

QUARTERLY ACTIVITIES REPORT - PERIOD ENDING 31 MARCH 2018

PERIOD OVERVIEW - EXPLORATION

- **Initial Exploration Target confirmed at South West New Georgia Bauxite Project (SWNG) in the Solomon Islands:**
 - Exploration Target of 5.92Mt – 10.05Mt @ 41.0% – 48.0% Al₂O₃ and 9.5% - 11.8% SiO₂;
 - Multiple large high-grade targets with DSO quality bauxite characteristics have been defined, including three high-grade bauxite targets;
 - Testing in these areas returned average-grade bauxite results of above 45% Al₂O₃, with peak results of +55% Al₂O₃;
 - Large areas of SWNG prospective for bauxite remain untested, providing significant potential exploration upside; and
 - Resource definition program will be undertaken as a priority – consultants CSA Global engaged to manage and complete Resource definition.
- **Pacific Bauxite acquired the Darling Range Bauxite Project (Darling Range) in Western Australia:**
 - Darling Range provides a low-cost entry point to a large bauxite resource in an established, globally recognised bauxite region;
 - Comprises two Exploration Licence Applications over a total area of 405 km², approximately 60 km northeast of Perth;
 - Hosts a JORC 2004 Inferred Resource of 89.3Mt @ 41.75 % Al₂O₃; and
 - Upgrading resources to JORC 2012 compliance to be completed subsequent to the granting of the leases.
- **Exploration has commenced at Nendo Bauxite Project in the Solomon Islands**
 - Exploration targeting identified high grade zones of bauxite mineralisation has been designed to deliver an Exploration Target followed by a maiden Resource Estimate;
 - Activities include low-impact hand-auger drilling and detailed site surveys that are expected to result in Exploration Target and Resource estimations; and
 - Company's highly successful, ongoing community awareness and engagement programs have paved the way for continued prospecting.

CORPORATE

- **Mr. Peter Lewis was appointed to the Board as a Non-Executive Director**
- **Mr. Andrew Harwood of CSA Global appointed as Project Manager (post-Quarter), to advance the Company's Solomon Islands bauxite projects**

Pacific Bauxite Ltd (**Pacific Bauxite** or **Company**) (ASX: PBX) is pleased to present its Quarterly Activities Report for the period ending 31 March 2018.

During the Quarter, the Company's activities resulted in the establishment of an initial Exploration Target at its South West New Georgia Bauxite Project (**SWNG**) in the Western province of the Solomon Islands, and acquisition of the Darling Range Bauxite Project (**Darling Range**) in Western Australia.

Following extensive exploration at SWNG, the Company was pleased to announce a large initial Exploration Target* of **5.92Mt – 10.05Mt @ 41.0% – 48.0% Al₂O₃ (alumina) and 9.5% - 11.8% SiO₂ (silica)**, estimated at the Kindu and Dundee prospects. These two targets are now the priority focus for Resource definition work at SWNG, scheduled to commence in the near future.

Post-Quarter, the Company was pleased to announce the commencement of the next phase of drilling at the Nendo Bauxite Project (**Nendo**). Exploration will target high grade zones of bauxite mineralisation identified in the Company's previous phase of exploration at the Project. The current phase of work is designed to generate sufficient data to confirm an Exploration Target.

Both projects are located in the Solomon Islands and have provided the Company with enormous scope to identify and develop significant bauxite deposits within the Solomon Islands region, where the Company is seeking to establish premium grade bauxite mining operations for export into the Asian market.

Darling Range is located in the Darling Ranges approximately 60 km northeast of Perth, Western Australia (**Acquisition**), and comprises two Exploration Licence Applications (ELA 70/5111 and ELA 70/5112) covering a total area of 405 km².

The Project area hosts a JORC 2004 inferred mineral Resource estimate of 89.3Mt @ 41.75% total Al₂O₃ and 4.43% reactive SiO₂, inclusive of nine main resource areas over a strike of approximately 75 km. The Acquisition is consistent with the Company's strategy of building high quality bauxite asset portfolio in targeted jurisdictions.

The Company is targeting DSO-quality bauxite operations in both Australia and the Solomon Islands, with grades of 40% - 45% total Al₂O₃ and 5% -10% total SiO₂ in order to position itself to help satisfy the forecasted near term growth in global bauxite demand.

SOLOMON ISLANDS PROJECT SUMMARY

Initial Exploration Target Defined

During the Quarter, the Company was pleased to announce a large initial Exploration Target at its South West New Georgia Bauxite Project (**SWNG**) in the Western province of the Solomon Islands.

The Company's exploration activities resulted in the definition of large areas of high-tenor bauxitic soils, grading +40% Al₂O₃, (alumina) (Figure 1). Distinct high-grade targets, with characteristics suitable for DSO quality bauxite, have been identified throughout the SWNG area in this recent phase of exploration.

Two areas in the southern part of the SWNG Prospecting Licence - the Kindu and Dundee prospects - were identified as priority targets due to the high grade Al_2O_3 and low-silica content.

An initial Exploration Target* of **5.92Mt – 10.05Mt @ 41.0% – 48.0% Al_2O_3 and 9.5% - 11.8% SiO_2** (Tables 1 and 2) has been estimated at the Kindu and Dundee prospects. These two targets are now the priority focus for Resource definition work, scheduled to commence in the near future.

Tonnes		Total Al_2O_3		Total SiO_2	
From	To	From	To	From	To
5,920,000	10,050,000	41.0	48.0	9.5	11.8

Table 1 – Initial Exploration Target for the Kindu and Dundee Prospects, South West New Georgia Project.

**This Exploration Target is not a Mineral Resource as defined by JORC 2012. The target is conceptual in nature and, to date, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Additional details defining the basis for this target are presented within this document.*

The Exploration Target was defined using the results of the Company's recently completed extensive auger drilling and sampling program at the Project. A total of 562 hand-auger holes were completed, with 1092 samples taken; of these samples, 979 were analysed at the Company's field laboratory via hand-held XRF.

Representative samples from the recently completed program will now be sent to a certified Australian laboratory for detailed analysis.

South West New Georgia Bauxite Project

The South West New Georgia (**SWNG**) Prospecting Licence covers an area of 236km² and targets bauxitic clays on uplifted limestone reef (averaging more than 100m above sea level). Much of the tenure at SWNG appears unexplored, and represents a significant exploration opportunity for Pacific Bauxite. The area to be explored within the new Prospecting Licence is three times the area being targeted at Nendo.

Prior exploration by Australian companies in the early 1970's identified extensive areas of bauxite mineralisation and postulated the potential for economic deposits at SWNG. Historical work targeted the southern part of the application, north of the town of Munda, and included several hand-auger drilling programs and test pitting.

The main campaign of drilling focused on an area of approximately 3.5 km by 1 km and included 39 auger holes for 101 samples. This work identified substantial tonnages of material with grades of between 40% and 45% total Al_2O_3 and 5% to 10% total SiO_2 .

The Company believes SWNG is prospective for large tonnage, DSO bauxite mineralisation, which appears analogous with deposits in the Solomon Islands' Nendo and Rennell Islands (Figure 2). This style of mineralisation provides the opportunity for quick, cost-effective resource definition and a simple, low cost, dig-load-ship style mining operation.

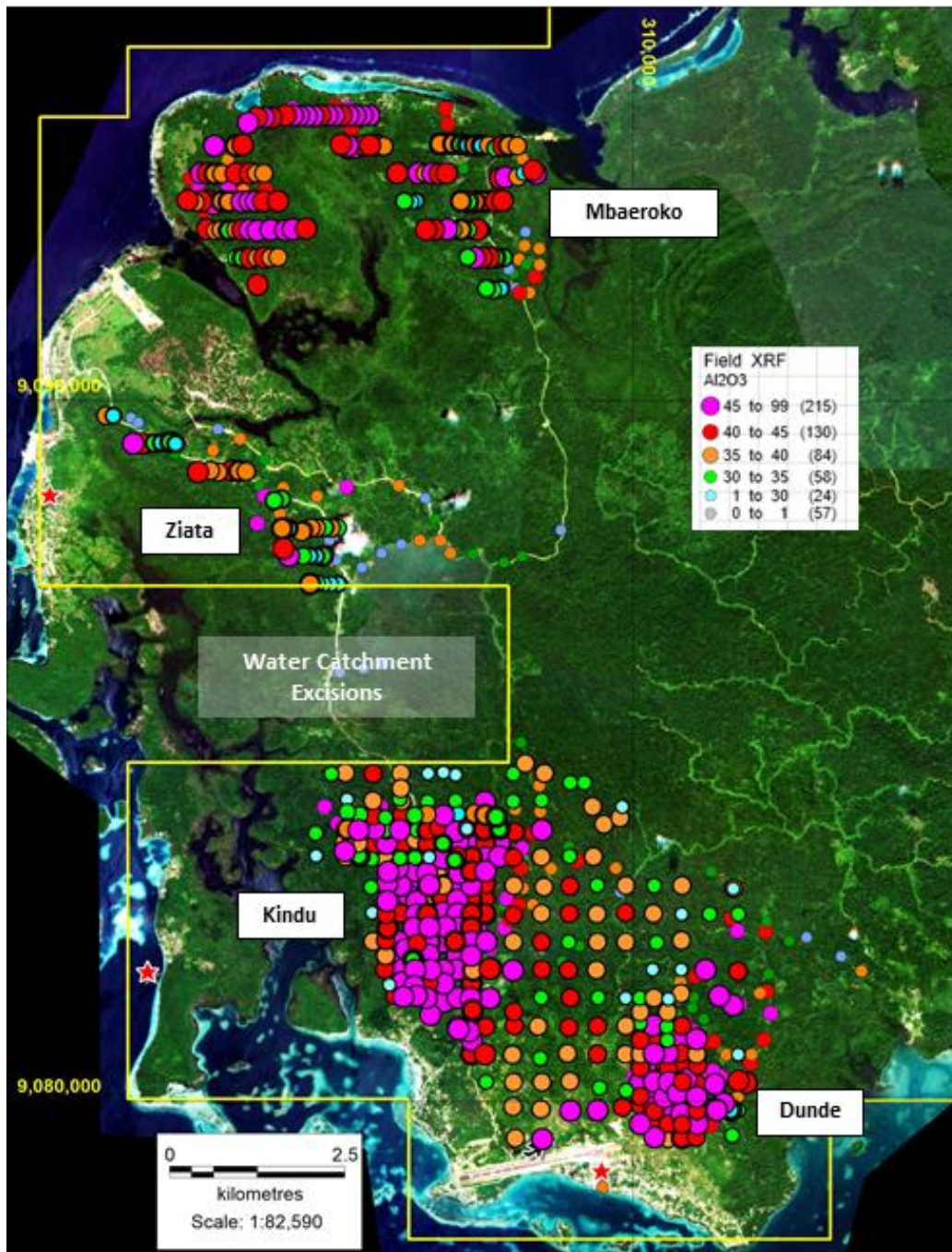


Figure 1 – Satellite Imagery of the SNWG Project, including auger drilling locations colour coded with grade ranges for field hand-held XRF Al_2O_3 results.

The Prospecting Licence has been granted to Pacific Bauxite by the Solomon Islands Government's Ministry of Mines, Energy and Rural Electrification (**MMERE**) for an initial period of three years and can be extended for two years upon application. A further extension of two years may be applied for, totaling seven years.

The Company has received overwhelming widespread local support for its proposed prospecting activities at SWNG. The Prospecting Licence was granted followed the Company's extensive Awareness Program involving all stakeholders including traditional landowners, local communities, and both Provincial and National Government representatives.

High-grade bauxite regions identified at SWNG

The Company has identified three high-grade bauxite targets during its reconnaissance-sampling program. The sampling program included 199 hand-auger drill holes and 40 shallow test-pits, for a total of 239 samples. Hand-held XRF results have been completed for all samples, with 130 (54%) samples returning results of more than 40% Al_2O_3 .

The program resulted in the discovery of three distinct high grade targets, each returning peak results of between 55% and 57% Al_2O_3 (Figure 1). Sampling to date indicates the mineralisation at SWNG contains higher SiO_2 content than the Company's Nendo Project. However, with results as low as less than 1% total SiO_2 and almost one third of the samples containing below 16% total SiO_2 , there is potential to delineate significant tonnages of DSO quality, high value material with lower SiO_2 content.

The critical "reactive silica" content is expected to be substantially less than the total SiO_2 content measured by the hand held XRF. As the "reactive silica" and "available alumina" analysis for these samples cannot be tested with the handheld XRF tool, representative samples have been sent to a certified Australian laboratory for analysis. Results will be announced when received.

Significant infrastructure requirements in place

SWNG is adjacent to commercial port facilities offering significant infrastructure advantages for any future export mining operations. The Noro Port can accommodate Handymax and Supermax bulk cargo ships and is subject to an infrastructure upgrade program in the near term. The SWNG project is well serviced by daily domestic flights from Honiara to Munda Airport, which is currently being upgraded to accommodate international flights. Access within the project appears good with extensive logging tracks crisscrossing the Prospecting Licence.

Nendo Bauxite Project – Commencement of Next Phase of Drilling

The Nendo Bauxite Project (**Nendo**) located in the Solomon Islands (Figure 2) has demonstrated extensive areas of potentially high-grade direct shipping ore (**DSO**) bauxite mineralisation (ASX announcement 27 September 2016). While much of the project area remains unexplored, the Company has delineated an initial priority target area of approximately 12 km by 2 km.

Post-Quarter, the Company was pleased to announce the commencement of the next phase of drilling at Nendo.

Exploration will target high grade zones of bauxite mineralisation identified in the Company's previous phase of exploration at the Project. The current phase of work is designed to generate sufficient data to confirm an Exploration Target. Subject to results, this would be followed by a maiden Resource estimate.

Pacific Bauxite's previous exploration programs at Nendo have confirmed the presence of extensive, high-quality bauxitic soils. Concurrently, the Company has worked with local communities to establish landowner consultation groups and community trusts, empowering stakeholders to be fully engaged in the exploration process. This community engagement has, and will continue to, include training and employment opportunities for local people.

To date, the Company has completed first phase reconnaissance prospecting at Nendo and has identified significant areas of bauxite mineralisation (ASX announcements 19 May, 7 July and 25 August 2016). The work undertaken included drilling shallow hand auger holes on a wide spaced pattern, with negligible environmental impact. Prospecting has been carried out with the assistance and employment of local landowners, which provided transparency of the Company's activities and provided the opportunity to educate and inform the local communities of the resources existing on their land.

The current phase of exploration will target higher grade zones of bauxite mineralisation; activities will include low-impact hand-auger drilling, detailed site surveying, test pits and trenching, specific gravity and metallurgical test work. Samples will be sent to an accredited independent Australian laboratory for analysis.

Field activities are expected to be completed over the next two months, with results from this work to be released to the market as they become available.



Figure 2 – Solomon Project Locations

On-going community engagement

Prior to, and as a condition of, the granting of Prospecting Licences at Nendo and SWNG, the Company completed extensive education and awareness presentations with the local communities and landowners. This activity was overseen, documented and photographed by a representative of the MMERE (National Government). In support of this process, it is the Company's policy to provide ongoing awareness programs and information to the local communities to ensure that all stakeholders are fully informed of the Company's activities on an ongoing basis.

The Company has not conducted sufficient work to warrant a decision to mine bauxite on either of the projects. Should this occur, the Company would be required to submit comprehensive mining, social and environmental studies for scrutiny and approval by the national and provincial governments, as well as (and most importantly) the landowners. As a matter of course, for the benefit of all stakeholders including Pacific Bauxite shareholders, these requirements would be completed to best practice standards as required in the Solomon Islands and Australia.

Regardless of location, the Company addresses rehabilitation and sustainability in any proposal for mining. It is one of the Company's beliefs - and a key social and corporate responsibility - that any successful mining operation must identify and provide on-going, long-term benefits for the local communities. The Company's approach would be based on long-term sustainable land use, not short-term gain.

AUSTRALIAN PROJECT SUMMARY

New Project Acquisition: Darling Range Bauxite Project, Western Australia

During the Quarter, the Company announced it had acquired the Darling Range Bauxite Project (**Darling Range**) located in the Darling Ranges northeast of Perth, Western Australia. The Acquisition is consistent with the Company's strategy to build a portfolio of high quality bauxite assets in targeted jurisdictions, in order to position itself to help satisfy the forecasted near term growth in global bauxite demand.

Darling Range comprises two Exploration Licence Applications (ELA 70/5111 and ELA 70/5112), which cover a total area of 405 km² within the Darling Ranges, approximately 60 km northeast of Perth (Figure 3). The Darling Range project area hosts a JORC 2004 Inferred Mineral Resource estimate of 89.3Mt @ 41.75% total Al₂O₃ and 4.43% reactive SiO₂, inclusive of nine main resource areas over a strike of approximately 75km. See Table 1, below, for Resource details.

Darling Range	Tonnes (MT)	Total Al ₂ O ₃ %	Available Al ₂ O ₃ %	Reactive SiO ₂ %	LOI %
Total Inferred Resource	89.3	41.75	28.51	4.43	19.21

Table 1: Published JORC (2004) compliant Mineral Resource estimate (IRM, 2011) at a cut-off of 26% Available Al₂O₃.

The tenements covering Darling Range were previously held by Pacific Bauxite (when it was named Iron Mountain Mining (ASX:IRM)). The Company sold the Darling Range tenements to

Chinese-backed private mineral resources investment company Alpha Bauxite Pty Ltd (**Alpha**) in 2012 (IRM ASX announcements, 6 March 2012 and 24 August 2012). Alpha subsequently surrendered its tenure in June 2017.

Given the Company's previous exposure and understanding of the Darling Range project area, it viewed the opportunity to acquire the asset as a highly attractive, low-cost entry point to a potentially high quality, advanced bauxite project with significant upside, in a major, established bauxite region.

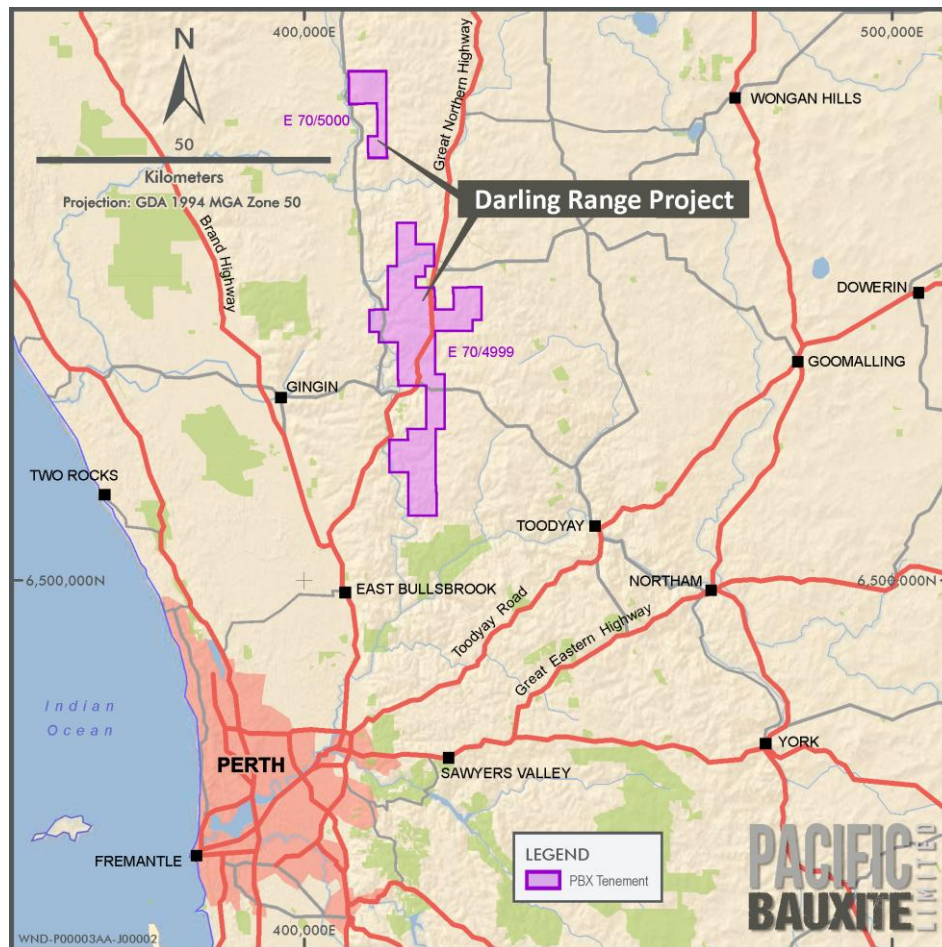


Figure 3 – Darling Range Project Location

The Darling Ranges host extensive bauxite resources and have a long history of exploration and mining. Production commenced in the region in the 1960's and it currently hosts major bauxite mining operations including South 32's Worsley Alumina and Alcoa.

Proposed Strategy and Activity

Upon the successful granting of the Exploration Licence Applications by the Western Australia Department of Mines, Industry Regulation and Safety, Pacific Bauxite plans to assess and review the JORC Mineral Resource estimates, with a view to upgrading the Resource to JORC 2012 compliance as a priority. The Company will also plan fieldwork programs designed to define the extent of the mineralised zones.

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The Darling Range tenements are subject to multiple and varied land-use stakeholders. The Company will undertake an extensive review of any conflicting land-uses, access issues and infrastructure in its assessment of the Project's existing Resource prior to the commencement of any ground disturbing fieldwork.

The Acquisition

The consideration payable by Pacific Bauxite to Nearology Pty Ltd for assistance in relation to the Acquisition comprises the aggregate of:

- 1,000,000 fully paid ordinary shares in Pacific Bauxite, issued on settlement;
- A one-off cash payment of \$30,000, with payment deferred subsequent to any future equity capital raising by Pacific Bauxite.

Golden Camel Project, Victoria

Pacific Bauxite retains a royalty of A\$2/t on all gold ore mined after the first 20,000oz has been produced from the Golden Camel Project, which contains a Measured, Indicated & Inferred JORC (2012) Resource of 266,000t @ 1.7g/t Au within Mining Licence 5548.

Golden Camel Mining Pty Ltd (**GCM**) is developing the Golden Camel Project and the Company will report updates to the market as they are received from GCM.

Mount Richardson Project

Cliffs Asia Pacific Iron Ore Pty Ltd is the owner of E29/571 following the sale of the Mt Richardson Project on 13 July 2010. Pacific Bauxite retains a royalty of 2% on average/tonne FOB sales value of iron ore product that departs E29/571 as well as a one off payment of AUD 0.50 per dry metric tonne on tonnages in excess of independently evaluated Indicated or Measured Resources of 10,000,000 tonnes.

Rogetta Project, Tasmania

The Rogetta Project (formerly Blythe Iron Ore Project) is owned and operated by Forward Mining Ltd. The Company is entitled to a stream of milestone payments and royalty benefits subject to mining commencing at Rogetta. Mining Lease ML1996P/M was granted on 4 June 2015 for a proposed magnetite iron ore mine at Rogetta and is currently has an EPA Assessment in Progress.

CORPORATE

Cash Position

The Company closed the March 2018 Quarter with approximately \$284,000 in cash.

Issue of Shares

On 15 January 2018, the Company advised it had issued 1,000,000 fully paid ordinary shares in relation to the acquisition of two Exploration Licence Applications in Western Australia.

Board Restructure

On 30 January 2018, the Company advised Mr. Peter Lewis was appointed to the Board as a Non-Executive Director following the resignation of Mr. Mark Gwynne as Executive Director.

Post-Quarter, the Company advised of Mr. Gwynne's resignation from the role of Chief Executive Officer to pursue other opportunities (ASX announcement 30 April 2018). Mr. Gwynne played an instrumental role in the development of the Company's bauxite assets in the Solomon Islands, and the Board thanks him for his stewardship of the Company during his tenure and wishes him well in his future endeavors.

The Board will make a decision regarding the vacant Chief Executive Officer position in due course

Solomon Islands Project Manager Appointed

Post-Quarter, the Company advised the appointment of Mr. Andrew Harwood of CSA Global as Project Manager for the Company's projects in the Solomon Islands (ASX announcement 30 April 2018). Mr. Harwood has over 30 years' experience as a geologist in exploration and mining across a range of deposit types and jurisdictions, including the South West Pacific region.

Mr. Harwood will be responsible for implementation of the approved strategies and all activities at the Company's projects in the Solomon Islands, including technical environmental, legal, finance, landholder, and government relations. Mr. Harwood's appointment will be for an initial short term basis with an option of becoming a full-time employee of the Company by mutual agreement.

Ends.

For further information, visit www.pacificbauxite.com.au or contact:

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Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG, Mr Smith is an employee and Director of the company. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward looking Statements in the announcement based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

**PBX SCHEDULE OF INTERESTE IN MINING TENEMENTS
(as required by ASX Listing Rule 5.3.3)**

Mining Tenements at 31 December 2017

Location	Tenement	Name	Holder	Equity	Status	Area
Solomon Islands	PL01/16	Nendo	Pacific Bauxite Ltd	50%	Granted	447 km ²
Solomon Islands	PL04/17	South West New Georgia	Pacific Bauxite Ltd	50%	Granted	236 km ²
Western Australia	ELA 70/5111 ELA 70/5112	Darling Range	Pacific Bauxite Ltd	100%	Applications	405 km ²

Mining Tenements Acquired During the Quarter

Applications, ELA 70/5111 and ELA 70/5112, Darling Range Bauxite Project, Western Australia.

Mining Tenements Disposed During the Quarter

None to report.