

**PACIFIC BAUXITE LIMITED**  
**ACN 112 914 459**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of one (1) Share for every two (2) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$991,535 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Peter Lewis (Non-Executive Chairman)  
Craig Smith (Non-Executive Director)  
Campbell McKenzie (Non-Executive Director)

### Company Secretary

Ms Melissa Chapman  
Ms Catherine Grant-Edwards

### Registered Office

Level 3, 33 Ord Street  
West Perth WA 6005

Telephone: + 61 8 9481 4478  
Facsimile: +61 8 9486 4833

Email: [info@pacificbauxite.com.au](mailto:info@pacificbauxite.com.au)  
Website: [www.pacificbauxite.com.au](http://www.pacificbauxite.com.au)

### Share Registry\*

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000

Telephone: +61 8 9323 2000  
Facsimile: +61 8 9323 2033

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Auditor\*

Rothsay Chartered Accountants  
4 Ventnor Avenue  
West Perth WA 6005

Telephone: +61 8 9486 7094

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	11 September 2019
Lodgement of Prospectus & Appendix 3B with ASX	11 September 2019
Notice sent to Optionholders	18 September 2019
Notice sent to Shareholders	19 September 2019
Ex-date	23 September 2019
Record Date for determining Entitlements	24 September 2019
Prospectus sent out to Shareholders & Company announces this has been completed	26 September 2019
Closing Date*	18 October 2019
Shares quoted on a deferred settlement basis	21 October 2019
ASX notified of under subscriptions	23 October 2019
Issue date/Shares entered into Shareholders' security holdings	25 October 2019

\*The Directors may extend the Closing Date by giving at least 3 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 11 September 2019 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements

contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

The Offer is being made as a non-renounceable entitlement issue of one Share for every two Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 198,307,017 Shares will be issued pursuant to this Offer to raise up to \$991,535.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

### **4.2 Minimum subscription**

There is no minimum subscription.

### **4.3 Acceptance**

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
  - (i) complete the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.005 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

### **4.4 Payment by cheque/bank draft**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to Pacific Bauxite Limited and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

#### **4.5 Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### **4.6 Shortfall Offer**

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Offer.

Eligible Shareholders may apply for Shares under the Shortfall Offer in addition to their Entitlements subject to such applications being received by the Closing Date.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer.

No Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.



#### **4.7 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

#### **4.8 Issue of Shares**

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### **4.9 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

##### **New Zealand**

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### ***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.10 Enquiries**

Any questions concerning the Offer should be directed to Ms Melissa Chapman or Ms Catherine Grant-Edwards, Joint Company Secretaries, on +61 8 9481 4478.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$991,535.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Legal costs over tenure of NENDO Bauxite Project (Refer Section 7.2(b)).	125,000	13%
2.	Exploration work and resource definition work at NENDO Bauxite Project and Southwest New Georgia Bauxite Project	595,505	38%
3.	Expenses of the Offer <sup>1</sup>	31,030	2%
4.	Working capital	240,000	47%
	<b>Total</b>	<b>991,535</b>	<b>100%</b>

#### Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event that less than the full subscription is raised under the Offer, the Company intends to apply fund firstly towards the expenses of the Offer, secondly to the legal costs over tenure of the NENDO project, and then proportionately to exploration on the NENDO project and working capital.

The intentions of the Company in relation to the exploration work and resource definition work at NENDO may need to be modified or may not occur if there is insufficient funding to achieve these objectives.

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$991,535 (before expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 396,614,034 as at the date of this Prospectus to 594,921,051 Shares.

### 5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2019 and the unaudited pro-forma balance sheet as at 30 June 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 30 June 2019	PROFORMA 30 June 2019
<b>CURRENT ASSETS</b>		
Cash	233,893	1,194,398
Restricted cash	71,500	71,500
Trade and Other Receivables	35,526	35,526
<b>TOTAL CURRENT ASSETS</b>	340,919	1,301,424
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	118,416	118,416
<b>TOTAL NON-CURRENT ASSETS</b>	118,416	118,416
<b>TOTAL ASSETS</b>	459,335	1,419,840
<b>CURRENT LIABILITIES</b>		
Trade and other payables	183,689	183,689
Provisions	75,196	75,196
<b>TOTAL CURRENT LIABILITIES</b>	258,885	258,885
<b>NON-CURRENT LIABILITIES</b>		
Trade and other payables	7,721	7,721
<b>TOTAL NON-CURRENT LIABILITIES</b>	7,721	7,721
<b>TOTAL LIABILITIES</b>	266,606	266,606
<b>NET ASSETS (LIABILITIES)</b>	192,729	1,153,234
<b>EQUITY</b>		
Share capital	20,181,348	21,141,853
Options Reserve	1,624,540	1,624,540
Retained loss	(21,613,159)	(21,613,159)
<b>TOTAL EQUITY</b>	192,729	1,153,234

### 5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

## Shares

	Number
Shares currently on issue	396,614,034
Shares offered pursuant to the Offer	198,307,017
<b>Total Shares on issue after completion of the Offer</b>	<b>594,921,051</b>

## Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.08 on or before 1 December 2019	8,500,000
Unquoted exercisable at \$0.06 on or before 25 June 2021	68,310,044
New Options offered pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>76,810,044</b>

## Performance Rights

	Number
Performance rights currently on issue	10,500,000 <sup>1</sup>
Performance rights offered pursuant to the Offer	Nil
<b>Performance rights after completion of the Offer</b>	<b>10,500,000</b>

<sup>1</sup> The Performance Rights are subject to milestones

The capital structure on a fully diluted basis as at the date of this Prospectus would be 473,424,078 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 671,731,095 Shares.

### 5.5 Details of substantial holders

Based on publicly available information as at 11 September 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
MR SCOTT JAMES DODD <SCOTT DODD FAMILY A/C>	30,800,000	7.77

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

Mr Dodd has indicated to the Company that he intends to subscribe for 15,000,000 Shares pursuant to this Prospectus. In the event that Mr Dodd subscribes for these Shares, and no other Shareholders take up their Entitlements, Mr Dodd's voting power may increase to a maximum of 11.13%.

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## **6. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **6.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **6.2 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 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 a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a 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 for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **6.3 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 entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such 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.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **6.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **6.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **6.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

#### **6.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **6.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## **6.9 Alteration of 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 present 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.



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## **7. RISK FACTORS**

### **7.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **7.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 396,614,034 currently on issue to 594,921,051. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.005 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### **(b) Question as to tenure of Nendo Project**

On 6 June 2018, the Company announced that it had received correspondence from the Minister of Mines, Energy and Rural Electrification in the Solomon Islands advising that prospecting licence PL 01/16, held by its 50% owned subsidiary joint venture company Eight South Investments Pty Ltd (**JVC**), had been cancelled.

The reasons provided by the Minister for the cancellation of PL 01/16 included an unsatisfactory level of prospecting and the failure to establish amicable relations with the local communities. JVC and the Company are strongly of the view that these grounds are factually incorrect and therefore unjustified.

On 14 July 2018, JVC commenced proceedings in the High Court of Solomon Islands (**Court**) disputing the Minister's decision to cancel PL 01/16.

On 19 October 2018, the High Court delivered its ruling in relation to the Chapter 15 Conference that was held on 8 October 2019 (ASX Announcement 23 October 2018). The High Court found that:

- (i) JVC had an arguable case;
- (ii) JVC was directly affected by the subject matter of the claim; and
- (iii) there was no undue delay in bringing the claim; and
- (iv) there was no other remedy that resolves the dispute fully and directly.

On 23 November 2018, the Court heard an application for the determination of issues pursuant to r.12.11 of the Court Rules (ASX Announcement 26 November 2018). The Court reserved its decision and was required to hand its decision down within three months.

Subsequently, the Court sought additional information regarding the application and heard further submissions from the parties regarding the effects of that additional information (ASX Announcement 18 March 2019).

The Associate to the Judge informed the parties to the proceedings that the Court would deliver its decision in relation to the application on 5 April 2019.

The interim injunction granted to 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 the Prospecting License, pending the determination of the Court proceedings by JVC or earlier order, remained in effect.

On 5 April 2019, the Court delivered its ruling in relation to the proceedings commenced by the JVC (ASX Announcement 9 April 2019). The Court ordered that:

- (i) The Minister's decision to cancel PL 01/16 was beyond power, quashed, and declared null and void.
- (ii) PL 01/16 was valid as at 24 May 2018.
- (iii) The Minerals Board is to decide on the cancellation of PL 01/16 and whether there was a breach of the Act, Regulation or licence conditions.
- (iv) Costs against the Defendants, being the Minister and the Director of the Minerals Boards, including reserved costs, with certification for overseas Counsel, are to be assessed.

The parties had 30 days from 5 April 2019 within which to file any appeals.

The Attorney-General of Solomon Islands, on behalf of the Minister and Director of the Minerals Board, filed and served a Notice of Appeal with

the Solomon Islands Court of Appeal (**Court of Appeal**). The Notice of Appeal seeks to appeal both the interlocutory ruling delivered on 19 October 2018 (ASX Announcement 23 October 2018) and the final ruling delivered on 5 April 2019 (ASX Announcement 10 May 2019).

The Notice of Appeal was filed more than 30 days after 5 April 2019. No application to extend time or for leave to appeal the interlocutory ruling was served.

The Court of Appeal Rules provides that in the event of non-compliance with the timeframe for filing a Notice of Appeal, all proceedings in the appeal shall be stayed, unless the Court shall otherwise order and that the appeal shall be listed for the next sessions of the Court for a formal order of dismissal.

No order has been made varying the stay provided by the Court of Appeal Rules.

Therefore, the timeframe for JVC to file its notice of contentions (referred to in the ASX announcement of 10 May 2019) has not commenced to operate and JVC has requested that the Registrar list the appeal for the next sessions of the Court of Appeal for a formal order of dismissal.

JVC has recently received a letter from the Registrar of the High Court and the Court of Appeal of Solomon Islands confirming that the Attorney-General's Notice of Appeal was filed out of time.

However, there is no guarantee that an application for dismissal of the appeal will be successful and the Attorney-General of Solomon Islands may apply for leave to extend time appeal. In the event that there is such an application and leave to extend time to appeal is granted to the Attorney-General, there is a risk that the decision of the Minister of Mines, Energy and Rural Electrification may be upheld, which would result in the cancellation of PL 01/16. Such a cancellation would be likely to have a material adverse effect on the operations, financial position and performance of the Company.

Prior to the expiry of PL 01/16, JVC took steps to extend or renew the term of PL 01/16, pending the outcome of the proceedings. The Company and JVC are pursuing the extension or renewal of the term of PL 01/16.

As set out in the announcement, as at the date of this Prospectus, the High Court's decision stands and has not been stayed. Company continues to investigate this matter and is continuing to work with the Minister, but is seeking to have the appeal dismissed.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that

the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Solomon Islands**

The Company is conducting its exploration activities predominately in the Solomon Islands and as such the Company's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. Risks may include, among others, labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies or particular countries, the failure of foreign parties to honour contractual relations, corruption, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organisations, limitations on foreign ownership, limitation on the repatriation of earnings, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognised by the governments of the Solomon Islands or by the court system in that jurisdiction. These risks may limit or disrupt the Company's operations, restrict movement of funds or result in the deprivation of contractual rights or taking of property by nationalisation or expropriation without fair compensation.

The economy and political system of the Solomon Islands should be considered by investors to be less predictable than those countries in which the majority of Shareholders are likely to be resident. The possibility that the current or future government of the Solomon Islands may adopt substantially different policies in respect to foreign exploration, development or ownership of mineral resources, take arbitrary action which might halt exploration, extend to cancellation of contracts, the cancellation of exploration or mining rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results or exploration and financial condition.

(e) **Infrastructure and Environment**

The Company's principal operations are located in remote areas some of which are difficult to access, resulting in technical and logistical challenges for conducting geological exploration and mining. Reliable roads, bridges, power sources and water supplies are important determinants which affect capital and operating costs and the Company's ability to maintain expected levels of progress with its exploration activities. Unusual weather or other natural phenomena, sabotage or governmental or other interference in the maintenance or provision of such infrastructure could impact on the development of the Company's projects, increase in exploration costs or delay the transportation of supplies, equipment or machinery to the Company's projects. Any such issues could materially and adversely affect the

Company's business, results of exploration, financial condition and prospects.

(f) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(g) **Exploration success**

Potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.

(h) **Exploration target**

Given the high risk nature of exploration and development there can be no assurances that exploration targets previously disclosed will be met.

### **7.3 Industry specific**

(a) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal and Solomon Islands laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

**(b) Failure to satisfy Expenditure Commitments**

Interests in tenements in Western Australia and the Solomon Islands are governed by the mining acts and regulations that are current in those jurisdictions and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

**(c) Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

**(d) Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of

its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Resource estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(f) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia and the Solomon Islands. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

## **7.4 General risks**

(d) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(e) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**(f) Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

**(g) Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

**(h) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

**(i) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## **7.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.



Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **8.2 Continuous disclosure obligations**

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected through arrangement with the Company's Company Secretary at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
10/09/2019	Completion of Sale of milestone and royalty payments
05/09/2019	Nendo Project Update
03/09/2019	Sale of milestone and royalty payments unconditional
28/08/2019	Sale of residual interests in milestone and royalty payments
23/08/2019	Response to Appendix 5B Query
12/08/2019	Royalty Transaction Update
31/07/2019	Quarterly Cashflow Report
31/07/2019	Quarterly Activities Report
18/07/2019	Extension of Royalty Transaction
13/06/2019	Final Director's Interest Notice - J Ciganek
13/06/2019	Board Restructure
13/06/2019	Extension of Royalty Transaction
7/06/2019	Final Director's Interest Notice - S Sanghani
7/06/2019	Initial Director's Interest Notice - C McKenzie
7/06/2019	Initial Director's Interest Notice - C Smith
7/06/2019	Board Restructure
5/06/2019	Trading Halt
29/05/2019	Nendo Project Update
17/05/2019	Extension of Royalty Transaction
10/05/2019	Nendo Project Update
8/05/2019	Trading Halt
30/04/2019	Quarterly Activities Report

<b>Date</b>	<b>Description of Announcement</b>
30/04/2019	Quarterly Cashflow Report
9/04/2019	Nendo Project Update
5/04/2019	Trading Halt
3/04/2019	Sale of residual interests in milestone and royalty payments
27/03/2019	Nendo Project Update
18/03/2019	Nendo Project update
15/03/2019	Half Yearly Report and Accounts
31/01/2019	Quarterly Activities Report
31/01/2019	Quarterly Cashflow Report
30/11/2018	Results of Meeting
30/11/2018	Final Director's Interest Notice - P Coppin
30/11/2018	Final Director's Interest Notice - B Smith
30/11/2018	Initial Director's Interest Notice - S Sanghani
29/11/2018	Board restructure and additional AGM resolutions
27/11/2018	Nendo Project Update
31/10/2018	Quarterly Activities Report
31/10/2018	Quarterly Cashflow Report
29/10/2018	Notice of Annual General Meeting/Proxy Form
23/10/2018	Nendo Project Update
11/10/2018	Nendo Project Update

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.pacificbauxite.com.au](http://www.pacificbauxite.com.au).

### **8.3 Market price of shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.012	14 June 2019, 12 June 2019 and 11 June 2019
Lowest	\$0.004	27 August 2019, 22 August 2019, 2 September 2019, 2 September 2019, 4 September 2019, 5 September 2019, 6 September 2019, 9 September 2019 and 10 September 2019
Last	\$0.004	10 September 2019

#### 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

#### 8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

#### Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Peter Lewis	4,100,000	2,050,000	2,050,000	10,250
Craig Smith	Nil	Nil	Nil	Nil
Campbell McKenzie	Nil	Nil	Nil	Nil

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

## Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Year Ended 30 June 2020	Year Ended 30 June 2019	Year Ended 30 June 2018
Peter Lewis <sup>1</sup>	\$90,000	\$64,360	\$21,900
Craig Smith <sup>2</sup>	\$60,000	\$4,167	-
Campbell McKenzie <sup>3</sup>	\$60,000	\$12,619	-
John Ciganek <sup>4</sup>	-	\$51,903	\$73,898
Pippa Coppin <sup>5</sup>	-	\$30,660	\$52,560
Brett Smith <sup>6</sup>	-	\$30,660	\$59,760
Mark Gwynne <sup>7</sup>	-	-	\$144,704
Suraj Sanghani <sup>8</sup>	-	\$152,518	-

<sup>1</sup> Appointed 30 January 2018. Appointed Non-Executive Chairman 29 November 2018

<sup>2</sup> Appointed 6 June 2019

<sup>3</sup> Appointed 6 June 2019. Remuneration during the year ended 30 June 2019 includes consulting services

<sup>4</sup> Changed from Non-Executive Chairman to Non-Executive Director 29 November 2018; Resigned 13 June 2019

<sup>5</sup> Resigned 29 November 2018

<sup>6</sup> Resigned 29 November 2018

<sup>7</sup> Effective 4 September 2017, Mr Gwynne transitioned from the role of Executive Chairman to Executive Director and Chief Executive Officer. Effective 30 January 2018, Mr Gwynne resigned as Executive Director, remaining in the role of Chief Executive Officer. Effective 27 April 2018, Mr Gwynne resigned from the role as Chief Executive Officer

<sup>8</sup> Appointed Executive Director 29 November 2018; Resigned 4 June 2019

## 8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$58,840.40 (excluding GST and disbursements) for legal services provided to the Company.

## **8.7 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not

withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## **8.8 Expenses of the offer**

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$31,030 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	5,669
Legal fees	5,000
Share registry fees	7,880
Printing and distribution	7,275
Miscellaneous	2,000
<b>Total</b>	<b>31,030</b>

## **8.9 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 4478 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.pacificbauxite.com.au](http://www.pacificbauxite.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8.10 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

## **8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.



Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **8.12 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**9. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Peter Lewis**  
**Non-Executive Chairman**  
**For and on behalf of Pacific Bauxite Ltd**

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## 10. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**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.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

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

**Constitution** means the constitution of the Company as at the date of this Prospectus.

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

**Directors** means the directors of the Company as at the date of this Prospectus.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Application Form** means the shortfall application form either attached to or accompanying this Prospectus.

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 4.6 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

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