fees owing to him as at 30 June 2021.

As at the date of this Notice, Peter Lewis holds 4,100,000 Shares and no other securities.

The proposed issue of Shares to Peter Lewis provides a cost-effective means of settling the Company's debt to Peter Lewis, which will allow for additional cash to be available for the Company's future working capital purposes.

10.2 **Chapter 2E of the Corporations Act**

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.

The proposed issue of securities to Peter Lewis constitutes the giving of a financial benefit, and Peter Lewis is a related party of the Company by virtue of being a Director.

As the terms of the issue to the above related party was negotiated on an arm's length basis with Peter Lewis and approved by the Board (with Peter Lewis not participating or being present during consideration of the proposed issue), the Board considers that Shareholder approval pursuant to Chapter 2E of the Corporation Act is not required because the agreement to grant such securities is considered reasonable in the circumstances and was negotiated on an arm's length basis.

10.3 **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue securities to a related party without the approval of Shareholders. Resolution 10 seeks Shareholder approval under ASX Listing Rule 10.11 for the issue of securities to entities controlled by the above mentioned Director.

If approval is given under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1. Shareholder approval of the issue of the securities to Peter Lewis under ASX Listing Rule 10.11 means that the issue will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 10 is passed, the Company will be able to proceed with the issue of securities to Peter Lewis which will allow the Company to satisfy the debt owed to Peter Lewis whilst conserving cash. If Resolution 10 is not passed, the Company will not be able to proceed with the issue of such securities, and the Company will likely be required to satisfy the debt owed to Peter Lewis in cash, unless alternate means of satisfying the debt are agreed.

Resolution 10 is an ordinary resolution.

10.4 **Specific information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following information is provided about the issue of Shares under Resolution 10:

- (a) The Shares are being issues to Peter Lewis, who is a Director.
- (b) The maximum number of securities to be issued is 300,000 Shares (on a post-Consolidation basis and at a deemed issue price of \$0.10).
- (c) The Shares to be issued are fully paid ordinary shares in the capital of the Company, issued on the same terms as the Company's existing Shares on issue.
- (d) Pursuant to ASX Listing Rule 10.13.5 the Shares must be issued 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. The Company is proposing to complete all issues pursuant to the Resolutions the subject of this Notice on the same date, expected to be 7 March 2022 (refer to Section 2.13 for further details). Accordingly, 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 Shares under this Resolution no later than 3 months after the date of the Meeting. Further details of any waivers, including conditions imposed, will be disclosed to shareholders in due course.

- (e) The Company will not receive any consideration for the issue of the Shares however, the Company will not be obliged to pay the applicable director's fees owing to Peter Lewis (totalling \$30,000) in cash. Accordingly, no funds will be raised from the issue.
- (f) The purpose of the issue of Shares under this Resolution is to settle director's fees owing to Peter Lewis as a cost-effective means of settling such fees.
- (g) The total remuneration and emoluments from the Company to Peter Lewis for the previous financial year and the proposed total remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year	Financial Year ended 30 June 2021
Peter Lewis	Nil ¹	Nil ²
Notes:		
1. Peter Lewis is entitled to receive Director's fees of \$3,500 per month as agreed with the Company effective from 6 September 2021.		
2. As at 30 June 2021, \$66,755 was owing to Peter Lewis under the consulting agreement between the Company and PB Lewis & Co Pty Ltd for deferred Director's fees, \$36,755 will be paid in cash on settlement of the DOCA and the balance settled pursuant to this Resolution.		

- (h) The Shares are not being issued pursuant to an agreement.
- (i) A voting exclusion statement is included in the Notice.

10.5 □ Directors recommendation

All Directors (other than Peter Lewis) recommend that Shareholders vote in favour of Resolution 10.

11. □ RESOLUTION 11 – APPROVAL OF ISSUE OF AURUM PACIFIC SECURITIES

11.1 □ Background

Aurum Pacific is the Company's joint venture partner for the Nendo Bauxite Project.

Resolution 11 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of 6,000,000 Shares and 6,000,000 New Options (both on a post-Consolidation basis) (**Aurum Pacific Securities**) to Aurum Pacific (and/or its nominee/s) in satisfaction of historical joint venture costs and expenses relating to the Nendo Bauxite Project.

The issue of the Aurum Pacific Securities provides a cost-effective means of settling the Company's debt to Aurum Pacific, which will allow for additional cash to be available for the Company's future working capital purposes.

11.2 **ASX Listing Rule 7.1**

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.

Given that none of the exceptions contained in ASX Listing Rule 7.2 apply, Shareholder approval is being sought under ASX Listing Rule 7.1 to grant equity securities under Resolution 11 to preserve the Company's 15% capacity under ASX Listing Rule 7.1.

11.3 **Technical information required by ASX Listing Rule 14.1A**

If Resolution 11 is passed, the Company will be able to proceed with the issue of Aurum Pacific Securities 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.

Resolution 11 is a Recapitalisation Resolutions. Accordingly, if Resolution 11 is not passed, the restructure will not be implemented, and this may lead to the Company being placed into liquidation and/or a sale of the Company's assets occurring. In those circumstances, the return to Shareholders would be uncertain and possibly nil. In addition, the Company will not be able to proceed with the issue of the Aurum Pacific Securities. As a condition subsequent to the DOCA will be incapable of being satisfied, 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.

11.4 **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 11:

- (a) the Shares and New Options will be issued to Aurum Pacific, an unrelated party of the Company;
- (b) the maximum number of securities to be issued is 6,000,000 Shares and 6,000,000 New Options (both on a post-Consolidation basis);
- (c) the Shares and New Options are being issued in satisfaction historical joint venture costs and expenses relating to the Nendo Bauxite Project (with the Shares being issued at a deemed issue price of \$0.20 cents with one free-attaching New Option). Accordingly, the Company will not receive any consideration for the issue of the securities to Aurum Pacific;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- (e) the New Options will be issued on the terms and conditions set out in Schedule 1;

- (f) the Shares and New 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 Shares will occur on the same date;
- (g) as has been summarised in Section 11.1, the issue of Aurum Pacific Securities will be made in satisfaction of amounts owing by the Company to Aurum Pacific;
- (h) the Aurum Pacific Securities are being issued pursuant to the DOCA. The material terms of the DOCA have been summarised in Section 2.3; and
- (i) a voting exclusion statement is included in the Notice.

11.5 **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 11.

12. **RESOLUTION 12 – APPROVAL OF SHARE ISSUE TO ADMINISTRATORS**

12.1 **Background**

As set out in Sections 2.3 and 2.6 above, the Company has agreed to issue (subject to Shareholder approval) the Administrator Shares (totalling 1,000,000 Shares on a post-Consolidation basis) to the Administrators to partially satisfy the debt owing to the Administrators for work performed in the conduct of the external administration of the Company. Subject to satisfaction of the conditions set out in the DOCA as resolved by creditors within the requisite timeframe, such amount has been capped at \$1,300,000 in aggregate.

Resolution 12 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of up to 1,000,000 Shares (on a post-Consolidation basis) at an issue price of \$0.20 in lieu of \$200,000 in fees owed to the Administrators.

The issue of the Administrator Shares provides a cost-effective means of settling part of the Company's debt to the Administrators, which will allow for additional cash to be available for the Company's future working capital purposes.

12.2 **ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 11.2 above.

Given that none of the exceptions contained in ASX Listing Rule 7.2 apply, Shareholder approval is being sought under ASX Listing Rule 7.1 to grant equity securities under Resolution 12 to preserve the Company's 15% capacity under ASX Listing Rule 7.1.

12.3 **Technical information required by ASX Listing Rule 14.1A**

If Resolution 12 is passed, the Company will be able to proceed with the issue of the Administrator Shares 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.

Resolution 12 is a Recapitalisation Resolution. Accordingly, if Resolution 12 is not passed, the restructure will not be implemented, and this may lead to the Company being placed into liquidation and/or a sale of the Company's assets

occurring. In those circumstances, the return to Shareholders would be uncertain and possibly nil. In addition, the Company will not be able to proceed with the issue of the Administrator Shares. As a condition subsequent to the DOCA will be incapable of being satisfied, 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.

12.4 **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 12:

- (a) the Administrator Shares will be issued to the Administrators (and/or its nominees), an unrelated party of the Company;
- (b) the maximum number of Shares to be issued is 1,000,000 (on a post-Consolidation basis) issued at a deemed issue price of \$0.20 per Share;
- (c) the Administrator Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- (d) the Administrator 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 Administrator Shares will occur on the same date;
- (e) as has been summarised in Section 2.6 and Section 12.1, the issue of the Administrator Shares will be made in part satisfaction of the Administration Costs;
- (f) the Shares are being issued pursuant to the DOCA. The material terms of the DOCA have been summarised in Section 2.3; and
- (g) a voting exclusion statement is included in the Notice.

12.5 **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 12.

13. **RESOLUTION 13 – APPROVAL TO ISSUE SECURITIES ON CONVERSION OF CONVERTIBLE NOTES**

13.1 **Background**

Resolution 13 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of up to 5,500,000 Shares at a deemed issue price of \$0.10 per Share and 2,750,000 Placement Options (on the basis of 1 free attaching Placement Option for every 2 Shares issued) on conversion of up to \$550,000 worth of Convertible Notes as set out in Section 2.7 above.

The Convertible Notes will be unsecured, non-voting and otherwise will be issued on the key terms summarised below:

- (a) Interest – 6.00% per annum to maturity or conversion (whichever occurs earlier);

- (b) Maturity date – 18 months from the date of issue;
- (c) Conversion Price – \$0.10 per Share (on a post-Consolidation basis); and
- (d) Conversion – Subject to Shareholder approval, the Convertible Notes may be converted into Shares at the conversion price on election of the holder, not before 6 months after issue, or automatically on completion of a qualifying capital raising by the Company.

The Capital Raising proposed by the company is a qualifying capital raising under the terms of the Convertible Notes. Accordingly, the Company is seeking Shareholder approval for the convertibility of the convertible notes pursuant to Resolution 13. As the Capital Raising terms include the issue of 1 Placement Option for every 2 Shares subscribed for under the Capital Raising, the Convertible Note holders will be entitled to be issued Placement Options on the same basis under the terms of the Convertible Notes.

13.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 11.2 above.

Given that none of the exceptions contained in ASX Listing Rule 7.2 apply, Shareholder approval is being sought under ASX Listing Rule 7.1 to grant equity securities under Resolution 13 to preserve the Company's 15% capacity under ASX Listing Rule 7.1.

13.3 Technical information required by ASX Listing Rule 14.1A

If Resolution 13 is passed, the Company will be able to proceed with the issue of Shares to the Convertible Note holders 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.

Resolution 13 is conditional upon the Recapitalisation Resolutions being approved by Shareholders. Accordingly, if Resolution 13 or the other Recapitalisation Resolutions are not passed, the Company will not be able to proceed with the conversion of the Convertible Notes and will be required to repay all Convertible Notes issued in cash.

13.4 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 13:

- (a) the Shares and Placement Options will be issued to Convertible Note holders, who will be sophisticated and professional investors and unrelated parties of the Company;
- (b) the maximum number of equity securities to be issued is 5,500,000 Shares at an issue price of \$0.10 per Share and 2,750,000 Placement Options (on the basis of 1 free attaching Placement Option for every 2 Shares issued), all on a post-Consolidation basis;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares.
- (d) the Placement Options will be issued on the terms and conditions set out in Schedule 2;

- (e) the Shares and Placement 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 Shares and Placement Options will occur on the same date;
- (f) the issue of Shares and Placement Options will be made to satisfy repayment of the face value of all Convertible Notes issued up to a maximum of \$550,000. Accordingly, no funds will be raised through the issue;
- (g) the Shares and Placement Options are being issued pursuant to the terms of the Convertible Notes. A summary of the material terms of the Convertible Notes is set out in Section 13.1; and
- (h) a voting exclusion statement is included in the Notice.

13.5 **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 13.

14. **RESOLUTION 14 – APPROVAL TO ISSUE CAPITAL RAISING SECURITIES**

14.1 **Background**

Resolution 14 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 to complete the Capital Raising in connection with the Company seeking re-admission to the Official List via the issuance of the Capital Raising Securities, as set out in Section 2.8.

14.2 **ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 11.2 above.

The proposed issue of the Capital Raising Securities does not fall within any of the exceptions set out in ASX Listing Rule 7.2 and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1.

14.3 **Technical information required by ASX Listing Rule 14.1A**

If Resolution 14 is passed, the Company will be able to proceed with the issue of Capital Raising Securities 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.

Resolution 14 is conditional upon the Recapitalisation Resolutions being approved by Shareholders. Accordingly, if Resolution 14 or the other Recapitalisation Resolutions are not passed, the Company will not be able to proceed with the issue of Capital Raising Securities.

14.4 **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 14:

- (a) the Capital Raising Securities will be issued to various institutional, sophisticated or professional investors. The Company will allocate securities under the Capital Raising on a first come first served basis, and the Board will determine any final allocations should the Capital Raising be oversubscribed. The Company confirms that none of the recipients of the Capital Raising Securities will be:
- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) the maximum number of securities to be issued pursuant to this Resolution is (all on a post-Consolidation basis):
- (i) 22,500,000 fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares; and
 - (ii) 11,250,000 Placement Options each exercisable at \$0.30 and expiring 3 years from the date of grant. Full terms of the Placement Options are set out in Schedule 2;
- (c) the Capital Raising Securities 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 securities will occur on the same date;
- (d) the issue price of the Shares will be \$0.20 per Share. The Placement Options will be issued for nil cash consideration on the basis of one free attaching Placement Option for every two Shares subscribed for in the Capital Raising;
- (e) the purpose of the issue of the Capital Raising Securities is to raise capital to fund the Company's proposed activities and to facilitate the Company's re-admission to the Official List of the ASX. The Company intends to use the funds raised from the Capital Raising in accordance with the proposed use of funds table in Section 2.12;
- (f) the Capital Raising Securities are not being issued under an agreement; and
- (g) a voting exclusion statement is included in the Notice.

14.5 **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 14.

15. **RESOLUTION 15 – APPROVAL TO ISSUE SHARES TO BELLATRIX**

15.1 **Background**

Resolution 15 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of up to 450,000 Shares (on a post-Consolidation basis) at an issue price of \$0.10 per Share to Bellatrix Corporate Pty Ltd (**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 to the Company.

The Board believes the issue of Shares to Bellatrix provides a cost-effective means of settling the Company's debt to Bellatrix, which will allow for additional cash to be available for the Company's future working capital purposes.

15.2□ Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 11.2 above.

Given that none of the exceptions contained in ASX Listing Rule 7.2 apply, Shareholder approval is being sought under ASX Listing Rule 7.1 to grant equity securities under Resolution 15 to preserve the Company's 15% capacity under ASX Listing Rule 7.1.

15.3□ Technical information required by ASX Listing Rule 14.1A

If Resolution 15 is passed, the Company will be able to proceed with the issue of Shares to Bellatrix 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.

If Resolution 15 is not passed, the Company will not proceed with the issue of Shares to Bellatrix and will be required to repay the \$45,000 debt owed to Bellatrix in cash. Resolution 15 is also conditional upon the Recapitalisation Resolutions being approved by Shareholders. Accordingly, if Resolution 15 or any other Recapitalisation Resolutions are not approved then Resolution 15 will not have any effect and the Shares will not be issued.

15.4□ 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 15:

- (a) the Shares will be issued to Bellatrix, an unrelated party of the Company;
- (b) the maximum number of Shares to be issued is 450,000 (on a post-Consolidation basis) at an issue price of \$0.10 per Share;
- (c) 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;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms as the Company's existing Shares;
- (e) the issue will be made in satisfaction of a \$45,000 debt owed by the Company to Bellatrix for accounting and company secretarial services provided. Accordingly, no funds will be raised from the issue;
- (f) the Shares are not being issued pursuant to an agreement; and
- (g) a voting exclusion statement is included in the Notice.

15.5□ **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 15.

16.□ **RESOLUTIONS 16 TO 18 – APPROVAL TO ISSUE INCENTIVE OPTIONS TO PETER LEWIS, JOHN TRAIICOS AND PETER MICHAEL**

16.1□ **General**

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 2,492,469 Options (**Incentive Options**) to Peter Lewis, John Traicos and Peter Michael on the terms and conditions set out below.

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 are set out in Sections 10.2 and 10.3 respectively.

The grant of the Incentive Options constitutes giving a financial benefit and Peter Lewis, John Traicos and Peter Michael are related parties of the Company by virtue of being Directors.

As it is proposed that the Incentive Options are to be issued to all of the Company's Directors, the Directors have been unable to form quorum to consider whether one of the exceptions set out in section 210 to 216 of the Corporations Act or set out in ASX Listing Rule 10.12 applies to these issues. Accordingly, Shareholder approval is sought for the issue of Incentive Options to Peter Lewis, John Traicos and Peter Michael.

Shareholder approval of the issue of such securities means that these issues will not reduce the Company's 15% placement capacity under ASX Listing Rule 7.1.

16.2□ **Technical information required by ASX Listing Rule 14.1A**

Resolutions 16, 17 and 18 are conditional upon the Recapitalisation Resolutions being approved by Shareholders. Accordingly, if Resolutions 16, 17 and 18, or any of those Recapitalisation Resolutions, are not approved then Resolutions 16, 17 and 18 will not have any effect and the Incentive Options will not be issued. Further, if Resolutions 16 to 18 are not passed, the Company will not be able to proceed with the issue of such securities, and the Company may need to seek alternative means of remunerating and incentivising these Directors.

If Resolutions 16 to 18 are passed, the Company will be able to proceed with the issue of Incentive Options to each of Peter Lewis, John Traicos and Peter Michael.

Resolutions 16 to 18 are each an ordinary resolution.

16.3□ **Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Incentive Options:

- (a) the Incentive Options are to be issued to Peter Lewis, John Traicos and Peter Michael who are related parties of the Company by virtue of being Directors;

- (b) the maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Peter Lewis, John Traicos and Peter Michael is (all on a post-Consolidation basis):
- (i) 830,823 Incentive Options to Peter Lewis (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options);
 - (ii) 830,823 Incentive Options to John Traicos (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options); and
 - (iii) 830,823 Incentive Options to Peter Michael (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options);
- (c) Pursuant to ASX Listing Rule 10.13.5, the Incentive Options must be granted to Peter Lewis, John Traicos and Peter Michael no later than 1 month after the date of the Meeting or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules. The Company is proposing to complete all issues pursuant to the Resolutions the subject of this Notice on the same date, expected to be 7 March 2022 (refer to Section 2.13 for further details). Accordingly, 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 the Incentive Options under this Resolution no later than 3 months after the date of the Meeting. Further details of any waivers, including conditions imposed, will be disclosed to shareholders in due course;
- (d) the Incentive Options will be granted for nil cash consideration. Accordingly, no funds will be raised;
- (e) the terms and conditions of the Incentive Options are set out in Schedule 3;
- (f) the value of the Incentive Options and the pricing methodology is set out in Schedule 5;
- (g) the relevant interests of Peter Lewis, John Traicos and Peter Michael in securities of the Company are set out below:

Related Party	Shares
Peter Lewis	4,100,000
John Traicos	-
Peter Michael	-

- (h) the remuneration and emoluments from the Company to Peter Lewis, John Traicos and Peter Michael for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Peter Lewis	\$Nil ¹	\$Nil ²

John Traicos	\$Nil ¹	Nil ³
Peter Michael	\$Nil ¹	Nil ³
Notes:		
<ol style="list-style-type: none"> 1. Each Director is entitled to receive Director's fees of \$3,500 per month as agreed with the Company effective from 6 September 2021. 2. As at 30 June 2021, \$66,755 was owing to Peter Lewis under the consulting agreement between the Company and PB Lewis & Co Pty Ltd for deferred Director's fees, \$36,755 will be paid in cash on settlement of the DOCA and the balance settled under Resolution 10. 3. John Traicos and Peter Michael were appointed as Directors on 6 September 2021 and therefore did not receive any remuneration or emoluments in the previous financial year. 		

- (i) if the Incentive Options granted to Peter Lewis, John Traicos and Peter Michael are exercised, a total of 2,492,469 Shares (on a post-Consolidation basis) would be allotted and issued. It is anticipated that the Company will have 79,122,281 Shares on issue (on a post-Consolidation basis) on completion of the issue of Incentive Options to the Directors. Accordingly, should the Incentive Options be exercised, the number of Shares on issue will increase to 81,614,750 (on a post-Consolidation basis, and assuming that no other Options are exercised and no other Shares are issued other than those contemplated by this Notice) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.15% (on an undiluted basis);
- (j) the market price for Shares during the term of the Incentive Options would normally determine whether or not the Incentive Options are exercised. If, at any time any of the Incentive Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Incentive Options, there may be a perceived cost to the Company;
- (k) the Company's Shares were suspended on 24 December 2019 and have remained in suspension since that time. The latest available market price of Shares as at 23 December 2019 was \$0.003. Prior ASX share trading prices for the Company are not considered a reliable basis to assess the proposed issue of securities;
- (l) the primary purpose of the grant of the Incentive Options to Peter Lewis, John Traicos and Peter Michael is to provide a performance linked incentive component in the remuneration package for each Director to motivate and reward the performance of each in their respective roles as Directors;
- (i) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash basis of this form of benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Peter Lewis, John Traicos and Peter Michael. The Company notes that the Incentive Options are expected to be "in the money" at the date of the Company's re-admission to the Official List. As the Directors agreed to postpone payment of all directors' fees owing while the Company was under voluntary administration and will receive directors fees of \$42,000 per annum (subject to the DOCA being effected and the Company being re-admitted to the Official List), the proposed issue is considered reasonable and appropriate in the circumstances to remunerate and incentivise the Directors. The Incentive Options also have the same expiry date and exercise price as the New

Options to be issued under the DOCA and are subject to additional vesting conditions linked to the Company's activities and performance;

- (ii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed;
- (iii) the Incentive Options are not to be issued pursuant to an agreement; and
- (iv) a voting exclusion statement has been included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Incentive Options to Peter Lewis, John Traicos and Peter Michael as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Incentive Options to Peter Lewis, John Traicos and Peter Michael will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

16.4 **Board recommendation**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision concerning whether it is in the best interests of the Company to pass Resolutions 16, 17 and 18

Each Director has a material personal interest in the outcome of Resolutions 16, 17 and 18 on the basis that all of the Directors (and/or their nominee/s) are to be issued Incentive Options should Resolutions 16, 17 and 18 be passed. For this reason, the Directors do not believe it is appropriate to make a recommendation on Resolutions 16, 17 and 18 of this Notice.

17. **RESOLUTION 19 - APPROVAL TO ISSUE ADVISER OPTIONS TO ADVISERS**

17.1 **General**

The Company proposes to issue a total of 6,000,000 Adviser Options to the Advisers as part of the remuneration for past and future services provided to the Company.

Resolution 19 seeks Shareholder approval for the issue of Adviser Options to the Advisers under ASX Listing Rule 7.1.

Resolution 19 is an ordinary resolution.

17.2 **ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 11.2 above.

The proposed issue of the Adviser Options does not fall within any of the exceptions set out in ASX Listing Rule 7.2 and exceeds the 15% limit in ASX Listing Rule 7.1. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1.

17.3 **Technical information required by ASX Listing Rule 14.1A**

If Resolution 19 is passed, the Company will be able to issue the Adviser Options to the Advisers during the period of 3 months after the date of the Meeting (or a longer period if allowed by ASX) without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Resolution 19 is not passed, the Company will not be able to issue the Adviser Options to the Advisers, and the Company may need to seek alternative means of remunerating them. Resolution 19 is also conditional upon the Recapitalisation Resolutions being approved by Shareholders. Accordingly, if Resolution 19, or any of those Recapitalisation Resolutions, are not approved then Resolution 19 will not have any effect and the Adviser Options will not be issued.

17.4□ 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 19:

- (a) the Adviser Options will be issued to the Advisers, none of whom are related parties of the Company;
- (b) a maximum of 6,000,000 Adviser Options (on a post-Consolidation basis) will be issued;
- (c) the Adviser Options will be issued on the terms set out in Schedule 4;
- (d) the Adviser Options will be issued no later than 3 months after the date of the Meeting (or such other date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on one date; and
- (e) the Adviser Options will be issued for nil cash consideration;
- (f) no funds will be raised from the issue of the Adviser Options as they are being issued as part of the remuneration for past and future services provided to the Company by the Advisers;
- (g) the Adviser Options will not be issued pursuant to an agreement; and
- (h) a voting exclusion statement is included in the Notice.

17.5□ Board recommendation

The Board unanimously recommend that Shareholders vote in favour of Resolution 19.

18.□ RESOLUTION 20 - APPROVAL TO CHANGE COMPANY NAME

18.1□ Background

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 20 seeks the approval of Shareholders for the Company to change its name to "Julimar Minerals Limited".

The Board proposes this change of name on the basis that it believes the proposed name more accurately reflects the future operations of the Company.

The proposed name has been reserved by the Company with ASIC and if Resolution 20 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change.

If Resolution 20 is passed, the change of name will take effect when ASIC alters the details of the Company's registration.

18.2 □ **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 20.

19. □ **RESOLUTION 21 – CHANGE IN COMPANY STATUS LTD TO NL**

19.1 □ **Background**

Resolution 21 seeks Shareholder approval for the Company to change its status from a public company limited by shares to a public no liability company. Members of a public no liability company have no liability in the event of a winding up.

Section 162 of the Corporations Act specifically provides that a public company limited by shares may change its status to a public no liability company by the members of the company passing a special resolution to that effect, provided that:

- (a) the company's constitution states that its sole objects are mining purposes; and
- (b) under the constitution the company has no contractual right to recover calls made on its shares from a shareholder who fails to pay them; and
- (c) all of the company's issued shares are fully paid up.

The Company is currently seeking approval under Resolution 22 to replace its current constitution to effect the changes required under points (a) and (b) above. Further, as at the date of this Notice the Company's issued Shares are fully paid up.

Accordingly, the Company is seeking the approval of Shareholders by special resolution to change from a public company limited by shares to a public no liability company.

19.2 □ **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 21.

20. □ **RESOLUTION 22 – REPLACEMENT CONSTITUTION**

20.1 □ **Background**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

Resolution 22 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public no liability company updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to updating references to bodies or legislation and expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6166 9107). Shareholders are invited to contact the Company if they have any queries or concerns.

20.2 □ **Summary of proposed constitution**

A summary of the rights attaching to Shares under the Proposed Constitution is set out in Schedule 7.

20.3 □ **Board recommendation**

The Board unanimously recommend that Shareholders vote in favour of Resolution 22.

21. □ **RESOLUTION 23 – BOARD SPILL MEETING (CONTINGENT BUSINESS)**

21.1 □ **Background**

Resolution 23 (the **Spill Resolution**) is a contingent resolution and will only be put to the Meeting and voted on if 25% or more of the votes cast on Resolution 1 are cast against the adoption of the 2020 remuneration report (considered at the 2020 Annual General Meeting) and the 2021 remuneration report (Resolution 1 of this Annual General Meeting), which means the Company would receive a “second strike”. If less than 25% of votes cast are against the Remuneration Report at the 2020 Annual General Meeting of the Annual General Meeting, then there will be no “second strike” and Resolution 23 will not be put to the Meeting.

21.2 □ **Mechanics of the potential Spill Meeting**

Shareholders should note that following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company.

All of the Directors who remain in office as Directors at the time of the Spill Meeting and were in office when the Board resolved to approve the directors report for the financial year ended 30 June 2021 was passed (but excluding the Managing Director), being each of:

- (i) Mr Peter Lewis;
- (ii) Mr John Traicos; and
- (iii) Mr Peter Michael,

(the **Relevant Directors**), will automatically vacate their office immediately before the end of the Spill Meeting unless they are willing to stand for re-election at the Spill Meeting. For the avoidance of doubt, this includes Mr Peter Lewis, despite this Director already being subject to re-election at the Annual General Meeting.

No voting exclusions will apply to any resolutions appointing Directors at a Spill Meeting. Accordingly, there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at a subsequent Spill Meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to stand for re-election at the Spill Meeting and if such Spill Meeting is held, may vote their own shares in support of their re-appointment.

Shareholders will be able to put forward their own nominees for consideration and potential election at the Spill Meeting.

The Corporations Act requires the Company to have a minimum of three directors. If following the Spill Meeting, the Company has fewer than three directors (including the Managing Director), then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 4th edition of the ASX Corporate Governance Council's Corporate Principles and Recommendations recommend that a listed entity should have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board also should be large enough to comprise a variety of perspectives and skills, and to represent the best interest of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflective in the Board elected as result of the Spill Meeting.

21.3 **Consequences of voting “for” the Spill Resolution**

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders.

If the Spill Resolution is put to the Meeting and passes:

- (i) The Company will need to incur expenses (including legal, printing, mail out and registry costs) which the board estimates will be in excess of \$10,000.
- (ii) The Spill Meeting is likely to disrupt the Board and the Company's focus away from core business operations due to the necessary diversion of resources and time towards organising the Spill Meeting.
- (iii) There will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held. Such uncertainty may create instability within the Company and may have a negative effect on the Company's share price, and potentially on its operations.

21.4 **Board recommendation**

If Resolution 23 is put to Shareholders and you support your current Directors and wish them to continue as Directors, you should vote against Resolution 23.

If it is required to be put to the Meeting, the Board unanimously recommends that Shareholders vote against Resolution 23.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given to that term in Section 6.1.

2020 Annual General Meeting means the Annual General Meeting of the Company to be held at 8.45 am (AWST) on 31 January 2022.

AAM Resources means AAM Resources Pty Ltd (ACN 643 207 701).

Advisers means various advisers or consultants who provided corporate, legal, financial or company secretarial services to the Company.

Adviser Option means an option to acquire a Share on the terms and conditions as set out in Schedule 4.

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

Administrators means Cameron Shaw and Richard Albarran of Hall Chadwick.

Administration Costs has the meaning given to that term in Section 2.6.

Administrator Shares has the meaning given to that term in Section 2.3.

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.

Aurum Pacific means Aurum Pacific Management Pty Ltd (ACN 610 003 506).

Aurum Pacific Securities has the meaning given to that term in Section 11.1.

BDO means BDO Corporate Finance Pty Ltd (ACN 010 185 725).

Bellatrix means Bellatrix Corporate Pty Ltd (ACN 614 936 239)

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.

Capital Raising has the meaning given to that term in Section 2.8.

Capital Raising Securities has the meaning given to that term in Section 2.8.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;

- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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

Consideration Shares has the meaning given to that term in Section 2.5.

Consolidation means a consolidation of the Company's Share on the basis of every fifty (50) Shares to be consolidated into one (1) Share.

Constitution means the Company's constitution.

Convertible Notes means convertible notes each with a face value of \$1, maturing 18-months after issue, attracting interest at 6% per annum (re-payable in cash) and which, subject to shareholder approval, may be converted into Shares at a conversion price of \$0.10 (on a post-Consolidation basis) at the election of the holder or converts automatically on completion of a qualifying capital raising by the Company.

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

Darling Range Bauxite Project has the meaning given to that term in Section 2.2(a).

DMIRS has the meaning given to that term in Section 2.2(a).

DOCA has the meaning given in Section 2.2(b).

Directors means the current directors of the Company.

Eight South Investments means Eight South Investments Pty Ltd (ACN 148 002 233).

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

First Guardian has the meaning given to that term in Section 2.2(b).

Fund has the meaning given to that term in Section 2.3.

Hall Chadwick means Hall Chadwick Chartered Accountants.

Incentive Option means the Option issued on the terms and conditions as set out in Schedule 3.

Independent Expert's Report means the independent expert's report prepared by BDO that is annexed to this Notice as Annexure A.

Iron Mountain means Iron Mountain Bauxite Pty Ltd (ACN 614 956 106).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Nendo Bauxite Project has the meaning given to that term in Section 8.1.

New Options means an Option issued on the terms and conditions as set out in Schedule 1.

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

Oceanic means Oceanic Capital Pty Ltd (ACN 112 800 978).

Option means an option to acquire a Share.

PBX Aus means PBX Aus Pty Ltd (ACN 621 245 387).

PGE Projects has the meaning given in Section 2.5.

Placement Options means an Option issued on the terms and conditions as set out in Schedule 2.

Proposed Acquisitions has the meaning given to that term in Section 2.5.

Proposed Constitution refers to the new Company Constitution which the Company is proposing to adopt subject to approval of Resolution 24, summarised in Schedule 7.

Proposed Divestment has the meaning given to that term in Section 8.1.

Proponent Group means Oceanic, St Barnabas and Glen William Goulds.

Proponent Securities has the meaning given to that term in Section 9.1.

Proxy Form means the proxy form accompanying the Notice.

Recapitalisation Resolutions means Resolutions 6, 7, 9, 11 and 12.

Relevant Directors has the meaning given to that term in Section 21.2.

Re-Listing Prospectus has the meaning given to that term in Section 2.8.

Remuneration Entitlement has the meaning given to that term in Section 2.6.

Remuneration Report means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2021.

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

SAPPR has the meaning given to that term in Section 2.2(a).

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.

Spill Resolution has the meaning given to that term in Section 3.2.

Spill Meeting has the meaning given to that term in Section 3.2.

St Barnabas means St Barnabas Investments Pty Ltd (ACN 088 998 387) as trustee for the Melvista Family Trust.

Top-Up Funding has the meaning given to that term in Section 2.3.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Vendors means St Barnabas and Glen William Goulds, being the vendors of Western Yilgarn and AAM Resources.

Voluntary Administration has the meaning given to that term in Section 2.2(b).

Western Yilgarn mean Western Yilgarn PGM Pty Ltd (ACN 644 650 582).

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

SCHEDULE 1 – TERMS AND CONDITIONS OF NEW OPTIONS

1. Entitlement

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

2. Exercise Price

The amount payable upon exercise of each New Option will be \$0.20.

3. Expiry Date

Each New Option will expire 3 years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. 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 New Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

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

- i. issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. 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 New Options.

8. Shares issued on exercise

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

9. Reconstruction of capital

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

10. Participation in new issues

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

11. 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 New Option can be exercised.

12. Transferability

The New Options are not transferable without consent of the Board.

SCHEDULE 2 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

1. Entitlement

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

2. Exercise Price

The amount payable upon exercise of each Placement Option will be \$0.30.

3. Expiry Date

Each Placement Option will expire on 3 years from the date of issue (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. 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 Placement Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

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

- i. issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. 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 Placement Options.

8. Shares issued on exercise

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

9. Reconstruction of capital

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

10. Participation in new issues

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

11. Change in exercise price

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

12. Transferability

The Placement Options are not transferable without consent of the Board.

SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS

1. Entitlement

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

2. Exercise Price

The amount payable upon exercise of each Incentive Option will be \$0.20.

3. Vesting Milestones

Incentive Options will vest on the achievement of the following milestones:

Class	Vesting Milestone
Class A Incentive Option	The Company is readmitted to the Official List of ASX.
Class B Incentive Option	The volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the Shares have been traded) being at least \$0.30.
Class C Incentive Option	The volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the Shares have been traded) being at least \$0.40.

4. Expiry Date

Each Incentive Option will expire on 3 years from the date of issue (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. Exercise Period

Upon the applicable Vesting Milestone being satisfied, the Holder may exercise the Incentive Options at any time on or prior to the Expiry Date (**Exercise Period**).

6. Notice of Exercise

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

7. 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 Incentive Option being exercised in cleared funds (**Exercise Date**).

8. Timing of issue of Shares on exercise

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

- i. issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. 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 Incentive Options.

9. Shares issued on exercise

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

10. Reconstruction of capital

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

11. Participation in new issues

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

12. Change in exercise price

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

13. Transferability

The Incentive Options are not transferable without consent of the Board.

SCHEDULE 4 – TERMS AND CONDITIONS OF ADVISER OPTIONS

1. Entitlement

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

2. Exercise Price

The amount payable upon exercise of each Adviser Option will be \$0.30.

3. Expiry Date

Each Adviser Option will expire on 3 years from the date of issue (**Expiry Date**). An Adviser Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

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

5. Notice of Exercise

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

6. 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 Adviser Option being exercised in cleared funds (**Exercise Date**).

7. Timing of issue of Shares on exercise

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

- i. issue the number of Shares required under these terms and conditions in respect of the number of Adviser Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. 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 Adviser Options.

8. Shares issued on exercise

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

9. Reconstruction of capital

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

10. Participation in new issues

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

11. Change in exercise price

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

12. Transferability

The Adviser Options are not transferable without consent of the Board.

SCHEDULE 5 – VALUATION OF INCENTIVE OPTIONS

The Incentive Options to be issued to Peter Lewis, John Traicos and Peter Michael pursuant to Resolutions 16, 17 and 18 have been valued by internal management.

Using the Black & Scholes option pricing and based on the assumptions set out below, the Incentive 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.

SCHEDULE 6 – STATEMENT OF FINANCIAL POSITION AND 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
Issued capital			
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

SCHEDULE 7 – SUMMARY OF THE RIGHTS ATTACHING TO SHARES UNDER THE PROPOSED CONSTITUTION

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

General meetings and notices

Each eligible Shareholder is entitled to receive notice of, and, except in certain circumstances, to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each eligible Shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (b) on a show of hands every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (c) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote per Share. On a poll, partly paid shares confer a fraction of a vote pro-rata to the amount paid up and payable on the Share.

Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders, such dividend to be paid only out of the profits of the Company. The Directors may determine the amount, method and time for payment of the Dividend, which are to be apportioned and paid proportionately to the amounts paid or credited as paid on Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Winding-up

Subject to the Corporations Act, the ASX Listing Rules and any special or preferential rights attaching to any class or classes of shares in the Company, on a winding up of the Company the liquidator may, with the approval of a special resolution, distribute among the Shareholders the whole or any part of the assets of the Company and may determine how such division is to be carried out. The liquidator may also, with the approval of a special resolution, vest the whole or any part of the Company's assets in a trustee on trust for contributories as the liquidator thinks fit.

Sections 254B(2), (3) and (4) of the Corporations Act prescribe certain terms of issue and entitlements with respect to shares in a "no liability" company. Section 254B(2) provides that a share in a no liability company is issued subject to a term that if the company is wound up and a surplus remain, it must be distributed among the parties entitled to it in proportion to the number of shares held by them irrespective of the amounts paid up on those shares. However, a member who is in arrears in payment of a call on a share, but whose shares have not been forfeited, is entitled to participate in the distribution of that surplus if the full amount outstanding in respect of the call is first paid.

Section 254B(3) provides that if a no liability company is wound up having ceased to carry on business within 12 months after its registration, those of its shares that were issued for cash (to the extent of the capital contributed by subscribing shareholders) must on a winding up rank in priority to shares issued to vendors or promoters, or both, for consideration other than for cash.

Additionally, section 254B(4) provides that shareholders that were vendors or promoters of a no liability company are not entitled to any preference upon a winding up of that company at any time, notwithstanding anything contained in the company's constitution or the terms on which the shares were issued.

Transfer of Shares

Holders of Shares may transfer them by proper transfer. The Company may participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act, ASX Listing Rules and the operating rules of a CS Facility (as defined in the Corporations Act), in which case, Shares may be transferred and transfers may be registered in any manner required or permitted by the ASX Listing Rules or those operating rules.

The Company may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the ASX Listing Rules.

Future increase in capital

The Board of Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution, the Corporations Act and the ASX Listing Rules), issue Shares, grant options in respect of Shares, or otherwise dispose of further Shares as the Board may determine and on any terms the Board considers appropriate.

Unmarketable parcels

Provided that the Company complies with certain requirements as dictated by the Constitution, the ASX Listing Rules and the Corporations Act, the Company may sell all the Shares of a holder who has an unmarketable parcel of Shares.

Variation of rights

Subject to the Corporations Act, the Company may, with the sanction of special resolution passed at a meeting of shareholders or with the written consent of holders of three quarter of the issued shares, vary the rights and privileges attached to any class of Shares.

Alteration of the Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders entitled to and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

Share buy backs

Subject to the provisions of the Corporations Act and the ASX Listing Rules, the Company may buy back Shares in itself on the terms and at times determined by the Directors.

ASX Listing Rules

If the Company is admitted to the Official List, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX 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). If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.



PACIFIC BAUXITE LIMITED
(Subject to Deed of Company Arrangement)
Independent Expert's Report

OPINION: FAIR AND REASONABLE

29 December 2021



Financial Services Guide

29 December 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Pacific Bauxite Limited (Subject to Deed of Company Arrangement) ('PBX' or 'the Company') to provide an independent expert's report on the proposal to restructure the Company which would result in the voting interests in PBX of Oceanic Capital Pty Ltd increasing from below 20% to 44.79%. You are being provided with a copy of our report because you are a shareholder of PBX and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by PBX to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the Directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$27,500.

Except for the fees referred to above, neither BDO, nor any of its Directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our Directors do not hold any shares in PBX.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from PBX for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, Level 9 Mia Yellagonga Tower 2, 5 Spring Street, Perth WA 6000 or, by telephone or email using the contact details within the following report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

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5 Spring Street
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29 December 2021

The Directors
Pacific Bauxite Limited (Subject to Deed of Company Arrangement)
2A/300 Fitzgerald Street
North Perth, WA, 6006

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. □ Introduction

On 23 August 2021, the creditors of Pacific Bauxite Limited (subject to Deed of Company Arrangement) (to be renamed Julimar Minerals Limited) ('PBX' or 'the Company') resolved to execute a Deed of Company Arrangement ('DOCA') as part of a recapitalisation of the Company that was duly executed on 6 September 2021. The DOCA requires that PBX shareholders approve at a general meeting various resolutions facilitating the recapitalisation of the Company, which would result in the voting interest held by Oceanic Capital Pty Ltd, its associates and nominated entities (collectively, 'Oceanic Capital' or 'Proponent') in PBX increasing to 44.79%. Prior to the recapitalisation, Oceanic Capital holds no voting interest in PBX.

The recapitalisation comprises a number of different components, including a cash injection of at least \$1.6 million from the Proponent, the sale of the Company's wholly owned subsidiary, Iron Mountain Bauxite Pty Ltd ('Iron Mountain'), the extinguishment of all existing debt of the Company, and a change of operations ('Recapitalisation'). The change of operations relates to the acquisition of a number of exploration licenses and exploration license applications from the Proponent in relation to platinum group element exploration projects, for which the Proponent will receive share-based consideration. Additionally, contingent on the approval of all resolutions relating to the Recapitalisation, the Company will undertake a public offer of up to 22,500,000 shares at an issue price of \$0.20 to raise \$4.5 million ('Capital Raising').

As the Recapitalisation will result in Oceanic Capital's interest in PBX increasing from below 20% to more than 20%, approval from PBX shareholders not associated with Oceanic Capital ('Shareholders') is required for the Company to enter into the Recapitalisation.

Further details of the Recapitalisation are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('A\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The Directors of PBX have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Recapitalisation is fair and reasonable to Shareholders.

Our Report is prepared pursuant to item 7 of section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting for PBX in order to assist Shareholders in their decision whether or not to approve the Recapitalisation.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Recapitalisation as outlined in the body of this report. We have considered:

- How the value of a PBX share prior to the Recapitalisation on a control basis compares to the value of a PBX share following the Recapitalisation on a minority basis;
- The likelihood of an alternative offer being made to PBX;
- Other factors which we consider to be relevant to Shareholders in their assessment of the Recapitalisation; and
- The position of Shareholders should the Recapitalisation not proceed.

2.3 Opinion

We have considered the terms of the Recapitalisation as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Recapitalisation is fair and reasonable to Shareholders.

The DOCA represents the only course of action with the possibility of value accruing to Shareholders that is available to the Company.

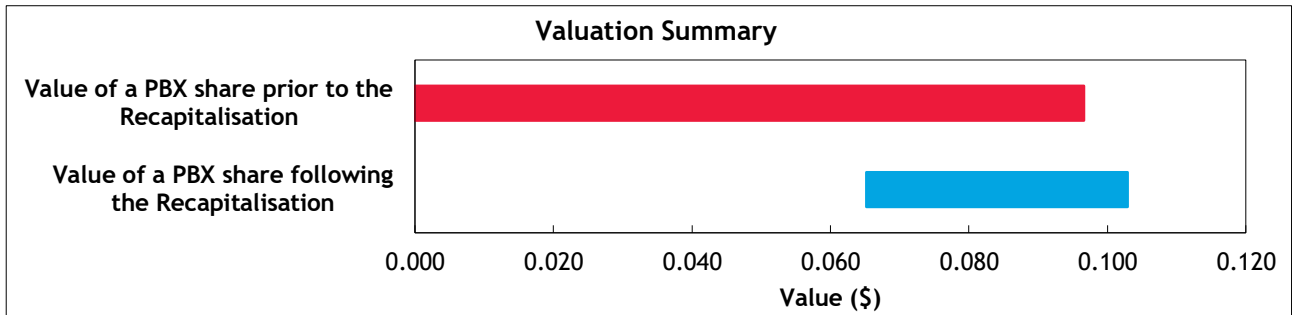
2.4 Fairness

In section 12 we determined that the value of a PBX share prior to the Recapitalisation on a control basis compares to the value of a PBX share following the Recapitalisation on a minority basis, as detailed below.

	Low \$	Preferred \$	High \$
Value of a PBX share prior to the Recapitalisation on a control basis	Nil	0.011	0.097
Value of a PBX share following the Recapitalisation on a minority interest basis	0.065	0.083	0.103

Source: BDO analysis

The above valuation ranges are graphically presented below:



We note that from the above, the value of a PBX share following the Recapitalisation on a minority interest basis is equal to or greater than the value of a PBX share prior to the Recapitalisation on a controlling basis. The above pricing indicates that, in the absence of any other relevant information, and an alternative offer, the Recapitalisation is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Recapitalisation; and
- other considerations, including the position of Shareholders if the Recapitalisation does not proceed and the consequences of not approving the Recapitalisation.

In our opinion, the position of Shareholders if the Recapitalisation is approved is more advantageous than the position if the Recapitalisation is not approved. Accordingly, in the absence of any other relevant information and/or an alternative proposal we believe that the Recapitalisation is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Recapitalisation is fair	13.5	Existing shareholders will be diluted
13.4	Avoids liquidation of the Company which will likely leave no value for Shareholders	13.5	Oceanic Capital will gain significant influence over the Company
13.4	Support from a cornerstone investor	13.5	Presence of a large cornerstone investor may reduce the possibility of a takeover offer being received in the future
13.4	Cash injection leaving the Company with cash to restart operations	13.5	Change in operations as part of the Recapitalisation may not suit the risk profile of certain existing Shareholders
13.4	Removal of debt through the terms of the DOCA		

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	Subject to legal and regulatory compliance and the approval of the ASX, the Recapitalisation is a key step towards reinstatement of the share to the ASX and recommencement of trading		
13.4	Diversification and synergies through the acquisition of the PGE Projects		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consequences of not approving the Recapitalisation

3. □ Scope of the Report

3.1 □ Purpose of the Report

Section 606 of the Corporations Act (**‘Section 606’**) expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else’s voting power in the company) increases from 20% or below to more than 20%.

Section 611 of the Corporations Act (**‘Section 611’**) provides exceptions to the Section 606 prohibition and item 7 Section 611 (**‘item 7 s611’**) permits such an acquisition if the shareholders of PBX have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution PBX can commission an Independent Expert’s Report.

The Directors of PBX have commissioned this Independent Expert’s Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act define the meaning of 'fair and reasonable'. In determining whether the Recapitalisation is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Recapitalisation is a control transaction as defined by RG 111 and we have therefore assessed the Recapitalisation as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between value of a PBX share prior to the Recapitalisation on a control basis and the value of a PBX share following the Recapitalisation on a minority basis (fairness - see Section 12 'Is the Recapitalisation Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution in relation to the Recapitalisation, after reference to the value derived above (reasonableness - see Section 13 'Is the Recapitalisation Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Recapitalisation

We set out below the outline of the Recapitalisation. This also covers associated events and proposals including the DOCA and the various interconnected resolutions addressed in the Notice of Meeting.

On 11 September 2019, PBX released an announcement regarding a capital raising by way of a non-renounceable pro-rata rights issue to raise \$991,535 (**'Rights Issue'**). Under the Rights Issue, eligible shareholders were able to subscribe for one new share in PBX for every two shares held at the record date, at an issue price of \$0.005 per share.

On 23 December 2019, PBX entered into a trading halt pending the release of an announcement, which was subsequently released on 24 December 2019. The announcement stated that PBX would be entering into voluntary administration as a result of the failure of the Rights Issue to attract meaningful support, coupled with the failure of negotiations to divest the Company's bauxite projects in the Solomon Islands. PBX appointed Richard Albarran and Cameron Shaw from Hall Chadwick as joint and several deed administrators of the Company (together, **'the Administrators'**). The events leading up to the appointment of the Administrators to the Company are detailed in the Voluntary Administrators' Reports dated 9 June 2020, 10 June 2020 and 5 August 2021 (collectively **'VA Reports'**).

4.1 Proceedings following Voluntary Administration

Subsequent to the appointment of the Administrators, at a meeting of the Company's creditors, the creditors resolved that the Company execute a DOCA on the terms of a proposal put forward by First Guardian Synergy Capital Limited (**'FGSC'**). Following multiple extensions granted to FGSC to satisfy the conditions precedent required under their DOCA proposal, on 16 June 2021, PBX released an announcement stating that FGSC had provided notice of their intention to withdraw from the DOCA.

On 5 August 2021, the Administrators were presented with a proposal to vary the current DOCA from Oceanic Capital, which included the intention to recapitalise the Company. At a meeting of the Company's creditors held on 23 August 2021, it was resolved that the variation to the DOCA proposed by Oceanic Capital would be accepted, being subsequently executed on 6 September 2021, with control of the Company being passed to a new board of Directors, and the Administrators retaining supervisory powers.

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 PBX. The DOCA is part of the overall process to restructure the Company and restore quotation of the Company's shares on the ASX. In the VA Reports, the Administrators stated that they were of the opinion that the DOCA:

- Likely provides a greater return to unsecured creditors than would be achieved in a liquidation;
- Increases the possibility of the re-quotation of the Company's securities on the ASX; and
- Is in the interests of the Company, its creditors and shareholders.

A summary of the key terms of the DOCA is set out in the VA Reports.

4.2 Deed of Company Arrangement

If the DOCA is completed, all creditors must release the Company and the Administrators from all claims, demands or liability they may otherwise have against the Company, however arising.

Conditions Precedent and Subsequent

The key conditions precedent for the completion of the DOCA include:

- The Proponent paying a sum of \$1,600,000 into a solicitors trust account (**'Oceanic Payment'**). The Oceanic Payment includes a \$150,000 non-refundable upfront deposit (**'Initial Contribution'**) payable upon the creditors accepting the DOCA proposal; and
- The execution of the JV Agreement and the Shareholders' Trust Deed by all relevant parties to the respective agreements. The JV Agreement is an agreement between the creditors of Iron Mountain (being Scott James Dodds, Nicholas Michael Wixon Willis, and Peter Forrest Pty Ltd, collectively **'JV Creditors'**) and the trustees for the Shareholders' Trust, regarding the transfer of shares in Iron Mountain. The Shareholders' Trust Deed relates to the creation of a trust for the Shareholders of PBX as at the date of voluntary administration, which will hold a 20% interest in Iron Mountain following the execution of the DOCA.

The continued operation of the DOCA is also conditional upon various conditions subsequent taking place or being satisfied within up to five months of the DOCA being accepted by the Company's creditors, including:

- The Company carrying out a consolidation of PBX shares on the basis of 1-for-50 shares in order to comply with ASX Listing Rules (**'Share Consolidation'**);
- The members of the Company resolving to proceed with the issue of shares pursuant to the DOCA; and
- The application for exploration licence ELA 70/5111 lodged by PBX Aus Pty Ltd not being altered, reduced, amended, varied or otherwise changed, withdrawn, revoked, denied, declined or refused.

We note that all securities issued as part of the Recapitalisation are on a post-consolidation basis.

Material Terms of the DOCA

A summary of the material terms of the DOCA is set out below:

- a) The Company and the Administrators will establish a Shareholders' Trust, with the Administrators acting as trustees;
- b) The Proponent shall arrange to pay from the Oceanic Payment:
 - i. A payment of the Initial Contribution to the Administrators;
 - ii. Monies required for working capital purposes to the Company; and
 - iii. Any fees, costs, expenses and liabilities associated with the arrangement of approvals and consents required to meet the conditions subsequent, as outlined below.
- c) Upon satisfaction of the conditions subsequent, the Company must issue the following shares and options:
 - i. 32,000,000 shares, together with 32,000,000 options exercisable at \$0.20 per share, expiring three years from the date the options are allotted (**'New Options'**), to the Proponent;

- Pursuant to the DOCA, if creditor repayment obligations exceed the value of the Oceanic Payment, the Proponent must make sufficient payment(s) to meet the difference. In the event the Proponent makes any top-up payment, the Proponent shall be entitled to be issued shares and New Options on the basis of two shares and two New Options for each dollar of the top-up payment.
 - Oceanic Capital currently estimates that it will provide a maximum top-up payment of \$220,000, and as such, will be entitled to receive an additional 440,000 shares and 440,000 New Options. We have included the top-up payment and issue of top-up shares in our opinion.
- ii. 6,000,000 shares, together with 6,000,000 New Options to Aurum Pacific Management Pty Ltd ('Aurum'); and
 - iii. 1,000,000 shares to the Administrators.
- d) Upon satisfaction of the conditions subsequent, the Proponent shall arrange to pay the total amount required to make the distributions below from the Oceanic Payment:
- i. Payment in full to the priority creditors of the Company;
 - ii. The sum of \$1,100,000 to the Administrators;
 - iii. The sum of \$267,114.25 less any amount paid to priority creditors to the remaining creditors of the Company;
 - iv. The sum of \$184,100.57 to Aurum; and
 - v. The balance being available to the Company for working capital purposes.
- e) Upon the Administrators lodging written notice to ASIC that the parties to the DOCA have fulfilled all of their obligations under the DOCA, the Company must transfer to:
- i. The JV Creditors, 80% of the shares in Iron Mountain pursuant to the agreement between the JV Creditors and the Administrators; and
 - ii. The Administrators, 20% of the shares in Iron Mountain pursuant to the Shareholders' Trust Deed.
- f) Upon execution of the DOCA, the Company grants to the Proponent the rights to the following:
- i. A 1.5% net smelter royalty on all base and precious metals, and rare earths; and
 - ii. A \$1 per tonne royalty for any bauxite, iron ore, or any other valuable commodity (subject to CPI increases annually).

4.3 Additional Components of the Recapitalisation

The Recapitalisation comprises a number of resolutions at the Company's general meeting. Additional to those outlined above is the acquisition of six exploration licenses and two exploration license applications relating to platinum group element ('PGE') projects (collectively, 'PGE Projects'), the issue of shares to Peter Lewis in lieu of Director's fees, and the issue of securities upon the conversion of convertible notes. These resolutions are outlined below:

Acquisition of the PGE Projects

As part of the Recapitalisation, the Company will acquire the entire issued capital of Western Yilgarn PGM Pty Ltd (**‘Western Yilgarn’**) and AAM Resources Pty Ltd (**‘AAM Resources’**). Western Yilgarn holds three exploration licenses and two exploration license applications, whilst AAM Resources holds three exploration licenses collectively across the Eastern Goldfields and Pilbara regions of Western Australia (**‘WA’**).

The consideration for the acquisitions is the issue of a total of 3,000,000 shares in PBX, a 2% net smelter royalty to each vendor on all minerals extracted from the PGE Project tenements, and reimbursement to each vendor of outgoings in respect of the PGE Project tenements. The vendors of the PGE Projects are St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust (**‘St Barnabas’**), and Glen William Goulds. St Barnabas is an entity controlled by David Michael (a Director of the Proponent), whilst Glen William Goulds is an associate of the Proponent. As such, we have included the 3,000,000 shares issued as consideration for the PGE Projects as part of the Proponent’s interest in PBX following the Recapitalisation.

Issue of Shares in lieu of Director’s fees

Upon approval of the Recapitalisation, the Company will issue 300,000 shares on a post-consolidation basis to Peter Lewis (or his nominee), at a deemed issue price of \$0.10 each in lieu of \$30,000 of Director’s fees owing to him as at 30 June 2021.

Issue of Shares Upon Conversion of Convertible Notes

The Company is extending convertible notes with a face value of up to \$550,000 (**‘Convertible Notes’**) for the purpose of providing the Company with funds to cover the costs of re-listing on the ASX and for general working capital purposes. Subject to Shareholder approval, a total of up to 5,500,000 shares and 2,750,000 options (exercisable at \$0.30 prior to three years from the date of issue) (**‘Placement Options’**) will be issued on conversion of the Convertible Notes based on a conversion price of \$0.10 per share. Interest accrues on the Convertible Notes at 6.0% per annum, repayable in cash at conversion or maturity. The Convertible Notes automatically convert on the Company completing a qualifying capital raising (which will be triggered by the Capital Raising).

Subsequent Resolutions

As per the Notice of Meeting, PBX will seek Shareholder approval for a number of resolutions that are not directly part of the Recapitalisation. These include the issue of 450,000 shares at an issue price of \$0.10 to Bellatrix Corporate Pty Ltd (**‘Bellatrix’**) for accounting and secretarial services performed, the issue of 2,492,469 incentive options to Directors of the Company (in equal tranches to the three Directors), exercisable at \$0.20 and vesting subject to market and non-market based vesting conditions (**‘Incentive Options’**), and the issue of 6,000,000 adviser options, exercisable at \$0.30 over a three year period and vesting immediately (**‘Adviser Options’**), to advisers to the Company. Our opinion as to whether the Recapitalisation is fair and reasonable includes the consideration of the subsequent resolutions.

4.4 □ Capital Raising

The Company shall undertake a capital raising for \$4.5 million, being the issue of 22,500,000 shares on a post-consolidation basis at an issue price of \$0.20 per share. Additionally, the Company will offer participants of the Capital Raising one free attaching option for every two shares subscribed for, equating

to a total of 11,250,000 options exercisable at \$0.30 prior to three years from the date of issue ('Free Attaching Options'). The Capital Raising is contingent on the Recapitalisation being approved by the Company's Shareholders, and as such, our opinion as to whether the Recapitalisation is fair and reasonable includes the Capital Raising.

4.5 Capital Structure following the Recapitalisation

Set out in the table below is a summary of the capital structure following the Recapitalisation.

Recapitalisation	Fully paid ordinary shares	Options
Securities currently on issue	396,614,034	-
Reduction upon consolidation (50:1)	(388,681,753)	-
Securities post-consolidation	7,932,281	-
Securities to be issued under the DOCA		
Issued to the Proponent (a)	32,000,000	32,000,000
Issued to Aurum	6,000,000	6,000,000
Issued to the Administrators	1,000,000	-
Total securities issued under the DOCA	39,000,000	38,000,000
Top-up securities to be issued to the Proponent (b)	440,000	440,000
Securities to be issued to the vendors of the PGE Projects (c)	3,000,000	-
Securities to be issued to Peter Lewis in lieu of Director's fees	300,000	-
Securities to be issued to Bellatrix	450,000	-
Securities to be issued to Directors	-	2,492,469
Securities to be issued to Advisers	-	6,000,000
Securities to be issued under the Capital Raising	22,500,000	11,250,000
Securities to be issued upon conversion of Convertible Notes	5,500,000	2,750,000
TOTAL (d)	79,122,281	60,932,469
Fully diluted (e)	140,054,750	
Securities held by the Proponent following the Recapitalisation (a+b+c)	35,440,000	32,440,000
Proponent interest following the Recapitalisation (undiluted) ((a+b+c)/d)	44.79%	
Proponent interest following the Recapitalisation (diluted) ((a+b+c)/e)	48.47%	

Source: PBX Notice of Meeting, DOCA, BDO analysis

As outlined in the above table, the Proponent will acquire an interest of 44.79% and 48.47% on an undiluted and diluted basis, respectively.

In a scenario where only the Proponent exercises its options, the Proponent will have the capacity to hold a maximum interest in PBX of 60.84%.

We have provided below a summary of the terms of the options to be issued as part of the Recapitalisation.

Description	No. of Options	Exercise price (\$)	Expiry Date
Adviser Options (issued to advisers)	6,000,000	0.30	3-years from date of issue
Incentive Options (issued to Directors)	2,492,469	0.20	3-years from date of issue
Free-Attaching Options (issued as part of the Capital Raising)	11,250,000	0.30	3-years from date of issue
New Options (issued as part of the DOCA)	38,440,000	0.20	3-years from date of issue
Placement Options (issued upon conversion of Convertible Notes)	2,750,000	0.30	3-years from date of issue
Total number of options to be issued	60,932,469		
Cash raised if options are exercised	14,186,494		

Source: PBX Notice of Meeting, DOCA, BDO analysis

5. □ Profile of Pacific Bauxite Limited

5.1 □ History

PBX is an ASX-listed mineral exploration company, with bauxite projects located in Australia and the Solomon Islands. The Company's main asset historically has been the Nendo Bauxite Project, located in the Temotu province of the eastern Solomon Islands. The Company also holds an exploration license application for the Darling Range Bauxite Project, located in WA. The Company's head office is located in Perth, WA.

Immediately prior to the initial DOCA proposed by FGSC, the board and key management personnel of PBX were as follows:

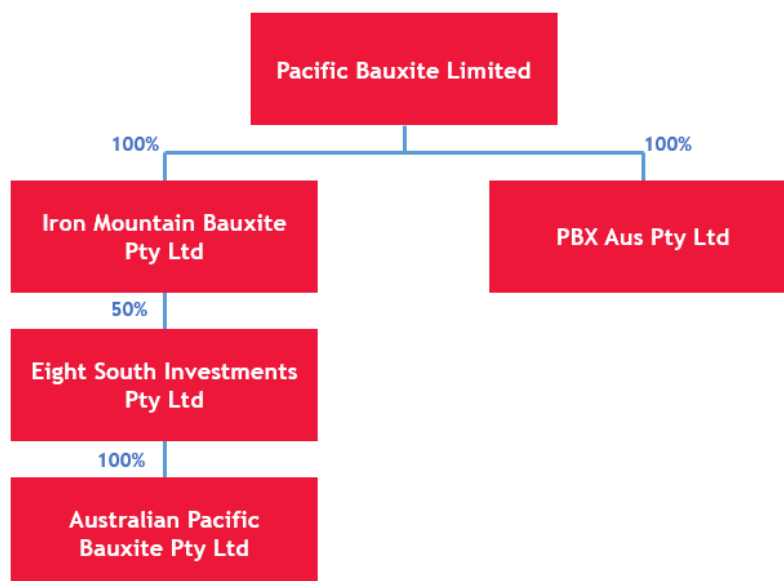
- Peter Lewis - Director;
- Craig Smith - Director;
- Campbell McKenzie - Director;
- Melissa Chapman - Co-Secretary; and
- Catherine Grant-Edwards - Co-Secretary.

Of the above Directors, Craig Smith and Campbell McKenzie resigned on 23 December 2019, however, Peter Lewis remains on the Board of PBX. Co-secretaries, Melissa Chapman and Catherine Grant-Edwards resigned on 23 December 2019 and were subsequently reappointed on 6 September 2021.

Under the DOCA, the Administrators have the power to appoint and remove Directors. The Administrators appointed the following Directors effective 6 September 2021:

- Peter Michael - Non-Executive Director; and
- John Traicos - Non-Executive Director.

The corporate structure of PBX including its subsidiaries is outlined below:



Source: PBX management

5.2 □ Projects

Nendo Bauxite Project

The Nendo Bauxite Project (**'Nendo Project'**) is a direct shipping ore (**'DSO'**) bauxite project located in the Temotu province of the eastern Solomon Islands. The Nendo Project was acquired in September 2016 after the acquisition of a 50% interest in Eight South Investments Pty Ltd (formerly known as Au Capital Mining Pty Ltd) (**'Eight South'**), the 100% owner of the Prospecting License relating to the Nendo Project (**'PL 01/16'**). Prior to the completion of the acquisition, PBX undertook due diligence on the Nendo Project, which included an initial auger drilling and pit sampling exploration program to satisfy the primary condition precedent of the acquisition, that the Nendo Project had the capacity to host economic quantities of DSO bauxite mineralisation.

The consideration for the acquisition of a 50% interest in Eight South was a non-refundable option fee of \$100,000 paid to the owners of Eight South, 20,000,000 fully paid ordinary shares in the Company upon completion of the acquisition, and a further 20,000,000 fully paid ordinary shares at the earlier of either the first commercial shipment of bauxite or 12 months from the completion of the acquisition.

Following completion, PBX announced that the initial phase of exploration work at the Nendo Project would commence in the immediate future, however, it wasn't until April 2018 in which the Company announced the commencement of exploration activities at the Nendo Project. This exploration program was commissioned to target higher grade zones of bauxite mineralisation in order to generate sufficient data to confirm an exploration target, and subsequently delineate a maiden JORC Mineral Resource Estimate (**'MRE'**).

On 6 June 2018, PBX released an announcement stating that the Company received a letter from the Solomon Islands Government's Ministry of Mines, Energy and Rural Electrification (**'Ministry'**), advising that PL 01/16 had been cancelled. PBX was informed that the reasons for the cancellation were the unsatisfactory level of prospecting, and failure to establish amicable relations with the local communities. PBX announced that it was in the process of preparing its claim to the High Court of the Solomon Islands (**'High Court'**) and had engaged legal counsel to appeal the decision of the Ministry. This claim was subsequently filed on 17 June 2018.

In October 2018, the High Court granted an interim injunction to Eight South restraining the Ministry from accepting any applications from, or granting any conflicting tenements to any person other than Eight South in relation to any minerals in the area described in PL 01/16, pending the determination of the High Court proceedings. On 5 April 2019, the High Court ruled that the Ministry's decision to cancel PL 01/16 was beyond power, quashed and declared null and void, and that PL 01/16 was valid as at May 2018, amongst other orders. The Ministry would have 30 days to file any appeals to the High Court's orders.

PBX announced that the Ministry had filed and served its notice of appeal with the Solomon Islands Court of Appeal on 10 May 2019, to appeal the High Court's orders on three separate grounds. However, the Company subsequently received notification that the Ministry's notice of appeal was not filed within the 30 day appeals period. As such, on 5 September 2019, the Company announced that the appeal was filed out of time, and consequently, there were no appeals on foot in relation to the High Court's decision to invalidate the cancellation of PL 01/16.

In December 2019, it was announced that, following a number of unsolicited approaches to the Company, PBX decided to divest its Solomon Island bauxite projects, being the Nendo Project and the South West New Georgia Project (outlined below). The board of PBX had decided that focussing on its Australian

assets presented a lowered sovereign risk hurdle, a better proposition for growth and a benefit to the Company's shareholders.

On 8 June 2020, PBX received an order from the Registrar of the High Court and Court of Appeal of the Solomon Islands amending its previous orders, allowing for submissions by both parties to be provided to the Court of Appeal by 15 June 2020. Subsequently, on 2 February 2021, the Court of Appeal ruled in favour of the Company, quashing the decision of the Ministry to cancel PL 01/16. Following this ruling, the Administrators continued to seek options to the possibility of reinstating PL 01/16, as it expired during the quarter ended 30 June 2020. It does, however, remain a condition of the DOCA for the Company's Solomon Islands projects to be divested.

Darling Range Project

On 15 January 2018, the Company announced that it had acquired a 100% interest in an exploration licence application ('ELA 70/5111') and a granted exploration license ('EL 70/5112'), collectively referred to as the Darling Range Project. The Darling Range Project previously covered a total area of 405km² (prior to the surrendering of EL 70/5112), and is located approximately 75km northeast from Perth, WA. The consideration for the acquisition was a payment of 1,000,000 fully paid ordinary shares in PBX to Nearology Pty Ltd, and a cash payment of \$30,000.

Upon successful granting of ELA 70/5111, the Company plans to review the existing JORC 2004 MRE at the Darling Range Project, with a view of upgrading the resource to be JORC 2012 compliant. PBX also plans to undertake fieldwork at the Darling Range Project to determine the extent of the mineralised zones.

On 7 January 2020, the Company surrendered EL 70/5112 as it was not in a position to meet the financial obligations required in respect of the tenement. Accordingly, ELA 70/5111 remains the only mining tenement that the Company has an interest in as at the date of our Report. As outlined in Section 4 of our Report, it remains a condition subsequent to the DOCA that ELA 70/5111 not be altered, reduced, amended, varied or otherwise changed, withdrawn, revoked, denied, declined or refused.

In its annual report for the year ended 30 June 2021, PBX stated that 10.3% of ELA 70/5111 encroaches on the Julimar State Forest, whilst 2.97% of ELA 70/5111 encroaches on File Notation Area 12671 which relates to the WA Government's Perth and Peel Green Growth Plan. As a result, PBX would be required to submit a conservation management plan, and await a decision being reached by the WA Government on its Green Growth Plan, prior to ELA 70/5111 being processed.

South West New Georgia Project

The South West New Georgia ('SWNG') Project is a DSO bauxite project located in the Western province of the Solomon Islands and was acquired by PBX in August 2017. PBX was granted a Prospecting License ('PL 04/17') over the SWNG Project by the Ministry, covering an area of approximately 236km², and located adjacent to commercial port facilities. PL 04/17 was granted to Australian Pacific Bauxite Limited, a wholly owned subsidiary of Eight South, for an initial period of three years with the option to extend for a further two years upon application.

The suspension of operations at the Nendo Project allowed for the redeployment of personnel and equipment to the SWNG Project, which supported the commencement of a number of exploration programs at the SWNG Project in 2018. Following these programs, PBX announced the presence of DSO-grade bauxite at the SWNG Project in June 2018. The Company's near-term target was to identify further

DSO quality mineralisation within the SWNG Project, of which mining studies and subsequent mining lease applications could be based upon.

As outlined above, in December 2019 the Company announced its plans to divest the SWNG Project and focus on its Australian based projects. The SWNG Project had not been divested prior to the Company entering into voluntary administration, however, PL 04/17 was set to expire on 20 June 2020, in which the Company was not in a position to maintain the required expenditure and prospecting activities. As a result, PL 04/17 subsequently expired.

Ebagoola Project

On 15 November 2019, the Company announced that it had executed a binding option agreement, pursuant to which the Company was granted a six month option to acquire a 50% interest in the Ebagoola South Gold Project ('Ebagoola Project'), located in Queensland. The Company announced its intention to exercise the option and form an unincorporated joint venture with Aurum, for the purpose of exploring and developing the Ebagoola Project. The acquisition of the Ebagoola Project did not complete prior to the Company entering into voluntary administration. The Administrators have since entered into a Deed of Settlement and Release with the vendors and have relinquished any interest in the Ebagoola Project.

5.3 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	7,016	40,242	233,893
Restricted cash	61,500	61,500	71,500
Trade and other receivables	32,582	37,040	35,526
TOTAL CURRENT ASSETS	101,098	138,782	340,919
NON-CURRENT ASSETS			
Property, plant and equipment	-	-	118,416
Investment accounted for using the equity method	-	-	-
TOTAL NON-CURRENT ASSETS	-	-	118,416
TOTAL ASSETS	101,098	138,782	459,335
CURRENT LIABILITIES			
Trade and other payables	1,507,188	936,246	183,689
Provisions	1,742	1,742	75,194
TOTAL CURRENT LIABILITIES	1,508,930	937,988	258,883
NON-CURRENT LIABILITIES			
Trade and other payables	-	-	7,721
TOTAL NON-CURRENT LIABILITIES	-	-	7,721
TOTAL LIABILITIES	1,508,930	937,988	266,604
NET ASSETS	(1,407,832)	(799,206)	192,731
EQUITY			
Issued capital	20,321,348	20,281,348	20,181,348
Reserves	1,624,540	1,624,540	1,624,540
Accumulated losses	(23,353,720)	(22,705,094)	(21,613,157)
TOTAL EQUITY	(1,407,832)	(799,206)	192,731

Source: PBX's audited financial statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

We note that the Company's auditor highlighted the ability of PBX to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2019, 30 June 2020 and 30 June 2021. The matter was raised due to the existence of a material uncertainty relating to the Company's ability to realise its assets and discharge its liabilities in the normal course of business.

Commentary on Historical Statement of Financial Position

- The significant cash flow movements in the cash and cash equivalents balance over the assessed periods are outlined in the table below:

Significant cash flow movements	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
Opening cash and cash equivalents	40,242	233,893	2,062,108
Receipts from customers	-	4,054	12,048
Payments to suppliers and employees	(72,777)	(360,836)	(707,953)
Payments for exploration and evaluation	(449)	(74,920)	(1,316,448)
Proceeds from DOCA	40,000	100,000	-
Proceeds from sale of financial assets or PP&E	-	112,386	5,000
Other cash flow movements	-	25,665	179,138
Closing cash and cash equivalents	7,016	40,242	233,893

- The Company's property, plant and equipment was fully impaired over the year ended 30 June 2020.
- Trade and other payables over the assessed period is outlined in the table below.

Trade and other payables	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
Trade payables	360,054	360,054	100,427
Accruals and other payables	1,147,134	576,192	65,438
Finance lease liability	-	-	17,824
Total	1,507,188	936,246	183,689

Further, accruals and other payables of \$1.15 million as at 30 June 2021 comprised under trade and other payables are outlined in the table below.

Accruals and other payables	Audited as at 30-Jun-21 \$
Administrators' fees	887,231
Legal and corporate fees	140,984
Audit fees	37,997
Director's fees	76,122
Other	4,800
Total	1,147,134

- Provisions of \$1,742 as at 30 June 2021 relate to a provision for employee annual leave.

5.4 □ Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-21 \$	Audited for the year ended 30-Jun-20 \$	Audited for the year ended 30-Jun-19 \$
Revenue from continuing operations	-	2,954	14,216
Other income	-	152,216	18,853
Gain from assets held for sale	-	12,386	
Expenses			
Administration	(648,177)	(859,242)	(596,621)
Exploration costs	(449)	(16,452)	(238,168)
Depreciation	-	(12,934)	(32,988)
Employment costs	-	(97,307)	(413,438)
Impairment of fixed assets	-	(93,281)	-
Impairment of loan to associate	-	(180,277)	(855,986)
Impairment of investment in associate	-	90,138	427,993
Share of net loss of associate	-	(90,138)	(427,993)
(Loss) before income tax	(648,626)	(1,091,937)	(2,104,132)
Income tax (expense) / benefit	-	-	-
(Loss) for the year	(648,626)	(1,091,937)	(2,104,132)
Other comprehensive income	-	-	-
Total comprehensive (loss) for the period	(648,626)	(1,091,937)	(2,104,132)

Source: PBX's audited financial statements for the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

As noted above, the Company's auditor highlighted the ability of PBX to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2019, 30 June 2020 and 30 June 2021.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- PBX generated minimal revenue from sales over the assessed period. Other income of \$0.15 million for the year ended 30 June 2020 primarily comprised proceeds from the sale of royalties of \$0.10 million, and the recovery of due diligence costs of \$0.05 million.
- The Company's investment in Eight South is held in PBX's wholly owned subsidiary, Iron Mountain. Under the terms of the agreement reached with the other owners of Eight South, PBX is responsible for all costs in maintaining the Nendo Project and Eight South itself. All amounts are to be carried as a loan payable to PBX. Consequently, PBX recorded an impairment of \$0.86 million and \$0.18 million for the years ended 30 June 2019 and 30 June 2020, respectively, regarding loans payable from Eight South to PBX, as the Company had not reached a stage that it could accurately ascertain the recoverability of this amount.
- PBX also impaired the carrying amount of its investment in Eight South over the assessed period. The Company reported that the impairment was considered prudent given the uncertainty at reporting date regarding the status of the Nendo Project. This impairment expense totalled \$0.43 million and \$0.09 million for the years ended 30 June 2019 and 30 June 2020, respectively.

5.5 Capital Structure

The share structure of PBX prior to the Recapitalisation is outlined below:

	Number
Total ordinary shares on issue	396,614,034
Top 20 shareholders	134,683,496
Top 20 shareholders - % of shares on issue	33.96%

Source: PBX share registry information

The range of shares held in PBX prior to the Recapitalisation is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	39	11,644	0.00%
1,001 - 5,000	217	641,448	0.16%
5,001 - 10,000	217	2,001,810	0.50%
10,001 - 100,000	641	25,148,288	6.34%
100,001 - and over	396	368,810,844	92.99%
TOTAL	1,510	396,614,034	100.00%

Source: PBX share registry information

The ordinary shares held by the most significant shareholders prior to the Recapitalisation are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Mr Scott James Dodd	30,800,000	7.77%
Mr John Roger Darvall	12,200,000	3.08%
Mr Kwok Kwong Lau	11,200,000	2.82%
L Narramore Nominees Pty Ltd	9,056,234	2.28%
Subtotal	63,256,234	15.95%
Others	333,357,800	84.05%
Total ordinary shares on Issue	396,614,034	100.00%

Source: PBX share registry information

6. □ Profile of Oceanic Capital

6.1 □ History

Oceanic Capital is an Australian-based private investment company. Oceanic Capital was incorporated in February 2005, and its head office is located in Perth, Western Australia.

The current Directors of Oceanic Capital are as follows:

- David Michael - Director; and
- Adel Michael - Director.

Oceanic Capital, as defined within our Report, comprises Oceanic Capital, its associates and its nominated entities, which includes St Barnabas and Glen William Goulds. For the purpose of our opinion on the Recapitalisation, Oceanic Capital, its associates and its nominated entities are all considered collectively as one.

Prior to the Recapitalisation, Oceanic Capital has no shareholding in the Company. Following the Recapitalisation, the Proponent will hold a 44.79% interest in PBX on an undiluted basis, and a 48.47% interest in PBX on a fully diluted basis.

7. Economic analysis

Following the completion of the DOCA, PBX will no longer conduct operations in the Solomon Islands, with the Company's remaining project being the Darling Range Project located in Australia. Further, as part of the Recapitalisation, the Company will acquire the PGE Projects, also located in Australia. As such, we consider that PBX is primarily exposed to the risks and opportunities of the Australian market. Therefore, we have presented an economic analysis on Australia.

Overview

The Australian economy contracted by 1.1% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020, however both have risen since. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months financial conditions have improved and remained accommodative due to the successful development of COVID vaccines, historically low interest rates and asset prices, and increasing housing prices. The expectation that significant fiscal and monetary stimulus will be provided for an extended period is supporting sentiment in financial markets.

GDP is expected to have declined materially in the September quarter and the unemployment rate is expected to increase over coming months. While the outbreak is affecting most parts of the economy, the impact is uneven, with some areas facing very difficult conditions while others continue to exhibit strong growth. This setback to the economic expansion is expected to be only temporary, with the Delta outbreak expected to delay, but not derail, the recovery of the Australian economy.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID, totalling \$507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the \$101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide.

In mid-March 2020, the Reserve Bank of Australia ('RBA') introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce the target on the 3-year government bond yield to 0.25%. The RBA made a decision to discontinue the

target on the 3-year government bond yield to 0.10%, reflecting the improvement in the economy and progress towards the inflation target ahead of time.

Inflation has increased, but remains subdued in underlying terms, at 2.1%. The RBA anticipates a further, but gradual, increase in underlying terms of 2.25% percent over 2021 and 2022, and 2.50% over 2023. As the labour market tightens, wages are expected to increase gradually. In underlying terms, the Wage Price Index is forecasted to increase by 2.50% over 2022 and 3% over 2023. However, the persistence of the current global supply chain disruptions and the lowest unemployment rate seen in decades continue to cause uncertainty. Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until at least 2024.

The Company entered into voluntary administration prior to the onset of the coronavirus pandemic. As such, PBX was not eligible for government assistance by way of JobKeeper or the Australian government cash flow boost.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to grow by approximately 4% over 2022 and 2.5% over 2023. The RBA's November 2021 Statement on Monetary Policy outlined the modest performance of the Australian economy, noting that current outbreaks of the virus are interrupting the recovery of GDP. The outlook for investment has improved as household and business balance sheets are generally in good shape. National income is also being supported by strong commodity prices whilst minor depreciations in the exchange rate have supported domestic financial conditions.

Following a quarterly decline in the Consumer Price Index ('CPI') inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded, with the CPI inflation rate at 3.8% for the year to 30 June 2021. The rebound was supported by the rise in automotive fuel prices, as global demand began to recover, growing 8.7% in the March 2021 quarter and the annual excise tax increase of 12.5% on tobacco. Some investors view gold as a hedge against inflation and its appeal increases when there are concerns of rising inflation.

The COVID outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in June 2020, the highest rate in more than two decades. However, since June 2020, the unemployment rate has declined to 4.5% as of August 2021 and remains lower than the pre-pandemic levels of 5.2% in March 2020. The RBA expects the unemployment rate to be around 4.25% at the end of 2022, declining gradually to 4% by the end of 2023.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at November 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months, as well as an increase in the demand for Australian commodity exports.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near-term outlook of the Australian economy with the outcome dependent both on the health situation, containment measures and ongoing fiscal and monetary policy support. Slow vaccine rollouts and further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook. While uncertainty exists,

the RBA is predicting GDP growth of 4% over 2022 and 2.5% over 2023, based on a significant share of the Australian population being vaccinated by the end of 2021 and a gradual opening up of the international border from the middle of 2022.

For PBX, following the proceedings with the Ministry, the Company's interest in the Nendo Bauxite Project has expired. Additionally, it remains a condition precedent of the DOCA for the Company's Solomon Islands projects to be divested. As such, following the completion of the DOCA the Company will focus on the advancement of the Darling Range Project and the PGE Projects, taking advantage of lower sovereign risk hurdles and better growth propositions for Shareholders.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 2 November 2021 and prior periods, www.abs.gov.au Consumer Price Index March 2021 and prior periods, Australian Government 2020-21 Budget Overview.

8. □ Industry analysis

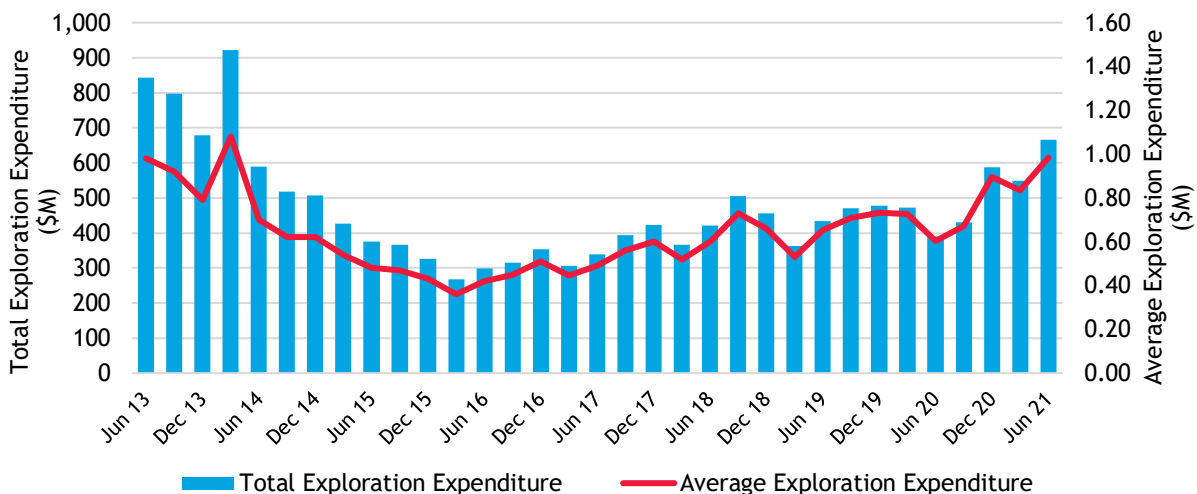
PBX is an exploration company operating in the bauxite industry through its exploration asset, the Darling Range Project. Additionally, as part of the Recapitalisation, the Company will acquire an interest in the PGE Projects. As such, we have presented an update on the Australian exploration sector, as well as an industry analysis on the bauxite and PGE industries.

8.1. □ Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company’s cash flows, their financing facilities available and management’s expectation of future funding requirements. BDO’s report for the June quarter of 2021 identified positive signs for the exploration sector, with exploration spending exhibiting the large uptick that was expected after the significant level of fundraising conducted over the last three quarters.

BDO identified a 21% growth in exploration expenditure over the June 2021 quarter, suggesting that economic confidence within the sector is improving on the back of the large number of successful fund raises in recent quarters, strong commodity prices and the continued recovery from the COVID-19 outbreak. Another encouraging sign was that the uptick in exploration expenditure appeared to be consistent throughout the sector, rather than being skewed towards a small number of companies with high exploration spends.

The graph below outlines the change in exploration expenditure since the commencement of BDO’s exploration analysis.



Source: BDO analysis

Despite further increases in exploration expenditure, exploration companies once again raised a record-breaking level of funds in the June 2021 quarter, with explorers pocketing a total of \$2.54 billion in funds, which for the third consecutive quarter, represented the highest level of financing cash inflows that had been observed since the commencement of BDO’s analysis in 2013. Net financing cash flows, however, decreased by 6% from the March 2021 quarter as a result of an 85% increase in financing cash outflows.

These financing outflows primarily pertained to the repayment of borrowings, indicating that explorers have been utilising their substantial cash balances to meet debt obligations.

Cash balances across the sector continued to grow in the June 2021 quarter even with the spike in exploration spending and borrowing repayments. Of the 678 companies to lodge an Appendix 5B for the June 2021 quarter, 83% of which reported a cash balance of over \$1 million, which is the healthiest BDO has assessed since the June quarter of 2013. The number of companies lodging Appendix 5B's was also bolstered by the recently completed initial public offerings of 21 exploration companies.

BDO has assessed the increasingly steady growth in exploration expenditure since its low point in March 2016, and with the seven-year high recorded in the June 2021 quarter, is showing no signs of slowing down. BDO attributed elevated metal prices, a strong pipeline of IPO activity, substantial fund raising activity and strong sector-wide demand as reasons to suggest that this level of activity is likely sustainable at least until the early parts of 2022.

Source: BDO Explorer Quarterly Cash Update: June 2021.

8.2. □ Bauxite

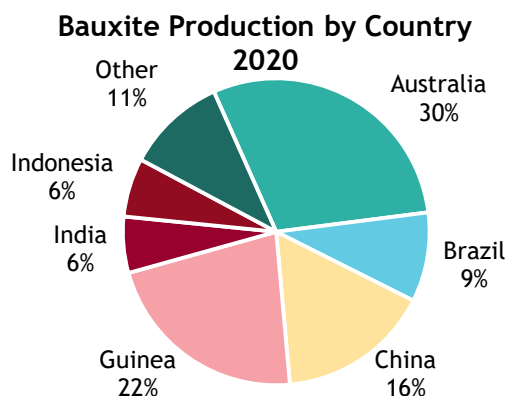
Bauxite is a naturally occurring material, comprised largely of aluminium hydroxide minerals including gibbsite, diaspore or boehmite, with various mixtures of silica, iron oxide and other impurities. It is formed by the weathering of aluminous rock and is the primary raw material used in the commercial production of alumina. Bauxite deposits are found primarily near the surface of tropical and sub-tropical areas, including Australia, Southeast Asia, South America and Africa, and can therefore typically be strip-mined.

Bauxite ore is refined using the Bayer process, in which Bauxite is put through a wet chemical caustic leach process to extract alumina. Alumina is then processed into aluminium metal, which is an integral part of building construction, electricity production and transportation infrastructure, in addition to a variety of product uses including aeroplane parts, doors, windows, foils and kitchen utensils. Approximately 80% of global bauxite production is consumed in the production aluminium metal, while the remaining 20% is used in products such as abrasives, cement, chemicals and refractories.

Production and Reserves

According to the United States Geological Survey ('USGS'), total global bauxite production in 2020 was approximately 370 million tonnes, with the majority of bauxite produced in Australia and Guinea. In 2020, these two countries accounted for a combined total of approximately 46% of global production.

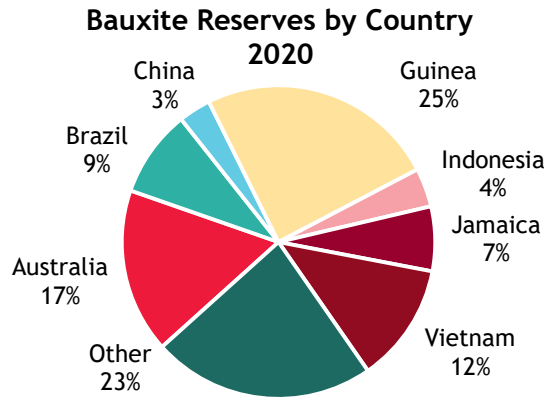
The chart below illustrates the estimated global bauxite production for 2020:



Source: U.S. Geological Survey, 2021

Total global bauxite reserves were estimated at approximately 30 billion tonnes in 2020. The largest bauxite reserves were estimated to be in Guinea, followed by Australia and Vietnam. In 2020, these three countries accounted for a combined total of 54% of global reserves.

The chart below illustrates estimated global bauxite reserves for 2020:

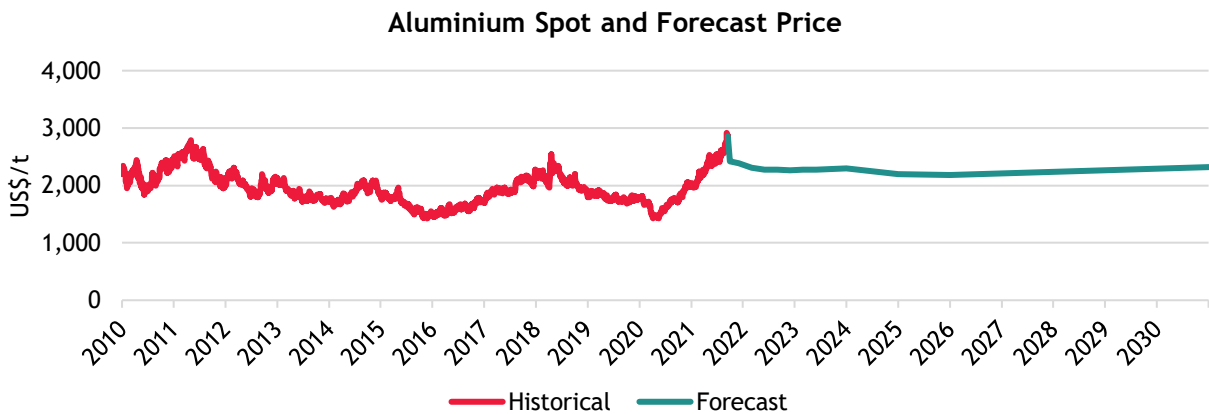


Source: U.S. Geological Survey, 2021

Prices

There is no single internationally traded price for Bauxite, as it is often mined and then refined into alumina by the same enterprise. For example, Rio Tinto, Alcoa and South32, which are the three major bauxite producers in Australia, use a high proportion of bauxite for their own alumina-refining operations. Therefore, bauxite prices are usually determined by contract. As bauxite is an aluminium-bearing material however, the bauxite mining industry is heavily driven by the world price of aluminium.

The graph below shows trends in the aluminium spot and forecast price over the period from 2010 to 2030:



Source: Bloomberg and Consensus Economics

The price of aluminium increased from a low of US\$1,426/tonne on 23 November 2015 to a high of US\$2,916/tonne on 18 April 2018, driven by an increase in the demand for aluminium from developments in construction and infrastructure. Following this, the trade war between the US and China further impacted the price of aluminium, which decreased to around the US\$1,800/tonne mark as at 30

June 2019. The aluminium price hovered between US\$1,700/tonne and US\$1,800/tonne over the period immediately prior to the onset of the COVID-19 pandemic.

The aluminium price declined back to US\$1,426/tonne in April 2020 in line with the beginning of the COVID-19 pandemic. This was largely due to the fall in demand from the transportation and construction industries as the global economy was forced to shut down to contain the spread of the virus. Whilst primary aluminium production remained stable, downstream industries were slow to restart due to the aforementioned decline in demand, and shortages in labour due to travel restrictions.

Over 2021, prices climbed to a high of US\$2,916/tonne in September, which can be attributed to a number of supply side disruptions, largely resulting from disruptions to key producers in China and political unrest in Guinea, being one of China's primary import regions. In line with this was an increase in demand as the global economy began to emerge from COVID-19 induced lockdowns. According to Consensus Economics, the price of aluminium is forecast to increase steadily over the long-term to between approximately US\$2,000/tonne and US\$2,400/tonne.

Outlook

In the next five years, mixed global economic conditions due to the ongoing effects of COVID-19 are expected by IBISWorld to limit the growth in demand for aluminium, and as a result, alumina and bauxite production. China is expected to account for a substantial portion of the growth in world aluminium consumption and output over the period, reflecting the country's ongoing manufacturing output and investment in infrastructure.

Factors projected to impact the average price of bauxite exports over the next five years are supply, production costs, market outlook for aluminium and the strength of the Australian dollar. Australian bauxite mining industry revenue is forecast to increase at an annualised 1.7% over the five years through 2025/26 on the back of higher production volumes and slightly higher prices.

Additionally, as COVID-19 speeds up the transition towards decarbonisation and electrification, it is expected that the use of aluminium in electric vehicles ('EV') will also accelerate. Due to aluminium being substantially lighter than steel, it is becoming more popular as the metal of choice for a number of parts of EVs. Aluminium is also reported to better protect passengers and the overall structural integrity of vehicles in crash situations. Demand for aluminium will likely increase as the EV industry continues to grow. It is estimated that the global market for aluminium products in the automotive industry could total more than \$250 billion per year assuming the production of 80 million vehicles.

Success of firms operating in the bauxite mining industry continues to depend largely on low costs, which will play a large part in the future of bauxite operators. Those who take advantage of opportunities to capitalise on economies of scale and reduce costs will benefit.

Source: IBIS World, World Aluminium, United States Geological Survey, Mining Technology, Reuters.

8.3. □ Platinum Group Elements

PGEs comprise platinum, palladium, rhodium, ruthenium, iridium, and osmium. PGEs are naturally occurring metals that share similar physical and chemical properties, such as high melting points, corrosion resistance and catalytic qualities. PGEs are amongst the rarest metals on earth, with the average grade of PGE in ores mined ranging from 5 to 15 parts per million platinum. PGEs are found primarily in magmatic ore deposits, which form during the cooling and crystallisation of magma. Many

minerals contain PGEs as an essential component, with very little levels of PGE commonly contained within rocks. The presence of PGEs is considered difficult to identify and typically requires laboratory analysis.

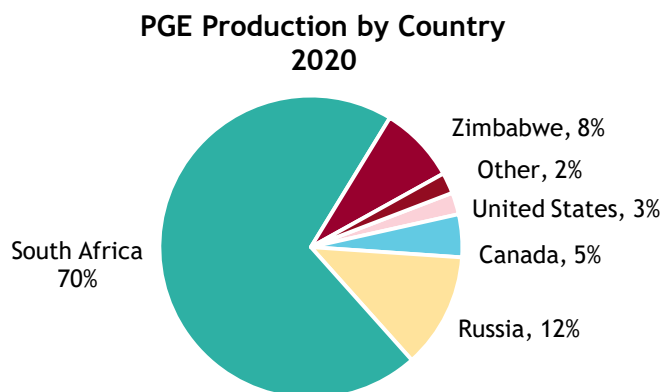
Uses

PGEs are considered rare metals that serve a wide range of purposes. Whilst they are mainly used for industrial purposes, they are also commonly used in jewellery and as an investment commodity. Their main uses are outlined below:

- As catalytic converters in automobiles to decrease harmful emissions of hydrocarbon, carbon monoxide and nitrous oxide emissions;
- Platinum is used by the chemical industry in the manufacture of fertilisers, explosives, and nitric acid;
- Platinum-supported catalysts are demanded by the petrochemical industry to refine crude oil and to produce high-octane gasoline;
- PGE components are widely used in electronics devices;
- Platinum and ruthenium are used in fuel cell technology, including electric vehicles;
- In medical implants such as pacemakers as platinum does not corrode inside the human body; and
- PGEs are used in cancer chemotherapy treatments.

Production & Reserves

PGEs are found primarily in ultramafic and mafic igneous rocks. The majority of PGEs produced today come from deposits in South Africa, Russia, Canada, United States and Zimbabwe, with South Africa accounting for approximately 70% of global production in 2020. As PGEs are found with other elements, they can be extracted as primary products, co-products or by-products. According to the USGS, total global PGE production in 2020 was approximately 170,000 kilograms. Global production of PGEs for 2020 is outlined in the chart below:



Source: U.S. Geological Survey, 2021

The recycling of PGEs provides a secondary supply, accounting for approximately 30 per cent of the total global supply in 2020. The recycling of jewellery, electronic equipment and catalytic converters taken from vehicles is most common. The level of recycling is considered sensitive to prices, with increased recycling occurring with increased PGE prices.

Outlook

According to Mordor Intelligence, global PGE market revenue is expected to grow by an annualised 4.5% through 2026. In the near term, the use of PGEs in blood gas analysers, polypropylene, medical grade silicone and personal protective equipment is expected to support the growing demand for PGEs. Additionally, the demand for catalytic converters from the automotive industry, and increasing demand from the electronics industry is expected to further drive growth. Alternatively, the high costs involved in the maintenance of PGEs and unfavourable conditions arising due to the impact of COVID-19 threaten to impact the market's growth.

Source: United States Geological Survey, Canadian Government, Mordor Intelligence.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

9.1. Valuation of a share in Pacific Bauxite prior to the Recapitalisation

In our assessment of the value of a PBX share prior to the Recapitalisation, we have chosen to employ the Sum-of-Parts methodology. The Sum-of-Parts methodology estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value.

We have chosen these methodologies for the following reasons:

- The FME methodology was not used as it is most commonly applicable to profitable businesses with steady growth histories and forecasts. The FME methodology is also not considered appropriate for valuing finite life assets such as mining assets;
- A DCF valuation was not used as we have not been provided with forecast cash flows for the Company;
- For the QMP methodology to be considered relevant, a company's shares must be listed on a regulated and observable market where the company's shares can be traded. Furthermore, a company's shares should be liquid and the market should be fully informed on the company's activities. PBX's shares have been suspended from official quotation on the ASX since December 2019. We do not believe that the pre-suspension price is a valid indication of the value of a PBX share as the Company has undergone extensive changes operationally and financially including halting its operations and executing a DOCA. Hence we do not consider this a suitable method in our valuation; and

- The NAV methodology has been considered as the only appropriate valuation methodology to undertake in order to value the shares of the Company. All assets and liabilities of the entity are valued at market value under this methodology and this combined market value forms the basis for the entity's valuation. Under this basis we assume a knowledgeable and willing, but not anxious, seller acting at arm's length. No realisation costs are taken into account under this approach.

We have employed the Sum-of-Parts methodology in estimating the fair market value of PBX by aggregating the estimated fair market values of its underlying assets and liabilities prior to the DOCA, having consideration to the:

- Value of PBX's mineral assets, having reliance on the valuation carried out by an independent technical expert; and
- Value of other assets and liabilities of PBX, applying the cost approach under the NAV method.

We are unable to identify a reliable secondary valuation methodology to adopt as a useful cross-check of the NAV valuation. However, within our Sum-of-Parts, the valuation for the mineral assets have considered multiple valuation methodologies including comparable transactions, and the geoscientific approach, as detailed in Appendix 4.

9.2. □ Valuation of a share in Pacific Bauxite following the Recapitalisation

In our assessment of the value of a PBX share following the Recapitalisation, we have also adopted the Sum-of-Parts methodology. As discussed in Section 9.1 above, this approach involves separately valuing each asset and liability of the company using different methodologies. The value of a PBX share following the Recapitalisation consists of:

- The value of PBX prior to the Recapitalisation;
- Adjustments to the value of PBX following the Recapitalisation including cash raised, assets acquired and the extinguishment of the Company's debt; and
- Adjustments to the number of shares on issue as a result of the Recapitalisation.

The consistent use of the NAV approach before and after the Recapitalisation provides Shareholders with the best indicator of the change in value per share resulting from the approval of the Recapitalisation.

Technical Expert

In performing our valuation of PBX's mineral assets, we have relied on the valuation report prepared by SRK Consulting ('SRK') dated 2 December 2021 ('SRK Report'). The SRK Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('the VALMIN Code') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) ('JORC Code'). We are satisfied with the valuation methodologies adopted by SRK, which we consider are in accordance with industry practices and compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the SRK Report contained in Appendix 4.

10. Valuation of PBX prior to the Recapitalisation

10.1 Net Asset Valuation of PBX

The value of PBX's assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Ref	Audited as at 30-Jun-21 \$	Low value \$	Preferred value \$	High Value \$
CURRENT ASSETS					
Cash and cash equivalents	a)	7,016	152,016	152,016	152,016
Restricted cash		61,500	61,500	61,500	61,500
Trade and other receivables		32,582	32,582	32,582	32,582
TOTAL CURRENT ASSETS		101,098	246,098	246,098	246,098
NON-CURRENT ASSETS					
Property, plant and equipment		-	-	-	-
Investments	b)	-	990,000	1,660,000	2,340,000
TOTAL NON-CURRENT ASSETS		-	990,000	1,660,000	2,340,000
TOTAL ASSETS		101,098	1,236,098	1,906,098	2,586,098
CURRENT LIABILITIES					
Trade and other payables		1,507,188	1,507,188	1,507,188	1,507,188
Provisions		1,742	1,742	1,742	1,742
TOTAL CURRENT LIABILITIES		1,508,930	1,508,930	1,508,930	1,508,930
NON-CURRENT LIABILITIES					
Trade and other payables	c)	-	120,000	120,000	120,000
Liability adjustment	d)	-	191,070	191,070	191,070
TOTAL NON-CURRENT LIABILITIES		-	311,070	311,070	311,070
TOTAL LIABILITIES		1,508,930	1,820,000	1,820,000	1,820,000
NET ASSETS		(1,407,832)	(583,902)	86,098	766,098
Shares on issue	e)		7,932,281	7,932,281	7,932,281
Value per share			(\$0.074) Effectively \$nil	\$0.011	\$0.097

Source: Audited financial statements for the year ended 30 June 2021, quarterly cash flow report for the period ended 30 September 2021 and BDO analysis

We have been advised that there has not been a significant change in the net assets of PBX since 30 June 2021.

The table above indicates the net asset value of a PBX share prior to the Recapitalisation is in the range from negative \$0.074 (effectively nil) and \$0.097 per share, with a preferred value of \$0.011. The following adjustments were made to the net assets of PBX as at 30 June 2021 in arriving at our valuation.

Note a) Cash and cash equivalents

We have adjusted cash and cash equivalents as at 30 June 2021 to reflect movements over the September 2021 quarter relating to administration and corporate expenses, the receipt of the Initial Contribution from the Proponent, and proceeds from a loan made to the Company's subsidiary, PBX Aus Pty Ltd. We note that the Initial Contribution from the Proponent is part of the Recapitalisation, however, this

payment takes the form of a non-refundable upfront deposit upon the creditor resolution accepting the DOCA proposal from Oceanic Capital. As such, due to the nature of this payment, we consider the adjustment to cash and cash equivalents prior to the Recapitalisation to be appropriate on the basis that this payment would not be refundable by PBX regardless of whether or not the Recapitalisation is approved by Shareholders.

Cash and cash equivalents	\$
Balance as at 30 June 2021	7,016
Less: Administration payments	(125,000)
Add: Proceeds from Initial Contribution	150,000
Add: Proceeds from borrowings	120,000
Adjusted cash and cash equivalents	152,016

Source: PBX September 2021 Quarterly Cash Flow Report

Note b) Investments

We instructed SRK to provide an independent market valuation of the exploration assets held by PBX. SRK considered a number of different valuation methods when valuing the exploration assets of PBX. SRK applied the comparable transactions method and the geoscientific method. We consider these methods to be appropriate given the pre-feasibility stage of development for PBX's exploration assets.

The range of values for each of PBX's exploration assets as calculated by SRK is set out below:

Valuation of the Darling Range Project	Low Value \$	Preferred Value \$	High Value \$
Comparable Transactions	1,047,000	1,571,000	2,094,000
Geoscientific Valuation	927,000	1,751,000	2,576,000
Concluded Range	990,000	1,660,000	2,340,000

Source: SRK Valuation, 2021

The table above indicates a range of values between \$990,000 and \$2,340,000, with a preferred value of \$1,660,000.

Note c) Trade and other payables

We have adjusted non-current trade and other payables as at 30 June 2021 to account for the \$120,000 proceeds from borrowings over the September 2021 quarter.

Note d) Liability adjustment

We have made an adjustment to the Company's liabilities of \$191,070 such that the total value of liabilities prior to the Recapitalisation is \$1.82 million. We consider this adjustment to be necessary as the Proponent has contributed the Oceanic Payment (\$1.6 million), and a top up payment (\$220,000) to the Company to extinguish its liabilities under the DOCA. Management has advised that all liabilities will be extinguished, and that there will be no remaining funds from these payments following the extinguishment of PBX's liabilities. As such, we consider that the value of the Proponent payments (being \$1.82 million) is equal to the value of the Company's liabilities prior to the Recapitalisation.

Note e) Number of shares on issue

Our valuation is assessed on an undiluted basis. As outlined in Section 4, a condition precedent to the Recapitalisation is the Share Consolidation. In order for the value of a PBX share prior to and following the Recapitalisation to be assessed on a consistent basis, we have considered the value of a PBX share prior to the Recapitalisation on a consolidated basis.

As detailed in Section 5.5, the Company has 396,614,034 shares on issue prior to the Recapitalisation. Therefore, following the 1-for-50 Share Consolidation, the Company will have 7,932,281 shares on issue.

10.2 □ Quoted Market Prices for PBX's Securities

We do not consider the QMP methodology as a suitable methodology to value a share in PBX because:

- The Company's shares have been suspended from official quotation on the ASX since December 2019; and
- We do not consider the pre-suspension price to be a valid indication of the value of the Company's shares. Since suspension the Company has undergone extensive changes operationally and financially including halting its operations and executing a DOCA.

10.3 □ Assessment of the value of a PBX share

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Net Assets Value (Section 10.1)	Nil	0.011	0.097

Source: BDO analysis

Based on the results above we consider the value of a PBX share prior to the Recapitalisation to be in the range from effectively nil and \$0.097 per share, with a preferred value of \$0.011. We note that a net asset value is a control value and therefore no control premium adjustment is required.

11. Valuation of PBX following the Recapitalisation

11.1 Net Asset Valuation of PBX following the Recapitalisation

Commencing with our NAV of PBX prior to the Recapitalisation, as per section 10.1, we have assessed the impact of the Recapitalisation on the Company's net assets. This is set out in the table and accompanying notes below.

NAV following the Recapitalisation	Ref	Low Value \$	Preferred Value \$	High Value \$
PBX NAV prior to the Recapitalisation	10.1	(583,902)	86,098	766,098
Extinguishment of debt as part of the DOCA	a)	1,820,000	1,820,000	1,820,000
Value of the PGE Projects acquired	b)	980,000	1,960,000	2,940,000
Cash raised from Capital Raising	c)	4,500,000	4,500,000	4,500,000
Cash raised from conversion of Convertible Notes	d)	550,000	550,000	550,000
Value of PBX following the Recapitalisation		7,266,098	8,916,098	10,576,098
Total shares on issue following the Recapitalisation	e)	79,122,281	79,122,281	79,122,281
Value per share		\$0.092	\$0.113	\$0.134
Minority interest discount (%)	f)	29%	26%	23%
Value per share (\$) - minority basis		\$0.065	\$0.083	\$0.103

Source: BDO analysis

The table above indicates that the net assets value of a PBX share on a minority interest basis is between \$0.065 and \$0.103, with a preferred value of \$0.083. The following adjustments were made to the net assets of PBX in arriving at our valuation of the Company following the Recapitalisation.

Note a) Extinguishment of debt as part of the DOCA

Following the approval of the Recapitalisation, all creditors must release the Company and the Administrators from all claims, demands or liability they may otherwise have against the Company, however arising. As such, we have adjusted the value of PBX prior to the Recapitalisation to account for the extinguishment of all claims against the Company, by adjusting the value of the liabilities of the Company as at 30 June 2021 to nil. Management has confirmed that it expects all liabilities to be extinguished as part of the DOCA.

Note b) Value of the PGE Projects acquired

We have adjusted the value of PBX to account for the acquisition of Western Yilgarn and AAM Resources, and as a result the acquisition of the PGE Projects as part of the Recapitalisation. As outlined in Section 9.2, we instructed SRK to provide an independent market valuation of the mineral assets held or to be acquired by PBX. We have outlined below our adjustment to the net assets value of PBX.

Valuation of the PGE Projects	Low Value \$	Preferred Value \$	High Value \$
Comparable Transactions	1,000,000	1,670,000	2,340,000
Geoscientific Valuation	960,000	2,250,000	3,540,000
Concluded Range	980,000	1,960,000	2,940,000

Source: SRK Valuation, 2021



Note c) Impact of Capital Raising

Cash and cash equivalents have been adjusted for the \$4.5 million cash raised against the 22,500,000 shares issued as part of the Capital Raising.

Note d) Cash raised from conversion of Convertible Notes

We have adjusted the value of PBX to account for the cash proceeds from the conversion of the Convertible Notes following the Recapitalisation. The Convertible Notes will convert automatically on completion of a qualifying capital raising by the Company, in which management has advised that conversion will be triggered by the Capital Raising.

As such, we have added the value of cash proceeds from conversion of \$550,000 to the value of PBX following the Recapitalisation (being 5,500,000 shares multiplied by the conversion price of \$0.10).

Note e) Number of shares on issue following the Recapitalisation

We have adjusted the number of shares on issue to reflect the shares issued under the Recapitalisation, as outlined in the table below.

Shares on issue	Number
Number of shares on issue prior to the Proposed Transaction	7,932,281
Add: Shares issued under the DOCA	39,440,000
Add: Shares to be issued to the vendors of the PGE Projects	3,000,000
Add: Shares to be issued to Peter Lewis in lieu of Director's fees	300,000
Add: Shares to be issued to Bellatrix	450,000
Add: Shares to be issued upon conversion of Convertible Notes	5,500,000
Add: Shares to be issued under the Capital Raising	22,500,000
Number of shares on issue following the Recapitalisation	79,122,281

Source: PBX management and BDO analysis

Note f) Minority interest discount

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a PBX share prior to the Recapitalisation on a control basis to the value of a PBX share following the Recapitalisation on a minority interest basis, as we are required to do by RG 111.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. As discussed in Appendix 3, we consider an appropriate control premium for PBX to be in the range of 30% to 40%, giving a minority interest discount in the range of 23% to 29%, with a rounded midpoint of 26%.

Diluted basis

We have not diluted the valuation for the exercise of options.

Prior to the Recapitalisation, the Company has no options on issue. As part of the DOCA, PBX will issue New Options and Incentive Options exercisable at \$0.20 within three years of the date of issue. Further, the Adviser Options, the Placement Options and the Free Attaching Options are exercisable at \$0.30



within three years of the date of issue. Based on our valuation assessment on an undiluted basis, all of the options will be 'out of the money' and therefore no options will be exercised.

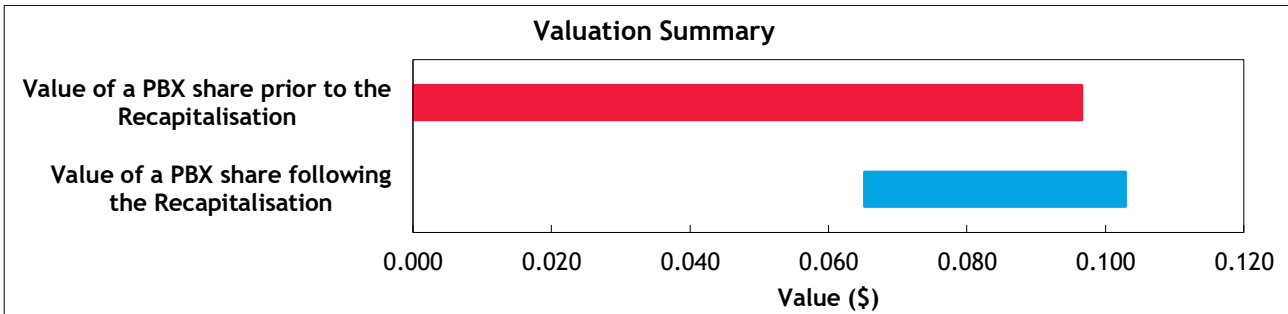
12. Is the Recapitalisation fair?

The value of a PBX share prior to the Recapitalisation on a controlling basis and the value of a PBX share following the Recapitalisation on a minority interest basis is compared below:

	Low \$	Preferred \$	High \$
Value of a PBX share prior to the Recapitalisation on a control basis	Nil	0.011	0.097
Value of a PBX share following the Recapitalisation on a minority interest basis	0.065	0.083	0.103

Source: BDO analysis

The above valuation ranges are graphically presented below:



We note that from the above, the value of a PBX share following the Recapitalisation on a minority interest basis is equal to or greater than the value of a PBX share prior to the Recapitalisation on a controlling basis. The above pricing indicates that, in the absence of any other relevant information or superior offer, the Recapitalisation is fair. Our analysis has been conducted on a post-consolidation basis.

13. Is the Recapitalisation reasonable?

13.1 Alternative Proposal

As outlined in the VA Reports, following the termination of the FGSC DOCA, the Administrators would ordinarily be obliged to convene a meeting to terminate the DOCA and wind the Company up. Therefore, given this is the most likely alternative to the Recapitalisation, we are unaware of any alternative proposal that might offer the Shareholders of PBX a premium over the value resulting from the Recapitalisation.

13.2 Practical Level of Control

If the Recapitalisation is approved then Oceanic Capital will hold an interest of 44.79% in PBX on an undiluted basis, and 48.47% on a fully diluted basis.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution requires 75% of shares on issue to be voted in favour to approve a matter. If the Recapitalisation is approved then Oceanic Capital will be able to block special resolutions. Further, in a scenario where only the Proponent exercises its options, the Proponent will have the capacity to hold a maximum interest in PBX of 60.84%, in which it will be able to pass general resolutions.

The Directors of PBX, being Peter Lewis, John Traicos and Peter Michael, are all considered to be independent Directors.

Oceanic Capital's control of PBX following the Recapitalisation will be significant when compared to all other shareholders. Therefore, in our opinion, while the Proponent will be able to significantly influence the activities of PBX, it will not be able to exercise a similar level of control as if it held 100% of PBX. As such, Oceanic Capital should not be expected to pay a similar premium for control as if it were acquiring 100% of PBX.

13.3 Consequences of not Approving the Recapitalisation

As PBX shares remain suspended following the announcement of the Recapitalisation, it is not possible to assess the reaction of the market to the Recapitalisation through movements in the Company's share price. We note that given the Company's current financial position as set out in the DOCA, if the Recapitalisation does not proceed it is likely that the Company could enter liquidation with little prospect of any return to PBX shareholders.

13.4 Advantages of Approving the Recapitalisation

We have considered the following advantages when assessing whether the Recapitalisation is reasonable.

Advantage	Description
The Recapitalisation is fair	As set out in Section 12 the Recapitalisation is fair. RG 111 states that an offer is reasonable if it is fair.

Advantage	Description
<p>Avoids liquidation of the Company which will likely leave no value for Shareholders</p>	<p>The VA Report concluded that the DOCA:</p> <ul style="list-style-type: none"> • Likely provides a greater return to unsecured creditors than in liquidation; • Increases the possibility of the re-quotations of the Company’s securities on the ASX; and • Is in the interests of the Company, its creditors and shareholders. <p>Under liquidation, the return to creditors is uncertain and therefore, any return to Shareholders is unlikely.</p>
<p>Support from a cornerstone investor</p>	<p>Oceanic Capital will be the cornerstone investor and given its current commitment, it is likely that it will continue to support PBX in at least the short to medium term.</p>
<p>Cash injection leaving the Company with cash to restart operations</p>	<p>The Recapitalisation would also provide for the injection of net cash of \$4.5 million arising from the Capital Raising for PBX to use as working capital and to restart operations.</p>
<p>Removal of debt through the terms of the DOCA</p>	<p>The Recapitalisation allows the DOCA to proceed as planned and provides for the removal of debt held by PBX. Secured and unsecured creditors’ debt is extinguished, with the Proponent, Aurum and the Administrators being issued shares in the Company to preserve the cash balance.</p>
<p>Subject to legal and regulatory compliance and the approval of the ASX, the Recapitalisation is a key step towards reinstatement of the share to the ASX and recommencement of trading</p>	<p>The Recapitalisation represents a key step towards reinstatement of PBX shares on the ASX and recommencement of trading in the shares. However, it should be noted that there is no guarantee that re-listing will be achieved as it is subject to legal and regulatory compliance and the approval of the ASX.</p>
<p>Diversification and synergies through the acquisition of the PGE Projects</p>	<p>As part of the Recapitalisation, PBX will acquire PGE Projects, giving the Company exposure to a wider range of commodities other than bauxite (such as PGE minerals, nickel and copper). Further, given the Company’s Darling Range Project is also located in WA, it is possible that the Company may be able to benefit from potential exploration and development synergies between the projects, as they are in relatively close proximity.</p>

13.5 □ Disadvantages of Approving the Recapitalisation

If the Recapitalisation is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Existing shareholders will be diluted	The voting power of Shareholders will be diluted by the Recapitalisation. However, the alternative will almost certainly be a liquidation in which Shareholders are unlikely to see any return.
Oceanic Capital will gain significant influence over the Company	Following the Recapitalisation, Oceanic Capital's ownership in the Company will rise to 44.79% on an undiluted basis, and approximately 48.47% on a fully diluted basis, which would leave the Proponent as the largest shareholder in the Company. This would allow Oceanic Capital to exert significant influence on the Company relative to other shareholders including the ability to block any special resolutions.
Presence of a large cornerstone investor may reduce the possibility of a takeover offer being received in the future	Following the Recapitalisation, Oceanic Capital will have a significant shareholding which could deter potential acquirers from making a takeover offer for PBX in the future thereby reducing the opportunity for Shareholders to receive a future premium for control.
Change in operations as part of the Recapitalisation may not suit the risk profile of certain existing Shareholders	Shareholders may be exposed to different risk profiles if the Recapitalisation is approved. PBX was previously a bauxite exploration company focussing on projects in the Solomon Islands, but should the Recapitalisation be approved, PBX will be primarily interested in the Darling Range Project and the PGE Projects, located in WA. Despite relinquishing the Nendo Project, the Administrators will act as trustees for the Shareholders' Trust which will retain a 20% interest in Iron Mountain, with any proceeds from the Nendo Project being disbursed between Shareholders of PBX as at the time the Company entered into voluntary administration.

14. □ Conclusion

We have considered the terms of the Recapitalisation as outlined in the body of this Report and have concluded that the Recapitalisation is fair and reasonable to the Shareholders of PBX.

15. Sources of information

This report has been based on the following information:

- □ Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- □ Audited financial statements of PBX for the years ended 30 June 2019, 30 June 2020, and 30 June 2021;
- □ Quarterly cash flow report of PBX for the period ended 30 September 2021;
- □ Independent Valuation Report of PBX's mineral assets dated 2 December 2021 prepared by SRK Consulting;
- □ Voluntary Administrators Reports dated 9 June 2020, 10 June 2020 and 5 August 2021;
- □ Deed of Company Arrangement for PBX (and subsequent variations) executed 6 September 2021;
- □ Share registry information;
- □ BDO Explorer Quarterly Cash Update: June 2021;
- □ RBA Monetary Policy Decisions dated 2 November 2021 and prior periods;
- □ Consensus Economics;
- □ United States Geological Survey 2021;
- □ Announcements made by PBX available through the ASX;
- □ Bloomberg;
- □ IBISWorld Industry Report - Bauxite Mining in Australia;
- □ Information in the public domain; and
- □ Discussions with Directors and Management of PBX.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$27,500 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by PBX in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the PBX, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to PBX and Oceanic Capital and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of PBX and Oceanic Capital and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with PBX, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to PBX and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of PBX for inclusion in the Notice of Meeting which will be sent to all PBX Shareholders. PBX engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to restructure the Company which would result in the voting interests in PBX of Oceanic Capital Pty Ltd increasing from below 20% to 44.79%.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The

Directors of the Company are responsible for conducting appropriate due diligence in relation to PBX. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Recapitalisation, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of PBX, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by PBX.

The valuer engaged for the mineral asset valuation, SRK Consulting, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

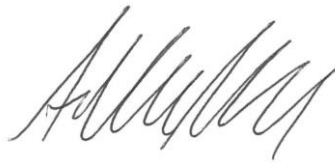
The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
A\$, \$ or AUD	Australian Dollars
AAM Resources	AAM Resources Pty Ltd
The Act	The Corporations Act 2001 Cth
The Administrators	Richard Albarran and Cameron Shaw from Hall Chadwick
Adviser Options	Options issued to advisers to the Company exercisable at \$0.30 within 3 years from the date of issue
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Aurum	Aurum Pacific Management Pty Ltd
BDO	BDO Corporate Finance (WA) Pty Ltd
Bellatrix	Bellatrix Corporate Pty Ltd
Capital Raising	The public offer of 22,500,000 PBX shares at an issue price of \$0.20 to raise \$4.50 million
The Company	Pacific Bauxite Limited (Subject to Deed of Company Arrangement)
Convertible Notes	Convertible notes with a face value of up to \$550,000 extended for the purpose of providing PBX with funds to cover the re-listing on the ASX and for general working capital purposes
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
DOCA	Deed of Company Arrangement
DSO	Direct Shipping Ore
Ebagoola Project	Ebagoola South Gold Project

Reference	Definition
EL 70/5112	Exploration Licence 70/5112 relating to the Darling Range Project
ELA 70/5111	Exploration Licence Application 70/5111 relating to the Darling Range Project
Eight South	Eight South Investments Pty Ltd (formerly known as Au Capital Mining Pty Ltd)
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
Free Attaching Options	Options issued to participants of the Capital Raising on the basis of one Free Attaching Option issued for every two shares subscribed for in the Capital Raising, exercisable at \$0.30 prior to three years from the date of issue
FSG	Financial Services Guide
High Court	High Court of the Solomon Islands
Incentive Options	Options issued to Directors of the Company, exercisable at \$0.20 within three years from the date of issue, vesting subject to market and non-market based vesting conditions.
Initial Contribution	\$150,000 non-refundable upfront deposit payable upon the creditors accepting the DOCA proposal
Item 7 s611	Item 7 of Section 611 of the Corporations Act
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JV Agreement	An agreement between the creditors of Iron Mountain and the JV Creditors for the transfer of shares in Iron Mountain
JV Creditors	Creditors of Iron Mountain, being Scott James Dodds, Nicholas Michael Wixon Willis, and Peter Forrest Pty Ltd
Ministry	Solomon Islands Government's Ministry of Mines, Energy and Rural Electrification
MRE	Mineral Resource Estimate
NAV	Net Asset Value
Nendo Project	Nendo Bauxite Project
New Options	Options issued to the Proponent and Aurum as part of the DOCA, exercisable at \$0.20 within three years from the date of issue

Reference	Definition
Oceanic Capital	Oceanic Capital Pty Ltd and its nominated entities
Oceanic Payment	Payment of \$1.60 million by Oceanic Capital to a solicitor's trust account
PBX	Pacific Bauxite Limited (Subject to Deed of Company Arrangement)
PGE	Platinum Group Elements
PGE Projects	Six exploration licenses and two exploration license applications across the Eastern Goldfields and Pilbara regions of WA being acquired by PBX as part of the Recapitalisation
PL 01/16	Prospecting Licence 01/16 relating to the Nendo Project
PL 04/17	Prospecting Licence 04/17 relating to the SWNG Project
Placement Options	Options issued upon conversion of the Convertible Notes, exercisable at \$0.30 within three years from the date of issue
Proponent	Oceanic Capital Pty Ltd and its nominated entities
QMP	Quoted market price
RBA	Reserve Bank of Australia
The Recapitalisation	The proposal to recapitalise the Company as outlined in Section 1 of our Report
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
Rights Issue	1-for-2 rights issue to raise \$991,535 announced to the market on 11 September 2019
RG 74	Acquisitions approved by Members (December 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Share Consolidation	1-for-50 consolidation of the Company's share capital as a condition subsequent to the DOCA

Reference	Definition
Shareholders	Shareholders of PBX not associated with Oceanic Capital
St Barnabas	St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
SWNG Project	South West New Georgia Project
VA Reports	Voluntary Administrators Reports dated 9 June 2020, 10 June 2020 and 5 August 2021
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
WA	Western Australia
Western Yilgarn	Western Yilgarn PGM Pty Ltd

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4□ Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5□ Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Minority Interest Discount

Minority discount

The minority discount is the inverse of the control premium. In arriving at an appropriate minority discount we have assessed the control premium on completed transactions of ASX-listed companies. Our analysis is set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of diversified metal mining companies, general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below.

Diversified metal mining companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2021	1	88.27	29.75
2020	4	50.31	68.47
2019	5	201.50	46.32
2018	5	117.08	57.09
2017	2	7.05	38.68
2016	2	16.54	119.24
2015	3	550.86	52.41
2014	6	26.14	50.74
2013	7	83.96	76.97
2012	5	309.31	45.01
2011	11	965.66	40.22

Source: Bloomberg, BDO Analysis

General mining companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2021	4	1804.72	22.96
2020	7	427.74	51.58
2019	12	143.74	42.83
2018	11	87.76	53.40
2017	5	13.91	35.21
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	16	111.11	47.28
2013	17	117.99	63.99
2012	17	219.10	54.03
2011	21	811.55	37.42

Source: Bloomberg, BDO Analysis

All ASX listed companies

Year	Number of Transactions	Average Deal Value (AU\$m)	Average Control Premium (%)
2021	32	1,291.39	50.60
2020	27	419.16	48.36
2019	46	2,961.67	38.09
2018	47	1,054.74	40.74
2017	30	940.18	42.05
2016	42	718.51	49.58
2015	34	828.14	34.10
2014	46	507.34	39.97
2013	41	128.21	50.99
2012	51	481.33	52.19
2011	68	891.85	44.43

Source: Bloomberg, BDO Analysis

The mean and median of the entire data sets comprising control transactions since 2011 for diversified metal mining companies, general mining companies and all ASX listed companies, respectively, are set out below.

Entire Data Set Metrics	Diversified metals		General Mining		All ASX listed companies	
	Deal Value (AU\$m)	Control Premium (%)	Deal Value (AU\$m)	Control Premium (%)	Deal Value (AU\$m)	Control Premium (%)
Mean	323.44	54.99	315.66	51.32	947.19	44.63
Median	51.25	39.10	42.52	41.57	120.94	33.80

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the long-term average control premium paid by acquires of diversified metal mining companies, general mining companies and all ASX listed companies is approximately 54.99%, 51.32% and 44.63% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers. These outliers included 8 diversified metal mining company transactions, 13 general mining company transactions and 34 ASX listed company transactions, for which the announced premium was in excess of 100%. We consider these transactions as outliers, as it

is likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 39.10% for diversified metal mining companies, 41.57% for general mining companies and 33.80% for all ASX listed companies.

We consider an appropriate control premium to be on the lower end of historical averages, given the uncertainty around the ability to continue as a going concern as noted by the Company's auditor in the most recent audit report, as well as the small size of the Company.

Based on the above analysis, we consider an appropriate premium for control to be between 30% and 40%.

The minority discount is calculated from the control premium identified, using the formula $[1 - (1/(1+\text{Control Premium}))]$. Therefore, the minority discount (rounded to the nearest percentile) is in the range from 23% to 29%.



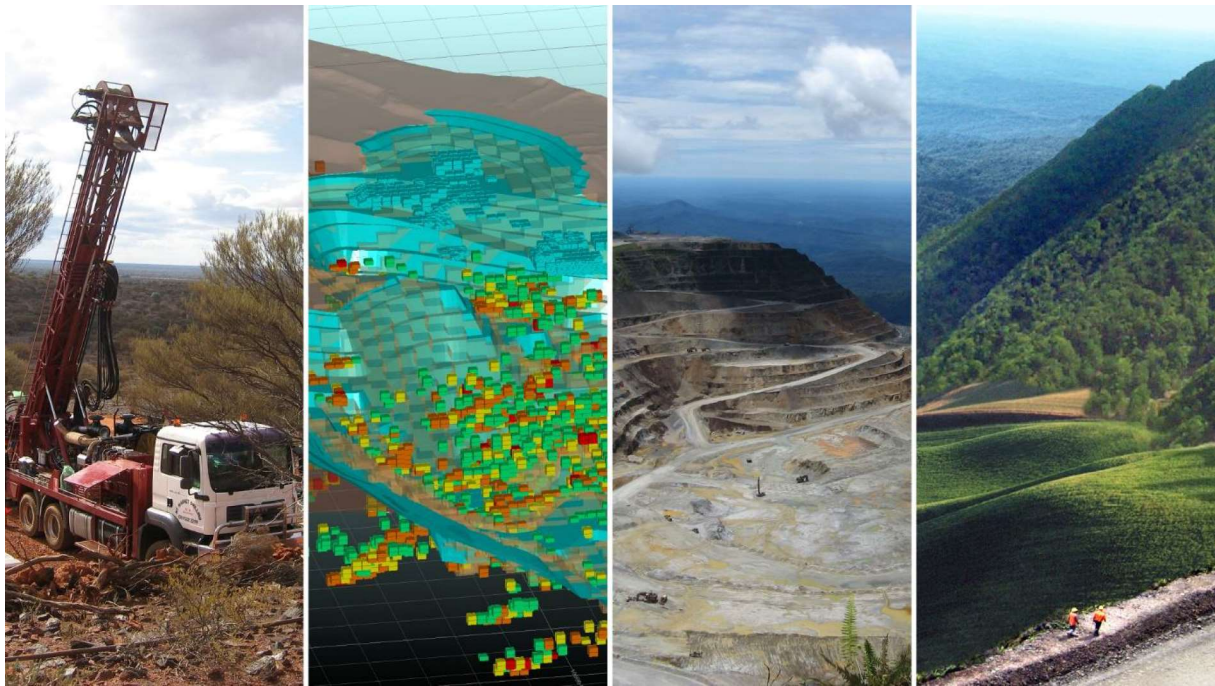
Appendix 4 - Independent Valuation Report

Final

An Independent Technical Assessment and Valuation Report on the Mineral Assets of Pacific Bauxite Limited

Pacific Bauxite Limited

BDO Corporate Finance (WA) Pty Ltd



SRK Consulting (Australasia) Pty Ltd ■ PBL001 ■ December 2021

Final

An Independent Technical Assessment and Valuation Report on the Mineral Assets of Pacific Bauxite Limited

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Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

AC	air core (drill hole/s)
AIG	Australian Institute of Geoscientists
Al ₂ O ₃	Aluminium oxide
Alpha	Alpha Bauxite Pty Ltd
Aluminex	Aluminex Resources Ltd
Aluminex Prospectus	Aluminex Resources Ltd's Prospectus for an Initial Public Offering
ASIC	Australian Securities and Investment Commission
ASL	above sea level
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BAC	Base Acquisition Cost – the 'average cost to identify, apply for and retain a base unit of area of title' for use in the geoscientific rating or modified Kilburn method .
BDO	BDO Corporate Finance (WA) Pty Ltd
BDO Report	Independent Expert's Report
cm	centimetres
CMP	Conservation Management Plan
CP	Competent Person
Cu	copper
DBCA	Western Australian Government, Department of Biodiversity, Conservation and Attractions
DCF	Discounted cashflow
DMIRS	Western Australian Government, Department of Mines, Industry Regulation and Safety
dmt	dry metric tonne/s
DOCA	Deed of Company Arrangement
E or EL	Exploration Licence
EA	Exploration Licence Application
EV	electric vehicle
Falconbridge	Falconbridge (Australia) Pty Ltd
geophysics	the study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
GPS	global positioning system
granite	an acid intrusive rock
granodiorite	a type of granitic rock with abundant feldspar
granulite	an equigranular coarse-grained metamorphic rock
Hunter	Hunter Resources NL
hydrothermal fluid	upward flowing fluids originating from igneous or metamorphic geological events
igneous	an igneous rock formed entirely within the Earth's crust
IGR	Independent Geologist's Report
Iron Mountain	Iron Mountain Mining Limited, ASX code: IRM

JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
kg	kilogram/s
km	kilometre/s
km ²	square kilometre/s
koz	kilo ounces, thousand ounces
LME	London Metals Exchange
m	metre/s
M	Million
magmatic	formed from molten rock
meta-	a prefix used to indicate the precursor rock type of a metamorphic rock
metamorphic rock	a rock altered by temperature and pressure within the earth
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral Resources are subdivided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
mineralisation	geological occurrence of mineral of potential economic interest
Monax	Monax Minerals Limited
Moz	Million ounce/s
MRX	Matrix Metals Limited
Mt	Million tonne/s
MTR	metal transaction ratio
Ni	nickel
NPI	nickel pig iron
Oceanic	Oceanic Capital Pty Ltd
Optika Study	Technical assessment undertaken by Optika Solutions Pty Ltd, including a desktop techno-economic evaluation assessing mining and processing physicals and costs, capital expenditure, and transport options relating to the establishment of a bauxite mining operation.
Pacific Bauxite or PBX	Pacific Bauxite Limited, ASX code: PBX
Pacminex	Pacminex Pty Ltd
PFS	pre-feasibility study
PGE	platinum group elements, synonymous with PGM
PGE Projects	The projects and their related Exploration Licences held by Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd.
PGM	The platinum group metals (PGMs) are six transitional metal elements that are chemically, physically, and anatomically similar. The PGMs are the densest known metal elements. Exceptionally rare, the six metals naturally occur in the same ore bodies.
ppb	parts per billion by mass
ppm	parts per million
Proponent	Proponent of the Deed of Company Arrangement (DOCA)
Proposed Transaction	This transaction is the restructuring of Pacific Bauxite Limited which would result in the voting interests of the Deed of Company Arrangement Proponent increasing from below 20% to approximately 45%.

QA/QC	Quality Assurance/Quality Control samples for evaluating accuracy and precision of exploration geochemical data.
QBL	Queensland Bauxite Limited
quartz	a silicon mineral (SiO ₂)
RC	reverse circulation (drill hole/s)
Report	Independent Technical Assessment and Valuation Report on the Mineral Assets of Pacific Bauxite Limited
sample	a small amount of rock pertaining to the deposit which is used to estimate the grade of the deposit and other geological parameters
siltstone	a fine-grained granular sedimentary rock
SRK	SRK Consulting (Australasia) Pty Ltd
St Barnabas	St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust
Subscribers	Subscribers to whom New Shares are issued pursuant to the Subscription
US or USA	United States of America
US\$	United States dollar
V ₂ O ₅	Vanadium pentoxide
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
volcanic	formed by or associated with a volcano
volcaniclastic	debris or rock formed from volcanic eruptions
WA	Western Australia, Australia
WA EPA	Western Australian Environmental Protection Authority
Wandoo	Wandoo Bauxite Project
Wandoo Project	Darling Ranges tenements
WIC	Windimurra Igneous Complex

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by Pacific Bauxite Limited (ASX Code: PBX or Pacific Bauxite), subject to Deed of Company Arrangement (DOCA), to prepare an Independent Expert's Report (BDO Report) for inclusion within a Notice of Meeting to be provided to the shareholders of PBX. It is proposed that PBX is to be renamed as Julimar Minerals Limited (Julimar or the Company). The Notice of Meeting is to provide shareholders with the information to support an informed decision on the proposed transaction. This transaction involves the restructuring of Pacific Bauxite, which would result in the voting interests of the DOCA Proponent (Oceanic Capital Pty Ltd) increasing from below 20% to approximately 45% (the Proposed Transaction).

The BDO Report will provide an opinion on whether the offer associated with the Proposed Transaction is fair and reasonable to non-associated shareholders of PBX. Given the nature of the assets of PBX, BDO contacted SRK Consulting (Australasia) Pty Ltd (SRK) to assist BDO with its opinion by providing BDO with an independent technical assessment and opinion on the market valuation (Report) of the Darling Range Bauxite Project (Project) and certain exploration licences (ELs) prospective for platinum group elements (PGE) in Western Australia. SRK's Report does not comment on the 'fairness and reasonableness' of any proposed transaction between Pacific Bauxite and any other parties.

SRK's Report has been prepared under the guidelines of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code). The VALMIN Code incorporates the 2012 edition of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code). In addition, SRK's Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant Australian Securities and Investment Commission (ASIC) Regulatory Guidelines.

SRK notes that projects at a similar stage of study to the Project are inherently speculative in nature given the low level of technical study and the confidence in the results to date. No Exploration Target, Mineral Resource or Ore Reserve estimates have been prepared or reported for the Project.

On this basis, SRK is of the opinion that the current market is likely to pay between A\$2.0 M and A\$5.3 M, with a preferred value of A\$3.6 M for a 100% interest in the exploration potential of Pacific Bauxite's mineral assets. Table ES-1 summarises SRK's market value assessment for the Project in accordance with its mandate.

Table ES-1: Valuation summary (Market Value, unfunded, standalone basis)

Valuation Method	A\$ M		
	Low Value	High Value	Preferred Value
Darling Range	0.99	2.34	1.66
PGE Tenements	0.98	2.94	1.96
SRK Preferred Range	1.97	5.27	3.62

Source: SRK Analysis

Notes: Table is subject to rounding

In defining its valuation range, SRK notes that there are inherent risks involved when deriving any arm's length valuation, especially for early to advanced stage exploration projects for which a Mineral Resource or Ore Reserves prepared in compliance with the JORC Code (2012) remains to be defined. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

The facts, opinions and assessments presented in this Report are current at the Report's Effective Date of 2 December 2021.

1 Introduction and scope of Report

BDO has been engaged by PBX, subject to a DOCA, to prepare an Independent Expert's Report (BDO Report) for inclusion in a Notice of Meeting to be provided to the shareholders of PBX. PBX is proposed to be recapitalised and renamed as Julimar Minerals Limited (Julimar or the Company). The Notice of Meeting is to provide shareholders with the information required to make an informed decision on any proposed transaction. This transaction is the restructuring of the Company, which would result in the voting interests of the DOCA Proponent (Oceanic Capital Pty Ltd) increasing from below 20% to approximately 45% (the Proposed Transaction).

The BDO Report is required to provide an opinion on whether the offer associated with the Proposed Transaction is fair and reasonable to non-associated shareholders of PBX. Given the nature of the assets held by PBX, BDO contacted SRK to assist with its opinion by providing an independent technical assessment and opinion on the market valuation (Report) of the Darling Range Bauxite Project (Project) and certain ELs considered prospective for PGE mineralisation in Western Australia. SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between Pacific Bauxite and any other parties.

For this Report, the Project was classified by SRK in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early-Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, borefields and processing plants that have been commissioned and are in production.

SRK has classified the Darling Range Project as at an Early to Advanced Exploration Stage, while the PGE Projects are all classified as at an Early Exploration Stage.

1.1 Reporting Standard

This Report has been prepared under the guidelines of the VALMIN Code (2015).

A first draft of this Report was supplied to BDO and Pacific Bauxite to check for material error, factual accuracy and omissions before the final report was issued.

For the purposes of this Report, value is defined as ‘market value’, being *‘the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion’*.

SRK’s Report does not comment on the ‘fairness and reasonableness’ of any transaction between the beneficial owners of the subject Projects and any other parties including Pacific Bauxite, Pacific Bauxite’s subsidiary companies or Pacific Bauxite’s associates or any related party to Pacific Bauxite.

In accordance with Section 11.1 of the VALMIN Code (2015), a site inspection was not completed as, in SRK’s opinion, any such inspection was not likely to reveal additional information material to this Report as all the Projects are at an early stage of exploration. SRK’s consultants involved in the preparation of this Report are familiar with this style of mineralisation and having previously conducted reviews of nearby third-party held projects have a reasonable understanding of the likely site conditions.

1.2 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements or infrastructure that are the subject of this Report. While SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions, it has relied on the information supplied by Pacific Bauxite as well as information sourced from the public domain, SRK’s internal databases and SRK’s subscription databases to prepare its Report.

1.3 Effective Date

The Effective Date of this Report is 2 December 2021.

1.4 Project team

Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below and in Table 1-1.

Shaun Barry, BSc Hons (Geology), MSc Eng (Mineral Economics), MAusIMM (CP), MRICS – Principal Consultant

Shaun Barry has a commercial and geological background with more than 30 years of experience in mining, exploration and quarry valuations, mineral economics, minerals marketing and geology. In corporate advisory and business development, Shaun has provided independent expert reviews, valuations, due diligence and optimisation mine studies. Shaun has also worked as a Mining Equity Analyst on the Johannesburg Securities Exchange, Mineral Economist and Mine Geologist in South Africa.

Shaun is a Member of the AusIMM. He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Michael Lowry, BSc Hons (Geology), GradCert (Geostatistics), MAusIMM – Principal Consultant

Michael Lowry is a geologist with more than 30 years' mining industry experience in roles that have varied from mine operations, brownfields exploration, Mineral Resource estimation and technical auditing. He has worked on projects throughout Australia, Africa and South America and has experience with several commodities across varied geological environments. Michael has worked on projects for various gold systems, nickel, iron ore, polymetallic volcanic massive sulfide (VMS) and iron-oxide copper-gold (IOCG) deposits. Michael has sound technical experience in grade control and reconciliation systems for both open cut and underground mines and Mineral Resource estimation, as well as conducting technical assurance reviews of proposed or operating mining operations. Michael has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Competent Person' under the JORC Code (2012).

Karen Lloyd, BSc (Hons), MBA, PhD (Mining and Metallurgical Engineering), FAusIMM – Associate Principal Consultant

Dr Lloyd has 26 years' international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe. Her PhD research was focussed on the market risk premium for gold project transactions on the ASX.

Dr Lloyd is a Fellow of the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Jeames McKibben, BSc Hons, MBA, Chartered Valuation Surveyor (MRICS), MAusIMM(CP), MAIG – Principal Consultant

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 25 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent

Technical Reports in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy) and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames is a RICS Registered Valuer and Chartered Valuation Surveyor, as well as a former member of the VALMIN Code Committee.

Table 1-1: Report Responsibilities

Specialist	Position/Company	Responsibility	Professional Designation
Shaun Barry	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Technical Assessment and Valuation	BSc (Hons), MSc Eng, MAusIMM, MRICS
Karen Lloyd	Associate Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Technical Assessment and Valuation	BSc (Hons), MBA, PhD, FAusIMM
Michael Lowry	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Technical Assessment	BSc (Hons), Grad Cert, MAusIMM
Jeames McKibben	Principal Consultant/ SRK Consulting (Australasia) Pty Ltd	Peer Review	BSc(Hons), MBA, FAusIMM(CP), MAIG, MRICS, MSME

1.5 Limitations, reliance of information, declaration and consent

1.5.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Pacific Bauxite throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Pacific Bauxite was taken in good faith by SRK. SRK has not independently verified any estimates by means of recalculation.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by Pacific Bauxite was complete and not incorrect, misleading or irrelevant in any material aspect.

1.5.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.5.3 Indemnities

Pacific Bauxite has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

Pacific Bauxite has provided SRK with an indemnity letter under which SRK is to be compensated for any liability and/or expenditure resulting from any additional work required which:

- results from SRK's reliance on information provided by Pacific Bauxite, or Pacific Bauxite not providing material, or
- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

As such, SRK does not give its permission for the Report to be relied on for the purposes of negotiation of the Proposed Transaction.

1.5.4 Consent

The Report may be provided (in part or full) externally to the shareholders of the Company or as a public document.

1.5.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$20,000. The payment of this professional fee is not contingent upon the outcome of this Report.

2 Overview of Pacific Bauxite Limited

Pacific Bauxite Limited holds certain mineral assets in Western Australia that are considered prospective for both bauxite and PGE mineralisation as illustrated in Figure 2-1.

Figure 2-1: Location of Mineral Tenure



Source: OnTheWorldMap.com, Tengraph

The Company's premier project is the Darling Range Bauxite Project located approximately 75 km northeast of Perth. In addition, the Company has entered into agreements to acquire several PGE Projects which are situated in the Eastern Goldfields and Pilbara regions of Western Australia. Previous exploration at these Projects have demonstrated the potential for platinum group elements (PGE), gold, nickel and other associated minerals.

The Company was incorporated as Iron Mountain Mining Limited (Iron Mountain) on 14 February 2005 and was subsequently listed on the ASX on 23 May 2007 (ASX code: IRM). The Company's name was changed to Pacific Bauxite Limited (Pacific Bauxite: ASX code: PBX) on 7 December 2016 following shareholder approval. After a prolonged legal battle relating to certain mineral assets in the Solomon Islands, the Company's shares were last able to be traded on the ASX prior to suspension and entered voluntary administration on 24 December 2019.

On 6 September 2021, the Administrators announced that the Company's creditors had resolved to accept the variation to a DOCA and recapitalisation as proposed by Oceanic Capital Pty Ltd (Oceanic). New directors were appointed to the Company effective 6 September 2021. As part of the proposed recapitalisation, it has been proposed that the Company's name is changed to Julimar Minerals Limited (Julimar).

The Company has entered into material agreements with St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust (St Barnabas) and Glen William Goulds to acquire the entire issued share capital of Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd and their related exploration tenements (comprising the PGE Projects).

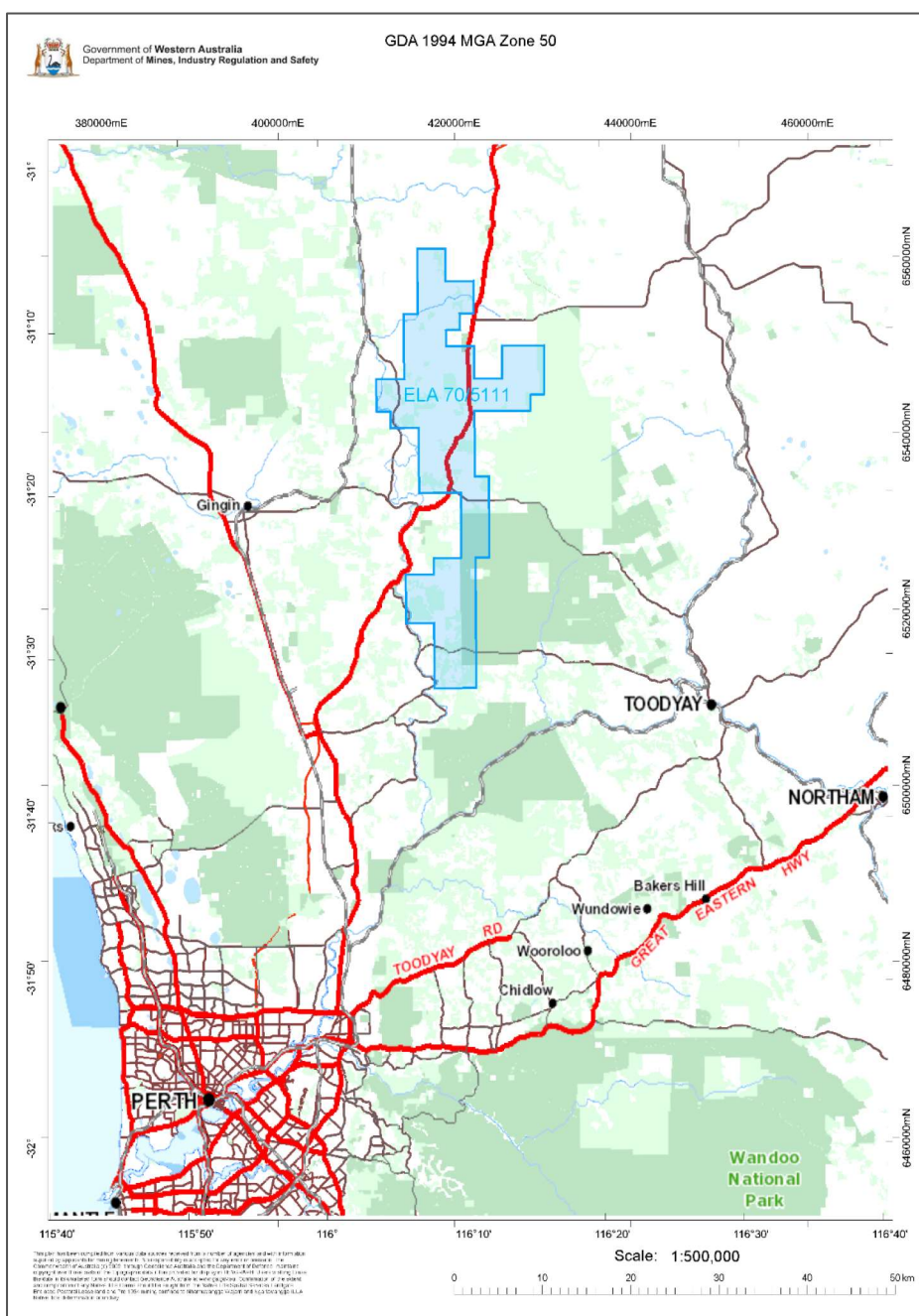
While the Company's near-term exploration focus is to be directed towards the search for economically viable nickel-copper-PGE and titanium-vanadium mineralisation in association with known mafic-ultramafic intrusive centres, given the work completed to date in the Darling Ranges, the bauxite potential remains a secondary target.

3 Darling Range Bauxite Project

The Darling Range Project comprises a single Exploration Licence Application (ELA70/5111) which is situated approximately 75 km northeast of Perth in Western Australia (Figure 3-1).

The southern portion of the ELA lies immediately adjacent to, and west of, Chalice Mining Limited's (Chalice) Julimar PGE-NI-Cu_Co deposit within the Gonnevile Intrusive, which was discovered in 2020.

Figure 3-1: Project Location: ELA70/5111



Source: DMP WA

SRK understands that the Company has been advised that 10.30% of ELA70/5111 encroaches on the Julimar State Forest and will require an appropriate Conservation Management Plan (CMP) to be submitted prior to the application being processed. Additionally, 2.97% of ELA70/5111 also encroaches on File Notation Area 12671, which relates to the Western Australian Government's Perth and Peel Green Growth Plan. The Green Growth Plan is a Government initiative to provide a degree of certainty in relation to future environmental protection and approvals in the Perth and Peel region.

ELA70/5111 is registered under PBX Aus Pty Ltd and covers a total area of 349 km² (Table 3-1).

Table 3-1: Darling Range Granted Tenement Schedule

Tenement	Blocks	Lodgement Date	Granted Date	Expenditure Commitment (A\$)	Rent Due Date	Rent Amount (A\$)
ELA70/5111	119	04/01/2018	pending	pending	pending	15,946

The application was lodged in 2018 and has not yet been granted. The Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) is consulting with the Department of Biodiversity, Conservation and Attractions (DBCA) for the tenement to be granted on the basis that the State Forest Ministerial consent requirement will protect the area. If the tenement proceeds with a no mining condition in place, no CMP will be required until Ministerial consent to explore on the area is sought.

3.1 History

The Company previously held an EL (EL70/4999) which covered the area currently within the application area under ELA70/5111 and adjacent to its Wandoo Bauxite Project (Wandoo) when it was named Iron Mountain Mining Limited (Iron Mountain). At that time, Wandoo comprised 13 granted ELs for a total granted area of 950 km².

In August 2012, Iron Mountain sold Wandoo to Alpha Bauxite Pty Ltd (Alpha) for a consideration of A\$4.0 M in cash. Iron Mountain retained a royalty of A\$0.75/dmt on future production of bauxite, however the tenure was surrendered in 2017. At the time of the transaction, Wandoo hosted an Inferred Mineral Resource estimate of 89.3 Mt at 41.75% Al₂O₃ at a cut-off grade of 30% available Al₂O₃ which had been reported under JORC Code (2004) reporting guidelines by Iron Mountain (Iron Mountain Mining ASX Announcement dated 5 May 2011).

3.2 Access, physiography and climate

The Darling Range Project lies within the Shire of Chittering in the Wheatbelt region of Western Australia. It can be accessed from the state capital of Perth via State Route 4 (Tonkin Highway) and National Highway 95 (Great Northern Highway) to Bindoon (approximately 70 km) and then by unsealed farming tracks which traverse the Project area.

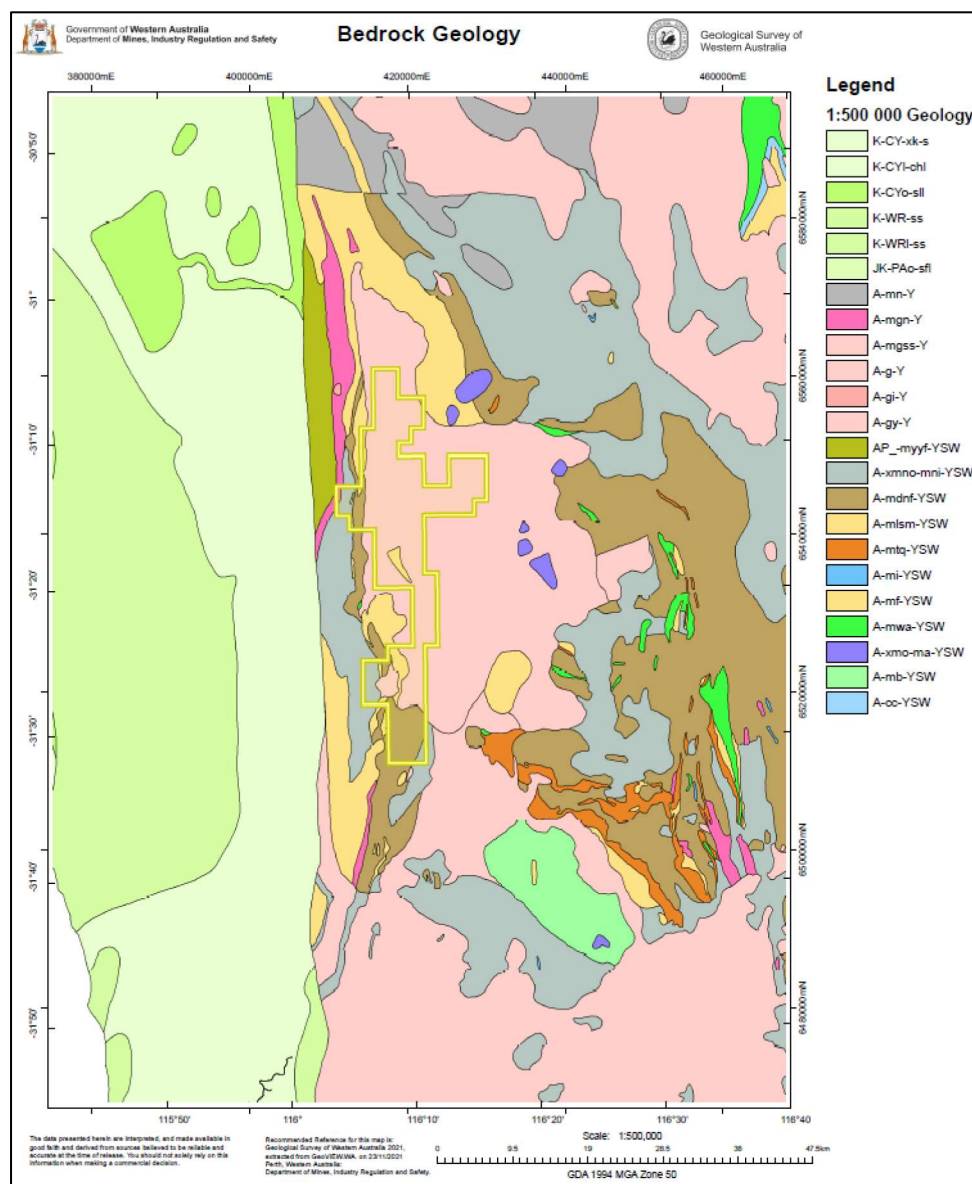
The Wheatbelt region experiences hot dry summers (December to March) and mild winters. The summer average daily maximum temperature is 34 degrees, with a daily minimum of 17 degrees Celsius. In winter this becomes the daily maximum with an average minimum of 5 degrees. The highest temperature recorded is 46.2 and the lowest is minus 3.4 degrees Celsius. The average

annual rainfall is 328 mm, usually falling between March and November. There is an average of 170 clear days per year. The region is dominated by farmland with State forest overlapping the Project area. The topography is low-lying with no extremes of elevation with some drainage channels evident. Exploration activities can continue year-round although bush fires are common between December and March.

3.3 Geological setting

The Project is geologically located within the Archaean South West Province of the Yilgarn Craton of Western Australia. ELA70/5111 covers granitoid intrusions within the granite-greenstone terrane (A-mf-YSW and A-gy-Y) together with layered quartz-feldspar-biotite metasedimentary gneiss (A-mdnf-YSW) in the south and west of the application area (Figure 3-2).

Figure 3-2: Regional geology



Lateritic weathering products are the dominant cover lithology. Known bauxite mineralisation in the area has been developed through the aluminium enrichment of this laterite.

The nearby Julimar Intrusive Complex is a 26 km-long layered mafic intrusion, which is almost entirely under cover and coincident with a north to northeast trending magnetic geophysical feature lying directly east of PBX's Darling Range Project. The Gonneville intrusion, at the southern end of this magnetic anomaly, covers approximately 0.7 × 1.6 km in area and consists of about 90% serpentinised peridotite, 5% pyroxenite, and 5% gabbro.

On 9 November 2021, Chalice announced its maiden Indicated and Inferred Mineral Resource for Gonneville of 330 Mt averaging 0.75 g/t Pd, 0.16 g/t Pt, 0.03 g/t Au, 0.16% Ni, 0.10% Cu and 0.016% Co for contained nickel equivalent metal of 1,900 kt (Chalice ASX Announcement dated 9 November 2021). This announcement confirmed Gonneville is the largest nickel discovery worldwide since 2000 and the largest PGE discovery in Australian history – demonstrating the potential for a strategic, long-life mineral asset (Chalice ASX announcement dated 2 December 2021).

3.4 Work history

Bauxite exploration in the current Project area commenced in 1968, when Pacminex Pty Ltd (Pacminex) drilled approximately 10,000 vacuum holes for a total of 170,000 feet (52,743 m) within their Chattering Alumina Project. Pacminex ceased exploration in 1975 due to low global aluminium prices at that time.

In September 2008, Aluminex Resources Ltd (Aluminex) included a portfolio of Darling Ranges tenements (previously Wandoo Project) in its Initial Public Offering (Aluminex Prospectus). The Aluminex Prospectus reported a total Indicated and Inferred Mineral Resource estimate of 50.29 Mt at 43.72% total Al₂O₃ under JORC (2004) reporting guidelines. Aluminex was removed from the official list of the ASX in July 2009 after being suspended in October 2008.

Iron Mountain subsequently completed an off-market takeover of Aluminex from Swancove Enterprises Pty Ltd and other shareholders in November 2009 which included the tenements EL70/2692 and EL70/2693. Iron Mountain acquired a 96.67% stake in Aluminex and the rest of the stake was acquired through short form merger.

EL70/2692 covered the northern area of the current ELA70/5111, while EL70/2693 was approximately 13 km north of the current ELA70/5111.

Further to quality assurance and quality control (QA/QC) checks and validation of the open file drilling and data base, Iron Mountain reported an Inferred Mineral Resource estimate of 17.48 Mt at 38.2% Al₂O₃ on EL70/2692 under JORC (2004) reporting guidelines (Iron Mountain Mining ASX Announcement dated 16 March 2010).

In the June quarter of 2010, Iron Mountain completed additional QA/QC and validation checks on the historical data and completed 287 air core (AC) drill holes at Wandoo on EL70/2693. Following further resource announcements on 16 November 2010, 16 December 2010 and 5 May 2011, the Company reported the updated the Inferred Mineral Resource estimate to 89.4 Mt at 41.75% Al₂O₃ at a cut-off grade of 30% available Al₂O₃ (under JORC Code (2004)) (Iron Mountain Mining ASX announcement dated 5 May 2011).

Further to technical due diligence including 20 AC drilling holes. Iron Mountain sold Wandoo to Alpha for a consideration of A\$4.0 M in cash (Iron Mountain ASX announcement dated 24 August 2012). Iron Mountain retained a royalty of A\$0.75/dmt on future production of bauxite. These drill holes were not collared in the area covered by ELA70/5111.

Submissions to the Western Australian government by Alpha in the subsequent reporting period indicate that a technical assessment undertaken by Optika Solutions Pty Ltd included a desktop techno-economic evaluation (Optika Study), which assessed mining and processing physicals and costs, capital expenditure, and transport options relating to the establishment of a bauxite mining operation.

The tenure was surrendered by Alpha in 2017.

Chalice staked the tenure supporting its adjacent Gonneville Project (comprising two ELs – EL70/5118 and 5119, which lie immediately adjacent to Julimar’s ELA) in 2018 as part of its global search for high-potential nickel sulphide opportunities. Chalice subsequently interpreted the potential for a mafic-ultramafic layered intrusive complex (the Julimar complex) based on high-resolution airborne magnetic geophysical data. The Julimar complex is interpreted to extend over 26 km of strike and is confirmed to be prospective for nickel, copper and PGE following Chalice’s November 2021 Mineral Resource announcement (Chalice ASX announcement dated 9 November 2021).

3.5 Prospectivity

Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice, prioritised data compilation and analysis over the ELA is warranted to delineate targets capable of representing known extension or repetitions of this mineralisation style.

Whilst the area covered by ELA70/5111 remains prospective for bauxite mineralisation there is insufficient geological continuity and sample support to estimate Mineral Resources with reasonable prospects of eventual economic extraction with under JORC Code (2012) reporting guidelines at this time. However, additional historical data compilation, shallow regolith drilling and the investigation into the suitability of the ultra-fine soil sampling method is warranted at the Project.

4 Platinum Group Element mineral assets

The recently acquired PGE Projects are located in the Eastern Goldfields and Pilbara regions of Western Australia. The tenures are considered prospective for PGE, gold, nickel and other minerals (Figure 2-1).

The PGE Projects comprise three granted ELs (EL36/1010, EL36/1011 and EL70/5767) held by Western Yilgarn PGM Pty Ltd (WYPGM), three granted ELs (EL52/3861, EL58/0562 and EL59/2496) registered to AAM Resources Pty Ltd and two ELAs (ELA36/1025 and ELA70/5921) applied for by WYPGM in its own name (Table 4-1).

Table 4-1: PGE granted tenement schedule

Tenement	Prospect	Blocks	Grant Date	Expiry Date	Expenditure Commitment (A\$)	Rent Due Date	Rent Amount (A\$)
EL52/3861	Sylvania	43	2/07/2021	1/07/2026	43,000	1/07/2022	6,278
EL58/562	Challa	1	14/01/2021	13/01/2026	10,000	13/01/2022	406
EL59/2496	Boodanoo	13	7/01/2021	6/01/2026	20,000	6/01/2022	1,898
EL36/1010	Bulga	21	13/09/2021	12/09/2026	21,000	12/09/2022	3,066
EL36/1011	Bulga	16	13/09/2021	12/09/2026	20,000	12/09/2022	2,336
ELA36/1025	Bulga	14	pending	pending	pending	pending	pending
EL70/5767	Melbourne	35	12/07/2021	11/07/2026	35,000	11/07/2022	5,110
ELA70/5921	Melbourne	33	pending	pending	pending	pending	pending

4.1 Boodanoo geological setting

The Boodandoo Project tenure lies in the Murchison Mineral Field. The nearest town is the historical gold mining centre of Mount Magnet.

The Project is located on the northwest flank of the Narndee Igneous Complex, a large layered mafic-ultramafic complex folded about a broad syncline. This tenement (EL59/2496) targets the structural extension and magnetic geophysical anomalies situated along the northwestern edge of the intrusive complex, in particular where this intersects the interpreted structure as illustrated in Figure 4-1.

BHP Minerals Pty Ltd and Hunter Resources NL (Hunter) carried out exploration for PGE in the Narndee Igneous Complex between 1985 and 1990.

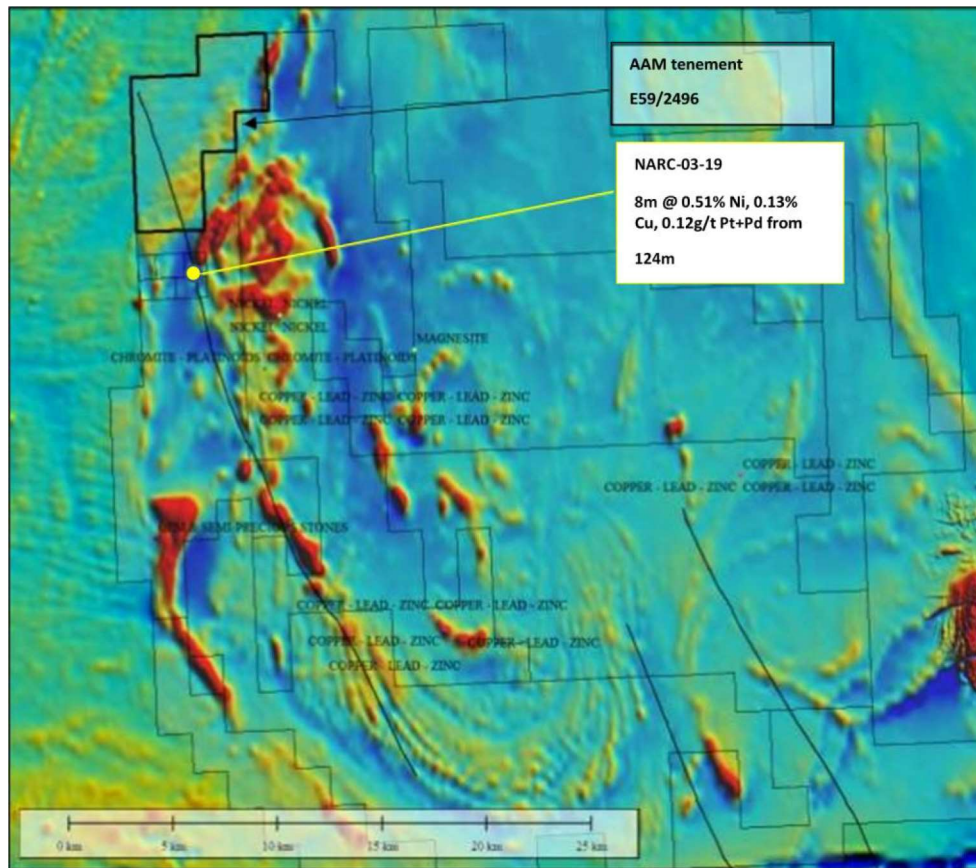
In 2002, Apex optioned tenements covering the Narndee Complex to Falconbridge (Australia) Pty Ltd (Falconbridge). The primary objective of Falconbridge's exploration was the discovery of a commercially viable PGE deposit using the Bushveld Complex as a guiding model. Falconbridge completed a high resolution airborne magnetic, and radiometric and digital elevation surveys which were followed by geological and lithochemical surveys, and stream sediment and soil MagLag geochemical surveys. In spite of encouraging nickel results, Falconbridge was disappointed with the PGE results and withdrew from the option agreement.

In 2008 Maximus Resources Limited flew an airborne electromagnetic (EM) geophysical survey over the Narndee Complex, identifying multiple targets but only a few with limited follow-up work.

In October 2020, Aldoro Resources Limited 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 geophysical surveys 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.

This tenure lies in close proximity to Aldoro’s Narndee Project and Golden Mile Resources Limited’s Yarrabee Project, which target magmatic nickel-copper-cobalt and nickel-copper-zinc mineralisation, respectively.

Figure 4-1: Boodanoo Exploration Target



Source: Pacific Bauxite

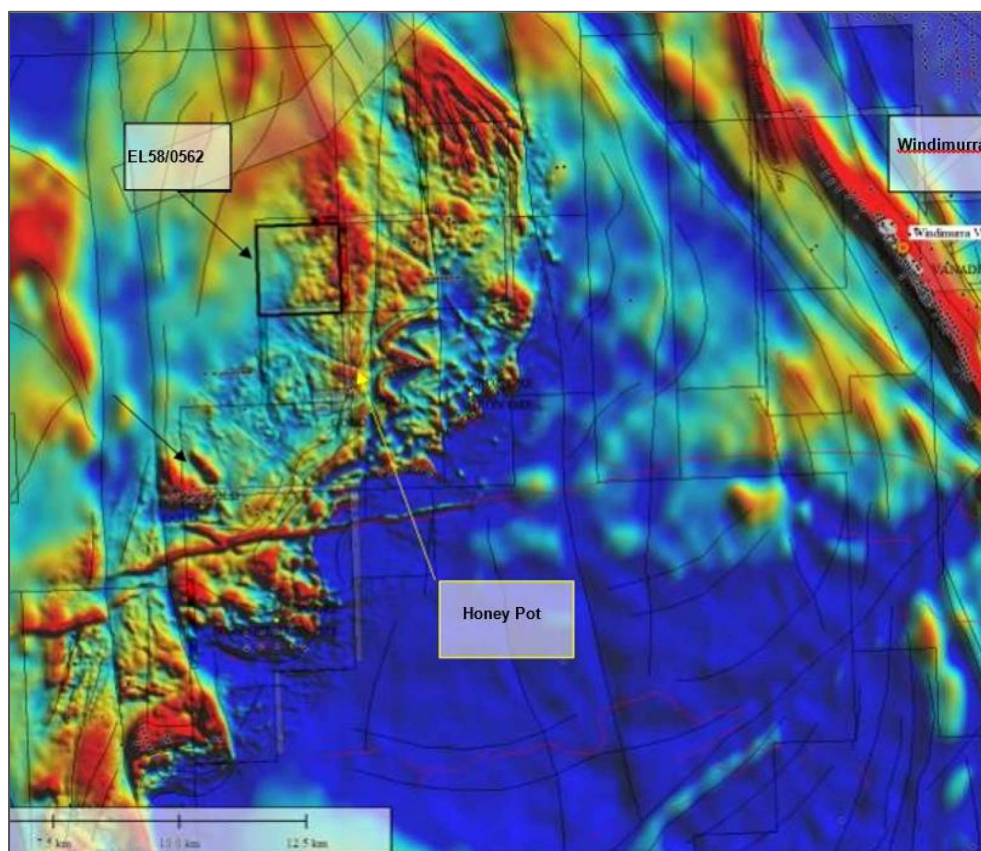
4.2 Challa geological setting

This granted EL is located 15 km west of Atlantic Limited's Windimurra Vanadium Project, and adjacent to Flinders Mines Limited's Canegrass Vanadium Project and Honey Pot Anomalous gold zone (Figure 4-2). This tenement (EL58/562) targets an extension of the known laterally extensive iron-vanadium-titanium bearing horizon, which is part of the broader Windimurra Igneous Complex (WIC). There exists exploration potential for gold and PGE mineralisation across the interpreted contact between the upper and middle units of the WIC.

Geologically, the Challa EL is within the north western portion of the WIC and straddles the boundary between the upper and middle units of the WIC. The WIC is elliptical and is exposed over an area of approximately 2,300 km² measuring 85 km from north to south and 37 km from east to west. The WIC was first recognised as an analogue to the Bushveld Complex in South Africa during the early 1960s, by geologists working for Mangore Australia who located vanadium-rich magnetite rocks near Windimurra Homestead and PGE anomalous horizons in the Wondinong area.

Matrix Metals Limited (MRX) drilled three exploration holes in the area between 2005 and 2008 including two reverse circulation (RC) holes at the eastern edge (MNRC0053 and MNRC0052) targeting iron and vanadium and one AC hole (MNAC0011) at the southeast of the tenement targeted gold, nickel, PGEs.

Figure 4-2: Challa Exploration Target



Source: Pacific Bauxite

4.3 Sylvania geological setting

The Sylvania Project consists of a single granted EL located in the Pilbara region of WA, 70 km southeast of Newman. This tenement (EL52/3861) targets gold and sits close to Capricorn Metals Limited’s Karlawinda gold project. The tenement is on the southern margin of the Pilbara Craton, in the Sylvania Inlier which is a granite-greenstone province.

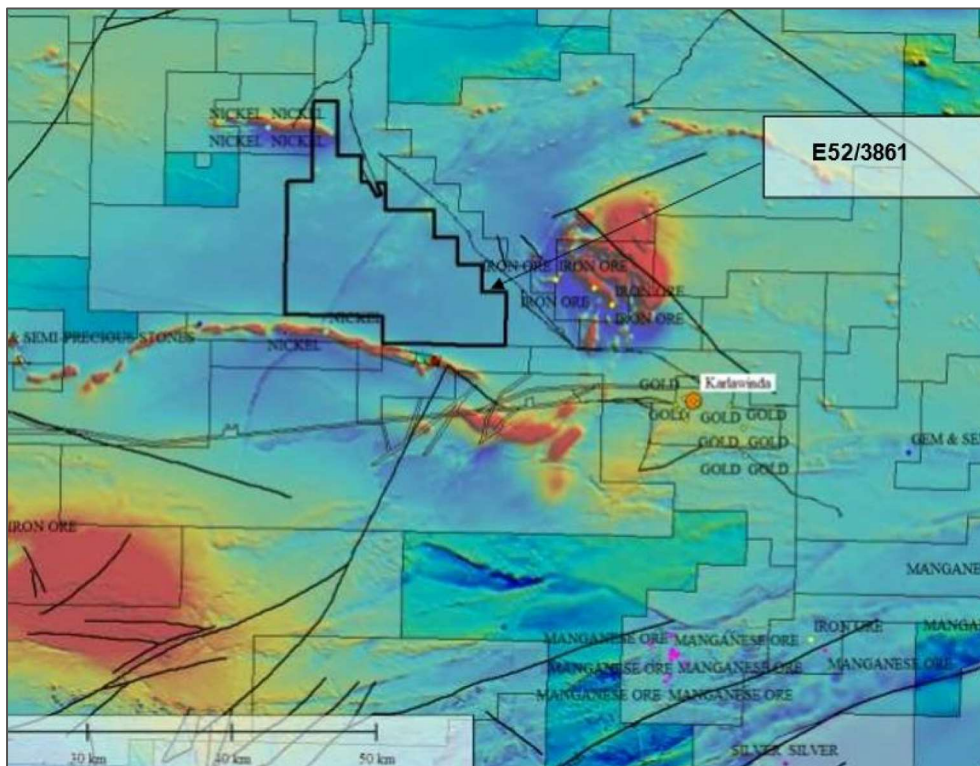
In the northern portion of the EL52/3861, a greenstone sequence has been identified (Figure 4-3) and is considered prospective for Archean gold and for magmatic Ni-Cu-PGE sulfide mineralisation associated with komatiitic basalt flows and related sub-volcanic feeders of the Archean Fortescue Group. Additional potential may include pisolitic iron ore in Tertiary aged channel iron deposits, calcrete uranium deposits associated with Cainozoic sediments draining Archean granitoids of the Sylvania Inlier and manganese mineralisation associated with weathering and supergene enrichment of manganese shales, as well as minor deposits of gold, chromite, copper, barite and opaline and chalcedonic silica.

No exploration drill or sampling has taken place on the tenement.

Between 2005 and 2010, Atlas Iron Limited conducted drilling at the northern tip of EL52/3861 in its Warrawanda exploration project. Limited RC drilling to a depth of 55 m (available in Report A87906) focusing on magnetite prospectivity.

At the southern boundary, VRX Silica Limited’s Warrawanda project focused on high purity quartz (Report A123133) unsuccessfully, historical data suggests some prospectivity for a large tonnage, low-grade disseminated sulfide Ni deposit, similar to Mt Keith Mine in the region.

Figure 4-3: Sylvania Exploration Target



Source: Pacific Bauxite

4.4 Bulga geological setting

The Bulga Project is located to the west of Leonora in the Eastern Goldfields region of WA. These two tenements (EL36/1011 and EL36/1010) and tenement application (ELA36/1025) target and encompass 15 km of the major Waroonga Shear Zone, a regionally significant, mineralised structure which stems south-southwest from the Agnew Goldfields (Figure 4-4). This structure is also host to Goldfields Limited's Agnew Gold Mine and the Yakabindie nickel deposit (owned by BHP Limited).

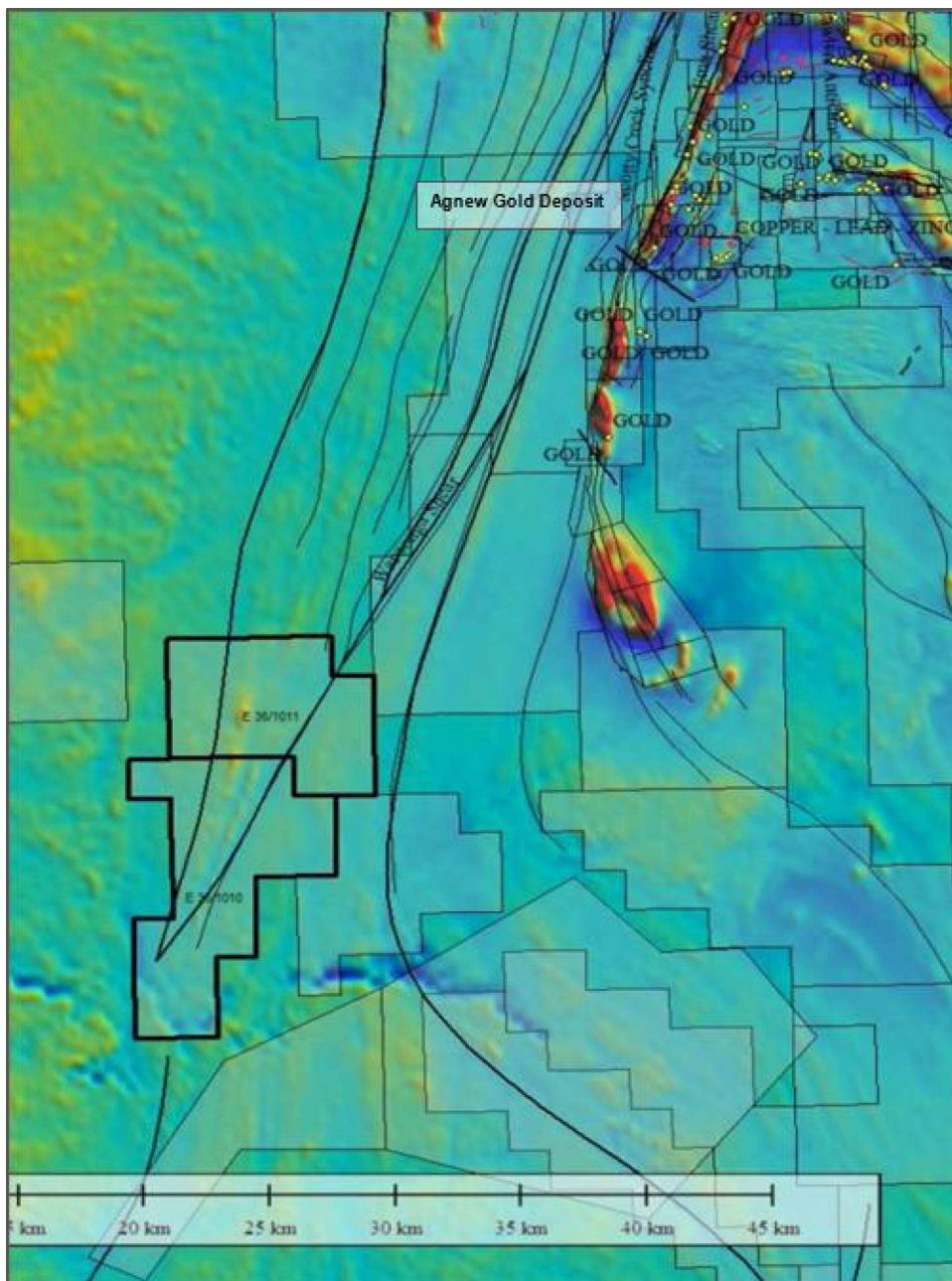
Due to the presence of widespread cover, the geology of the project area has largely been interpreted from geophysical data (with limited drilling support) to comprise mainly granite with minor greenstone units adjacent to the Waroonga Shear Zone.

This greenstone sequence has been sparsely drilled and appears to have a maximum thickness of approximately 1,000 m. It is potentially related to the Mount Alexander belt to the south, dips steeply and youngs to the east. The metamorphic grade of the belt is amphibolite facies and it is interpreted to be moderately deformed due to the presence of strongly foliated rocks.

Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulfides have been encountered to date, the presence of ultramafic rocks offers potential for Mount Alexander style nickel-copper or komatiitic nickel sulfide deposits.

The tenements are largely unexplored with only limited 2 x 100 m deep AC drill holes (SWR016 and SWR017) at the north-eastern corner of EL36/3011 completed by Delta Gold Ltd targeting low magnetic geophysical signatures.

Figure 4-4: Bulga Exploration Target



Source: Pacific Bauxite

4.5 Melbourne geological setting

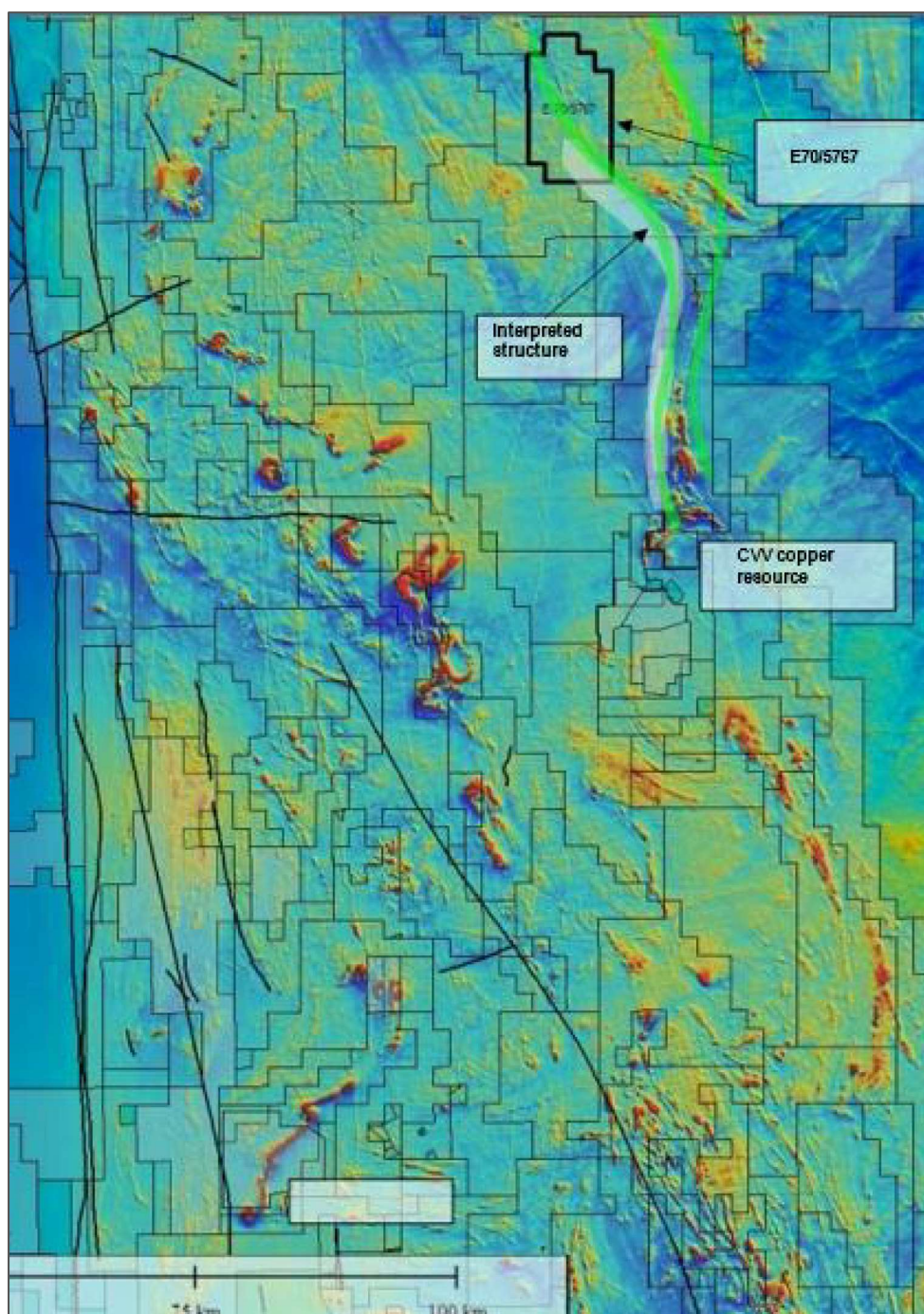
The Melbourne Project comprises a single granted EL and an ELA which are centred approximately equidistant between the small towns of Pithara and Miling on the Great Northern Highway.

This tenement (EL70/5767) and tenement application (ELA70/5921) target Ni-Cu-PGE mineralisation, encompassing magnetic geophysical anomalies along the perceived northwest-southeast trending strike extension from Caravel Minerals Limited's tenements to the southeast

(Figure 4-5). The broader structure interpreted as a tectonic plate boundary between the Southwest Yilgarn Terrane and East Yilgarn Terrane. There is potential for ultramafic intrusive bodies occurring under laterite cover associated with the modelled Yilgarn Craton granite-greenstone contact.

No historic drilling exists on the Project.

Figure 4-5: Melbourne Exploration Target



Source: Pacific Bauxite

5 Other considerations

5.1 Bauxite market

According to the Australian Government's Office of the Chief Economist Resources and Energy Quarterly (September 2021 Edition), the spot price of aluminium reached a thirteen-year high of US\$2,950/t as at 13 September 2021, driven by political instability in Guinea. Rising demand and limited supply options are the main contributor to the price increase.

Global demand for everything from cans to packaging has rebounded from the lows of the COVID-19 pandemic in 2020. Primary aluminium demand rose by 10% year-on-year in the first-half of 2021, consistent with the rise in global industrial production and the global economic recovery. The increasing price of aluminium was also driven by production constraints placed on Chinese aluminium smelters to reduce energy demand. Declining primary aluminium inventories are another contributor to the recent price strength.

During the global financial crisis between mid-2007 and early 2009, most of the London Metals Exchange (LME) primary aluminium stocks were stored in Detroit (the US) and the Netherlands port of Vlissingen. However, the COVID-19 pandemic has changed the map of primary aluminium storage. Almost 90% of the LME primary aluminium stocks and 85% of off-warrant stocks are now sitting at Asian locations. Malaysia's Port Klang has now overtaken Rotterdam as the largest hub of exchange approved warehousing capacity.

In an attempt to boost primary aluminium supply and to de-escalate the rise of aluminium prices, the Chinese government held three auctions in July and September 2021 to release 210,000 t of primary aluminium from state reserves, though this appears to have had a minimal impact on markets.

In a similar attempt to boost domestic primary aluminium supply and thus prevent prices from rising, the Russian government introduced new export taxes on primary aluminium, steel, nickel and copper on 24 June 2021. The export taxes commenced on 1 August 2021, and will end on 31 December 2021, with a base rate of 15% (or US\$254/t) of the export price.

Australia's aluminium output rose by 0.8% in 2020–2021, to nearly 1.6 Mt, driven by a 1.0% output rise at Rio Tinto's Boyne Island aluminium smelter in Queensland and a 0.5% rise at Rio Tinto's joint-venture Tomago aluminium smelter in New South Wales.

Australia's alumina output increased by 1.6% in 2020–2021 to nearly 21 Mt. The increase is attributed to an 8.1% rise in Rio Tinto's joint-venture Queensland Alumina Limited in Queensland, and a 0.2% rise in Rio Tinto's Yarwun alumina refinery in Queensland. Australia's bauxite production fell by 3.8% to 103 Mt in 2020–2021, due to the suspension of operations at Metro Mining's 6.0 Mtpa Bauxite Hills mine in Queensland (from September 2020 to March 2021) due to the wet season shutdown and planned maintenance.

Australia's aluminium output is forecast to remain at about 1.6 Mtpa out to 2022–2023. Australia's bauxite output is forecast to rise at an average annual rate of 3.1% in 2021–2022 and 2022–2023, reaching 109 Mt in 2022–2023 (Figure 5-1). Metro Mining's Bauxite Hills mine in Queensland is expected to reach full production capacity of 6.0 Mtpa by the December quarter 2021.

Figure 5-1: Bauxite outlook

World	Unit	2020	2021 ^f	2022 ^f	2023 ^f	Annual percentage change		
						2021 ^f	2022 ^f	2023 ^f
Primary aluminium								
Production	kt	66,367	68,806	70,019	71,302	3.7	1.8	1.8
Consumption	kt	64,785	70,347	73,092	75,705	8.6	3.9	3.6
Prices aluminium^c								
- nominal	US\$/t	1,702	2,384	2,565	2,590	40.1	7.6	1.0
- real ^d	US\$/t	1,760	2,384	2,504	2,468	35.5	5.0	-1.5
Prices alumina spot								
- nominal	US\$/t	270	285	299	311	5.3	4.9	4.2
- real ^d	US\$/t	279	285	292	296	1.8	2.5	1.7
Australia								
	Unit	2019–20	2020–21	2021–22 ^e	2022–23 ^e	2020–21	2021–22 ^e	2022–23 ^e
Production								
Primary aluminium	kt	1,574	1,584	1,576	1,577	0.6	-0.5	0.1
Alumina	kt	20,451	20,948	20,443	20,556	2.4	-2.4	0.6
Bauxite	Mt	107.2	103.0	108.6	109.4	-4.0	5.4	0.7
Consumption								
Primary aluminium	kt	199	280	237	238	40.5	-15.3	0.3
Exports								
Primary aluminium	kt	1,430	1,357	1,387	1,387	-5.1	2.2	0.0
- nominal value	A\$m	3,692	3,747	4,771	4,746	1.5	27.3	-0.5
- real value ^e	A\$m	3,823	3,818	4,771	4,665	-0.1	25.0	-2.2
Alumina	kt	17,876	18,600	18,299	18,336	4.0	-1.6	0.2
- nominal value	A\$m	7,431	6,949	7,143	7,214	-6.5	2.8	1.0
- real value ^e	A\$m	7,695	7,080	7,143	7,091	-8.0	0.9	-0.7
Bauxite	kt	41,026	35,753	34,289	32,384	-12.9	-4.1	-5.6
- nominal value	A\$m	1,648	1,348	1,537	1,552	-18.2	14.0	1.0
- real value ^e	A\$m	1,706	1,374	1,537	1,526	-19.5	11.8	-0.7
Total value								
- nominal value	A\$m	12,771	12,045	13,451	13,512	-5.7	11.7	0.5
- real value ^e	A\$m	13,224	12,272	13,451	13,282	-7.2	9.6	-1.3

Notes: c LME cash prices for primary aluminium; d In 2021 calendar year US dollars; e In 2021–22 financial year Australian dollars; f Forecast.
 Source: ABS (2021) International Trade in Goods and Services, 5464.0; AME Group (2021); LME (2021); Department of Industry, Science, Energy and Resources (2021); International Aluminium Institute (2021); World Bureau of Metal Statistics (2021).

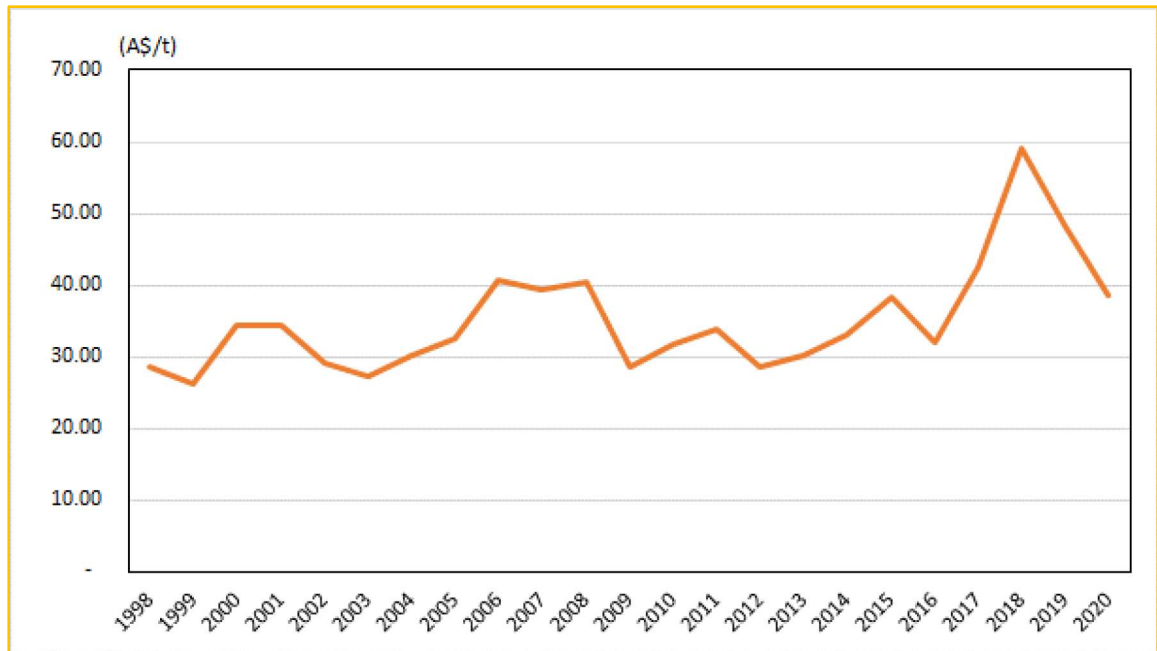
Source: Australian Government Resources and Energy Quarterly (September 2021 Edition)

In June 2020, Alcoa Australia applied to the Western Australian Environmental Protection Authority (WA EPA) to increase alumina production at its Pinjarra refinery from 5.0 to 5.25 Mtpa. Alcoa Australia also applied to the WA EPA to increase bauxite production at its Huntly mine (annual production of 26 Mt). Both applications are being assessed by the WA EPA.

On 25 May 2021, Alumina Limited, the co-owner of Wagerup and Pinjarra alumina refineries in Western Australia indicated the possibility of revisiting the expansion plan for Wagerup and Pinjarra in the coming years, as alumina demand is forecast to outpace the alumina supply.

Figure 5-2 shows the Australia average bauxite export value as reported by the Australian Government Resources and Energy Quarterly. This illustrates that bauxite prices Australian exporters have declined from a peak in 2018.

Figure 5-2: Bauxite Price: Australia average bauxite export value



Source: Australian Government Resources and Energy Quarterly

5.2 Nickel market

According to the Resources and Energy Quarterly (September 2021 Edition) the nickel price is forecast to average US\$18,035/t in 2021, 31% higher than in 2020, driven by strong demand from stainless steel producers and upward revisions to demand for electric vehicle batteries.

New projects and expansions are expected to lift Australia's export volumes from an estimated 181,000 t in 2020–2021 to about 260,000 t in 2022–2023.

Australia's nickel export earnings are forecast to rise on the back of growing export volumes and higher prices, reaching A\$5.1 billion in 2021–2022 and A\$4.6 billion in 2022–2023, up from A\$3.8 billion in 2020–2021.

In the June quarter 2021, global consumption of nickel rose by 20% year-on-year, continuing the industry rebound from the fallout from the COVID-19 pandemic, assisted by both strong demand from both stainless-steel consumption and the electric vehicle (EV) battery market.

Global mined nickel production in 2021 is forecast to rise 10% year-on-year to 2.7 Mt, as production ramps up in Indonesia and returns to pre-COVID-19 levels in other regions. Mine production increased by 24% year-on-year in the June quarter 2021, while refined production increased by 10% year-on-year. In 2021, refined nickel is expected to increase by 10% to 2.6 Mt. Burgeoning production of nickel pig iron (NPI) in Indonesia and other parts of the world has meant that, for the first time, more than half of nickel production was in the form of NPI during the June quarter 2021, with the top three producers being Chinese. For production inside China, nickel is being increasingly sourced from the Philippines and New Caledonia.

Nickel price continues its volatile behaviour, which saw prices peak at almost US\$20,000/t in mid-February 2021, fall to US\$17,320 in the June quarter 2021 and then largely recover to peak at over

US\$19,500/t in late July 2021 (Figure 5-3). Prices for the September quarter 2021 were around US\$19,000/t. This was up around 9% quarter-on-quarter, but up 55% compared to the recent low of the June quarter 2020.

Figure 5-3: Nickel Price



Sources: S&P Global

Note: Price is US dollar per tonne

5.3 Previous valuations

Other than those transactions noted in Section 6.1.1, SRK is not aware of any other valuations relating to any of Pacific Bauxite Projects on a standalone and unfunded basis.

6 Valuation

The objective of this section is to provide BDO with SRK's opinion regarding the market value of Pacific Bauxite's mineral assets on an undeveloped and unfunded basis. SRK has not valued any of the corporate entities that have a material interest in the subject Projects.

SRK has relied on information provided by Pacific Bauxite, as well as information sourced from the public domain, SRK's internal and subscription databases.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The Market Approach is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code 2015). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The Income Approach is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code 2015). Valuation methods that follow this approach include DCF modelling, capitalised margin, option pricing and probabilistic methods.

The Cost Approach is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code 2015). Methods include the appraised value method and MEE, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

SRK considers the Darling Range Project to be an Early to Advanced Exploration project while the PGE Projects are at an Early Stage of Exploration. On this basis, reasonable grounds to support a value opinion using an income-based method cannot be established at this time. As such, the valuation opinion was prepared using market- and cost-based methods (Table 6-1).

Table 6-1: Valuation Basis

Project Name	Status	Tenement	Area (km ²)
Darling Range	Early to Advanced Exploration	ELA70/5111	349
Boodanoo	Early Exploration	EL59/2496	39
Challa	Early Exploration	EL58/562	3
Sylvania	Early Exploration	EL52/3861	135
Bulga	Early Exploration	EL36/1010, EL36/1011 & ELA36/1025	463
Melbourne	Early Exploration	EL70/5767 & ELA70/5921	202

Source: SRK analysis

6.1 Comparable market transactions

The Darling Range Project has had extensive bauxite exploration in the past and has not yet identified Ni-Cu-PGE targets. As such, SRK has selected bauxite transactions for the valuation of the Darling Range Project while transactions related to Ni-Cu-PGE was used for the PGE Projects.

6.1.1 Bauxite transactions

SRK used its internal databases and the S&P Capital IQ Global Market Intelligence subscription database to compile and assess information on comparable projects which have recently been the subject of an on-market transaction. SRK compiled a listing of all such transactions and has normalised the comparable transaction multiples using the unit value (A\$/t) of Australian annual bauxite exports published by the Australian Bureau of Statistics, as a proxy for the bauxite price.

Notably, there is a paucity of recent market transactions involving early-stage bauxite exploration projects undertaken on tenure that can be considered comparable to the Project. As such, SRK extended its search to include market transactions over a longer time period (from 2011).

Transaction 1: Actual transaction covering Project Area 1

In January 2018, Pacific Bauxite acquired the Darling Range Bauxite Project from Nearology Pty Ltd for A\$110,000. As consideration, Pacific Bauxite issued 1 million shares and a one-off cash payment of A\$30,000 with payment deferred subsequent to any future equity capital raising by Pacific Bauxite. At that time, the Project comprised two ELAs (ELA70/4999 and ELA70/5000) over a total area of 405 km² and hosted an Inferred Mineral Resource estimate of 89.3 Mt at 41.75% Al₂O₃ which was reported under JORC (2004) reporting guidelines.

The total consideration of A\$110,000 implies that a price of A\$271/km² (normalised to A\$184/km²) or A\$0.001/resource tonne was paid by Pacific Bauxite for the Project.

Transaction 2: Actual transaction covering Project Area 2

In August 2012, Iron Mountain completed the sale of the Wandoo Bauxite Project to Alpha for a consideration of A\$4 M. Iron Mountain retained a royalty of A\$0.75/dmt on future production. At that time, the Project comprised seven granted and six pending ELs covering 950 km² and hosted

an Inferred Mineral Resource estimate of 89.3 Mt at 41.75% Al₂O₃ which was reported under JORC (2004) reporting guidelines.

The total consideration of A\$4 M implies that a price of A\$4,705/km² (normalised to A\$5,917/km²) or A\$0.045/resource tonne was paid by Alpha for the Project.

Transaction 3

In March 2011, Monax Minerals Limited (Monax) exercise the option to purchase five Exploration Permits for Minerals (EPM) Applications (total 1,358 km²) from Delminco Pty Ltd. The tenements are located in the Pretender Creek area of Cape York, Queensland. Under the terms of this transaction Monax paid a A\$50,000 option fee. The option fee of A\$50,000 implies that a price of A\$37/km² (normalised to A\$44/km²) was paid by Monax for the total area under application.

Further to the 12-month option period, Monax negotiated the purchase of EPM16963 (274 km²) and EPM17005 (280 km²) for A\$50,000. At the total consideration of A\$100,000 (option fee and purchase consideration) implies that a price of A\$214/km² (normalised to A\$107/km²) was paid.

Transaction 4

In September 2014, Queensland Bauxite Limited (QBL) acquired a 50% interest in EL7301 (245 km²) from Plateau Bauxite Limited, for A\$900,000. EL7301 is in the Nullamana region of Inverell in northern New South Wales. At the time of the transaction, the project hosted a Mineral Resource estimate of 37 Mt at 31.6% Al₂O₃ which was reported under JORC (2004) reporting guidelines.

The total consideration of A\$900,000 implies that a price of A\$7,346/km² (normalised to A\$8,922/km²) or A\$0.048/resource tonne was paid.

Transaction 5

In March 2016, QBL acquired a further 31% interest in EL37301, for A\$1.35 M bringing its total interest to 81%. At the time of the transaction, the project hosted a Mineral Resource estimate of 37 Mt at 31.6% Al₂O₃ which was reported under JORC (2004) reporting guidelines.

The total consideration of A\$1,350,000 implies that a price of A\$17,775/km² (normalised to A\$22,307/km²) or A\$0.012/resource tonne was paid.

Transaction Analysis

SRK notes the wide range of transaction multiples on a normalised basis from A\$44/km² to A\$22,307/km² paid as consideration for comparable bauxite exploration tenure in recent years, with an average of A\$6,265/km² and a median of A\$3,065/km².

Having considered its technical assessment of Pacific Bauxite's Darling Range Project and the comparability of the market transactions, SRK has elected to use A\$3,000/km² (approximate the median) as the low end of the range and A\$6,000 km² (approximately the average) as the high end of the valuation range. SRK considers this as an appropriate range given the uncertainty surrounding the application of the tenement and early to advance stage of exploration status.

On this basis, SRK considers the current market would value a 100% interest in the Darling Range ELA at between A\$1.0 M and A\$2.1 M. Given that the bauxite price considerations outlined in Section 3 of the Report, SRK has elected to use the upper end of this range as its preferred value (Table 6-2).

Table 6-2: Valuation using the comparable Market Transaction method

Project	Low (A\$ M)	High (A\$ M)	Preferred (A\$ M)
Darling Range Bauxite Project	1.0	2.1	1.6

6.1.2 Nickel and platinum group transaction

SRK has compiled details of transactions (Appendix A) involving broadly similar nickel and PGE projects in the early stages of assessment using its internal database, as well as the S&P Global Market Intelligence subscription database to support its assessment of the Market Value of Pacific Bauxite's PGE Projects.

In doing so, SRK has focused on transactions involving early-stage Australian magmatic related nickel-copper and PGE exploration projects (i.e., those without defined resources) occurring between 2017 and 2021. SRK has identified and compiled data for 29 transactions (Appendix A) for which sufficient information was available to calculate an area-based multiple (A\$/km²). The implied transaction multiples were then normalised using the monthly average nickel price as at November 2021. This effectively expresses all transactions between 2017 and 2021 in the value of the nickel price as at November 2021.

Based on its analysis, SRK notes that the implied multiples of these 29 early-stage exploration transactions largely reside between A\$517/km² and A\$103,253/km², with value dependent on prospectivity, size of tenement and stage of exploration completed. The average of this data set is A\$18,545/km² with a median of A\$7,419/km² (Table 6-3).

Within this dataset, 19 transactions occurred as acquisitions with implied values ranging from A\$517/km² to A\$97,419/km², with an average of A\$13,452/km² and a median of A\$7,419/km² (Table 6-3).

Table 6-3: Statistics of early-stage exploration nickel and PGE market transactions

	All	Acquisitions	Earn-in or Options
Minimum	517	517	898
Average	18,545	13,452	28,166
Median	7,419	7,419	7,785
Maximum	103,253	97,419	103,253
Count	29	19	10

Source: SRK

Notes: Normalised to November 2021 average nickel price

In considering the geological prospectivity for each of Pacific Bauxite's PGE tenement and the comparable transactions (Appendix A), SRK has selected the lower end of the data range from A\$520/km² to A\$5,000/km², depending on the perceived prospectivity of each tenure following SRK's technical review of the available datasets.

Based on its technical review and the implied value metrics, SRK considers the current market is likely to pay between A\$1.0 M and A\$2.3 M, with a preferred value of A\$1.7 M for Pacific Bauxite's attributable interests in its PGE exploration assets, as summarised in Table 6-4. SRK notes that the midpoint value reflects SRK's preferred value for each tenement. SRK has no reason to select a preferred value towards either end of the range and therefore has adopted a midpoint as its preferred positioning.

Table 6-4: Comparable Market Value of PGE tenements

Tenement	Project	Area (km ²)	Interest (%)	Low (A\$km ²)	High (A\$km ²)	Midpoint (A\$km ²)	Low (A\$)	High (A\$)	Preferred (A\$)
EL52/3861	Sylvania	134.73	100%	520	1,500	1,010	70,100	202,100	136,100
EL58/0562	Challa	3.00	100%	1,000	2,700	1,850	3,000	8,100	5,600
EL59/2496	Boodanoo	39.27	100%	520	1,500	1,010	20,400	58,900	39,700
EL36/1010	Bulga	63.40	100%	2,700	5,000	3,850	171,200	317,000	244,100
EL36/1011	Bulga	48.00	100%	2,700	5,000	3,850	129,600	240,000	184,800
ELA36/1025	Bulga	351.56	100%	1,000	2,700	1,850	351,600	949,200	650,400
EL70/5767	Melbourne	103.40	100%	2,000	4,000	3,000	206,800	413,600	310,200
ELA70/5921	Melbourne	99.00	100%	520	1,500	1,010	51,500	148,500	100,000
Total		842.36					1,004,200	2,337,400	1,670,900

Source: SRK Analysis

Notes: Attributable Market Value

6.2 Geoscientific method

To cross-check the valuation of the Projects using the comparable transaction method, SRK has also considered the geoscientific rating valuation method. The geoscientific rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value. The intrinsic value is referred to as the BAC and is critical because it forms the standard base from which to commence a valuation. It represents the 'average cost to identify, apply for and retain a base unit of area of title'.

Multipliers are considered for off-property aspects, on-property aspects, anomaly aspects and geology aspects. These multipliers are applied sequentially to the BAC to estimate the technical value for each tenement. A further market factor is then considered to derive a market value.

The BAC incorporates annual rental, administration, and application fees, in addition to nominal indicative minimum expenditure on acquisition. The current BAC has been estimated by SRK at A\$492/km² for WA ELs (Table 6-5).

Table 6-5: Exploration Licence base acquisition cost

Metric	Unit	Value
Average licence size	km ²	67.7
Average licence age	Years	4
Application fee	A\$ per licence	1,580
Annual rent Year 1–3	A\$ per km ²	45.82
Annual rent Year 4	A\$ per km ²	38.67
Minimal annual expenditure Year 1–3	A\$ per km ²	324.96
Minimal annual expenditure Year 4	A\$ per km ²	243.72
Costs of identification, legal costs and negotiations and compensation agreements	A\$ per licence	35,132
Annual rates	A\$ per licence	2,000
BAC of average exploration licence	A\$ per km ²	492
BAC of average exploration licence	A\$ per ha	4.92

Source: SRK analysis

In converting its implied Technical Values to a Market Value, SRK has applied a 40% and 20% discount to the tenements under application (for Darling Range and PGEs, respectively). The greater discount of 40% has been applied to the Darling Range Project because of the uncertainty surrounding the impact of the conditions of grant and resultant timing implications for processing of the application.

The rating criteria used for assessing the modifying factors are provided in Table 6-6. These rating criteria have been modified by SRK and the scorecard is presented in Appendix B.

Table 6-6: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/ basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
2.0	Several old workings in district	Several old workings or Exploration Targets identified	Multiple exploration models being applied simultaneously	
2.5		Mine or abundant workings with significant previous production	Well-defined exploration model applied to new areas	Significant grade intercepts evident but not linked on cross or long sections
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	Several economic grade intercepts on adjacent sections
5.0	Along strike for a world-class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstrat, 2009 and Agricola Mining Consultants, 2011.

On this basis, SRK's range for the market value of the exploration potential at the Company's Projects using the cost-base geoscientific rating method is estimated to be between A\$1.0 M and A\$4.0 M (Table 6-7). SRK has elected to adopt the mid-point of this range to inform its preferred value given technical uncertainty.

Table 6-7: Valuation using the geoscientific method

Tenement	Project	Low (A\$)	High (A\$)	Preferred (A\$)
EA70/5111	Darling Range Bauxite	\$927,000	\$2,576,000	\$1,751,000
E52/3861	Sylvania	\$80,000	\$261,000	\$171,000
E58/0562	Challa	\$3,000	\$8,000	\$6,000
E59/2496	Boodanoo	\$23,000	\$78,000	\$51,000
E36/1010	Bulga	\$175,000	\$561,000	\$368,000
E36/1011	Bulga	\$133,000	\$425,000	\$279,000
EA36/1025	Bulga	\$346,000	\$1,401,000	\$873,000
E70/5767	Melbourne	\$114,000	\$458,000	\$286,000
EA70/5921	Melbourne	\$88,000	\$350,000	\$219,000
Total		\$1,889,000	\$6,118,000	\$4,004,000

6.3 Valuation summary

Table 6-8 summarises SRK's market value assessment for the Project and its related tenure in accordance with its mandate from Pacific Bauxite. SRK's overall preferred valuation uses an average of the preferred values implied using the market and cost-based methods.

Table 6-8: Valuation summary (Market Value, unfunded, standalone basis)

Valuation Method	A\$ M		
	Low Value	High Value	Preferred Value
Darling Range			
Comparable Market Transactions	1.047	2.094	1.571
Geoscientific Method	0.927	2.576	1.751
SRK Preferred Range	0.99	2.34	1.66
PGE Tenement			
Comparable Market Transactions	1.00	2.34	1.67
Geoscientific Method	0.96	3.54	2.25
SRK Preferred Range	0.98	2.94	1.96
Total	1.97	5.27	3.62

On this basis, SRK is of the opinion that the market is likely to pay between A\$2.0 M and A\$5.3 M, with a preferred value of A\$3.6 M for the exploration potential of Pacific Bauxite's mineral assets.

The facts, opinions and assessments presented in this Report are current at the Effective Date of 2 December 2021.

6.4 Value range and uncertainty

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with exploration assets.

The wide range in value is driven by the confidence limits placed around the size and quality of the mineral occurrences assumed to occur within each project area. Typically, this means that as exploration progresses and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained mineral and its potential to be extracted profitably.

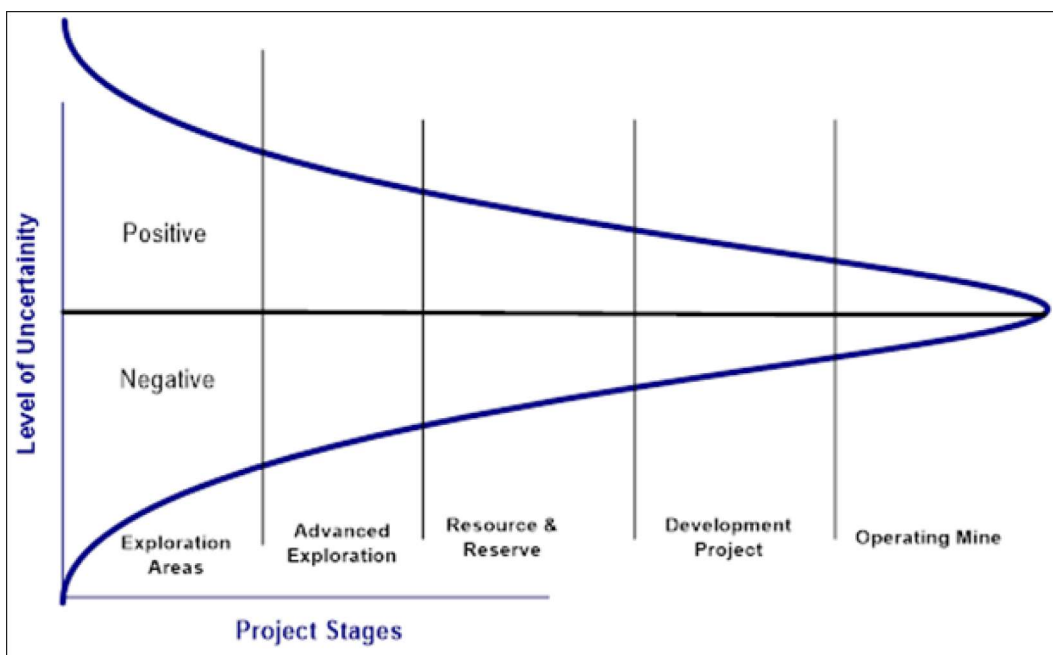
Estimated confidence of plus or minus 60% to 100% or more are not uncommon for exploration areas and are within acceptable bounds given the level of uncertainty associated with early to advanced stage exploration assets. By applying narrower confidence ranges, one is actually implying a greater degree of certainty regarding these assets than may be the case in reality (Figure 6-1).

Pacific Bauxite tenements are exploration assets in the early stages of assessment. Therefore, there are significant uncertainties around their attributes. This results in a wide valuation range.

Where possible, SRK has endeavoured to narrow its valuation range. In recognising this wide range, SRK has also indicated a preferred value for each tenement.

The preferred value can be the midpoint of the range unless there is a specific reason to choose a bias to either side of the midpoint within the range.

Figure 6-1: Uncertainty by advancing exploration stage



Source: SRK analysis

Closure

This report, An Independent Technical Assessment and Valuation Report on the Mineral Assets of Pacific Bauxite Limited, was prepared by



Handwritten signature of Shaun Barry over the SRK Consulting logo.

Shaun Barry
Principal Consultant

and reviewed by



SRK Consulting logo.

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Jeames McKibben
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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Appendix A Comparable transactions

Australian comparable transactions of early-stage exploration projects

Transaction date	Project	Buyer	Seller	Normalised implied value (A\$/km ²)
24/02/2017	Two tenements	Legend Mining Limited	Musgrave Minerals Limited	1,047
10/04/2017	Northern Yerrida tenements	Sandfire Resources NL	Great Western Exploration Limited	898
28/02/2018	E59/2257 and E59/2259	Santa Fe Minerals Limited	Gunex Pty Ltd.	517
3/07/2018	Southern Hills tenements	IGO Limited	Creasy Group Pty. Ltd.	39,794
3/07/2018	E53/1802 and E53/1788	Rox Resources Limited	Undisclosed seller	15,071
22/08/2018	Mt Windarra Project	Acacia Coal Limited	Private investors - Mr. Peter Gianni & Mr. Robert Jewson	3,540
7/09/2018	E16/489	Aldoro Resources Limited	Private investor - Peter Romeo Gianni	5,118
20/09/2018	E37/909	PVW Resources NL	Minotaur Exploration Limited	10,662
10/04/2019	Green Dam project	St Barbara Limited	Element 25 Limited	8,252
26/06/2019	E28/2587	Carnavale Resources Limited	Private investor - Simon Buswell-Smith	9,184
11/07/2019	Saints and Leinster projects	Auroch Minerals Limited	Minotaur Exploration Limited	13,182
4/10/2019	E08/9242	Todd River Resources Limited	Cratonix Pty Ltd	6,386
11/11/2019	Kurnalpi project	Carnavale Resources Limited	Mithri Resources Limited	6,257
5/12/2019	Mt Alexander project	Carnavale Resources Limited	Private investor - Mathew Vanmaris	17,201
17/06/2020	Symons Hill project	IGO Limited	Matsa Resources Limited	103,253
1/07/2020	E70/5204	Todd River Resources Limited	Avenger Projects Ltd	7,419
1/07/2020	E70/5385	Todd River Resources Limited	Undisclosed seller	25,718
17/07/2020	EL47/2481	Azure Minerals Limited	Creasy Group Pty. Ltd.	96,529
24/07/2020	E29/1041	St George Mining Limited	Single Figures Pty Ltd	950
27/07/2020	Four exploration licences	Auroch Minerals Ltd.	Jindalee Resources Limited	921
4/09/2020	Fraser Range tenements	IGO Limited	Boadicea Resources Ltd.	97,358
26/10/2020	Jimperding project	Mandrake Resources Limited	Andean Energy Resources Pty Ltd	9,810
10/12/2020	McKenzie Springs project	Fin Resources Limited	Cazaly Resources Limited	1,239
8/02/2021	Bedonia East project	Moneghetti Minerals Limited	Ardea Resources Limited	1,112

Transaction date	Project	Buyer	Seller	Normalised implied value (A\$/km²)
11/03/2021	Barracuda Project	Carnavale Resources Limited	Investor Group	5,483
7/06/2021	1,549 ha	Ardea Resources Limited	Undisclosed seller	131,745
29/08/2021	Snake Hill tenement	Metal Hawk Limited	Private investor - Rino Borrromei	26,692
14/10/2021	E09/2359 tenement	Dreadhought Resources Limited	Prager Pty Ltd.	19,634
25/10/2021	E70/5762 tenement and technical information of six Project areas	Moho Resources Limited	Whistlepipe Exploration Pty Ltd	2,291
5/11/2021	E28/2797 tenement	Gaillieo Mining Ltd	Private investor - S. E. Creasy	2,297

Source: S&P Global, SRK Consulting

Appendix B Geoscientific rating method calculations

Geoscientific approach – modified Kilburn rating for Exploration Licences

Permit	Area* (km ²)	BAC	Equity Interest	Off-property		On-property		Geology		Anomaly		Application	Valuation (A\$ M)	
				Low	High	Low	High	Low	High	Low	High		Low	High
ELA70/5111	349.0	492.0	100%	1	1.5	1.8	2.2	2.5	3	2	2.5	0.6	0.93	2.58
EL52/3861	134.7	492.0	100%	2	2.5	1	1.5	1	1.5	0.6	0.7	1.0	0.08	0.26
EL58/0562	3.0	492.0	100%	2	2.5	1	1.5	1	1.5	0.9	1	1.0	0.00	0.01
EL59/2496	39.3	492.0	100%	1.5	2	1	1.5	1	1.5	0.8	0.9	1.0	0.02	0.08
EL36/1010	63.4	492.0	100%	2.5	3	1	1.5	1.5	2	1.5	2	1.0	0.18	0.56
EL36/1011	48.0	492.0	100%	2.5	3	1	1.5	1.5	2	1.5	2	1.0	0.13	0.43
ELA36/1025	351.6	492.0	100%	2.5	3	1	1.5	1	1.5	1	1.5	0.8	0.35	1.40
EL70/5767	103.4	492.0	100%	1.5	2	1	1.5	1	1.5	1.5	2	1.0	0.11	0.46
ELA70/5921	99.0	492.0	100%	1.5	2	1	1.5	1	1.5	1.5	2	0.8	0.09	0.35
Total													1.89	6.12

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