

13 January 2021

## JUNE 2020 QUARTERLY REPORT

Pacific Bauxite Ltd (**Pacific Bauxite** or **Company**) (ASX: PBX) provides its Quarterly Activities Report for the period ending 30 June 2020 (**Quarter**).

### CORPORATE

#### **VOLUNTARY ADMINISTRATION**

On 24 December 2019, Pacific Bauxite announced that Messrs Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 on 23 December 2019 (**Voluntary Administration**).

On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act 2001 (**Second Creditors Meeting**). The purpose of the Second Creditors Meeting was to determine the future of the Company.

At the Second Creditor Meeting, the Company resolved that the Deed of Company Arrangement (**DOCA**) proposal presented by First Guardian Synergy Capital Limited be accepted by the Company.

### FINANCIALS

#### **APPENDIX 5B QUARTERLY REPORT AND STATEMENT OF CASH FLOWS**

The ASX Appendix 5B quarterly report is attached to and lodged with this report. The Company's Appendix 5B Quarterly Report covers the 3-month period from 1 April 2020 to 30 June 2020.

The Company remained in voluntary suspension at 30 June 2020.

#### **PAYMENTS TO RELATED PARTIES AND THEIR ASSOCIATES**

In accordance with ASX Listing Rule 5.3.5, there was no payments to related parties of the Company and their associates during the Quarter.

### PROJECTS

#### **NENDO BAUXITE PROJECT**

The Nendo Bauxite Project (**Nendo**) is located in the Solomon Islands.

On 6 June 2018, the Company advised it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification (**Minister**), advising that prospecting license PL 01/16 (**Prospecting License**) held by its 50% owned subsidiary joint venture company, Eight South Investments Pty Ltd (**JVC**), in respect of the Nendo project was cancelled (**Minister's Letter**) (ASX announcement 6 June 2018).

In accordance with the requirements of the Minister's Letter, work at Nendo was immediately

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suspended.

Following lengthy court proceedings, the Company provided the most recent update on the court proceedings (ASX announcement 5 September 2019).

The JVC received a letter from the Registrar of the High Court and Court of Appeal of the Solomon Islands confirming that the Attorney General's Notice of Appeal was filed out of time. If the Attorney General wished to further pursue an appeal, he would be first required to bring an application to obtain the leave of the High Court to apply to extend the period for lodging a Notice of Appeal and only then if successful could he again apply to the High Court for leave to bring such an appeal.

On 13 September 2019, the Attorney General filed an application for leave to file an appeal out of time and on 29 October 2019, the Court of Appeal advised that the Attorney General's application for leave had been granted.

On 6 December 2019, the Court of Appeal ordered that the parties to the proceedings were to provide submissions to the Court.

Prior to the expiry of PL 01/16, the JVC took steps to extend or, alternatively, to renew the term of PL 01/16. Those matters were not determined, pending the outcome of the proceedings before the High Court and subsequent appeal.

On 8 June 2020, the JVC received an order from the Registrar of the High Court and Court of Appeal of the Solomon Islands amending previous orders made on 6 December 2019 relating to the Prospecting License. The direction orders dated 8 June 2020 require that written submissions be provided to the Court of Appeal by 15 June 2020. The JVC applied for an extension and filed a submission in November 2020. Both parties to the proceedings have agreed to determine the appeal on the papers.

## **SOUTH WEST NEW GEORGIA PROJECT**

The South West New Georgia Project (SWNG) is located in the Solomon Islands.

The Company's JVC Subsidiary, Australian Bauxite Pty Ltd, held the SWNG Prospecting License which was set to expire on 20 June 2020. The Company was not in a position to maintain the required expenditure and prospecting activities for the SWNG Prospecting License and it subsequently expired.

## **EBAGOOLA SOUTH GOLD PROJECT**

On 15 November 2019, the Company announced that it has executed a binding option agreement pursuant to which it has been granted a 6-month option to acquire a 50% interest in the Ebagoola South Gold Project (**Ebagoola Project**) located in Ebagoola, Queensland from Australian gold explorer, Australian Metals Corporation Pty Ltd (**AMC**).

The acquisition of a 50% interest in the Ebagoola Project (**Acquisition**) would have resulted in the Company diversifying its project portfolio to include gold and expanding its Australian operations. PBX considered this to be an attractive investment opportunity in light of a rising gold price and increased investor interest in the sector. Further, PBX believed that the expansion of operations in Australia, with its stable political and regulatory environment,

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would have improved the Company's overall risk profile by offsetting the political and regulatory uncertainties inherent in conducting operations in the Solomon Islands.

For further detailed proposed terms and conditions of the Acquisition, refer to the ASX announcement 15 November 2019.

The Acquisition did not complete prior to the Company being placed into Voluntary Administration. The Voluntary Administrators entered into a Deed of Settlement and Release with AMC on 30 April 2020 and relinquished any interest in the Ebagoola Project.

Authorised for release by the Joint and Several Deed Administrators of Pacific Bauxite Limited.

**Ends.**

For further information please contact:

Shareholder Enquiries – Justin Smith  
JSmith@hallchadwick.com.au or (08) 6557 6200

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

**Mining Tenements at 30 June 2020**

Location	Tenement	Name	Holder	Equity	Status	Area
Western Australia	ELA 70/5111	Darling Range	Pacific Bauxite Ltd	100%	Application Pending	Total 405 km <sup>2</sup>

The Company advises that during the June 2018 quarter, the Minister of Mines, Energy and Rural Electrification, advised that prospecting license PL 01/16, held by the Company's subsidiary Eight South Investments Pty Ltd, in respect to the Nendo Bauxite Project was cancelled.

**Mining Tenements Cancelled During the Quarter**

Location	Tenement	Name	Holder	Equity	Status	Area
Solomon Islands	PL04/17	South West New Georgia	Pacific Bauxite Ltd	50%	Expired	236 km <sup>2</sup>

Please refer to the commentary in the Quarterly Report for further details.

**Mining Tenements Acquired During the Quarter**

None to report.

**Mining Tenements Disposed During the Quarter**

None to report.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pacific Bauxite Ltd

ABN

62 112 914 459

Quarter ended ("current quarter")

30 June 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	5
1.2 Payments for		
(a) exploration & evaluation	-	(75)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(92)
(e) administration and corporate costs	(78)	(269)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (refunds of costs)	-	50
Other (new project dd costs)	-	(10)
Other (movement cash from restricted to non-restricted)	-	10
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(78)</b>	<b>(381)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	12	12
	(d) investments	-	100
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (royalty sale costs)	-	(10)
2.5	Other (DOCA proceeds)	100	100
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>112</b>	<b>202</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payment for financial lease liabilities)	-	(8)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(8)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7	234
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(78)	(381)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	112	202

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(8)
4.5	Effect of movement in exchange rates on cash held	(1)	(7)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>40</b>	<b>40</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	40	7
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>40</b>	<b>7</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(78)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(78)
8.4 Cash and cash equivalents at quarter end (item 4.6)	40
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	40
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.51
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
No. On 24 December 2019 Pacific Bauxite announced that Messrs Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act 2001 on 23 December 2019 ( <b>Voluntary Administration</b> ).	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Yes. On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act 2001 ( <b>Second Creditors Meeting</b> ). The purpose of the Second Creditors Meeting was to determine the future of the Company. At the Second Creditor Meeting, the Company resolved that the Deed of Company Arrangement (DOCA) proposal presented by First Guardian Synergy Capital Limited be accepted by the Company.	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, refer to response under section 8.8.1 and 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 13 January 2021.....

Authorised by: Cameron Shaw – Joint and Several Deed Administrator.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.