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## NENDO PROJECT UPDATE

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Pacific Bauxite Limited (ASX: PBX) (**Pacific Bauxite** or **Company**) is pleased to provide the following update on the Nendo Bauxite Project, located in the Solomon Islands (ASX Announcement 23 October 2018).

On 23 November 2018, the High Court of the Solomon Islands heard an application for the determination of issues pursuant to r.12.11 of the Court Rules. The Company's 50% owned joint venture company, Eight South Investments Pty Ltd (**JVC**), is the Claimant in those proceedings. There were 6 issues for the determination by the Court, the primary issue being whether or not the Minister of Mines, Energy and Rural Electrification (**Minister**) acted *ultra vires* in cancelling Prospecting Licence PL 01/16 (**PL 01/16**).

If the JVC is successful in one of the six issues, it has sought:

1. a declaration that the cancellation of PL 01/16 by the Minister was *ultra vires*;
2. alternatively, an order quashing the Minister's decision to cancel PL 01/16;
3. a declaration that PL 01/16 is valid; and
4. an order that the Defendants pay the Claimant's costs, including reserved costs, with certification for overseas Counsel.

If those orders are made, proceedings will be concluded, with the effective return of PL 01/16 to JVC. If the JVC is unsuccessful, the proceedings will continue. The JVC can also consider appealing the ruling.

The Court has reserved its decision and is required to hand its decision down within the next 3 months. However, the Court has indicated it may hand down its decision prior to the close of the judicial year on 14 December 2018.

The interim injunction granted to the JVC restraining the Director of the Minerals Board and Minister from accepting any applications from, or granting any conflicting tenements to, any person other than the JVC in relation to any minerals in the area described in PL 01/16, pending the determination of the High Court proceedings by JVC or earlier order, continues.

The Company and JVC representatives will continue to pursue out-of-court negotiations and aggressively pursue all available options to resolve the matter for the benefit of the Company and other stakeholders, and will continue to update the market with any material progress.

# PACIFICBAUXITELIMITED

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