
SALE OF RESIDUAL INTERESTS IN MILESTONE AND ROYALTY PAYMENTS

Pacific Bauxite Limited (ASX: PBX) (**Pacific Bauxite** or **Company**) is pleased to announce it has entered into an agreement with Cylinder Cove Pty Ltd (**CCPL**) for the sale of its residual interests in milestone payments and royalties from the Mt Richardson, Rogetta and Golden Camel projects, for a consideration of A\$1.5m.

The milestone payments and royalties include the following:

Mt Richardson Project, Western Australia (the Mt Richardson Royalty)

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 following milestone payments and royalties (together, the **Rogetta Milestone Payments**):

- A\$1,000,000 upon the first shipment of iron ore from the Rogetta Project tenements;
- A\$2,000,000 upon the first anniversary of the shipment of iron ore from the Rogetta Project tenements; and
- A\$2,000,000 upon the second anniversary of the shipment of iron ore from the Rogetta Project tenements.

In addition, there is a royalty of 1.5% payable on the gross Free-on-Board revenue from all iron ore shipments from the Rogetta Project tenements (**Rogetta Royalty**).

Golden Camel Project, Victoria (the Golden Camel Royalty)

A royalty of A\$2/tonne on all gold ore mined after the first 20,000oz has been produced from the project.

Key terms of the Sale:

1. A\$5,000 to be paid to the Company by CCPL as a non-refundable exclusivity fee within 24 hours.
2. CCPL completing due diligence and the Company obtaining the required consent in relation to the Golden Camel Royalty within 45 days (the

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Condition Precedent Date). If satisfied or waived within that period, a further \$5,000 is to be paid to the Company.

3. Forward Mining Ltd (the current holder of the Rogetta project) not exercising its pre-emptive right to acquire the Rogetta Royalty within 95 days.
4. There will be two completion dates as follows:
 - I. Settlement of the Mt Richardson Royalty, the Rogetta Milestone Payments and the Golden Camel Royalty will occur within 30 days of the Condition Precedent Date, and CCPL shall pay the Company A\$1,000,000 on this date.
 - II. Settlement of the Rogetta Royalty will occur within 50 days of the Condition Precedent Date, and CCPL shall pay the Company A\$500,000 on this date.

The Company believes if the sale proceeds to completion it will be a positive outcome for Shareholders.

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

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