

# Pacific Bauxite Limited

(subject to Deed of Company Arrangement)

## PACIFIC BAUXITE LIMITED

ACN 112 914 459

# PROSPECTUS

For the offer of 22,500,000 Shares at an issue price of \$0.20 per Share, with free attaching Placement Options (each exercisable at \$0.30 and expiring three (3) years from the date of issue) on the basis of one (1) Placement Option for every two (2) Shares issued, to raise \$4,500,000 (before costs) (**Offer**).

The Offer comprises a priority offer to Eligible Shareholders of the Company as at the Priority Offer Record Date (**Priority Offer**) and an offer to the general public (**Public Offer**).

This Prospectus also contains ancillary offers of:

- (a) Vendor Shares to the Vendors (**Vendor Offer**);
- (b) Proponent Securities to Oceanic (and/or its nominee/s) (**Proponent Offer**);
- (c) Aurum Securities to Aurum (**Aurum Offer**);
- (d) Administrator Shares to the Administrators (**Administrator Offer**);
- (e) Conversion Securities to Convertible Note holders (**Convertible Note Offer**);
- (f) Director Shares to Peter Lewis (**Director Offer**);
- (g) Bellatrix Shares to Bellatrix (**Bellatrix Offer**);
- (h) Incentive Options to Directors (**Incentive Offer**); and
- (i) Advisor Options to Advisors (**Advisor Offer**),  
(collectively, the **Ancillary Offers**).

The Offer and the Ancillary Offers are collectively referred to throughout this Prospectus as the 'Offers'. Refer to Section 4 for further details on the Offers.

This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy ASX's requirements for re-quotations of Shares on the Official List, following the effectuation of the DOCA and a change to the scale of the Company's activities as a result of the Proposed Acquisitions and the Proposed Divestment.

### IMPORTANT INFORMATION

This document is important and should be read in its entirety. If you do not understand it or if you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your professional advisers without delay. An investment in the securities offered by this Prospectus should be considered as highly speculative. Refer to Section 8 for a summary of the key risks associated with an investment in the Company.

# Important Notices

## Important Notices

This Prospectus is dated 7 February 2022 and was lodged with the ASIC on that date. The ASX, ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to invest. The securities the subject of this Prospectus should be considered highly speculative. The securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the securities.

This Prospectus does not take into account the investment objectives, financial, taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs and consider their individual risk profile for highly speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their professional advisers without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 8.

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for securities under this Prospectus will not be processed until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

Persons wishing to apply for securities pursuant to the Offer must do so by using the Application Form accompanying this Prospectus either in paper form or online form. Online Applications for securities under the Offer must be made by following the instructions at <https://pbxoffer.thereachagency.com>. The Corporations Act prohibits any person passing onto another person an Application Form unless it accompanies the complete and unaltered version of this Prospectus.

By completing an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer. You should only rely on information in this Prospectus.

## Proposed Recapitalisation of the Company and Reinstatement to Official List of ASX

On 24 December 2019, the securities of the Company were suspended from official quotation on the Official List of the ASX. On the same date, the Company announced that the Administrators were appointed as Joint and Several Voluntary Administrators of the Company pursuant to Section 436A of the Corporations Act.

On 7 January 2020, the Administrators convened the first meeting of the Company's creditors pursuant to Section 436E of the Corporations Act. The purpose of the first creditors meeting was for the Administrators to provide an update on the voluntary administration of the Company and ratify their appointment.

On 18 June 2020, the Administrators convened a second meeting of creditors of the Company pursuant to Section 439A of the Corporations Act. The purpose of the second creditors meeting was to determine the future of the Company. At the second creditors meeting, the Company resolved that the DOCA proposal presented by First Guardian be accepted by the Company. The Administrators consented to be the deed administrators of the DOCA proposal presented by First Guardian. On 9 July 2020, the DOCA was executed by First Guardian and the Company.

Following multiple extensions granted to First Guardian to satisfy the conditions precedent required under their DOCA, on 16 June 2021 the Administrators advised the market that First Guardian had withdrawn from the DOCA. On 5 August 2021, a replacement proponent Oceanic presented to the Administrators a revised recapitalisation proposal which was accepted by creditors on 23 August 2021.

On 6 September 2021, the Administrators announced that the Company's creditors resolved to accept the variation to the DOCA and the recapitalisation proposal. The DOCA variation was executed on 6 September 2021 and control of the Company passed to the new board of Directors with the Administrators retaining supervisory powers. Refer to Section 9.1 for further details on the Oceanic DOCA.

This Prospectus has been prepared by the Directors and the Administrators are not responsible for its contents. Accordingly, the Administrators and their agents and employees do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Prospectus and do not accept responsibility or liability for the accuracy of any information, included, or any failure to include information in this Prospectus.

## Change in scale of activities and Re-Compliance with Chapters 1 and 2 of the Listing Rules

Prior to the appointment of the Administrators as referred to above, the Company focused solely on bauxite exploration. The Company currently holds an interest in two projects prospective for bauxite and other minerals comprising the Darling Ranges Project and the Nendo Bauxite Project.

A condition of the Oceanic DOCA is for the Company's interest in the Nendo Bauxite Project to be divested. For further information on the Proposed Divestment refer to Section 5.3.

As announced to ASX on 31 December 2021, the Company has entered into the Proposed Acquisition Agreements to acquire 100% of the issued capital of Western Yilgarn and AAM Resources. For further information on Western Yilgarn and AAM Resources and the Proposed Acquisition, refer to Sections 5.4 and 9.3.

The Proposed Divestment and the Proposed Acquisitions will result in a significant change to the scale of the Company's activities, requiring Shareholder approval under Chapter 11 of the Listing Rules.

At the Company's Annual General Meeting Shareholder approval was obtained for, amongst other things, the issue of Securities pursuant to the Offers the subject of this Prospectus (which includes the issue of Vendor Shares in consideration for the Proposed Acquisition) and the change in the scale of the Company's activities.

The Company must also comply with ASX requirements for re-quotations of its Shares on the Official List, which includes re-complying with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to meet these requirements and to facilitate the Offers. The Offers under this Prospectus are conditional on the satisfaction of certain conditions. Refer to Section 4.3 for further details.

The Company's Securities have been suspended from official quotation since 24 December 2019 and will continue to be suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for re-quotations of its Shares on the Official List. In the event that the conditions to the Offer are not satisfied or the Company does not receive conditional approval for re-quotations of its Shares on the Official List, on terms which the Board reasonably considers are capable of satisfaction, then the Company will not proceed with the Offer, the Ancillary Offers, the Proposed Divestment and the Proposed Acquisitions and will repay all Application Monies (without interest) in accordance with the provisions of the Corporations Act.

#### **Conditional Offers**

The Offers contained in this Prospectus are subject to and conditional on certain events occurring. Refer to Section 4.3 for further information.

#### **Post-Consolidation basis**

All securities offered under this Prospectus are described and offered on a post-Consolidation basis. On 31 January 2022, Shareholders of the Company approved a consolidation of the issued capital of the Company on a 1 for 50 basis (**Consolidation**). The record date of the Consolidation was 1 February 2022 and the Consolidation is in the process of being completed.

Unless otherwise stated, all references to Securities of the Company as set out in this Prospectus are on the basis that the Consolidation has completed and has taken effect.

#### **ASX Guidance Note 33 – Removal of long-term suspended entities**

Pursuant to ASX policy contained in ASX Guidance Note 33, an entity that has been in continuous suspension for more than 2 years will be automatically removed from the Official List on the second anniversary of its suspension date if it is still suspended.

The Company has now been in continuous suspension for a period of more than 2 years (having been initially suspended on 24 December 2019 when it was placed into voluntary administration).

ASX may agree to a short extension of this deadline if the Company can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its Shares within a reasonable period. For these purposes, ASX considers "final stages" to mean:

- a. having announced the transaction to market;
- b. having signed definitive legal agreements for the transaction (including for any financing required in respect of the transaction);
- c. if the transaction requires a prospectus or product disclosure statement to be lodged with ASIC, having lodged that document with ASIC; and
- d. if the transaction requires security holder approval, having obtained that approval.

ASX has granted a short extension of the Company's automatic removal date until 2 May 2022. The Company must be reinstated before commencement of trading on this date to avoid automatic removal from the official list of the ASX. ASX have advised that no further extensions will be considered or granted. Investors should be aware that there is no guarantee that the Company will be able to achieve reinstatement to trading by ASX's removal deadline.

#### **Web Site – Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.pacificbauxite.com](http://www.pacificbauxite.com) or at <https://pbxoffer.theeachagency.com>. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia.

Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of this Prospectus and any supplementary prospectus and a paper version of the Application Form (free of charge) by contacting the Company at +61 (08) 6166 9107 between 9.00am and 5.00pm (WST) Monday to Friday (excluding public holidays).

A copy of this Prospectus is available for inspection at the registered office of the Company at 2A/300 Fitzgerald Street, North Perth WA 6006 during normal business hours.

Applications for securities under the Offer will only be accepted by submitting an Application Form which accompanies this Prospectus either in paper form or online form. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to, or accompanied by, the complete unaltered version of the Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus with the relevant online Application Form.

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 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.

#### **Overseas Applicants**

The offer of securities made pursuant to this Prospectus is not made to persons to whom, or places in which, it would be unlawful to make such an offer of securities. No action has been taken to register or qualify the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe, any of those restrictions. Failure to comply with these restrictions may violate securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

# Important Notices

## Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC 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.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as ‘may’, ‘should’, ‘will’, ‘expect’, ‘anticipate’, ‘believes’, ‘estimate’, ‘intend’, ‘scheduled’ or ‘continue’ or other similar words. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in the forward-looking statements or information.

While the Company considers the expectations reflected in any forward-looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 8, as well as other matters not yet known to the Company or not currently considered material to the Company, may cause actual events to be materially different from those expressed, implied or projected in any forward-looking statements or information. Any forward-looking statement or information contained in this Prospectus is qualified by this cautionary statement.

## Privacy statement

If you complete an Application for securities, you will be providing personal information to the Company. The Company will collect, hold and use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 Share Registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in the Corporate Directory. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Form, the Company may not be able to accept or process your Application.

## Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

## Competent persons statement

The information in this Prospectus that relates to Exploration Results for the Company’s projects is based on and fairly represents information and supporting documents prepared by George Karageorge who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) who fairly represents this information.

George Karageorge is a consultant to the Company who has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the “JORC Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves”. George Karageorge consents to the inclusion in this Prospectus of the matters based on information in the form and context in which it appears.

## Company Website

The Company maintains a website at [www.pacificbauxite.com](http://www.pacificbauxite.com). Any references to documents included on the Company’s website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

## Definitions

A number of defined terms are used in this Prospectus. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 12, words and phrases in this Prospectus have the same meaning and interpretation as in the Corporations Act or Listing Rules.

## Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer, please call the Company at +61 8 6166 9107.

# Corporate Directory

## Directors

Peter Lewis  
*Non-Executive Chairman*

Peter Michael  
*Non-Executive Director*

John Traicos  
*Non-Executive Director*

## Joint Company Secretaries

Melissa Chapman

Catherine Grant-Edwards

## Registered Office and Principal Place of Business

2A/300 Fitzgerald Street  
North Perth WA 6006

+ 61 8 6166 9107

## Company Website

[www.pacificbauxite.com](http://www.pacificbauxite.com)

## ASX Code

PBX

## Administrators\*

**Richard Albarran and Cameron Shaw of  
Hall Chadwick Chartered Accountants**

Level 11, 77 St Georges Terrace  
Perth WA 6000

## Investigating Accountant

**Moore Australia Corporate Finance (WA) Pty Ltd**

Level 15, Exchange Tower  
2 The Esplanade  
Perth WA 6000

## Independent Geologist

**SRK Consulting (Australasia) Pty Ltd**

Level 3, 18-32 Parliament Place  
West Perth WA 6005

## Independent Solicitor

**Hopgood Ganim**

Level 27, Allendale Square  
77 St Georges Terrace  
Perth WA 6000

## Lawyers

**Larri Legal**

Suite 6, 152 High Street  
Fremantle WA 6160

## Auditors\*

**Rothsay Auditing**

Level 1, Lincoln House  
4 Ventnor Avenue  
West Perth WA 6005

## Share Registry\*

**Computershare Investor Services Pty Limited**

Level 11, 172 St Georges Terrace  
Perth WA 6000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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# 1. Chairman's Letter

Dear Investor

On behalf of the directors of Pacific Bauxite Limited (subject to Deed of Company Arrangement) (**Company**), it gives me great pleasure to invite you to become part of the recapitalisation of the Company.

The Company has been listed on the ASX since May 2007 (ASX:PBX). The Company was placed into voluntary administration on 24 December 2019 and the Company's securities have been suspended from quotation on the Official List of ASX since that time. The recapitalisation of the Company is now being proposed pursuant to the Deed of Company Arrangement (**DOCA**) presented by Oceanic, as approved by creditors on 23 August 2021 and signed on 6 September 2021.

The Company has successfully obtained approval of Shareholders to a number of resolutions which relate to the effectuation of the DOCA, the divestment of the Company's Nendo Bauxite Project in the Solomon Islands and the acquisition of a tenement package in the Eastern Goldfields and Pilbara regions of Western Australia prospective for PGE-gold-nickel (known as the 'PGE Projects') via the acquisition of Western Yilgarn and AAM Resources. The PGE Projects offer excellent potential synergies to the Company's existing Darling Range Project, both in terms of location and prospectivity.

Further details on the PGE Projects and the Darling Range Project are set out in Section 5 (Company and Projects Overview), Section 13 (Independent Geologist's Report) and Section 14 (Independent Solicitor's Report).

Once the recapitalisation is completed, the Company will have a new capital structure with new working capital and the Company will no longer be subject to the DOCA. Completion of the acquisition of the PGE Projects and the divestment of the Company's Nendo Bauxite Project will result in a material change in the scale of the Company's activities. Accordingly, the Company has obtained Shareholder approval pursuant to Chapter 11 of the Listing Rules and will be required to re-comply with Chapters 1 and 2 of the Listing Rules in seeking re-quotation of its Shares on the Official List of ASX.

Following completion of the Offer and the above transactions, the Company intends to primarily use funds raised from the Offer to systematically explore its projects and explore for mineral resource opportunities that have the potential to deliver value and growth for Shareholders. Further details on the Company's proposed activities and use of funds are set out in Sections 5.9 and 4.7, respectively.

In addition to the Offer, this Prospectus contains ancillary offers relating to the recapitalisation of the Company, the proposed acquisitions and divestment, and the other transactions the subject of the Shareholder approvals obtained on 31 January 2022. The success of the Offer is expected to assist the re-instatement of the Company's Shares to trading on ASX. Details about the risks of an investment in the Company are detailed in Section 8. We encourage you to read this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should seek independent professional advice.

On behalf of the board of the Company, I look forward to welcoming you as a shareholder of the Company.

Yours sincerely



Peter Lewis  
**Non-Executive Chairman**

## 2. Key Information and Indicative Timetable

### Key Information

Description	Amount
Offer Price per Share	\$0.20
Shares currently on issue	396,614,034
Shares on issue post-Consolidation	7,932,281
Shares to be issued under the Offer	22,500,000
Shares to be issued under the Vendor Offer	3,000,000
Shares to be issued under the Proponent Offer	32,440,000
Shares to be issued under the Aurum Offer	6,000,000
Shares to be issued under the Administrator Offer	1,000,000
Shares to be issued under the Convertible Note Offer	5,500,000
Shares to be issued under the Director Offer	300,000
Shares to be issued under the Bellatrix Offer	450,000
<b>Shares on issue Post-Listing<sup>1</sup></b>	<b>79,122,281</b>
Options currently on issue (and on issue post-Consolidation)	–
New Options to be issued under the Proponent Offer <sup>2</sup>	32,440,000
New Options to be issued under the Aurum Offer <sup>2</sup>	6,000,000
Placement Options to be issued under the Convertible Note Offer <sup>3</sup>	2,750,000
Incentive Options to be issued under the Incentive Offer <sup>4</sup>	2,492,469
Advisor Options to be issued under the Advisor Offer <sup>5</sup>	6,000,000
Placement Options to be issued under the Offer <sup>3</sup>	11,250,000
<b>Total Options on issue Post-Listing</b>	<b>60,932,469</b>
Proforma cash Post-Listing (after costs of the Offer)	\$4.02 million
<b>Indicative Market Capitalisation Post-Listing at the Offer Price<sup>6</sup></b>	<b>\$15.82 million</b>
<b>Enterprise Value at the Offer Price<sup>7</sup></b>	<b>\$11.80 million</b>

#### Notes:

1. Refer to Section 4.8 for further details.
2. New Options exercisable at \$0.20 and expiring 3 years after grant. The terms of the New Options are set out in Section 10.2.
3. Placement Options exercisable at \$0.30 and expiring 3 years after grant. The terms of the Placement Options are set out in Section 10.2(a).
4. 2,492,469 Incentive Options (comprising 830,823 Class A Incentive Options, 830,823 Class B Incentive Options and 830,823 Class C Incentive Options) issued to Directors of the Company, vesting on achievement of certain milestones and exercisable at \$0.20 within 3 years of grant. The terms of the Incentive Options are set out in Section 10.5.
5. Advisor Options exercisable at \$0.30 and expiring 3 years after grant. The terms of the Advisor Options are set out in Section 10.3(a).
6. Indicative market capitalisation is determined by the price of the Offer multiplied by the total number of Shares on completion of the Offers (on an undiluted basis).
7. Enterprise Value is equal to the indicative market capitalisation of the Company (on an undiluted basis) less the expected pro forma net cash on completion of the Offers.

## Indicative timetable

Indicative timetable	Date
Effective Date of Consolidation	1 February 2022
Last day for pre-Consolidation trading	2 February 2022
Post-Consolidation trading starts on deferred settlement basis	3 February 2022
Record date: Last day for Company to register transfers on a pre-Consolidation basis	4 February 2022
Lodgement of this Prospectus with ASIC	7 February 2022
Priority Offer Record Date	7 February 2022
First day for the Company to register Securities on a post-Consolidation Basis and first day for issue of holding statements	7 February 2022
Change of details of holdings date. Deferred settlement market ends	11 February 2022
Last day for Securities to be entered into holders' Security holdings	11 February 2022
Last day for the Company to send notice to each holder of the change in their details of holdings	11 February 2022
Opening Date for the Priority Offer and Public Offer	15 February 2022
Closing Date for the Priority Offer	22 February 2022
Closing Date for the Public Offer	1 March 2022
Issue of Securities under the Offer and Ancillary Offers	11 March 2022
Dispatch of holding statements	16 March 2022
Expected date for Official Quotation on the ASX	22 March 2022

The above dates are indicative only and may change without notice. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## 3. Investment Overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

### 3.1 Company Overview

Topic	Summary	Details
Who is the issuer of this Prospectus?	Pacific Bauxite Limited (subject to Deed of Company Arrangement) ACN 112 914 459 ( <b>Company</b> ).	Section 5.1
Who is the Company?	<p>The Company is a public company incorporated on 14 February 2005 and is focused on early-stage mineral exploration. The Company was admitted to the Official List of ASX on 23 May 2007 (ASX:PBX).</p> <p>Following a management restructure in 2014, the Company set about consolidating its exploration portfolio and identifying new projects with potential for rapid and cost effective exploration and development. The Company subsequently transitioned its focus towards bauxite exploration and development. The Company changed its name to Pacific Bauxite Limited in late 2016 to reflect this new direction of the Company.</p> <p>The Company currently has two wholly owned subsidiaries comprising Iron Mountain and PBX Aus. Following effectuation of the DOCA and completion of the Proposed Divestment and Proposed Acquisitions, the Company's interest in Iron Mountain will be divested and the Company will acquire the entire issued share capital of Western Yilgarn and AAM Resources.</p>	Section 5.1
What are the Company's key assets?	<p>Through its subsidiaries Iron Mountain and PBX Aus, the Company has an interested in the Nendo Bauxite Project and the Darling Range Project. The Company will acquire the PGE Projects following completion of the Proposed Acquisitions.</p> <p>The Company's projects following effectuation of the DOCA and completion of the Proposed Divestment and the Proposed Acquisitions will be the PGE Projects and the Darling Range Project, with the Nendo Bauxite Project to be divested as set out in Section 5.3.</p>	Sections 5.3 to 5.8
Who are the Administrators	On 24 December 2019, the securities of the Company were suspended from official quotation on the Official	Sections 5.2 and 9.1

Topic	Summary	Details
and what is the DOCA?	<p>List of ASX. On the same date, Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants were appointed as joint and several voluntary administrators of the Company.</p> <p>Pursuant to a resolution passed at a meeting of the Company's creditors on 23 August 2021 (held under s439A(1) of the Corporations Act), the Company, the Administrators and Oceanic executed the DOCA on 6 September 2021 and the Administrators became the administrators of the DOCA.</p> <p>The DOCA sets out a recapitalisation proposal which forms part of the overall process to restructure the Company and restore quotation of the Company's Shares on the ASX. The DOCA provides for the affairs of the Company to be administered in a way that maximises the chances of the Company continuing in existence and resulting in a better return for the Company's creditors than would result from an immediate winding up of the Company.</p>	
What are the key terms of the DOCA?	<p>The material terms of the DOCA are set out in Section 9.1(c), which include:</p> <ol style="list-style-type: none"> <li>1. Oceanic to provide the Company with \$1,600,000 ('Fund'), with \$150,000 provided as a non-refundable upfront deposit upon the creditor resolution accepting the proposal;</li> <li>2. The Fund is to be applied as follows: <ol style="list-style-type: none"> <li>a. Payment of the Administrators' remuneration (including disbursements and costs) via a cash payment of \$1,100,000 from the Fund and the issue of 1,000,000 Shares to the Administrators.</li> <li>b. Full payment to any priority creditors of the Company.</li> <li>c. Payment to Aurum in the sum of \$184,100.57.</li> <li>d. A cash payment of \$267,114.25 to be distributed pro rata between the creditors of the Company less any amount paid to priority creditors</li> <li>e. The balance of the Fund being available to the Company for working capital purposes.</li> </ol> </li> <li>3. Oceanic will provide top-up funding to the extent that the Fund is insufficient to meet all fees, costs, expenses and liabilities of the Company associated with obtaining all necessary approvals and consents required to meet the conditions under the DOCA.</li> </ol>	Section 9.1(c)

### 3. Investment Overview

Topic	Summary	Details
	<p>4. The Company is required to complete the Proposed Divestment (see Section 5.3 for further details).</p> <p>5. The DOCA is conditional on various conditions precedent including:</p> <ul style="list-style-type: none"> <li>a. Oceanic paying the Fund into a solicitor's trust account; and</li> <li>b. execution of the Iron Mountain Share Transfer Deed (see Section 9.2 for further details).</li> </ul> <p>6. The DOCA is conditional on various conditions subsequent including:</p> <ul style="list-style-type: none"> <li>a. the Company carrying out the Consolidation;</li> <li>b. Shareholders approving all security issues under the DOCA; and</li> <li>c. the Darling Range Project not being altered, reduced, amended, varied or otherwise changed, withdrawn, revoked, denied, declined or refused.</li> </ul> <p>7. Upon effectuation of the DOCA, the Company will:</p> <ul style="list-style-type: none"> <li>a. issue various securities including: <ul style="list-style-type: none"> <li>i. 32,440,000 Shares and 32,440,000 New Options to Oceanic (and/or its nominees);</li> <li>ii. 6,000,000 Shares and 6,000,000 New Options to Aurum; and</li> <li>iii. 1,000,000 Shares to the Administrators.</li> </ul> </li> <li>b. grant Oceanic (or its nominee) a 1.5% net smelter return royalty on all base and precious metals and rare earths and a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually).</li> </ul>	
What is the Recapitalisation?	The recapitalisation will comprise the provision of the Fund and any top-up funding by Oceanic under the DOCA and a restructure or extinguishment of all existing claims and debts of the Company.	Section 5.2
What is the purpose of the Recapitalisation?	The purpose of the Recapitalisation is to: <ul style="list-style-type: none"> <li>• restructure the Company's capital and asset base;</li> </ul>	Section 9.1(a)

Topic	Summary	Details
	<ul style="list-style-type: none"> <li>• achieve effectuation of the DOCA and retirement of the Administrators in their capacity as deed administrators;</li> <li>• discharge the claims of the Company's creditors; and</li> <li>• facilitate the reinstatement of the Shares to trading on the Official List of ASX.</li> </ul>	
What is the effect of the Recapitalisation on control of the Company?	Following the Recapitalisation, the aggregated voting power of the Proponent Group (comprising Oceanic (and/or its nominee/s), St Barnabas and Glen William Goulds) will be 44.79% (on an undiluted basis) to 48.47% (on a fully diluted basis).	Section 4.9
What are the Proposed Acquisitions?	<p>The Company has entered into the Proposed Acquisition Agreements with the Vendors to acquire the PGE Projects via the acquisition of Western Yilgarn and AAM Resources.</p> <p>The PGE Projects comprise four exploration licences (E36/1010, E36/1011, E70/5767 and E70/5921) granted to Western Yilgarn, three exploration licences (E52/3861, E58/0562 and E59/2496) granted to AAM Resources and one exploration licence application (E36/1025) applied for by Western Yilgarn. The PGE Projects are located in the Eastern Goldfields and Pilbara regions of Western Australia and are prospective for platinum group metals, gold, nickel and other minerals.</p> <p>See Sections 5.4 to 5.8 for further information on the PGE Projects.</p>	Sections 5.4 to 5.8 and 9.3
What are the key terms of the Proposed Acquisitions?	<p>The material terms of the Proposed Acquisition Agreements are set out in Section 9.3, which are summarised below.</p> <p>The consideration payable to the Vendors comprises:</p> <ol style="list-style-type: none"> <li>1. The issue to the Vendors of 1,500,000 Shares for the acquisition of Western Yilgarn and 1,500,000 Shares for the acquisition of AAM Resources (such Shares form the Vendor Offer the subject of this Prospectus);</li> <li>2. a 2% net smelter return royalty payable to the Vendors (or their nominees) on all minerals extracted from the PGE Projects; and</li> <li>3. reimbursement to the Vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good</li> </ol>	Section 9.3

### 3. Investment Overview

Topic	Summary	Details
	<p>standing (which as at the date of this Prospectus total approximately \$50,000).</p> <p>Completion of the Proposed Acquisition Agreements is conditional on the satisfaction of various condition precedent, including:</p> <ol style="list-style-type: none"> <li>1. completion of due diligence by the Company on the PGE Project tenements and each company's business, assets, financial position, operations and interest in the PGE Project tenements;</li> <li>2. the PGE Projects having been maintained in good standing, in full force and effect and free from encumbrances, third party interests or any liability for forfeiture or non-renewal;</li> <li>3. the Company securing all shareholder, board and regulatory approvals required to perform its obligations under the Proposed Acquisition Agreements; and</li> <li>4. the Company lodging this Prospectus, receiving the minimum subscription under the Offer and receiving a conditional re-listing letter from ASX on terms that the Company acting reasonably believes can be satisfied.</li> </ol> <p>If the above conditions are not satisfied (or waived by mutual agreement) within 6 months following execution of each agreement (or such later date as the parties may agree), or if the DOCA is terminated, then any party may terminate each agreement by notice in writing to the other party.</p>	
What approvals were obtained at the Annual General Meeting?	<p>At the 2021 Annual General Meeting, various Shareholder approvals were obtained, including in relation to:</p> <ol style="list-style-type: none"> <li>1. the recapitalisation proposal pursuant to the Oceanic DOCA;</li> <li>2. the Proposed Acquisitions and the Proposed Divestment; and</li> <li>3. the Offers under this Prospectus.</li> </ol>	Section 4.23
What material contracts has the Company entered into?	<p>The Company is a party to the following material contracts:</p> <p><b>a) Deed of Company Arrangement (DOCA)</b></p> <p>The material terms of the DOCA have been set out above. Refer to Section 9.1 for further details.</p> <p><b>b) Iron Mountain Share Transfer Deed</b></p> <p>A condition of the DOCA is for the Company to complete the Proposed Divestment. To effect the</p>	Section 9

Topic	Summary	Details
	<p>Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to divest the Company's shares in Iron Mountain in the proportions and on the terms and conditions as set out in Section 9.2.</p> <p><b>c) Proposed Acquisition Agreements</b></p> <p>The material terms of the Proposed Acquisition Agreements have been set out above. Refer to Section 9.3 for further details.</p> <p><b>d) Royalty Deeds</b></p> <p>The Company is subject to three royalty deeds which provide for:</p> <ul style="list-style-type: none"> <li>• a 1.5% net smelter return royalty payable to Monarch (as nominated by Oceanic under the DOCA) on all base and precious metals and rare earth minerals, plus a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually) extracted from the Darling Range Project;</li> <li>• a 2% net smelter return royalty payable to Glen William Goulds and Monarch (as nominated by St Barnabas under the Proposed Acquisition Agreements) on all minerals extracted from the PGE Project tenements to be acquired through the acquisition of Western Yilgarn and AAM Resources.</li> </ul> <p>The material terms of the above royalty deeds are set out in Section 9.4.</p> <p><b>e) Broker Mandate</b></p> <p>The Company has entered into a broker mandate for the Offer with Euroz Hartleys. The Company has agreed to pay Euroz Hartleys a fee equal to 6% of the gross amount raised under the Offer (comprising a management fee of 1% and distribution fee of 5%). Euroz Hartleys is also entitled to reimbursement of expenses and to be issued between 2,000,000 and 4,000,000 of the Advisor Options to be issued pursuant to the Advisor Offer, dependant on final allocations through Euroz Hartleys under the Offer.</p> <p>The material terms of the Broker Mandate are set out in Section 9.5.</p>	

### 3. Investment Overview

Topic	Summary	Details
	<p><b>f) Convertible Notes</b></p> <p>The Company has issued Convertible Notes to sophisticated and professional investors raising \$550,000 (before costs). The material terms of the Convertible Notes are summarised below:</p> <ul style="list-style-type: none"> <li>• Interest – 6.00% per annum to maturity or conversion (whichever occurs earlier);</li> <li>• Maturity Date – 18 months from the date of issue;</li> <li>• Conversion Price – \$0.10 per Share; and</li> <li>• Conversion – the Convertible Notes convert into Shares at the election of the holder (not before 6 months after issue) or automatically on completion of a qualifying capital raising (which the Offer qualifies as). Convertible Note holders are entitled to be issued securities (other than Shares) on the same basis and terms issued to participants of a qualifying capital raising which triggers the conversion.</li> </ul> <p>The material terms of the Convertible Notes are set out in Section 9.6.</p> <p><b>g) Agreements with Directors and Management</b></p> <p>The Company has entered into customary director appointments and deeds of indemnity, insurance and access with Directors and management.</p> <p>Relevant information on the Material Contracts entered into by the Company is set out in Section 9.</p>	
<p>What are the Company's objectives following Completion of the Offer?</p>	<p>The Company's main objectives on completion of the Offer and re-instatement to the Official List of ASX are to:</p> <ul style="list-style-type: none"> <li>• focus on mineral exploration of resources opportunities that have the potential to deliver value and growth for shareholders through exploration and development activities;</li> <li>• systematically explore its projects;</li> <li>• conduct scoping studies and other economic evaluation studies on its projects, if success and when appropriate; and</li> <li>• pursue a growth strategy by evaluating and acquiring other resources opportunities that have a strategic fit for the Company and have</li> </ul>	<p>Section 5.11</p>

Topic	Summary	Details
	the potential to deliver growth for shareholders.	
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> <li>• completing the Offers;</li> <li>• completing the Proposed Acquisitions, the Proposed Divestment and effectuation of the DOCA;</li> <li>• the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-admission to quotation of Shares on the Official List of ASX;</li> <li>• tenure access and the grant of current or future applications;</li> <li>• the Company's ability to meet resource, reserve and exploration targets;</li> <li>• the Company raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of its projects; and</li> <li>• the Company minimising environmental impact and complying with environmental and health and safety requirements.</li> </ul>	Section 5.12
What are the corporate governance principles and policies of the Company?	<p>The key corporate governance policies and practices adopted by the Company's Board are summarised in Section 6.6. The full suite of the Company's corporate governance policies and practices are available at the Company's website (<a href="http://www.pacificbauxite.com">www.pacificbauxite.com</a>).</p> <p>Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (4th Edition) issued by ASX Corporate Governance Council. The Company's departures from such Recommendations, as at the date of this Prospectus, are also set out in Section 6.6.</p>	Section 6.6

### 3.2 Projects

Topic	Summary	Details
What is the Darling Range Project?	The Company, through its wholly owned subsidiary PBX Aus, has a 100% interest in Darling Range Project (comprising a single application for exploration licence ELA70/5111). The project covers a total area of 349km <sup>2</sup>	Section 5.3

### 3. Investment Overview

Topic	Summary	Details												
	<p>within the Darling Ranges located approximately 75km northeast of Perth, Western Australia.</p> <p>The Darling Range Project is geologically within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e., gold, nickel, iron, bauxite and tantalite).</p> <p>The southern portion of the ELA lies immediately adjacent to, and west of, Chalice Mining Limited's Julimar deposit within the Gonneville Intrusive, which was discovered in 2020.</p> <p>The Company applied for ELA 70/5111 on 4 January 2018. The application was recommended for grant on 16 February 2018 and has since cleared Native Title and other approval processes. ELA 70/5111 remains a pending grant subject to the Department of Mines, Industry, Regulation and Safety finalising consultation with stakeholders to encroaching land uses, including with the Department of Department of Biodiversity, Conversation and Attractions to confirm the application may be granted over a FNA area relating to the Strategic Assessment of the Perth-Peel Green Growth Plan (which lies within the Julimar State Forest area).</p> <p>Upon granting of ELA 70/5111, the Company plans to undertake an extensive reconnaissance mapping, geophysical surveying and re-interpretation work to delineate targets for drill testing. Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice Mining Limited, the Company has prioritised data compilation and analysis over the Darling Range Project to delineate targets capable of representing known extensions or repetitions of this mineralisation style.</p> <p>Refer to Section 5.3 and the Independent Geologist's Report in Section 13 for further information on the Darling Range Project.</p>													
<p>What are the PGE Projects?</p>	<p>The PGE Projects to be acquired as a result of the Proposed Acquisitions comprises the below tenements:</p> <table border="1" data-bbox="472 1856 1090 2085"> <thead> <tr> <th data-bbox="472 1856 679 1912">Prospect</th> <th data-bbox="679 1856 884 1912">Tenement</th> <th data-bbox="884 1856 1090 1912">Holder</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 1912 679 1973">Sylvania</td> <td data-bbox="679 1912 884 1973">E52/3861</td> <td data-bbox="884 1912 1090 1973">AAM</td> </tr> <tr> <td data-bbox="472 1973 679 2033">Challa</td> <td data-bbox="679 1973 884 2033">E58/562</td> <td data-bbox="884 1973 1090 2033">AAM</td> </tr> <tr> <td data-bbox="472 2033 679 2085">Boodanoo</td> <td data-bbox="679 2033 884 2085">E59/2496</td> <td data-bbox="884 2033 1090 2085">AAM</td> </tr> </tbody> </table>	Prospect	Tenement	Holder	Sylvania	E52/3861	AAM	Challa	E58/562	AAM	Boodanoo	E59/2496	AAM	<p>Sections 5.4 to 5.8</p>
Prospect	Tenement	Holder												
Sylvania	E52/3861	AAM												
Challa	E58/562	AAM												
Boodanoo	E59/2496	AAM												

Topic	Summary			Details
	Bulga	E36/1010	Western Yilgarn	
	Bulga	E36/1011	Western Yilgarn	
	Bulga	ELA36/1025	Western Yilgarn	
	Melbourne	E70/5767	Western Yilgarn	
	Melbourne	E70/5921	Western Yilgarn	
	<p>The PGE Projects are located in the Eastern Goldfields and Pilbara regions of Western Australia and are prospective for platinum group metals, gold, nickel and other minerals.</p> <p><u><i>Mount Magnet Project (E59/2496 and E58/562)</i></u></p> <p>The Mount Magnet Project comprises two separate exploration licences E59/2496 (Boodanoo) and E58/562 (Challa) which are centred on the Narndee and Windimurra layered mafic complexes in the Youanmi Terrane of the Archean Yilgarn Craton. The Boodanoo exploration covers an area of approximately 42km<sup>2</sup> located approximately 410km northeast of Perth, and lies in close proximity to Aldoro Resources Limited's Narndee Project and Golden Mile Resources Limited's Yarrabee Project. The Challa exploration licence covers approximately 302ha and is located approximately 475km northeast of Perth and is located approximately 15km west of Atlantic Limited's Windimurra Vanadium Project and adjacent to Flinders Mines Limited's Canegrass Vanadium Project and Honey Pot Anomalous gold zone.</p> <p>Many companies have previously explored the Narndee and Windimurra Igneous Complexes for gold, a variety of base metals, PGEs and vanadium. In October 2020, Aldoro Resources Limited announced the commencement of a major exploration effort at its Narndee Igneous Complex Project including airborne EM and ground based fixed loop time-domain EM surveys identifying several major targets and deeper targets for near term drill assessment. Subsequent field reconnaissance outlined two nickel-copper gossans which were geologically mapped and sampled.</p> <p>The Company intends to focus its exploration on the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits in the two complexes. Following the Proposed Acquisitions completing, the Company will seek to target magnetic geophysical anomalies located at the intersection of the</p>			

### 3. Investment Overview

Topic	Summary	Details
	<p>Narndee Complex and the north-western edge of a regionally significant structure located on the Boodanoo exploration licence.</p> <p><u><i>Sylvania (E52/3861)</i></u></p> <p>The Sylvania Project is located in the Pilbara region of Western Australia approximately 70km southeast of the regional mining town of Newman. The Sylvania Project comprises a single granted exploration licence (E52/3861) which covers an area of approximately 138km<sup>2</sup>. The tenement sits close to Capricorn Metals Limited's Karlawinda gold project. The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. In the northern portion of the exploration licence, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic nickel-copper-PGE sulphide mineralisation.</p> <p>Previous holders Rio Tinto Exploration Pty Ltd, Atlas Iron Limited and BHP Limited have held overlapping tenure in the past and conducted exploration programs focused on searching for iron ore deposits. Base metals directed exploration commenced in and around the area in the 1970s and continued into the early 1980s with exploration resulting in the discovery of numerous geochemical anomalies and several small deposits of Ag, Pb and Zn within the Project's surrounding area.</p> <p>Following completion of the Proposed Acquisitions, the Company intends to focus exploration on key concepts and targets which have not been rigorously tested. Thereafter, and depending on exploration success, more regional, structural, geochemical and geophysical targets will be investigated.</p> <p><u><i>Bulga (E36/1010, E36/1011 &amp; ELA36/1025)</i></u></p> <p>The Bulga Project is a continuous landholding comprising two granted exploration licences (E36/1010 and E36/1011) covering a combined area of 118km<sup>2</sup> and exploration licence application E36/1025 located 120km northwest of Leanora in the Gascoyne Region of Western Australia. The region is host to numerous gold and nickel mines.</p> <p>The Bulga Project is interpreted to lie along the trend of the Ida fault. Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulphides have been encountered to date, the presence of ultramafic rocks offers potential</p>	

Topic	Summary	Details
	<p>for Mount Alexander style nickel-copper or komatiitic nickel sulphide deposits.</p> <p>Previous exploration over the project area targeted granite hosted gold and nickel sulphide mineralisation within deformed migmatised ultramafic belts within granite terrain. Results were encouraging with 20 holes intersecting moderate to high MgO ultramafic in bedrock with elevated nickel in the regolith. These ultramafic units were delineated over a 5km strike length adjacent to the Ida Fault. Further drilling and surface geophysical surveying has been recommended to assess the potential for nickel sulphide mineralisation and for gold.</p> <p>The Company views the Bulga Project as prospective for Mount Alexander style mafic hosted nick-copper mineralisation and shear-hosted gold mineralisation similar to that of the nearby Agnew gold mining centre. To test this concept, following completion of the Proposed Acquisitions, the Company intends to assess and develop an exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone as well as to further assess the newly outlined greenstone sequences as encountered by previous tenement holders.</p> <p><u>Melbourne (E70/5767 &amp; E70/5921)</u></p> <p>The Melbourne Project comprises two granted exploration licences (E70/5767 and E70/5921) both located in the Wheatbelt region of Western Australia.</p> <p>Despite a lack of modern minerals exploration conducted of the tenure, the Company considers the Melbourne Project to be prospective for Caravel-style copper-molybdenum mineralisation which is interpreted to lie some 15km southeast of the project at Caravel Minerals Limited's Caravel Copper Project.</p> <p>As part of its exploration strategy for the area, following completion of the Proposed Acquisitions the Company plans to undertake a compilation of the available technical data along with geological mapping, geochemical sampling and geophysical surveying. Analysis of the results from these programs will then be carried out to highlight targets with the potential to host significant polymetallic base metal and/or gold mineralisation. Subject to the results of the data assessment phase, a program of reconnaissance air core drilling is proposed.</p>	

## 3. Investment Overview

Topic	Summary	Details
	Refer to Section 5.4 and the Independent Geologist's Report in Section 13 for further information on the PGE Projects.	
What is the Nendo Bauxite Project?	<p>The Nendo Bauxite Project is comprised of a single prospecting licence (PL 01/16) located in the Solomon Islands. The Nendo Bauxite Project has previously demonstrated areas of potentially high-grade DSO bauxite mineralisation.</p> <p>A condition of the Oceanic DOCA is for the Company to divest its interest in the Nendo Bauxite Project through the Proposed Divestment. See Section 5.3 for further information on the Proposed Divestment.</p> <p>Refer to Section 5.3 and the Independent Geologist's Report in Section 13 for further information on the Nendo Bauxite Project.</p>	Section 5.3

### 3.3 Board and key management

Topic	Summary	Details
Who are the Directors of the Company?	<p>The Board comprises:</p> <ul style="list-style-type: none"> <li>• Peter Lewis – Non-Executive Chairman;</li> <li>• Peter Michael – Non-Executive Director; and</li> <li>• John Traicos – Non-Executive Director.</li> </ul> <p>Refer to Section 6.1 for further details of the relevant experience and expertise of the Directors.</p>	Section 6.1
What are the significant interests of Directors in the Company?	The interests of the Directors are detailed in Section 6.3. This includes the security holdings of Directors as set out in Section 6.3(b).	Section 6.3
What related party agreements has the Company entered into?	Section 9.7 sets out details of related party agreements and transactions with the Company from which the Directors may benefit. These comprise customary director appointments and deeds of indemnity, insurance and access.	Section 9.7

### 3.4 Summary of key risks

Topic	Summary	Details
What are the key investment risks?	<p>The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of these risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>An investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 8 for further information.</p>	Section 8
<i>Completion of the DOCA</i>	<p>As the Company is currently subject to a DOCA, there is a risk that if the terms and conditions of the DOCA are not satisfied then the Administrators will be required to convene a meeting of the Company's creditors (in accordance with the DOCA) for the purposes of varying or terminating the DOCA. In those circumstances, the Company may proceed into liquidation and the Administrators are currently uncertain about the return likely to the Company's creditors. The Company believes that the conditions to completion of the DOCA (as set out in Section 9.1(c)) are capable of satisfaction, however no assurances can be made that the DOCA will proceed to completion.</p>	Section 8.1(a)
<i>Reinstatement of Trading to the Official List of ASX</i>	<p>The Company's Shares are suspended from trading on the Official List ASX. ASX's policy is to remove from the Official List an entity whose securities have been suspended from quotation for a continuous period of 2 years. Pursuant to ASX Guidance Note 33, ASX may agree to grant a short extension of this 2 year deadline for delisting if the entity can demonstrate that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities.</p> <p>As at 24 December 2021, the Company's shares had been suspended from trading for a continuous period of 2 years. ASX has granted a short extension of the Company's automatic removal date until 2 May 2022. The Company must be reinstated before commencement of trading on this date to avoid</p>	Section 8.1(b)

### 3. Investment Overview

Topic	Summary	Details
	<p>automatic removal from the official list of the ASX. ASX have advised that no further extensions will be considered or granted. Investors should be aware that there is no guarantee that the Company will be able to achieve reinstatement to trading by ASX's removal deadline.</p>	
<p><i>Proposed Acquisitions and Re-Compliance with Chapters 1 and 2 of the Listing Rules</i></p>	<p>As identified in the Independent Solicitor's Report, the Company is not the registered owner of any of the tenements comprising the PGE Projects as at the date of this Prospectus. The Company's right to acquire the PGE Projects is subject to the Proposed Acquisition Agreements. In order for the Company to achieve its stated objectives, the Company is reliant on the Proposed Acquisitions completing and the Vendors otherwise complying with their contractual obligations under such agreements. There is a risk that completion under the Proposed Acquisition Agreements may not occur.</p> <p>As part of the Company's change in scale of activities due to the Proposed Acquisitions and the Proposed Divestment, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Shares will remain suspended until completion of the Offers, completion of the Proposed Acquisitions, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such re-instatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation or removed from the Official List by ASX.</p>	<p>Section 8.1(c)</p>
<p><i>Dilution Risk</i></p>	<p>The company will have 7,932,281 Shares on issue post completion of the Consolidation. On effectuation of the DOCA, completion of the Proposed Acquisitions and completion of the Offers the subject of this Prospectus, the existing Shareholders (as at the date of this Prospectus) will retain approximately 10.0% of the issued capital of the Company. Oceanic and the Vendors (and/or their nominees) will hold an aggregate of 44.79%, Aurum will hold 7.6%, Convertible Note holders will hold an aggregate of 7.0% and the investors of the Offer will hold an aggregate of 28.4% (all above percentages expressed on an undiluted basis).</p> <p>The Company will also issue Options pursuant to the Offers. There is a risk that the interests of Shareholders will be further diluted on conversion of these Options.</p>	<p>Section 8.1(d)</p>

Topic	Summary	Details
<i>Tenement Title</i>	<p>Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, a Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.</p> <p>Although the Company has taken steps to verify the title to its projects, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to the Company's projects, and resource properties which the Company may acquire in the future, may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.</p> <p>Further, two of the Tenements are pending applications, including the Darling Range Project. There is a risk that the applications for Tenements may not be granted in their entirety, not granted at all or granted with conditions unacceptable for the Company's proposed activities.</p> <p>The Company is aware of a number of concurrent interests which encroach on the projects, which may affect the Company's access to, or rights to conduct exploration and/or mining activities on, the encroaching areas. Any encroaching interests which affect the Company's projects, or any resource properties which the Company acquires in the future, have the potential to materially adversely affect the Company's operations, outlook and financial condition.</p>	Section 8.1(e)
<i>Land Access and Compensation</i>	<p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Traditional Owners and landowners/occupiers are generally required before the Company can access land for exploration or mining activities.</p> <p>Various tenements overlap with conflicting land uses, including private land, file notation areas, pastoral leases, petroleum titles, registered heritage sites and areas of Crown reserves and proposed reserve lands. Investors should be aware that the Company cannot be assured of obtaining the necessary consents and approvals to access such lands. In addition, any delay in</p>	Section 8.1(f)

### 3. Investment Overview

Topic	Summary	Details
	obtaining any necessary agreement to obtain access may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements	
<i>Private Land</i>	<p>E70/5111 (Darling Range Project), E70/5767 and E70/5921 (Melbourne Project) overlap private/freehold land parcels by an aggregate of 88.03%, 98.59% and 79.35% respectively.</p> <p>Most grants of freehold that were made prior to 1 January 1899 in Western Australia included the grant of minerals other than gold, silver and precious minerals (referred to as 'the Royal Metals'), which were reserved to the Crown. This land is commonly referred to as 'minerals to owner' land as the landowner owns all other minerals and has the right to deal with those minerals as it sees fit. In such a situation, a mining tenement granted under the <i>Mining Act 1978 (WA)</i> will confer on the tenement holder the right to explore for, or mine gold, silver and precious metals only but will not give any rights to exploit any other mineral.</p> <p>Preliminary enquiries made with Landgate have confirmed that the majority of the lots overlapped by the above tenements comprise (partially or in whole) land granted prior to 1 January 1899. As the Company defines exploration targets on these affected tenements and prior to commencing ground disturbing activities, the Company will conduct further investigations to confirm whether the relevant private land parcels are 'minerals to owner' land and whether it is necessary to obtain consent and/or agreement in relation to access and compensation from the owners of such land.</p> <p>Approvals for mining gold, silver and precious metals on pre-1899 land have generally been granted by local government as an Extractive Industry Licence ("EIL"; Local Government Act 1995) or Development Approval ("DA"; Planning and Development Act 2005). A miner wishing to mine minerals other than the gold, silver and precious metals located on pre-1899 land will need to negotiate an access and compensation agreement with the owner of the land (and owner of the minerals) and obtain permission either through an EIL or DA, including all requisite assessments and approvals.</p>	Section 8.1(g)
<i>Exploration and development</i>	The Company's projects are at various stages of exploration and development, and potential investors should understand that mineral exploration and development are high-risk undertakings, only	Section 8.1(h)

Topic	Summary	Details
	<p>occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.</p> <p>No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be realised or that an identified mineral resource will ever qualify as commercially viable which can be legally and economically exploited. In addition, there can be no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit that can be profitably exploited.</p>	
<i>Operations</i>	<p>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 or 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, fire, explosions and other incidents beyond the control of the Company.</p>	Section 8.1(i)
<i>COVID19 risk</i>	<p>The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations, including access to its projects to conduct exploration activities, and are likely to be beyond the control of the Company.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance.</p>	Section 8.2(a)

### 3. Investment Overview

Topic	Summary	Details
	However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.	
<i>Other Company specific risks</i>	<p>In addition to the above risks, the Company is subject to additional risks customarily associated with exploration companies, including risks relating to:</p> <ul style="list-style-type: none"> <li>a) native title;</li> <li>b) aboriginal heritage;</li> <li>c) regulatory compliance;</li> <li>d) no defined resources;</li> <li>e) resource estimates;</li> <li>f) results of studies;</li> <li>g) metallurgy;</li> <li>h) commodity prices and demand;</li> <li>i) environmental risks;</li> <li>j) loss of key personnel;</li> <li>k) agents and contractors;</li> <li>l) new projects and acquisitions;</li> <li>m) royalties;</li> <li>n) climate risk;</li> <li>o) downturn in the resources industry; and</li> <li>p) future capital needs.</li> </ul> <p>These risks, together with other general business and investment risks (many of which are largely beyond the control of the Company) are set out in more detail in Section 8.</p>	Section 8.1

#### 3.5 Financial information

Topic	Summary	Details
What is the Company's key financial information?	<p>The Company's audited or reviewed financial information for the financial years ended 30 June 2020, 30 June 2021 and the six months to 31 December 2021 are set out in Section 7. Section 7. also contains the pro forma financial information of the Company as at 31 December showing the impact of the Offers on the Company.</p> <p>Investors are also directed to the Investigating Accountant's Report in Section 15.</p>	Section 7
What is the financial outlook for the Company?	<p>Given the current status of the Company its projects, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a</p>	Section 7

	reliable best estimate forecast or projection on a reasonable basis.	
What is the Company's dividend policy?	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on using its cash reserves to grow and develop its business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given in relation to the payment of dividends, or that franking credits may attach to any dividends.</p>	Section 5.10

### 3.6 The Offers

Topic	Summary	Details
What is being offered under the Offer?	<p>The Offer is an offer of 22,500,000 Shares at an issue price of \$0.20 per Share, with free attaching Placement Options (each exercisable at \$0.30 and expiring three (3) years from issue) on the basis of one (1) Placement Option for every two (2) Shares issued, to raise \$4,500,000 (before costs).</p> <p>Eligible Shareholders will be entitled to participate under the Priority Offer pro rata to their interests in the Company as at the Priority Offer Record Date, subject to a minimum investment of \$2,000.</p>	Section 4.1
What are the Ancillary Offers?	<p>The Ancillary Offers comprise:</p> <ul style="list-style-type: none"> <li>• the Vendor Offer;</li> <li>• the Proponent Offer;</li> <li>• the Aurum Offer;</li> <li>• the Administrator Offer;</li> <li>• the Convertible Note Offer;</li> <li>• the Director Offer;</li> <li>• the Bellatrix Offer;</li> <li>• the Incentive Offer; and</li> <li>• the Advisor Offer.</li> </ul>	Section 4.2
What are the key dates of the Offer?	The key dates of the Offer (including the Public Offer and the Priority Offer) are set out in the indicative timetable in the Key Information and Indicative Timetable Section.	Section 2
Is there a minimum subscription	The minimum amount to be raised under the Offer is the amount of the Offer, being \$4,500,000.	Section 4.1

### 3. Investment Overview

Topic	Summary	Details
under the Offer?		
What are the conditions of the Offer?	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> <li>• the Company raising the full amount of the Offer (being \$4,500,000);</li> <li>• ASX granting conditional approval for the Company to be reinstated to the Official List; and</li> <li>• the DOCA not having been terminated and the Company being of the view, acting reasonably, that any conditions to completion of the DOCA are capable of being satisfied.</li> </ul> <p>If the Offer Conditions are not achieved, then the Offer will not proceed and all Application Monies received will be repaid (without interest).</p>	Section 4.3
What is the purpose of the Offers?	<p>The purposes of the Offers are to:</p> <ul style="list-style-type: none"> <li>• assist the Company meet the requirements of ASX to re-comply with Chapters 1 and 2 of the Listing Rules;</li> <li>• provide the Company with sufficient funding to: <ul style="list-style-type: none"> <li>○ assist the Company in achieving its objectives (as set out in Section 5.11);</li> <li>○ satisfy the working capital requirements for the Company's future expanded business, following completion of the Proposed Acquisitions; and</li> <li>○ meet the costs of the Offers;</li> </ul> </li> <li>• facilitate the issue of other securities to be issued in connection with the effectuation of the DOCA, the Proposed Acquisitions and the reinstatement of the Company to Official Quotation; and</li> <li>• remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offers by retail investors or the sale of any Shares issued under or issued upon conversion of Options issued under the Offers.</li> </ul>	Section 4.4
How will funds raised from the Offer be used?	<p>The Offer is expected to raise \$4,500,000 (before costs). The Company intends to apply its existing cash reserves and the funds raised pursuant to the Offer as set out in the table in Section 4.7.</p>	Section 4.7

Topic	Summary	Details
Is the Offer underwritten?	The Offer is not underwritten.	Section 4.1
What are the capital raising fees payable by the Company for the Offer?	The Company has entered into the Broker Mandate with Euroz Hartleys. Under the Broker Mandate, the Company has agreed to pay Euroz Hartleys a fee equal to 6% of the gross amount raised under the Offer (comprising a management fee of 1% and distribution fee of 5%). Euroz Hartleys is also entitled to reimbursement of expenses and to be issued between 2,000,000 and 4,000,000 of the Advisor Options to be issued pursuant to the Advisor Offer, dependant on final allocations through Euroz Hartleys under the Offer.	Section 9.5
What is the allocation policy under the Offer?	<p>The allocation of Shares under the Offer will be determined by the Company in accordance with the Allocation Policy outlined in Section 4.15.</p> <p>Subject to the allocation policy, the Company intends to give priority in allocating Shares under the Offer to Eligible Shareholders who validly apply under the Priority Offer, on a pro rata basis relative to their existing holding of Shares in the Company as at the Priority Offer Record Date.</p> <p>However, there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.</p>	Section 4.15
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.20
How can I apply for securities under the Offer?	<p>Applications for securities under the Offer must be made by completing the Application Form accompanying this Prospectus either in paper form or online form and by following the instructions in the Application Form.</p> <p>Online Applications for securities under the Offer must be made by following the instructions at <a href="https://pbxoffer.thereachagency.com">https://pbxoffer.thereachagency.com</a>.</p>	Section 4.13(a)

### 3. Investment Overview

Topic	Summary	Details
What is the minimum Application size under the Offer?	The minimum Application size under the Offer is \$2,000 of Shares in aggregate (being 10,000 Shares).	Section 4.13(a)
When will an Applicant know if its application has been successful?	It is expected that holding statements will be dispatched to successful Applicants by standard post on 16 March 2022.	Section 2
Can the Offer be withdrawn?	The Offer may be withdrawn at any time before the sale and issue of Shares to Applicants. If the Offer is withdrawn, Application Money will be refunded to Applicants in full without interest.	Section 4.19
What rights and liabilities attach to the Shares being offered under the Offer?	All Shares sold under the Offer will rank equally in all respects with Shares on issue. The rights and liabilities attaching to the Shares are described in Section 10.1.	Section 10.1
Will the Shares issued under the Offer be listed?	The Company will apply for listing of the Shares on the ASX within seven days of the date of this Prospectus. Completion of the Offer is conditional on ASX providing conditional approval of this application.	Section 4.6
What will the Company's capital structure look like on completion of the Offers?	<p>The Company's capital structure on completion of the Offers will comprise:</p> <ul style="list-style-type: none"> <li>• 79,122,281 Shares; and</li> <li>• 60,932,469 Options, comprising: <ul style="list-style-type: none"> <li>○ 38,440,000 New Options;</li> <li>○ 14,000,000 Placement Options;</li> <li>○ 2,492,469 Incentive Options; and</li> <li>○ 6,000,000 Advisor Options.</li> </ul> </li> </ul> <p>Refer to Section 4.8 for further details.</p>	Section 4.8
Who will be the substantial holders of the Company on completion of the Offers?	It is expected that the substantial holders of the Company on Completion of the Offers will be as set out in Section 10.6.	Section 10.6

Topic	Summary	Details
<p>Will any of the Company's securities be subject to escrow?</p>	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>It is anticipated that:</p> <ul style="list-style-type: none"> <li>• 28,190,000 Shares will be subject to ASX escrow for 24 months from the date of Official Quotation (held by Directors, the Vendors, Bellatrix and Oceanic (and/or its nominee/s));</li> <li>• 9,750,000 Shares will be subject to ASX escrow for 12 months from the date the Shares were issued (held by the Administrators, Aurum and the Convertible Note holders);</li> <li>• 24,440,000 New Options (and any Shares issued on exercise of those New Options if exercised in the escrow period) granted to Oceanic (and/or its nominee/s) will be subject to ASX escrow for 24 months from the date of Official Quotation;</li> <li>• 6,000,000 New Options (and any Shares issued on exercise of those New Options if exercised in the escrow period) granted to Aurum will be subject to ASX escrow for 12 months from the date the Placement Options were issued;</li> <li>• 1,375,000 Placement Options (and any Shares issued on exercise of those Placement Options if exercised in the escrow period) granted to Convertible Note holders will be subject to ASX escrow for 12 months from the date the Placement Options were issued on conversion of the Convertible Notes;</li> <li>• 2,492,469 Incentive Options (and any Shares issued on exercise of those Incentive Options if exercised in the escrow period) granted to the Directors will be subject to ASX escrow for 24 months from the date of Official Quotation; and</li> <li>• 6,000,000 Advisor Options (and any Shares issued on exercise of those Advisor Options if exercised in the escrow period) granted to the Advisors will be subject to ASX escrow for 24 months from the date of Official Quotation.</li> </ul>	<p>Section 4.11</p>
<p>Is there any brokerage, commissions or stamp duty payable by Applicants under the Offer?</p>	<p>No brokerage, commission or stamp duty will be payable by Applicants on the issue of securities under the Offer.</p>	<p>Section 4.17</p>

### 3. Investment Overview

Topic	Summary	Details
What are the tax implications of investing in securities under the Offer?	The tax consequences of any investment in securities in the Company will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 4.26
How can I find out more about the Prospectus or the Offer?	<p>Questions relating to the Offer or this Prospectus can be directed to the Company on +61 8 6166 9107 between 9.00am and 5.00pm (WST) Monday to Friday.</p> <p>Questions relating to the completion of an Application Form can be directed to the Share Registry, on +61 3 9415 4000 (from outside Australia) or 1300 850 505 (inside Australia) between 9.00am and 5.00pm (EST) Monday to Friday.</p> <p>If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay.</p>	Section 4.27

## 4. Details of the Offers

### 4.1 The Offer and Minimum Subscription

Pursuant to this Prospectus, the Company invites applications for 22,500,000 Shares at an issue price of \$0.20 per Share, with free attaching Placement Options on the basis of one (1) Placement Option for every two (2) Shares issued, to raise \$4,500,000 (before costs). The Offer includes the Priority Offer to Eligible Shareholders and the Public Offer.

The Offer is not underwritten.

The Directors will determine the recipients of the securities under the Offer having regard to the Allocation Policy set out in Section 4.15. The Directors reserve the right to reject any application or to issue a lesser number of Securities than that applied for. If the number of Securities allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque or bank transfer to the Applicant (without interest).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.1. The Placement Options to be issued under the Offer will be issued on the terms and conditions as set out in Section 10.2(a).

The minimum amount to be raised under the Offer is the amount of the Offer, being \$4,500,000 (before costs) (**Minimum Subscription**). No securities will be issued under this Prospectus until the Minimum Subscription has been achieved. If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any securities and will repay all application monies for the securities within the time prescribed under the Corporations Act, without interest.

The Offer may be withdrawn at any time before securities are issued under this Prospectus. The Offer is made on the terms, and subject to the conditions, set out in this Prospectus.

Persons wishing to apply for securities pursuant to the Offer must do so by using the Application Form accompanying this Prospectus either in paper form or online form. Online Applications for securities under the Offer must be made by following the instructions at <https://pbxoffer.thereachagency.com>.

Persons wishing to apply for securities under the Offer should refer to Sections 4.13(a) and 4.13(b) for further details and instructions.

### 4.2 Ancillary Offers

#### (a) Vendor Offer

As announced on 31 December 2021, the Company has entered into the Proposed Acquisition Agreements to acquire the PGE Projects via the acquisition of Western Yilgarn and AAM Resources. Refer to Sections 5.4 to 5.8 for further information on the PGE Projects.

The consideration payable to the Vendors includes 1,500,000 Shares for the acquisition of Western Yilgarn and 1,500,000 Shares for the acquisition of AAM Resources (at a deemed issue price of \$0.20) (the **Vendor Shares**). See Section 9.3 for further detail on the material terms of the Proposed Acquisitions.

## 4. Details of the Offers

Shareholder approval for the Vendor Offer was obtained on 31 January 2022.

The Vendor Shares to be issued under the Vendor Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

The Vendors should refer to Section 4.13(b) for details of how to accept the Vendor Offer. The Vendor Shares may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

### (b) **Proponent Offer**

The Company entered into a DOCA with Oceanic on 6 September 2021. The purpose of the DOCA is to provide for the affairs of the Company to be administered in a way that maximised the chances of the Company continuing in existence and resulting in a better return for the Company's creditors than would result from an immediate winding up of the Company. The DOCA is designed to recapitalise the Company through an advance of at least \$1,600,000 in funding by Oceanic and seeking re-quotations of the Company's securities on the Official List of ASX.

Under the DOCA, the Company is offering Oceanic (and/or its nominee/s):

- (i) 32,440,000 Shares; and
- (ii) 32,440,000 New Options,

(collectively, the **Proponent Securities**). See Section 9.1 for further details on the material terms of the DOCA.

Shareholder approval for the Proponent Offer was obtained on 31 January 2022.

The Shares to be issued under the Proponent Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

The New Options to be issued under the Proponent Offer will be issued on the terms and conditions detailed in Section 10.2.

Oceanic (and/or its nominee/s) should refer to Section 4.13(d) for details of how to accept the Proponent Offer. Some of the Proponent Securities may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

### (c) **Aurum Offer**

Pursuant to the DOCA, the Company has agreed to issue Aurum Pacific (and/or its nominee/s) the following securities:

- (i) 6,000,000 Shares; and
- (ii) 6,000,000 New Options,



(collectively, the **Aurum Securities**). See Section 9.1 for further details on the material terms of the DOCA.

Shareholder approval for the Aurum Offer was obtained on 31 January 2022.

The Shares to be issued under the Aurum Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

The New Options to be issued under the Aurum Offer will be issued on the terms and conditions detailed in Section 10.2.

Aurum Pacific should refer to Section 4.13(e) for details of how to accept the Aurum Offer. The Aurum Securities may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(d) **Administrator Offer**

The Administrators are entitled to be paid remuneration for acting as administrators of the Company, administrators of the DOCA and as trustees of the Creditors Fund (**Remuneration Entitlement**) and be indemnified for debts, liabilities and expenses suffered or incurred by them in the conduct of the administration of the Company of the DOCA (**Administration Costs**). Under the DOCA the Remuneration Entitlement and Administration Costs are capped at \$1,300,000 (exclusive of GST).

In part settlement of the above costs, the Company has agreed to issue 1,000,000 Shares (the **Administrator Shares**) to the Administrators. See Section 9.1 for further details on the material terms of the DOCA.

Shareholder approval for the Administrator Offer was obtained on 31 January 2022.

The Administrator Shares are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

The Administrators should refer Section 4.13(f) for details of how to accept the Administrator Offer. The Administrator Shares may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(e) **Convertible Note Offer**

As announced on 7 February 2022, the Company completed the issue of Convertible Notes to sophisticated and professional investors, raising \$550,000 (before costs). The purpose of the issue was to provide funding to cover the costs of the Company seeking re-admission to the Official List of ASX and for general working capital purposes.

Under the Convertible Notes, the Company has agreed to issue the Convertible Note holders the following securities on conversion of their Convertible Notes (which will occur on completion of the Offer):

## 4. Details of the Offers

- (i) 5,500,000 Shares; and
- (ii) 2,750,000 Placement Options (on the basis of 1 free attaching Option for every 2 Shares issued),

(collectively, the **Conversion Securities**). See Section 9.6 for further details on the material terms of the Convertible Notes.

Shareholder approval for the Convertible Note Offer was obtained on 31 January 2022.

The Shares to be issued under the Convertible Note Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

The Placement Options will be issued on the terms and conditions detailed in Section 10.2(a).

Convertible Note holders should refer to Section 4.13(g) for details of how to accept the Convertible Note Offer. Some of the Conversion Securities may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(f) **Director Offer**

Under the Director Offer, the Company is offering Non-Executive Chairman Peter Lewis (and/or his nominee/s) 300,000 Shares (**Director Shares**) in lieu of \$30,000 in director's fees owing to him as at 30 June 2021.

Shareholder approval for the Director Offer was obtained on 31 January 2022.

The Shares to be issued under the Director Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.

Peter Lewis should refer to Section 4.13(h) for details of how to accept the Director Offer. The Director Shares may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(g) **Bellatrix Offer**

Under the Bellatrix Offer, the Company is offering Bellatrix, an entity controlled by the Company's Joint Company Secretaries, up to 450,000 Shares in satisfaction of \$45,000 worth of debts arising from company secretarial services provided by Bellatrix to the Company (**Bellatrix Shares**).

Shareholder approval for the Bellatrix Offer was obtained on 31 January 2022.

The Shares to be issued to Bellatrix under the Bellatrix Offer are of the same class and will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 10.1.



Bellatrix should refer to Section 4.13(i) for details of how to accept the Bellatrix Offer. The Bellatrix Shares may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(h) **Incentive Offer**

Under the Incentive Offer, the Company is offering Non-Executive Directors Peter Michael and John Traicos and Non-Executive Chairman Peter Lewis the following Incentive Options:

- (i) 830,823 Incentive Options to Peter Lewis (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options);
- (ii) 830,823 Incentive Options to John Traicos (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options); and
- (iii) 830,823 Incentive Options to Peter Michael (comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options).

The primary purpose of the grant of the Incentive Options to Peter Lewis, Peter Michael and John Traicos is to provide a performance linked incentive component in the remuneration package for each Director to motivate and reward the performance of each in their respective roles as directors.

Shareholder approval for the Incentive Offer was obtained on 31 January 2022.

The Incentive Options will be issued on the terms and conditions detailed in Section 10.5.

Peter Lewis, Peter Michael and John Traicos should refer to Section 4.13(j) for details of how to accept the Incentive Offer. The Incentive Options may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

(i) **Advisor Offer**

Under the Advisor Offer, the Company is offering a total of 6,000,000 Advisor Options to the Advisors as part of the remuneration for past and future services provided to the Company.

Shareholder approval for the Advisor Offer was obtained on 31 January 2022.

The Advisor Options will be issued on the terms and conditions detailed in Section 10.3(a).

The Advisors should refer to Section 4.13(k) for details of how to accept the Advisor Offer. The Advisor Options may be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules.

## 4. Details of the Offers

### 4.3 Offer Conditions

The Offer is conditional upon the following events occurring:

- (a) the Company raising the full amount of the Offer (being \$4,500,000);
- (b) ASX granting conditional approval for the Company to be re-admitted to the Official List (refer to Section 4.6); and
- (c) the DOCA not having been terminated and the Company being of the view, acting reasonably, that any conditions to completion of the DOCA are capable of being satisfied,

(together the **Offer Conditions**).

If the Offer Conditions are not achieved, then the Offer will not proceed, and all Application Monies received will be repaid (without interest) in accordance with the Corporations Act.

If the Offer does not proceed, the Company will not proceed with the Additional Offers.

### 4.4 Purpose of the Offers

The purpose of the Offers is to:

- assist the Company meet the requirements of ASX to re-comply with Chapters 1 and 2 of the Listing Rules;
- provide the Company with sufficient funding to:
  - assist the Company in achieving the objectives as set out in Section 5.11;
  - satisfy the working capital requirements for the Company's future expanded business, following completion of the Proposed Acquisition;
  - meet the costs of the Offers;
- facilitate the issue of other securities to be issued in connection with the effectuation of the DOCA, the Proposed Acquisitions and the reinstatement of the Company to Official Quotation; and
- remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offer by retail investors or the sale of any Shares issued under or issued upon conversion of Options issued under the Offer or Ancillary Offers.

### 4.5 Capital Raising Fees

The Company has entered into the Broker Mandate with Euroz Hartleys. Under the Broker Mandate, the Company has agreed to pay Euroz Hartleys a fee equal to 6% of the gross amount raised under the Offer (comprising a management fee of 1% and distribution fee of 5%). Euroz Hartleys is also entitled to reimbursement of expenses and to be issued between 2,000,000 and 4,000,000 of the Advisor Options to be issued pursuant to the Advisor Offer, dependant on final allocations through Euroz Hartleys under the Offer.

#### 4.6 ASX quotation and reinstatement to official quotation

ASX has indicated to the Company that the change in the scale of the Company's activities as a result of the Proposed Divestment and the Proposed Acquisitions, if successfully completed, will represent a significant change in the scale of the Company's activities. In accordance with the Listing Rules, the change in the scale of the Company's activities required Shareholder approval for such transactions, which was obtained at the Company's Annual General Meeting. The Listing Rules also require the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Securities have been suspended from trading since 24 December 2019 and will remain suspended and not be reinstated to Official Quotation until the Company has complied with Chapters 1 and 2 of the Listing Rules and is re-admitted to the Official List. If the Proposed Acquisitions do not proceed, the Company may not complete the re-compliance with Chapters 1 and 2 of the Listing Rules.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

The Company expects that the conduct of the Offers pursuant to this Prospectus will enable the Company to satisfy the above requirements.

The Company will apply to ASX no later than 7 days from the date of this Prospectus to have to Shares to be issued pursuant to this Prospectus quoted on the ASX.

If approval for quotation of the Shares is not granted within 3 months of the date of this Prospectus, all Application Monies will be refunded to applicants in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant quotation of the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

#### 4.7 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following re-admission of the Company to the Official List of ASX as follows:

Funds available	Amount (\$)	Percentage (%)
Existing cash reserves	\$535,599	10.96%
Addition Funding provided by Oceanic under the DOCA	\$1,450,000	29.68%
Repayment of trade creditors under the DOCA	(\$1,600,000)	(32.75%)
Funds raised from the Public Offer	\$4,500,000	92.11%
<b>Total</b>	<b>\$4,885,599</b>	<b>100%</b>

## 4. Details of the Offers

Funds available	Amount (\$)	Percentage (%)
Exploration Expenditure	\$2,320,000	47.59%
Sylvania (E52/3861)	\$480,000	9.82%
Challa (E58/562)	\$270,000	5.53%
Boodanoo (E59/2496)	\$370,000	7.57%
Bulga (E36/1010)	\$370,000	7.57%
Bulga (E36/1011)	\$370,000	7.57%
Melbourne (E70/5767 and E70/5921)	\$320,000	6.55%
Darling Range Project (ELA70/5111)	\$140,000	2.87%
Expenses of the recapitalisation process and Offer	\$797,186	16.32%
General and administrative costs	\$750,000	15.35%
Working capital	\$1,018,413	20.85%
<b>Total</b>	<b>\$4,885,599</b>	<b>100%</b>

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

The Board considers that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as set out in this Prospectus. It should however be noted that an investment in the Company is highly speculative, and investors are encouraged to read the risk factors outlined in Section 8.

### 4.8 Capital structure

The capital structure of the Company following completion of the Offers is summarised below:

	Shares	Options
<b>Existing Securities as at the date of this Prospectus</b>	<b>396,614,034</b>	-
Securities on issue post-Consolidation	7,932,281	-
Securities issued on completion of the Offer	22,500,000	11,250,000 <sup>1</sup>
Securities issued on completion of Vendor Offer	3,000,000	-
Securities issued on completion of Proponent Offer	32,440,000	32,440,000 <sup>2</sup>
Securities issued on completion of Aurum Offer	6,000,000	6,000,000 <sup>2</sup>
Securities issued on completion of Administrator Offer	1,000,000	-
Securities issued on completion of Convertible Note Offer	5,500,000	2,750,000 <sup>1</sup>
Securities issued on completion of Director Offer	300,000	-

	Shares	Options
Securities issued on completion of Bellatrix Offer	450,000	-
Securities issued on completion of Incentive Offer	-	2,492,469 <sup>3</sup>
Securities issued on completion of the Advisor Offer	-	6,000,000 <sup>4</sup>
<b>Securities on issue on completion of the Offers</b>	<b>79,122,281</b>	<b>60,932,469</b>
<b>Notes:</b>		
<ol style="list-style-type: none"> <li>1. Placement Options exercisable at \$0.30 and expiring 3 years after grant. The terms of the Placement Options are set out in Section 10.2(a).</li> <li>2. New Options exercisable at \$0.20 and expiring 3 years after grant. The terms of the New Options are set out in Section 10.2.</li> <li>3. Incentive Options (comprising an aggregate of 830,823 Class A Incentive Options, 830,823 Class B Incentive Options and 830,823 Class C Incentive Options) vesting on achievement of certain milestones and exercisable at \$0.20 within 3 years of grant. The terms of the Incentive Options are set out in Section 10.5.</li> <li>4. Advisor Options exercisable at \$0.30 and expiring 3 years after grant. The terms of the Advisor Options are set out in Section 10.3(a).</li> </ol>		

#### 4.9 Effect on Control

Section 606(1) of the Corporations Act states that a person must not acquire a relevant interest in the issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the Company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power. The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a Company involves determining the voting shares in the Company in which the person and the person's associates have a relevant interest.

In determining who is an associate for the purposes of calculating a person's voting power, section 12(2) of the Corporations Act provides that:

- (a) the following entities are associates of a body corporate:

## 4. Details of the Offers

- (i) another body corporate which it controls;
  - (ii) another body corporate which controls it; and
  - (iii) and another body corporate that is controlled by the same entity which controls it;
- (b) a person will be an associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing:
- (iv) the composition of a body's board; or
  - (v) the conduct of a body's affairs; and
- (c) a person will be an associate of another person if they are acting, or propose to act, in concert in relation to the affairs of a body.

Following completion of the Offers, the following parties will hold a relevant interest in voting shares in the Company:

Party	Relevant interest in the securities of the Company on completion of the Proposed Acquisitions and the Offers	
	Shares	Options
Oceanic <sup>1</sup>	26,440,000	26,440,000
St Barnabas <sup>2</sup>	1,500,000	0
Glen William Goulds <sup>3</sup>	7,500,000	6,000,000
<b>Total</b>	<b>35,440,000</b>	<b>32,440,000</b>
<b>Notes:</b>		
1. Issued Securities to Oceanic (and/or its nominee/s) pursuant to the Proponent Offer.		
2. Issued Shares pursuant to the Vendor Offer.		
3. Issued Shares pursuant to the Vendor Offer and includes 6,000,000 Shares and 6,000,000 New Options under the Proponent Offer via nomination by Oceanic (as advised by Oceanic).		

None of the above parties currently have a relevant interest in any securities in the Company.

Oceanic (and/or its nominee/s), St Barnabas and Glen William Goulds may be associated with one another as they have common control or they may arguably be acting in concert in relation to the implementation of the DOCA and recapitalisation of the Company. St Barnabas is considered to be an associate of Oceanic as both St Barnabas and Oceanic are controlled by David Michael. David Michael is the brother of Director, Peter Michael. Glen William Goulds and St Barnabas are collectively the vendors of the PGE Projects. Further, Oceanic has advised the Company that it intends to nominate 6,000,000 Shares and 6,000,000 New Options to Glenn William Goulds out of the Proponent Securities to be issued to Oceanic. As such, Glen William Goulds and St Barnabas may arguably be acting in concert in relation to the implementation of the DOCA and recapitalisation of the Company.

Accordingly, the relevant interests of the Oceanic (and/or its nominee/s), St Barnabas and Glenn William Goulds (collectively referred to as the **Proponent Group**) in the Company should be aggregated for the purposes of Chapter 6 of the Corporations Act until at least



such time as the recapitalisation of the Company and the implementation of the DOCA are completed.

The aggregated voting power of the Proponent Group following effectuation of the DOCA, completion of the Proposed Acquisitions and completion of the Offers the subject of this Prospectus will be 44.79% (on an undiluted basis) to 48.47% (on a fully diluted basis). As the relevant interest of the Proponent Group will exceed 20% of the issued capital of the Company, shareholder approval under item 7 of section 611 of the Corporations Act was sought and obtained at the Annual General Meeting.

#### **4.10 Substantial shareholders**

Details of the anticipated substantial Shareholders of the Company following completion of the Offers are set out in Section 10.6.

#### **4.11 Restricted securities**

None of the Shares on issue are currently restricted securities or subject to escrow restrictions imposed by ASX.

Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of quotation of the Company's Shares on ASX. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is anticipated that:

- 28,190,000 Shares will be subject to ASX escrow for 24 months from the date of Official Quotation (held by Directors, the Vendors, Bellatrix and Oceanic (and/or its nominee/s));
- 9,750,000 Shares will be subject to ASX escrow for 12 months from the date the Shares were issued (held by the Administrators, Aurum and the Convertible Note holders);
- 24,440,000 New Options (and any Shares issued on exercise of those New Options if exercised in the escrow period) granted to Oceanic (and/or its nominee/s) will be subject to ASX escrow for 24 months from the date of Official Quotation;
- 6,000,000 New Options (and any Shares issued on exercise of those New Options if exercised in the escrow period) granted to Aurum will be subject to ASX escrow for 12 months from the date the Placement Options were issued;
- 1,375,000 Placement Options (and any Shares issued on exercise of those Placement Options if exercised in the escrow period) granted to Convertible Note holders will be subject to ASX escrow for 12 months from the date the Placement Options were issued on conversion of the Convertible Notes;

## 4. Details of the Offers

- 2,492,469 Incentive Options (and any Shares issued on exercise of those Incentive Options if exercised in the escrow period) granted to the Directors will be subject to ASX escrow for 24 months from the date of Official Quotation; and
- 6,000,000 Advisor Options (and any Shares issued on exercise of those Advisor Options if exercised in the escrow period) granted to the Advisors will be subject to ASX escrow for 24 months from the date of Official Quotation.

The restricted securities listed above are subject to change depending on the escrow periods imposed by ASX in accordance with the Listing Rules. Prior to the Company's Shares being re-admitted to the Official List of ASX, the Company will enter into escrow agreements with the holders of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow.

### 4.12 Free float

On completion of the Offer the Company expects that it will have a free float (within the meaning of the Listing Rules) of approximately 52.05% to satisfy the ASX condition relating to free float for the admission of the Company to the Official List of the ASX.

The free float comprises those Shares which are:

- not subject to escrow restrictions (see Section 4.11 for details); and
- not held by persons who are related parties, or associates of related parties, of the Company.

### 4.13 Applications

#### (a) Public Offer

Applications for securities under the Public Offer must be made by following the instructions at <https://pbxoffer.thereachagency.com> and completing a BPAY® or Electronic Funds Transfer (EFT) payment.

All applications under the Public Offer must be for a minimum of \$2,000 worth of Shares in aggregate. Investors will be given a BPAY® biller code and a customer reference number unique to the online Application once the online application form has been completed. Alternatively, you can contact the Company on +61 8 6166 9107 or the Share Registry on +61 3 9415 4000 (outside Australia) or 1300 850 505 (inside Australia) between 9.00am and 5.00pm (EST) Monday to Friday to obtain a paper copy of the Prospectus and paper version of the Application Form (free of charge)

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, applicants must:

- access their participating BPAY® Australian financial institution either via telephone or internet banking;
- select to use BPAY® and follow the prompts;

- enter the biller code and unique customer reference number that corresponds to the online Application;
- enter the amount to be paid which corresponds to the value of Shares under the online Application;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain the BPAY® receipt number and date paid.

Applicants should confirm with their Australian financial institution:

- whether there are any limits on the investor's account that may limit the amount of any BPAY® payment; and
- the cut off time for the BPAY® payment.

If such payment is not made via BPAY® or EFT, the online Application will be incomplete and will not be accepted. Applications must be received by no later than 5.00pm (WST) and it is your responsibility to ensure that this occurs.

(b) **Priority Offer Applications**

Under the Priority Offer, the securities to be issued under the Offer have been set aside for Eligible Shareholders. Eligible Shareholders will be entitled to subscribe for Shares pro rata not their existing shareholdings in the Company, subject to a minimum investment of \$2,000 and the Company being in a position to meet the Shareholder spread and free float requirements required for its re-compliance with Chapters 1 and 2 of the Listing Rules.

In the event an Eligible Shareholder is entitled to a fraction of a Share, entitlements of Eligible Shareholders will be rounded up, provided that the Company reserves the right to make minor scale backs to ensure that no more than 22,500,000 Shares are issued to Eligible Shareholders.

If an Eligible Shareholder would be entitled to apply for less than 10,000 Shares, such Eligible Shareholder will be entitled to subscribe for 10,000 Shares under the Priority Offer and all other Eligible Shareholders' entitlements will be reduced on a pro rata basis.

Applications from Eligible Shareholders in excess of their respective entitlements will be treated as Applications under the Public Offer.

Applications under the Priority Offer must be made by either:

1. using the Priority Offer Application Form; or
2. applying online at <https://pbxoffer.thereachagency.com> using the Eligible Shareholder Unique Priority Code to log-in and submit an application and pay the Application Monies by BPAY® or Electronic Funds Transfer (EFT) payment.

## 4. Details of the Offers

The Closing Date for the Priority Offer is 5:00pm (WST) on 22 February 2022, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Priority Offer Closing Date or close the Priority Offer early without notice.

Applications under the Priority Offer can only be made in the registered name of the Eligible Shareholder and either using the Priority Offer Application Form accompanying this Prospectus or using the online application facility provided above. If you wish to apply for Shares under the Public Offer in a name other than the Eligible Shareholder, you must apply using a Public Offer Application Form.

(c) **Vendor Offer**

The Vendor Offer is an offer to the Vendors (and/or their nominee/s) only.

Only the Vendors (and/or their nominee/s) can accept an offer under the Vendor Offer. A personalised Application Form will be issued to the Vendors (and/or their nominee/s), together with a copy of this Prospectus.

Completed Vendor Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(d) **Proponent Offer**

The Proponent Offer is an offer to Oceanic (and/or its nominee/s) only.

Only Oceanic (and/or its nominee/s) can accept an offer under the Proponent Offer. A personalised Application Form will be issued to Oceanic (and/or its nominee/s), together with a copy of this Prospectus.

Completed Proponent Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(e) **Aurum Offer**

The Aurum Offer is an offer to Aurum (and/or its nominee/s) only.

Only Aurum (and/or its nominee/s) can accept an offer under the Aurum Offer. A personalised Application Form will be issued to Aurum (and/or its nominee/s), together with a copy of this Prospectus.

Completed Aurum Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(f) **Administrator Offer**

The Administrator Offer is an offer to the Administrators (and/or their nominee/s) only.

Only the Administrators (and/or their nominee/s) can accept an offer under the Administrator Offer. A personalised Application Form will be issued to the Administrators (and/or their nominee/s), together with a copy of this Prospectus.



Completed Administrator Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(g) **Convertible Note Offer**

The Convertible Note Offer is an offer to Convertible Note holders (and/or their nominee/s) only.

Only the Convertible Note holders (and/or their nominee/s) can accept an offer under the Convertible Note Offer. A personalised Application Form will be issued to the Convertible Note holders (and/or their nominee/s), together with a copy of this Prospectus.

Completed Convertible Note Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(h) **Director Offer**

The Director Offer is an offer to Peter Lewis (and/or his nominee/s) only.

Only Peter Lewis (and/or his nominee/s) can accept an offer under the Director Offer. A personalised Application Form will be issued to Peter Lewis (and/or their nominee/s), together with a copy of this Prospectus.

Completed Director Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(i) **Bellatrix Offer**

The Bellatrix Offer is an offer to Bellatrix (and/or its nominee/s) only.

Only Bellatrix (and/or its nominee/s) can accept an offer under the Bellatrix Offer. A personalised Application Form will be issued to Bellatrix (and/or its nominee/s), together with a copy of this Prospectus.

Completed Bellatrix Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(j) **Incentive Offer**

The Incentive Offer is an offer to the Directors (and/or their nominee/s) only.

Only the Directors (and/or their nominee/s) can accept an offer under the Incentive Offer. A personalised Application Form will be issued to the Directors (and/or their nominee/s), together with a copy of this Prospectus.

Completed Incentive Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

(k) **Advisor Offer**

The Advisor Offer is an offer to the Advisors (and/or their nominee/s) only.

## 4. Details of the Offers

Only the Advisor (and/or their nominee/s) can accept an offer under the Advisor Offer. A personalised Application Form will be issued to the Advisors (and/or their nominee/s), together with a copy of this Prospectus.

Completed Advisor Offer Application Forms should be returned to the Company in accordance with the instructions on such application form.

### 4.14 Application monies to be held on trust

Until securities are issued under this Prospectus, the Application Monies for securities under the Offer will be held by the Company on trust on behalf of Applications in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

### 4.15 Allocation policy

Subject to the entitlements of Eligible Shareholders under the Priority Offer, the Company retains an absolute discretion to allocate securities under the Offer and reserves the right, in its absolute discretion, to allot an applicant a lesser number of securities than the number for which the applicant applies or to reject an Application Form. If the number of securities allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

Other than Eligible Shareholders applying under the Priority Offer, no applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of securities under the Offer will be determined by the Company having regard to the following factors:

- a) the number of Shares applied for;
- b) the overall level of demand for the Offer;
- c) the desire for spread of investors, including institutional investors; and
- d) the desire of informed and active market for trading Shares following completion of the Offer.

The Company's decision on the number of Shares to be allocated to an Applicant is final. The Company reserves the right to decline any Application in whole or in part, without giving any reason.

Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded. The Company will not be liable to any person not allocated Shares or not allocated the full amount of Shares applied for.

#### **4.16 Issue of Securities**

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the price of the Offer. One free attaching Placement Option will be issued for every two Shares successfully applied for. Where the price of the Offer does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

You should ensure that sufficient funds are held in the relevant account(s) to cover the amount of your payment (including a BPAY® payment). If the amount of your payment for Application Monies is less than the amount specified on the Application Form, you may be taken to have applied for such lower dollar amount of Shares or your Application may be rejected.

Subject to the conditions of the Offers being satisfied (refer to Section 4.3), the issue of securities will occur as soon as practicable after the Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell Shares before they receive their holding statement will do so at their own risk.

#### **4.17 Brokerage**

No brokerage, commission or stamp duty will be payable by Applicants on the issue of securities under the Offers. Refer to Section 4.5 for a summary of the capital raising fees payable under the Offer.

#### **4.18 Acknowledgements**

Applicants should read this Prospectus carefully and in its entirety before deciding whether to apply under the Offer. If you are unclear in relation to any matter or are uncertain as to whether securities are a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and Offer Conditions;
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;

## 4. Details of the Offers

- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the AUD amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of securities applied for (or a lower number allocated in a way described in this Prospectus), or no securities at all;
- authorised the Company and its respective officers or agents, to do anything on behalf of the Applicant(s) necessary for securities to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that securities are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia, or otherwise satisfies the requirements in Sections 4.20;
- acknowledged and agreed that the Offer may be withdrawn by the Company and or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

### 4.19 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue of securities to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest). The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer securities than applied or bid for.

### 4.20 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register



this Prospectus or qualify the securities or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

#### 4.21 CHESS and issuer sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System (CHESS), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

All trading on the ASX in the Shares will be settled through CHESS. ASX Settlement Pty Ltd (ASXS), a wholly owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set 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 CHESS and issuer sponsorship. Ownership of securities can be transferred without having to rely upon paper documentation.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their security holdings changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

#### 4.22 ASX Waivers

Listing Rule 10.13.5 provides that the date by which an entity will issue securities to a related party must not be more than one month after the date of the meeting at which shareholders approved the issue. ASX has granted the Company a waiver from Listing Rule 10.13.5 to the extent necessary to permit the Company to issue:

1. the Director Shares to Peter Lewis under the Director Offer; and
2. the Incentive Options to the Directors under the Incentive Offer,

(collectively, the **Related Party Securities**) later than one month provided the Company meets the following conditions:

- the Related Party Securities are issued no later than two months after Shareholder approval
- the Related Party Securities are issued on the same terms and conditions as approved by Shareholders;

## 4. Details of the Offers

- the circumstances of the Company, as determined by ASX, have not materially changed since the Company's shareholders approved the issue of the Related Party Securities; and
- the terms of the waiver are disclosed to the Company's shareholders as soon as possible and in this Prospectus.

### 4.23 Shareholder Approvals

At the Annual General Meeting, various Shareholder approvals were obtained which relate to the recapitalisation proposal under the DOCA, the Proposed Acquisitions and the Proposed Divestment and the Offers the subject of this Prospectus.

The following resolutions were passed at the Annual General Meeting:

1. customary annual general meeting approvals, including adoption of remuneration report, director rotations and re-elections and approval of additional 10% placement capacity;
2. approval of the Consolidation;
3. approval of change to scale of the Company's activities resulting from the Proposed Divestment and the Proposed Acquisitions;
4. approval to issue the Vendor Shares to the Vendors;
5. approval to issue the Proponent Securities to Oceanic (and/or its nominee/s) under the DOCA;
6. approval to issue the Director Shares to Peter Lewis in lieu of director's fees;
7. approval to issue the Aurum Securities to Aurum under the DOCA;
8. approval to issue the Administrator Shares to Administrators under the DOCA;
9. approval to issue the Conversion Securities to the Convertible Note holders on conversion of the Convertible Notes;
10. approval to issue Shares and Placement Options pursuant to the Offer;
11. approval to issue the Bellatrix Shares to Bellatrix in lieu of company secretarial fees;
12. approval to issue the Incentive Options to Directors;
13. approval to issue the Advisor Options to Advisors;
14. approval to change Company's name to "Julimar Minerals Limited";
15. approval to change Company's status from limited to no liability; and
16. approval to adopt a replacement constitution.



Refer to the Company's Notice of 2021 Annual General Meeting dated 30 December 2021 for further details in relation to the above resolutions. As announced on 7 February 2022, the Board has decided not to effect the proposed name change to 'Julimar Minerals Limited' at this time.

#### **4.24 Risks**

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 8 of this Prospectus. Before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

#### **4.25 Privacy statement**

If you complete an Application for Shares, you will be providing personal information to the Company. The Company will collect, hold and use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 Share Registry.

You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in the Corporate Directory. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Form, the Company may not be able to accept or process your Application.

#### **4.26 Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

#### **4.27 Enquiries**

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for securities under this Prospectus.

Questions relating to the Prospectus or the Offer can be directed to the Company on +61 8 6166 9107 between 9.00am and 5.00pm (WST) Monday to Friday (excluding public holidays). Questions relating to the completion of an Application Form can be directed to the Share Registry on +61 3 9415 4000 (from outside Australia) or 1300 850 505 (inside Australia) between 9.00am and 5.00pm (EST) Monday to Friday (excluding public holidays).

## 5. Company and Projects Overview

### 5.1 Background

Pacific Bauxite Limited (Subject to Deed of Company Arrangement) ACN 112 914 459 was incorporated on 14 February 2005 and is focused on early-stage mineral exploration.

The Company was admitted to the Official List of ASX on 23 May 2007. Since then, the Company has successfully explored for gold and heavy mineral sands. These activities resulted in the exploration and advancement of two key magnetite projects in Western Australia and Tasmania that were subsequently sold with retained royalties.

Following a management restructure in 2014, the Company set about consolidating its exploration portfolio and identifying new projects with potential for rapid and cost effective exploration and development. The Company subsequently transitioned its focus towards bauxite exploration and development. The Company changed its name to Pacific Bauxite Limited in late 2016 to reflect the new direction of the Company.

The Company currently has two wholly owned subsidiaries comprising Iron Mountain (incorporated on 22 September 2016) and PBX Aus (incorporated on 22 August 2017).

Through Iron Mountain, the Company holds a 50% interest in ESI.

Through its subsidiaries, the Company has an interest in the following projects:

- the Nendo Bauxite Project; and
- the Darling Range Project.

See Section 5.3 for further information on the Company's existing projects.

On 24 December 2019, the Company announced that it would be entering voluntary administration. On the same day, the Company appointed the Administrators as joint and several administrators of the Company. The Company's shares were suspended on 24 December 2019 and have remained in suspension since that time.

Following effectuation of the DOCA, completion of the Proposed Acquisitions and completion of the Proposed Divestment, the Company's group structure will be as follows:



## 5.2 Administration and the DOCA

Subsequent to the appointment of the Administrators, at a meeting of the Company's creditors, the creditors resolved that the Company execute a DOCA on the terms of a proposal put forward by First Guardian. Following multiple extensions granted to FSGC to satisfy the conditions precedent required under their DOCA proposal, on 16 June 2021 the Company announced that First Guardian had provided notice of their intention to withdraw from the DOCA.

On 5 August 2021, the Administrators were presented with a recapitalisation proposal by Oceanic by way of a variation of the existing DOCA. At a meeting of the Company's creditors held on 23 August 2021, it was resolved that the variation to the DOCA proposed by Oceanic would be accepted, being subsequently executed on 6 September 2021. Accordingly, control of the Company passed to a new board of directors with the Administrators retaining supervisory powers.

The recapitalisation proposal as presented by Oceanic in the DOCA (which includes the provision of funding by Oceanic and the capital raising the subject of this Prospectus) aims to effectuate a restructure of the Company and extinguishment all existing claims and debts of the Company. The key terms of the DOCA, including the conditions precedent and proposed transactions, are set out in Section 9.1.

Since 6 September 2021, the Company has worked to satisfy the conditions under the DOCA presented by Oceanic.

## 5.3 Existing Projects Overview

### Nendo Bauxite Project

The project comprises a single prospecting licence (PL 01/16) granted to ESI (**Nendo Bauxite Project**). The Nendo Bauxite Project is located in the Solomon Islands and has previously demonstrated areas of potentially high-grade DSO bauxite mineralisation. On 6 June 2018, the Company advised it had unexpectedly received a letter from the Solomon Islands' Minister of Mines, Energy and Rural Electrification advising PL 01/16 had been cancelled. In accordance with the requirements of the Minister's letter, work at Nendo Bauxite Project was immediately suspended.

On 5 April 2019, the High Court of Solomon Islands delivered a ruling in relation to proceedings commenced by Eight South Investments which included orders that:

1. the Minister's decision to cancel PL 01/16 was beyond power, quashed and declared null and void; and
2. PL 01/16 was valid as at 24 May 2018.

The Attorney General of the Solomon Islands (on behalf of the Minister, the Director of Mines and the Mines and Minerals Board) subsequently filed and served a Notice of Appeal with the Solomon Islands Court of Appeal.

On 1 February 2021, the Company received a judgment from the Court of Appeal which confirmed the High Court's original judgment, namely that the Minister's decision of 24 May 2018, which cancelled Eight South Investments' prospecting licence PL 01/16, was quashed. However, whilst the Court of Appeals ruling declared that the prospecting licence was still

## 5. Company and Projects Overview

valid as of 24 May 2018, the protracted litigation resulted in the expiry date of 1 December 2018 passing.

The judgment entitled Eight South Investments to legal costs in the amount of approximately \$250,000. The Administrators have previously assessed options for recovery of this amount as well as seeking possible reinstatement of the prospecting licence, however the Administrators did not have sufficient funds to pursue either avenue.

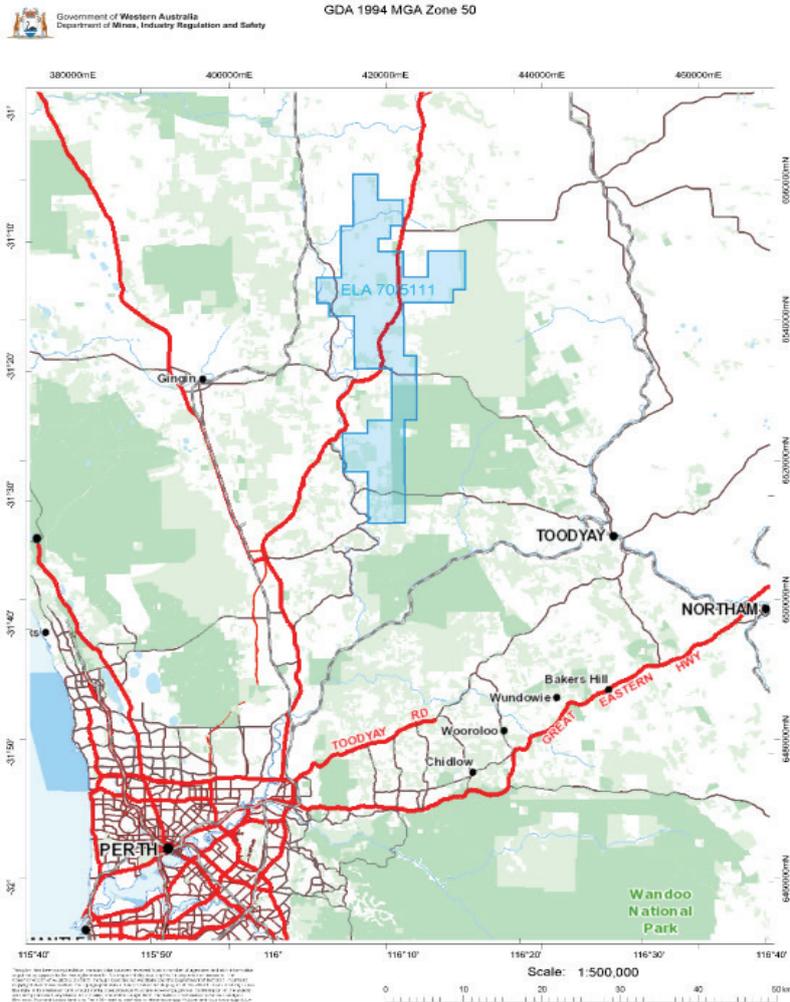
A condition of the Oceanic DOCA is for the Company to divest the Nendo Bauxite Project as follows (**Proposed Divestment**):

- (a) 80% of the issued share capital to be divested to parties associated with Aurum as creditors of the Company encapsulated by the DOCA (being Scott James Dodds, Nicholas Michael Wixon Willis and Peter Forrest Pty Ltd (collectively the '**JV Creditors**')); and
- (b) 20% of the issued share capital to be divested to Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust for the Shareholders of the Company as at the date of voluntary administration.

To effect the Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to sell the Company's shares in Iron Mountain. Refer to Section 9.2 for further information on the Iron Mountain Share Transfer Deed.

### Darling Range Project

The Company, through its wholly owned subsidiary PBX Aus, has a 100% interest in the application for exploration licence ELA 70/5111 (**Darling Range Project**). The project covers a total area of 349km<sup>2</sup> within the Darling Ranges located approximately 75km northeast of Perth, Western Australia. A map of the application is shown below.



The Darling Range Project is geologically within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e., gold, nickel, iron, bauxite and tantalite) which includes the Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna gold mining centres. Within the Yilgarn Craton, nickel is also sourced from Mount Keith, Kambalda, Lake Johnston, Forrestania and Ravensthorpe areas, whilst iron is derived predominantly from Koolyanobbing, Koolanooka, Weld Range and Tallering Peak in the central/west Yilgarn. In addition, bauxite is currently mined at Huntley and Willowdale from the Darling Ranges south of Perth. The Darling Ranges area is considered to be a highly prospective geological region for bauxite, PGE, nickel and copper mineralisation.

The southern portion of the ELA lies immediately adjacent to, and west of, Chalice Mining Limited's Julimar deposit within the Gonnevillie Intrusive, which was discovered in 2020. The northern part of the ELA lies in proximity to Caspin Resources Limited's Yarawindah Brook Project, where initial drilling has outlined a package of mafic and ultramafic rocks extending over a 6km strike length with anomalous levels of PGE, nickel and copper.

The Company applied for ELA 70/5111 on 4 January 2018. The application was recommended for grant on 16 February 2018 and has since cleared Native Title and other approval processes. The application overlaps approximately 2.97% with a file notation area

## 5. Company and Projects Overview

(FNA) for the Strategic Assessment of the Perth-Peel Green Growth Plan (**SAPPR**), which sits within the Julimar State Forrest area. The Department of Mines, Industry, Regulation and Safety (**DMIRS**) previously delayed the grant of tenements which overlap the SAPPR, including ELA 70/5111, however DMIRS recently advised that they are consulting with the Department of Biodiversity, Conversation and Attractions for the application to be granted on the basis that a no-mining condition be applied to the application upon grant to protect the reserved area. The application also encroaches on the Julimar State Forest and other land-use stakeholders, including private landholders.

In relation to the file notation and State Forest areas encroaching on ELA 70/5111, if the usual condition restricting mining activities in the affected areas is imposed on the application upon grant, the Company will need to seek ministerial consent to conduct such activities which would require the approval of a conservation management plan. The Company currently understands that approval to grant over the FNA area relating to the SAPPR is the final step before the application is granted. The Company continues to investigate the impact of all conflicting land-uses affecting ELA 70/5111 and further updates will be provided to Shareholders in due course.

The Company is aware that there has historically been and may still be anti-mining sentiment within the community in areas surrounding the Darling Ranges Project. The Company is committed to open communication with the communities in which it operates and the Company aims to actively manage the impact of its planned activities through the continued consideration and response to the interests and concerns of the local community. The Company will seek to engage with key stakeholders and build trust-based and transparent relationships with those stakeholders in order to derive mutually beneficial outcomes.

Upon granting of ELA 70/5111, the Company plans to undertake an extensive reconnaissance mapping, geophysical surveying and re-interpretation work to delineate targets for drill testing. Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice Mining Limited, the Company has prioritised data compilation and analysis over the Darling Range Project to delineate targets capable of representing known extensions or repetitions of this mineralisation style.

Refer to the Independent Geologist's Report in Section 13 for further information on the Darling Range Project.

### 5.4 Overview of PGE Projects

The Company has entered into share sale agreements with the Vendors to acquire the entire issued share capital of Western Yilgarn and AAM Resources (**Proposed Acquisitions**). A summary of the material terms of the Proposed Acquisitions is set out in Section 9.3.

The tenement package to be acquired as a result of the Proposed Acquisitions comprises four exploration licences (E36/1010, E36/1011, E70/5767 and E70/5921) granted to Western Yilgarn, three exploration licences (E52/3861, E58/0562 and E59/2496) granted to AAM Resources and one exploration licence application (E36/1025) applied for by Western Yilgarn (collectively, the **PGE Projects**).

The PGE Projects (comprising the Mount Magnet (Challa & Boondanoo), Sylvania, Bulga and Melbourne Projects) are primarily located in the Eastern Goldfields and Pilbara regions of

Western Australia and are prospective for platinum group metals, gold, nickel and other minerals. An overview of the location of the Company's projects is shown below:

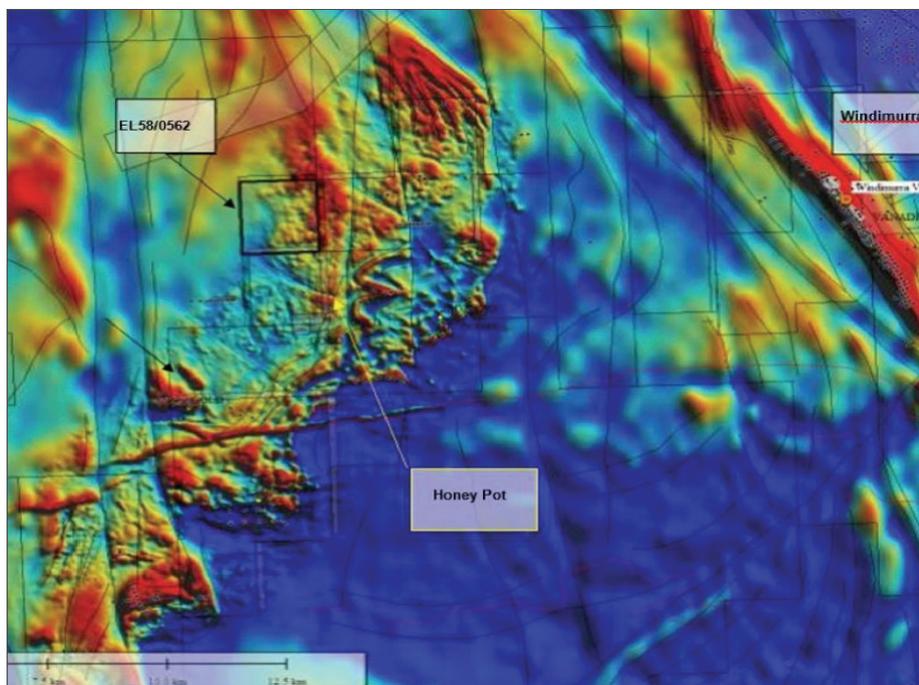


Further information on the tenements which comprise the PGE Projects is set out in the table below:

Prospect	Tenement	Holder	Status	Expiry	Area (blocks)
Sylvania	E52/3861	AAM	Granted	01/07/26	43
Challa	E58/562	AAM	Granted	13/01/26	1
Boodanoo	E59/2496	AAM	Granted	06/01/26	13
Bulga	E36/1010	Western Yilgarn	Granted	12/09/26	21
Bulga	E36/1011	Western Yilgarn	Granted	12/09/26	16
Bulga	ELA36/1025	Western Yilgarn	Pending	-	14
Melbourne	E70/5767	Western Yilgarn	Granted	11/07/26	35
Melbourne	E70/5921	Western Yilgarn	Granted	05/12/26	3

Further details on the PGE Projects are set out in the Independent Geologist's Report in Section 13.





### Exploration History

Whilst initial prospecting and mining activities focused on gold began during the late 1800s and early 1900s, many companies have previously explored the Narndee and Windimurra Igneous Complexes for gold, a variety of base metals, PGEs and vanadium. Previous explorers have established the presence of anomalous concentrations of nickel, PGA and gold in the Narndee and Windimurra Complexes, whilst secondary uranium mineralisation has also been intersected in calcrete deposits occupying region drainage systems. Recently, in October 2020, Aldoro announced the commencement of a major exploration effort at its Narndee Igneous Complex Project including airborne EM and ground based fixed loop time-domain EM surveys identifying several major targets and deeper targets for near term drill assessment. Subsequent field reconnaissance outlined two nickel-copper gossans which were geologically mapped and sampled.

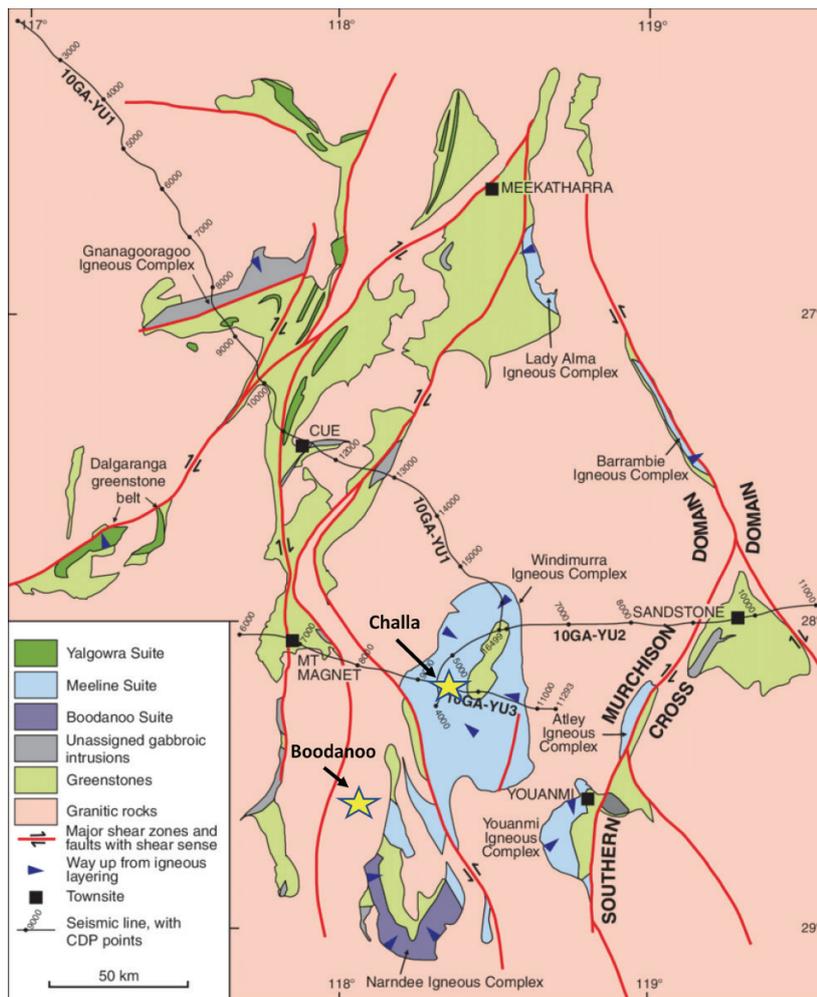
### Exploration Potential

The Company intends to focus its exploration on the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits in the Narndee and Windimurra Complexes. Following completion of the Proposed Acquisitions, the Company will seek to target magnetic geophysical anomalies located at the intersection of the Narndee Complex and the north-western edge of a regionally significant structure located on the Boodanoo exploration licence. Exploration over the Challa exploration licence will examine extensions to a laterally extensive iron-vanadium-titanium bearing horizon forming part of the broader Windimurra Igneous Complex and will further evaluate the potential for gold and PGE mineralisation associated with the contact between the upper and middle units of the Windimurra Igneous Complex.

The Company intends to explore prospective areas in the Kiabye Greenstone Belt along the western side of the Narndee Complex, where potential exists for komatiite hosted nickel deposits and shear hosted gold deposits. Planned exploration work will include a surface

## 5. Company and Projects Overview

geochemical sampling program and a re-interpretation of historical data to assist in the assessment of previous ground-based exploration data and the development of new targets. The Company further plans to conduct ground geophysical surveys in the Southwest part of the Narndee Complex to detect anomalies of potential significance for nickel. Should the above exploration activities resulting in the detection of any anomalies, the Company has allocated funds for air core/RAB and limited RC drill testing.



### 5.6 Sylvania (E52/3861)

#### Overview

The Sylvania Project is located in the Pilbara region of Western Australia approximately 70km southeast of the regional mining town of Newman. The Sylvania Project comprises a single granted exploration licence (E52/3861) which covers an area of approximately 138km<sup>2</sup>.

The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. The project is interpreted to predominantly host granitic units of the Sylvania Inlier. In the northern portion of the exploration licence, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic nickel-copper-PGE sulphide



## 5. Company and Projects Overview

### 5.7 Bulga (E36/1010, E36/1011 & ELA36/1025)

#### Overview

The Bulga Project is a continuous landholding comprising two granted exploration licences (E36/1010 and E36/1011) covering a combined area of 118km<sup>2</sup> and exploration licence application E36/1025. The Bulga Project is located approximately 840km northeast of Perth, 120km northwest of Leonora and 40km southwest of the town of Leinster in the Gascoyne Region of Western Australia. There are numerous gold and nickel mines in the surrounding district including the New Holland, Waroonga, Lawlers, Redeemer, Bounty, Deliverer, Cox-Crusader, Vivien, Turrent and McCaffer gold mines as well as the Yakabindie, Leinster and Perseverance nickel sulphide mines.

The Bulga Project is interpreted to lie along the trend of the Ida fault, an early steep structure marking the boundary between the Eastern Goldfields Superterrane in the east from the Youanmi Terrane in the west. Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulphides have been encountered to date, the presence of ultramafic rocks offers potential for Mount Alexander style nickel-copper or komatiitic nickel sulphide deposits.

#### Exploration History

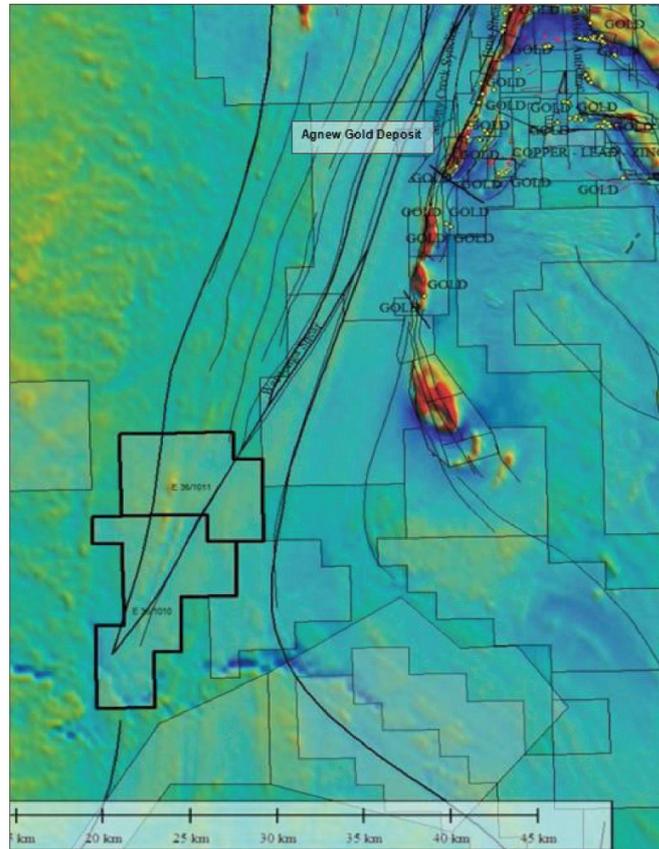
Previous exploration over the project area targeted granite hosted gold and nickel sulphide mineralisation within deformed migmatized ultramafic belts within granite terrain. Work included heritage surveys, exploration planning and interpretation, geological mapping, surface geochemical sampling (soils), surface geophysical surveying (including fixed loop and moving loop EM), aircore and RC drilling. Results were encouraging with 20 holes intersecting moderate to high MgO ultramafic in bedrock with elevated nickel (maximum 1.29% Ni) in the regolith. These ultramafic units were delineated over a 5km strike length adjacent to the Ida Fault. As this area was previously interpreted as granite, the discovery of prospective ultramafic units was a significant exploration milestone. Drilling by St George Mining confirmed a greenstone sequence, with further drilling and surface geophysical surveying recommended to assess the potential for nickel sulphide mineralisation and, given the proximity and geological relationships to historical gold production at the Idea Valley area, also for gold.

#### Exploration Potential

The Company views the Bulga Project as prospective for Mount Alexander style mafic hosted nickel-copper mineralisation and shear-hosted gold mineralisation similar to that of the nearby Agnew gold mining centre. To test this concept, following completion of the Proposed Acquisitions, the Company intends to assess and develop an exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone as well as to further assess the newly outlined greenstone sequences as encountered by previous tenement holders. The potential for medium-high MgO ultramafic requires further assessment, particularly given its proximity to regionally significant structures which are known to host significant gold and nickel mines at Agnew and Yakabindie respectively.

As part of its exploration strategy for the project area, the Company plans to test for nickel and gold occurrences by undertaking a compilation of available technical data, a structure

geology review, surface geochemical sampling, geophysical surveying and air core drilling under cover targeting the shear zone.



## 5.8 Melbourne (E70/5767 & E70/5921)

### Overview

The Melbourne Project comprises two granted exploration licences (E70/5767 and E70/5921) both located in the Wheatbelt region of Western Australia. The surrounding area is interpreted to lie within the South West Terrane of the Yilgarn Craton in proximity to its ill-defined boundary with the Murchison Domain of the Youanmi Terrance.

The Company has entered into a Noongar Standard Heritage Agreement with the South West Aboriginal Land and Sea Council who act on behalf of the Yued Agreement Group with respect to E70/5767. Refer to the Independent Solicitor's Report in Section 14 for further detail.

### Exploration History

Despite a lack of modern minerals exploration conducted of the tenure, the Company considers the Melbourne Project to be prospective for Caravel-style copper-molybdenum mineralisation which is interpreted to lie some 15km southeast of the project at Caravel Minerals Limited's Caravel Copper Project.

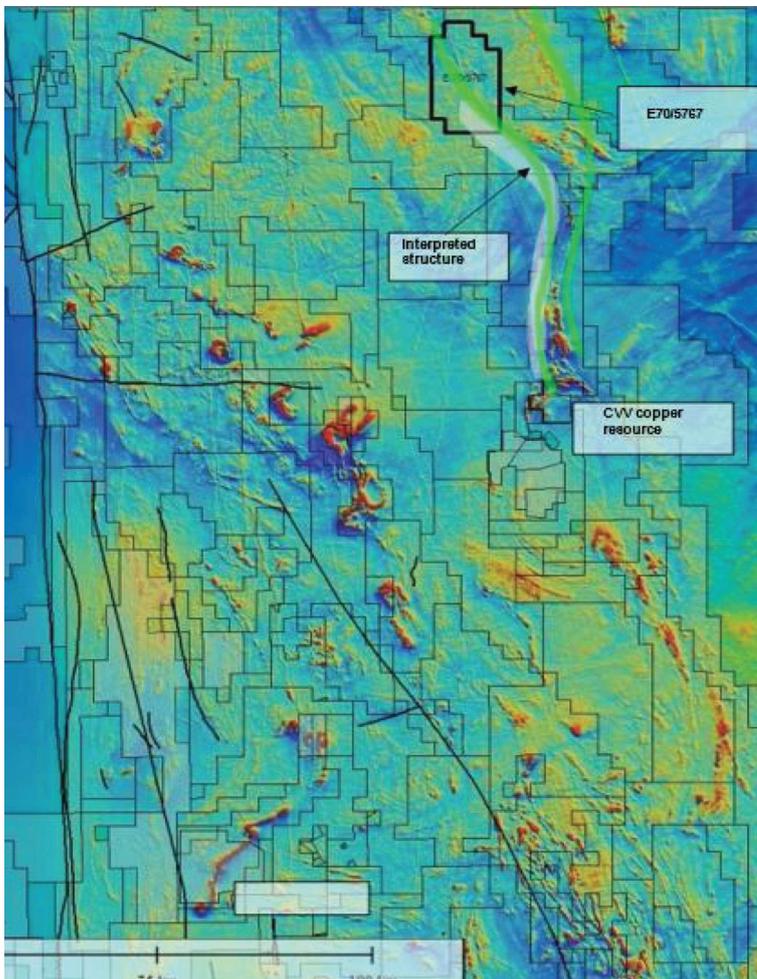
## 5. Company and Projects Overview

The Melbourne Project is a conceptual, early stage nickel-copper-PGE exploration project for which only cursory exploration has been completed to date. To test this concept, a systematic exploration program is proposed to test several magnetic anomalies located along the interpreted north-western strike extensions to Caravel Mining's Copper Project.

### Exploration Potential

The Company interprets the Melbourne Project as prospective for ultramafic intrusives under laterite cover located along a regionally significant structure associated with the modelled Yilgarn Craton granite greenstone contact and which also intersects the Caravel project area. Within the Caravel Project, mineralisation at the Bindi West prospect consists of coarse-grained chalcopyrite and molybdenite in a gneissic host rock, while mineralisation at Calingiri is interpreted to be either porphyry or skarn mineralisation.

As part of its exploration strategy for the area, following completion of the Proposed Acquisitions the Company plans to undertake a compilation of the available technical data along with geological mapping, geochemical sampling and geophysical surveying. Analysis of the results from these programs will then be carried out to highlight targets with the potential to host significant polymetallic base metal and/or gold mineralisation. Subject to the results of the data assessment phase, a program of reconnaissance air core drilling is proposed.



## 5.9 Proposed exploration and development programmes and expenditure

The Company proposed to spend \$2,320,000 on exploration in the two-years after re-listing. The proposed exploration budget of the Company is set out below:

Project	Year 1	Year 2	Total
<b>Sylvania (E52/3861)</b>			
Soil geochemistry	\$50,000	\$50,000	\$100,000
Geophysics	\$50,000	\$50,000	\$100,000
Drilling	\$0	\$250,000	\$250,000
Field support	\$5,000	\$15,000	\$20,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$110,000</b>	<b>\$370,000</b>	<b>\$480,000</b>
<b>Challa (E58/562)</b>			
Soil geochemistry	\$50,000	\$0	\$50,000
Geophysics	\$50,000	\$0	\$50,000
Drilling	\$0	\$150,000	\$150,000
Field support	\$5,000	\$5,000	\$10,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$110,000</b>	<b>\$160,000</b>	<b>\$270,000</b>
<b>Boodanoo (E59/2496)</b>			
Soil geochemistry	\$50,000	\$0	\$50,000
Geophysics	\$100,000	\$0	\$100,000
Drilling	\$0	\$200,000	\$200,000
Field support	\$5,000	\$5,000	\$10,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$160,000</b>	<b>\$210,000</b>	<b>\$370,000</b>
<b>Bulga (E36/1010)</b>			
Soil geochemistry	\$50,000	\$0	\$50,000
Geophysics	\$100,000	\$0	\$50,000
Drilling	\$0	\$200,000	\$100,000
Field support	\$5,000	\$5,000	\$10,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$160,000</b>	<b>\$210,000</b>	<b>\$370,000</b>
<b>Bulga (E36/1011)</b>			
Soil geochemistry	\$50,000	\$0	\$50,000
Geophysics	\$100,000	\$0	\$100,000
Drilling	\$0	\$200,000	\$200,000
Field support	\$5,000	\$5,000	\$10,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$160,000</b>	<b>\$210,000</b>	<b>\$370,000</b>
<b>Melbourne (E70/5767 and E70/5921)</b>			
Soil geochemistry	\$50,000	\$0	\$50,000
Geophysics	\$50,000	\$0	\$50,000
Drilling	\$0	\$200,000	\$200,000
Field support	\$5,000	\$5,000	\$10,000
Land access and environment	\$5,000	\$5,000	\$10,000
<b>Total</b>	<b>\$110,000</b>	<b>\$210,000</b>	<b>\$320,000</b>
<b>Darling Ranges (ELA70/5111)</b>			
Soil geochemistry	\$0	\$0	\$0
Geophysics	\$50,000	\$50,000	\$100,000
Drilling	\$0	\$0	\$0
Field support	\$0	\$0	\$0
Land access and environment	\$20,000	\$20,000	\$40,000
<b>Total</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$140,000</b>
<b>TOTAL</b>	<b>\$880,000</b>	<b>\$1,440,000</b>	<b>\$2,320,000</b>

## 5. Company and Projects Overview

The above budget has been prepared by the Company as at January 2022 applying historical and current costing estimation. However, as with any budget, the allocation of funds is an estimation or allocation based on current information, knowledge and intended plans and exploration programs.

The above exploration intentions are also based on the best guess of the conditions of exploration or the requirements of exploration, when limited information is available. The budgeted amounts may change depending on a number of factors, including the results of its exploration activities, the results of studies undertaken, regulatory developments market and general economic conditions, development of new opportunities, the granting of any of the Company's tenement applications in particular the Darling Range Project and or any number of other factors (including the risk factors applicable to the Company as set out in Section 8). The Board reserves the right to alter the way funds are applied on that basis.

Specifically, as noted in Section 8, as the Company defines exploration targets on the tenements forming the Darling Ranges and Melbourne Projects and prior to commencing ground disturbing activities, the Company will conduct its own investigations to confirm whether it is necessary to obtain consent and/or agreement in relation to access and compensation from the owners of the private land overlapped by the tenements which comprise these projects. In the event that the Company encounters any delays in obtaining any necessary consents and/or agreements from the relevant owners of the private land the Company may determine to instead reallocate funding proposed to be expended on its Darling Ranges and Melbourne Projects to further accelerate exploration and development efforts on its other Projects. As at the date of this Prospectus, the Company is unaware of any reasons which may result in the Company encountering delays or other issues in relation to obtaining consents and/or agreement from the relevant owners of the private land in the ordinary course of business if and when required.

Further details of the Company's intended exploration program are contained in the Independent Geologist's Report in Section 13.

### 5.10 Dividend policy

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 availability of distributable earnings, the operating results and 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.

### 5.11 The Company's business model

Following completion of the Offers and the Proposed Acquisition, the Company's proposed business model will be to further explore and develop its projects in accordance with the exploration programmes as set out in Section 5.9.

The Company's proposed business model is to:

- focus on mineral exploration of resources opportunities that have the potential to deliver value and growth for shareholders through exploration and development activities;
- systematically explore its projects;
- conduct scoping studies and other economic evaluation studies on its projects, if success and when appropriate; and

- pursue a growth strategy by evaluating and acquiring other resources opportunities that have a strategic fit for the Company and have the potential to deliver growth for shareholders.

The Company's focus will initially be on exploration activities at the new PGE Projects to be acquired and advancing the Company's existing Darling Range Project exploration licence application to grant to allow the Company to immediately commence on ground exploration activities.

### **5.12 Key dependencies of Company's business model**

The key dependencies of the Company's business model include:

- completing the Offers;
- completing the Proposed Acquisitions, the Proposed Divestment and effectuation of the DOCA;
- the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listings to enable re-admission to quotation of the Company's Securities;
- tenure access and the grant of current or future applications;
- the Company's ability to meet resource, reserve and exploration targets;
- the Company raising sufficient funds to satisfy expenditure requirements, exploration and operating costs in respect of its projects; and
- the Company minimising environmental impact and complying with environmental and health and safety requirements.

### **5.13 New strategic acquisitions**

In addition to progressing its projects, the Company intends to assess new strategic acquisitions that may come to its attention following completion of the Offers. In particular, the Company will be actively canvassing other mineral resource opportunities including those that are prospective for bauxite and platinum group elements.

The Company may incur costs associated with due diligence or pay exclusivity fees in relation to the assessment of potential new projects which may not progress. Such costs have not been included in the use of funds for the Offer included in this Prospectus. As at the date of this Prospectus, the Company is not aware of any new opportunities but, as detailed above, the Company intends to assess such new opportunities as they arise following completion of the Offers.

## 6. Directors, Key Management and Corporate Governance

### 6.1 Director Profiles

The Board currently comprises:

- **Peter Lewis** – Non-Executive Chairman
- **Peter Michael** – Non-Executive Director
- **John Traicos** – Non-Executive Director

Brief profiles of the Directors of the Company are set out below.

No changes to the Board are proposed in connection with the Proposed Acquisitions. It is noted that Peter Michael and John Traicos were appointed as Non-Executive Directors of the Company effective 6 September 2021. Mr Peter Lewis has served as a director since 30 January 2018.

#### a) **Peter Lewis** – Non-Executive Chairman

Peter Lewis is a Queensland based businessman with a long and successful career predominantly in the property industry. He is a former director of Ray White, Richard Ellis Group, founder and Managing Director of Savills (QLD), founder and Managing Director of Unity Pacific (formerly Trinity Ltd), Director of Eumundi Brewing Group Ltd and CEC Ltd. Mr Lewis is the chairman of Aurum Pacific Group, a private mining company with diverse interest both in Australia and internationally that is associated with the vendors of Eight South Investments. He has also previously served as Chairman of the Queensland Rugby Union. Mr Lewis does not hold any other directorships of listed companies.

The Board considers that Peter Lewis is an independent Director.

#### b) **Peter Michael** – Non-Executive Director

Peter Michael has over 20 years' experience in the property sector encompassing the execution of commercial and residential property transactions, land development, construction and joint venture operations. Peter is currently a Non-Executive Director of Argent Minerals Ltd (ASX: ARD), an Executive Director of a private investment firm specialising in developing resource exploration companies, and Managing Director of Emerald Life Aged Care.

The Board considers that Peter Michael is an independent Director.

#### c) **John Traicos** – Non-Executive Director

John Traicos is a lawyer with more than 30 years' experience in legal and corporate affairs in Australia and Southern Africa. He has acted as a commercial and legal manager to several Australian resource companies and has been involved in resource projects and acquisitions in Australia, Africa and Indonesia. John is admitted to practice law in Western Australia and has been Legal and Commercial Manager and Company Secretary for several resource companies, including MZI Resources Ltd (2012-2019), Perilya Limited (2000 – 2005), Tanami Gold NL

(2005 – 2007) and Strike Energy Limited (2007 – 2011). John is currently Non-Executive Director of Bassari Resources Ltd (ASX:BSR).

The Board considers that John Traicos is an independent Director.

The Company is aware of the need to have sufficient management to properly supervise its operations, and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.

## 6.2 Company Secretary

In addition to the Directors set out in Section 6.1, the following persons are key management personnel within the Company.

### **Melissa Chapman** – Joint Company Secretary

Ms Chapman has over 15 years of experience in the accounting profession. She has worked for both listed and private companies in Australia and the United Kingdom, and currently provides accounting and company secretarial services to several listed resource companies.

Ms Chapman holds a Bachelor of Commerce degree from Murdoch University and has qualified as a Certified Practising Accountant with CPA Australia. She has also completed a Graduate Diploma of Corporate Governance with the Governance Institute of Australia, and the company directors' course with the Australian Institute of Company Directors.

### **Catherine Grant-Edwards** – Joint Company Secretary

Ms Grant-Edwards has 15 years of experience in accounting and finance and currently provides accounting and company secretarial services to several listed resource companies.

Ms Grant-Edwards holds a Bachelor of Commerce degree from the University of Western Australia, majoring in Accounting and Finance, and is a qualified accountant with the Institute of Chartered Accountants Australia (ICAA).

## 6.3 Disclosure of Interests

### (a) **Directors' Interests**

Other than as set out in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (iv) to induce him to become, or to qualify him as, a Director; or

## 6. Directors, Key Management and Corporate Governance

- (v) for services rendered by him in connection with the formation or promotion of the Company or the Offers.

The interests of the Directors in the Securities of the Company as at the date of this Prospectus are set out below.

### (b) Security Interests of Directors

Details of the Directors' remuneration and interest in Securities of the Company upon Completion of the Offers are set out below:

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Peter Lewis	382,000 <sup>1,2</sup>	830,823 <sup>3</sup>	0.48%	0.87%
Peter Michael	-	830,823 <sup>3</sup>	0%	0.59%
John Traicos	-	830,823 <sup>3</sup>	0%	0.59%

#### Notes

1. Prior to the Consolidation, Peter Lewis held 4,100,000 Shares (consolidated to 82,000 Shares post-Consolidation). These Shares are held by Peter Lewis and Ms Barbara Drum <Lewis and Drum Super Fund A/C> (ABN 99 573 864 037) and P B Lewis & Co Pty Ltd (ABN 68 010 315 750) as trustee for the Lewis Family Trust.
2. Pursuant to the Director Offer, Peter Lewis is to be issued a further 300,000 Shares in lieu of directors fees owing to him as at 30 June 2021.
3. Incentive Options exercisable at \$0.20 and expiring 3 years after grant, comprising 276,941 Class A Incentive Options, 276,941 Class B Incentive Options and 276,941 Class C Incentive Options. The terms of the Incentive Options are summarised in Section 10.5.

### 6.4 Remuneration of Directors

The remuneration of Executive Directors will be fixed from time to time by the Directors and may be paid by way of fixed salary or consultancy fees.

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders or, until so, by the Directors. The aggregate remuneration for Non-Executive Directors has been set by the Board at an amount not to exceed \$250,000 per annum. A summary of the material terms of the agreement between each of Peter Lewis, Peter Michael and John Traicos is set out in Section 6.5.

Peter Lewis is entitled to receive \$66,755 in directors fees from the Company for services provided to the Company following the Company entering Administration to 6 September 2021 (when the Oceanic DOCA was executed). \$30,000 of such fees will be settled pursuant the Director Offer. Peter Lewis, John Traicos and Peter Michael are each entitled to receive directors' fees of \$3,500 per month effective from 6 September 2021, amounting to \$17,500 owing to each Director as at the date of this Prospectus. Directors fees are currently accruing and will be payable to the Directors on completion of the Offer and monthly thereafter.

The annual remuneration payable on completion of the Offer to each of the Directors is as follows:

Director	Annual Remuneration from completion of the Offer <sup>1</sup>
Peter Lewis	\$42,000
Peter Michael	\$42,000
John Traicos	\$42,000
<b>NOTES:</b> 1. Includes superannuation but excludes GST where applicable. The Directors have also been issued the Incentive Options as part of their reasonable remuneration for past and future services to be provided to the Company as detailed in Section 6.3(b) above. Refer to Section 10.5 for the terms and conditions of the Incentive Options.	

## 6.5 Key Terms of Agreements with Directors and Senior Management

### Peter Lewis (Non-Executive Chairman)

The Company has entered into an agreement with Mr Lewis in respect of his appointment as a Non-Executive Chairman of the Company.

Mr Lewis will be paid a fee of \$42,000 per annum (inclusive of statutory superannuation) for his services as Non-Executive Chairman and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. In addition to his directors fees, the Company has issued Mr Lewis the Incentive Options set out in Section 6.3. The appointment of Mr Lewis as Non-Executive Chairman is otherwise on terms that are customary for an appointment of this nature.

### Peter–Michael - Non-Executive Director

The Company has entered into an agreement with Mr Michael in respect of his appointment as a Non-Executive Director of the Company.

Mr Michael will be paid a fee of \$42,000 per annum (inclusive of statutory superannuation) for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. In addition to his directors fees, the Company has issued Mr Michael the Incentive Options set out in Section 6.3. The appointment of Mr Michael as a Non-Executive Director is otherwise on terms that are customary for appointments of this nature.

### John–Traicos - Non-Executive Director

The Company has entered into an agreement with Mr Traicos in respect of his appointment as a Non-Executive Director of the Company.

Mr Traicos will be paid a fee of \$42,000 per annum (inclusive of statutory superannuation) for his services as Non-Executive Director and is also entitled to be reimbursed for all reasonable expenses incurred in performing his duties. In addition to his directors fees, the Company has issued Mr Traicos the Incentive Options set out in Section 6.3. The appointment of Mr Traicos as a Non-Executive Director is otherwise on terms that are customary for appointments of this nature.

## 6. Directors, Key Management and Corporate Governance

### Deeds of indemnity, insurance and access

The Company is party to deeds of indemnity, insurance and access with each of the Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances.

### Melissa Chapman and Catherine Grant-Edwards – Joint Company Secretaries

The Company has engaged Melissa Chapman and Catherine Grant-Edwards, through Bellatrix, to provide accounting and company secretarial services to the Company. Bellatrix has agreed to provide services to the Company during the period of time until the Company exits external administration and its shares are successfully reinstated to trading on the Official List of ASX for a fixed fee of \$5,000 to be paid in cash and \$45,000 to be paid in Shares. Such issue of Shares is the subject of the Bellatrix Offer.

Following 16 March 2022, Bellatrix will accrue a monthly fee of \$10,000 (plus GST) for this role based on a contemplated 80 hours of services capped per month. Should a pattern of exceeding capped hours persist, the fixed fees will be subject to renegotiation.

## 6.6 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Company's Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The full suite of the Company's corporate governance policies and practices is available at the Company's website at [www.pacificbauxite.com](http://www.pacificbauxite.com).

### The role of the Board

The role of the board of Directors is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its Shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for Shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and

- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

### **Responsibilities of the Board**

The responsibilities of the Board include:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and ensure compliance with the Company's values and governance framework; and
- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

### **Composition of the Board**

Under the Company's constitution, the minimum number of Directors is 3 and the maximum number is 10 Directors. The Board as at the date of this Prospectus comprises three Directors, being Peter Lewis, Peter Michael and John Traicos. The Company considers Peter Lewis, Peter Michael and John Traicos are independent.

The Directors consider the size and composition of the Board is appropriate given the current size, status and operations of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish additional committees (in addition to the committees of the Board which have already been established as outlined below) to assist in carrying out various responsibilities of the Board. Such additional committees will be established by a formal charter.

The responsibility for the day-to-day operation and administration of the Company lies with the Board.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

### **Independent professional advice**

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

### **Securities trading policy**

The Company has adopted a formal policy for dealing in the Company's Shares by Directors and employees and their related entities (in accordance with Listing Rules 12.9). The share trading policy provides that Key Management personnel should:

## 6. Directors, Key Management and Corporate Governance

- (a) not deal in the Company's shares while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's shares after receiving clearance to do so from a designated clearance officer, where clearance may not be provided in defined "blackout periods".

The share trading policy is available on the Company's website at [www.pacificbauxite.com](http://www.pacificbauxite.com).

### Remuneration policy

The Company has adopted a remuneration policy designed to align individual and team reward and encourage executives to perform to their full capacity. Remuneration packages may contain any or all of the following:

- (a) annual salary with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) rewards, bonuses, commissions, special payments and other measures available to reward individuals if deemed appropriate;
- (c) long term incentives, including participation in share, performance right and option schemes generally made in accordance with plans approved by shareholders if deemed appropriate; and
- (d) other benefits or forms of remuneration.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year. Remuneration of executives will be reviewed annually by the Board. Determination of Non-Executive Director's fees is with regard to the long-term performance of the Company.

### Continuous disclosure policy

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to ASX and placed on the Company's website.

### Shareholder communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via ASX;

- (b) through the distribution of the annual report and notice of annual general meeting;
- (c) through letters and other forms of communications directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

#### **Diversity Policy**

The Company has adopted a diversity policy which sets out the Company's objectives for achieving diversity amongst its board, management and employees.

#### **Whistleblower Protection Policy**

The Board has adopted a whistleblower protection policy to ensure concerns regarding unacceptable conduct, including breaches of the Company's policies and standards and all relevant legislation, can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The whistleblower protection policy sets out who the policy applies to, the types of conduct or suspected conduct the policy covers, how to make disclosures of unacceptable conduct and the protections available to whistleblowers (including protecting the confidentiality of the whistleblower, protecting the whistleblower against detriment and protecting the whistleblower from civil, criminal and administrative liability). The whistleblower protection policy also sets out how disclosures of unacceptable conduct will be investigated by the Company, demonstrating the Company's commitment to dealing with disclosures thoroughly, confidentially and in a timely manner.

#### **Anti-Bribery and Anti-Corruption Policy**

The Company has adopted an anti-bribery and anti-corruption policy which sets out the Company's requirements in relation to interactions with third parties in both the public and private sector, forbidding corrupt interactions with such individuals.

#### **Ethical standards and business conduct**

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

#### **Risk Management and Internal Compliance and Control**

The identification and proper management of the Company's risks are an important priority of the Board, and the Company is committed to designing and implementing systems and methods appropriate to minimise and control its risks. The Board has adopted a risk management policy which sets out the accountabilities and responsibilities of the Board, the Executive Directors, senior Management, the Company Secretary and all other employees of the Company in relation to risk management. The Board has overall responsibility for the identification, understanding and monitoring of key strategic risks affecting the Company,

## 6. Directors, Key Management and Corporate Governance

while the Audit and Committee is responsible for the oversight of the Company's financial risk management processes.

### ASX Corporate Governance Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (4th Edition) issued by ASX Corporate Governance Council (**Recommendations**). As a listed entity the Company will be required to report any departures from the Recommendations in its annual report or on its website during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations, as at the date of this Prospectus, are set out in the table below.

Recommendation		Explanation of departure
1.5	Measurable objectives for achieving gender diversity should be established and disclosed	The Company has not formally established measurable objectives for achieving gender diversity given the current stage of its operations and number of employees. The Company has however adopted a Diversity Policy which outlines the Company's objectives in the provision of equal opportunities in respect of employment and employment conditions. The Diversity Policy is available on the Company's website. The Company will review the requirement to set and report on measurable objectives for achieving gender diversity as the Company's operations and employee numbers grow.
2.1	The Board should have a Nomination Committee	The Company has not constituted a Nomination Committee given the size of the Board and the nature and scale of the Company's operations. The full Board carries out the role of a Nomination Committee.
2.2	The Board should have and disclose a Board skills matrix	The Company does not have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of the Company's operations.
4.1	The Board should have an Audit Committee.	The Board does not have a separately constituted Audit Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Audit Committee as detailed in the Audit and Risk Committee Charter.
7.1	The Board should have a committee to oversee risk.	The Board has not constituted a Risk Committee given the size of the Board and the nature and scale of its activities. The Board as a whole is responsible for the oversight of the Company's risk management and internal compliance and control framework. Responsibility for control of risk management will be delegated to the appropriate level of management within the Company, with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework.
7.3	Disclosures if the Board does not have an internal audit function	The Company does not currently have an internal audit function. The Board works collectively to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives.
8.1	The Board should have a Remuneration Committee	The Board does not have a separately constituted Remuneration Committee given the size of the Board and the nature and scale of the Company's operations. The Board as a whole fulfils the functions normally delegated to the Remuneration Committee as detailed in the Remuneration and Nomination Committee Charter.

# 7. Financial Information

## 7.1 Introduction

### 7.1.1 Financial Information

The financial information in this Section includes:

- (a) Historical Financial Information, being the:
  - (i) Historical consolidated Statements of Profit or Loss and Other Comprehensive Income of the Company for the financial years ended 30 June 2020, 30 June 2021 and the six months ended 31 December 2021;
  - (ii) Historical consolidated Statements of Cashflows of the Company for the financial years ended 30 June 2020, 30 June 2021 and the six months ended 31 December 2021; and
  - (iii) Historical consolidated Statement of Financial Position of the Company as at 31 December 2021.
- (b) Pro Forma Historical Financial Information, being the:
  - (i) Pro forma historical consolidated Statement of Financial Position of the Company as at 31 December 2021.

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as the Financial Information.

No forecast financial information has been provided for the Company.

Also summarised in this Section are;

- (a) the basis of preparation and presentation of the Financial Information (see Section 7.2);
- (b) the pro forma adjustments to the historical statement of financial position as at 31 December 2021 and reconciliations to the historical Statement of Financial Position as at 31 December 2021 (see Section 7.3.5 to 7.3.11); and
- (c) Management's discussion and analysis in respect of the pro forma historical consolidated financial information (see Section 7.4).

The Financial Information has been reviewed and reported on by Moore Australia Corporate Finance (WA) Pty Ltd, whose Investigating Accountant's Report is contained in Section 15. The Investigating Accountant's Report has been prepared in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement Involving Fundraising and/or Prospective Financial Information*. Investors should note the scope and limitations of the Investigating Accountant's Report.

The information in this Section should also be read in conjunction with other information contained in this Prospectus including;

## 7. Financial Information

- (a) Management's discussion and analysis set out in this section;
- (b) The risk factors described in Section 8;
- (c) Significant accounting policies and critical areas of accounting judgements and estimates set out in Section 7.5;
- (d) The Investigating Accountant's Report on the historical and pro forma financial information set out in Section 15; and
- (e) Other information contained in the Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

All amounts disclosed in the tables are presented in Australian dollars (“\$”) unless otherwise stated.

### 7.1.2 Forecast Financial Information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. Given uncertainty as to timing and outcome of the Company's growth strategies and the nature of the industry in which the Company operates, as well as uncertain macro market and economic conditions, the Company's performance in any future period cannot be reliably estimated. Given this and after consideration of ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast results have not been included in the Prospectus.

## 7.2 Basis of Preparation and Presentation of the Financial Information

### 7.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of the Company.

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IAS”) and related Interpretations, promulgated by the International Accounting Standards Board (“IASB”). Compliance with IFRS has ensured compliance with Australian Accounting Standards.

The Company has applied all the new and revised IFRSs which are effective for the Company's accounting period beginning on 1 January 2020 consistently throughout the years/period presented to the extent required or allowed by transitional provisions in the IFRSs.



The impact of new and revised IFRS, which have been adopted during the years/period presented and effective as at the current date, to the results for each year/period presented is not significant.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (AAS), other than that the Pro Forma Historical Consolidated Statement of Financial Position of the Company includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions which are planned to or have taken place subsequent to 31 December 2021, as if they had occurred on or before 31 December 2021.

The Pro Forma Historical Consolidated Statement of Financial Position of the Company does not reflect the actual statement of financial position of the Company as at 31 December 2021. The Company believes that it provides useful information as it illustrates the financial position of the Company as at 31 December 2021 on the basis that the proposed Capital Raising and other related pro forma transactions were completed as at that date.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied throughout the periods presented. Significant accounting policies of the Company, relevant to the Financial Information, are set out in Section 7.5.

## **7.2.2 Preparation of Historical and Pro Forma Financial Information**

The Historical Financial Information for the Company has been derived from the audited general purpose financial reports of the Company for the financial years ended 30 June 2020 and 30 June 2021 and from the reviewed general special financial report for the six months ended 31 December 2021.

The financial reports of the Company for the financial years ended 30 June 2020 and 30 June 2021 were audited by Rothsay Auditing. Rothsay Auditing issued unmodified audit opinions for each of the financial years specified. The financial report for the six months ended 31 December 2021 was reviewed by Rothsay Auditing who reported no adverse matters in their review conclusion for the period.

For each of the years and periods noted above Rothsay Auditing raised an emphasis of matter in respect of material uncertainty related to going concern.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Historical Statement of Financial Position as at 31 December 2021, adjusted to reflect proposed transactions as set out in Section 7.3.5.

The Pro forma Historical Financial Information presented in this Prospectus has been reviewed by Moore Australia Corporate Finance (WA) Pty Ltd, whose Investigating Accountant's Report is contained in Section 15. Investors should note the scope and limitations of that report.

## 7. Financial Information

### 7.3 Historical Financial Information

#### 7.3.1 Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the financial years ended 30 June 2020 and 30 June 2021, and for the six months ended 31 December 2021.

Historical consolidated Statements of Profit or Loss and Other Comprehensive Income	Note	Audited	Audited	Reviewed
		Year ended	Year ended	Six months ended
		30 June 2020	30 June 2021	31 December 2021
		\$	\$	\$
Revenue	<i>i</i>	2,954	-	-
Other income	<i>i</i>	152,216	-	-
Gain from assets held for sale		12,386	-	-
<b>Expenses</b>	<i>ii</i>			
Administration		(859,242)	(648,177)	(267,739)
Exploration		(16,452)	(449)	(3,137)
Depreciation		(12,934)	-	-
Employment		(97,307)	-	(39,900)
Impairment of fixed assets		(93,281)	-	-
Impairment of loan to associate		(180,277)	-	(889)
Impairment of investment in associate		90,138	-	444
Share of net loss of associate		(90,138)	-	(444)
<b>Net Loss before tax</b>		<b>(1,091,937)</b>	<b>(648,626)</b>	<b>(311,665)</b>
Income tax		-	-	-
<b>Loss after income tax</b>		<b>(1,091,937)</b>	<b>(648,626)</b>	<b>(311,665)</b>
Other comprehensive income, net of income tax		-	-	-
<b>Total Comprehensive Loss for the Period</b>		<b>(1,091,937)</b>	<b>(648,626)</b>	<b>(311,665)</b>

#### Notes:

- Apart from revenue from creditor funding of the administration process and minor other income, there was no other revenue generated for the financial periods presented.
- The most significant expenditure for the financial periods presented was for administrative expenses as the Company was in DOCA for most of the periods shown. Other expenditure is largely comprised of employment costs and impairment costs. The Company did not conduct any substantial business operations over the periods presented.

### 7.3.2 Historical Consolidated Statements of Cash Flows

The table below sets out the Historical Consolidated Statements of Cash Flows for the financial years ended 30 June 2020 and 30 June 2021, and the six months ended 31 December 2021.

Historical Consolidated Statements of Cash Flows	Audited Year ended 30 June 2020 \$	Audited Year ended 30 June 2021 \$	Reviewed Six months ended 31 December 2021 \$
<b>Cash Flows from Operating activities</b>			
Interest income	380	-	-
Receipts from customers	4,054	-	-
Payment for exploration and evaluation	(74,920)	(449)	(1,046)
Movement in cash from unrestricted to restricted	10,000	-	-
Payments to suppliers and employees	(360,836)	(72,777)	(137,371)
Refund of costs	50,000	-	-
Due diligence costs	(10,000)	-	-
<b>Net cash used in operating activities</b>	<b>(381,322)</b>	<b>(73,226)</b>	<b>(138,417)</b>
<b>Cash Flows from Investing activities</b>			
Proceeds from DOCA	100,000	40,000	150,000
Proceeds from sale of property, plant and equipment	12,386	-	-
Payments for property, plant and equipment	(175)	-	-
Proceeds from sale of available for sale financial assets	100,000	-	-
Costs from sale of available for sale assets	(10,000)	-	-
<b>Net cash provided by investing activities</b>	<b>202,211</b>	<b>40,000</b>	<b>150,000</b>
<b>Cash Flows from Financing activities</b>			
Payment for finance lease	(8,790)	-	-
Proceeds from the issue of convertible notes	-	-	225,000
Proceeds from borrowings	-	-	120,000
<b>Cash from provided by/(used in) financing activities</b>	<b>(8,790)</b>	<b>-</b>	<b>345,000</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(187,901)</b>	<b>(33,226)</b>	<b>356,583</b>
Cash and cash equivalents, beginning of period	233,893	40,242	7,016
Foreign exchange translation adjustments	(5,750)	-	-
<b>Cash and cash equivalents, end of period</b>	<b>40,242</b>	<b>7,016</b>	<b>363,599</b>

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### 7.3.3 Historical Consolidated Statement of Financial Position

The table below sets out the Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021.

Historical Statement of Financial Position	Reviewed 31 December 2021 \$
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	363,599
Restricted cash	61,500
Trade and other receivables	40,374
<b>Total current assets</b>	<b>465,473</b>
<b>Non-current assets</b>	
<b>Total non-current assets</b>	-
<b>Total assets</b>	<b>465,473</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	1,683,296
Provisions	1,742
Short term loan payable	124,932
Convertible notes	225,000
<b>Total current liabilities</b>	<b>2,034,970</b>
<b>Non-current liabilities</b>	
<b>Total non-current liabilities</b>	-
<b>Total liabilities</b>	<b>2,034,970</b>
<b>Net liabilities</b>	<b>(1,569,497)</b>
<b>Shareholders' equity</b>	
Share capital	20,471,348
Share based payment reserve	1,624,540
Accumulated losses	(23,665,385)
<b>Total shareholders' equity</b>	<b>(1,569,497)</b>

### 7.3.4 Pro Forma Historical Consolidated Statement of Financial Position

The table below set out the Pro Forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

		Reviewed 31 December 2021	Unaudited Pro Forma Adjustments	Unaudited Pro Forma
	Section	\$	\$	\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7.3.6	363,599	3,659,181	4,022,780
Restricted cash		61,500	-	61,500
Trade and other receivables		40,374	-	40,374
<b>Total current assets</b>		<b>465,473</b>	<b>3,659,181</b>	<b>4,124,654</b>
<b>Non-current assets</b>				
Exploration and evaluation assets	7.3.7	-	650,000	650,000
<b>Total non-current assets</b>		<b>-</b>	<b>650,000</b>	<b>650,000</b>
<b>Total assets</b>		<b>465,473</b>	<b>4,309,181</b>	<b>4,774,654</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	7.3.8	1,683,296	(1,683,296)	-
Provisions		1,742	(1,742)	-
Short term loan payable	7.3.9	124,932	(124,932)	-
Convertible notes	7.3.10	225,000	(225,000)	-
<b>Total current liabilities</b>		<b>2,034,970</b>	<b>(2,034,970)</b>	<b>-</b>
<b>Non-current liabilities</b>				
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,034,970</b>	<b>(2,034,970)</b>	<b>-</b>
<b>Net assets/(liabilities)</b>		<b>(1,569,497)</b>	<b>6,344,151</b>	<b>4,774,654</b>
<b>Shareholders' equity</b>				
Share capital	7.3.11	20,471,348	9,042,000	29,513,348
Share based payment reserve	7.3.11	1,624,540	510,616	2,135,156
Accumulated losses		(23,665,385)	(3,208,465)	(26,873,850)
<b>Total shareholders' equity</b>		<b>(1,569,497)</b>	<b>6,344,151</b>	<b>4,774,654</b>

### 7.3.5 Notes on the Pro Forma Historical Consolidated Statement of Financial Position

The Pro forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021 is based on the Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021 incorporating the following adjustments:

All references to shares and options issued are referred to on a post consolidation basis.

- The 50:1 consolidation of the Company's capital on the basis that every 50 ordinary shares be consolidated into 1 share, respectively;
- The acquisition of 100% of the share capital of Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd (the "PGE Projects") for consideration of \$600,000 to be satisfied

## 7. Financial Information

by the issue of 3,000,000 fully paid ordinary shares in the Company, at a deemed issue price of \$0.20 per share (the “Vendor Offer”);

- The reimbursement of \$50,000 tenement outgoings to the Vendors of the PGE projects and the capitalisation of this payment to exploration assets;
- On effectuation of the DOCA:
  - The receipt of \$1.45m from Oceanic Capital Pty Ltd (“Oceanic”) and the subsequent payment of \$1.6m to creditors;
  - The issue of 32,000,000 fully paid ordinary shares to Oceanic (and/or its nominee/s) at an agreed issue price of \$0.05 per share and 440,000 fully paid ordinary shares to Oceanic (and/or its nominee/s) at an agreed issue price of \$0.50 per share, with one free attaching option for each ordinary share issued, exercisable at \$0.20 and expiring three years after the grant date, to repay the DOCA creditor repayment obligations of \$1.6m and the associated top up payment of \$220,000 (the “Proponent Offer”);
  - The issue of 6,000,000 fully paid ordinary shares at a deemed issue price of \$0.20, with one free attaching option for each ordinary share issued, exercisable at \$0.20 and expiring three years after grant date to Aurum Pacific Management Pty Ltd in satisfaction of historical joint venture costs and expenses relating to the Nendo Bauxite project (the “Aurum Offer”);
  - The issue of 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.20 to the administrators in part satisfaction of the administrator’s costs (the “Administrator Offer”);
- The raising of an additional \$325,000 cash funds received subsequent to 31 December 2021 through the issue of 325,000 additional Convertible Notes;
- The issue of 550,000 Convertible Notes representing funds received, and revaluation of the conversion price discount of \$550,000 associated with the Convertible Notes on shareholder approval, recognised as an additional liability of \$550,000 and a finance expense of \$550,000;
- The subsequent conversion of all Convertible Notes to fully paid share capital on relisting and the expensing of the finance expense associated with the Convertible Notes of \$550,000 to accumulated losses. The Convertible Notes convert into 5,500,000 fully paid ordinary shares with a conversion price of \$0.10 per share and 2,750,000 options (exercisable at \$0.30 per share within three years from the grant date). The Convertible Notes attract a coupon rate of 6% per annum which is repayable in cash on either conversion or maturity. The Convertible Notes will convert automatically on the completion of the Capital Raising (the “Convertible Note Offer”). The maturity date is 18 months from the date of issue;
- The payment from cash of \$7,595 for interest on the Convertible Notes and the expensing of this to accumulated losses;
- The payment from cash of \$33,000 for costs of Convertible Note fund raising and the debit of this expense to share capital;

- The repayment from cash of \$120,000 loan plus interest of \$8,038 from Oceanic Capital Pty Ltd;
- The recognition of directors' remuneration expense of \$30,000 for services provided prior to the Company entering into administration and the expensing of this to accumulated losses. The subsequent issue of 300,000 fully paid ordinary shares at an agreed issue price of \$0.10 to Peter Lewis in lieu of these directors fees (the "Director Offer");
- A capital raising pursuant to the Prospectus of \$4.5 million, being 22,500,000 shares with one free attaching option for every two shares issued) at \$0.20 each (the "Public Offer"). The free attaching options are exercisable at \$0.30 over a three-year period;
- Direct expenses of the Public Offer totalling \$270,000 which have been deducted from cash and debited to share capital;
- The payment out of cash of estimated relisting costs of \$527,186, of which \$323,139 has been debited to accumulated losses and \$204,047 debited to trade payables;
- The issue of 450,000 fully paid ordinary shares to Bellatrix Corporate Pty Ltd at an agreed issue price of \$0.10 per share for professional services provided (the "Bellatrix Offer"), and the expensing of this expense of \$45,000 to accumulated losses;
- The issue of 830,823 Class A Incentive Options to non-executive directors, exercisable at \$0.20 over a three-year period, vesting on readmission to the ASX (the "Incentive Offer") and the recognition of the associated expense of \$77,802 in accumulated losses. Given the vesting conditions associated with the Class B and Class C Incentive Options, we have not factored the issue of these options in the pro forma statement of financial position; and
- The issue of 6,000,000 Advisor Options, exercisable at \$0.30 over a three-year period from the grant date, vesting immediately (the "Advisor Offer"), and the recognition of the associated expense of \$432,814 in accumulated losses.

### 7.3.6 Pro Forma Cash Reconciliation

The table below details the reconciliation of the pro forma cash balance of the Company as 31 December 2021, reflecting the actual cash at bank at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	\$
The Company cash at 31 December 2021	363,599
Proceeds from the Public Offer	4,500,000
Direct costs of the Public Offer	(270,000)
Proceeds from the Proponent Offer	1,450,000
Payment to creditors as a result of the DOCA effectuation	(1,600,000)
Proceeds from the Convertible Notes Offer	325,000
Direct costs of the Convertible Notes Offer	(33,000)
Repayment of the loan from Oceanic Capital	(120,000)

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Costs of the relisting	(527,186)
Reimbursement of tenement expenses	(50,000)
Payment of loan and Convertible Note interest	(15,633)
<b>Pro forma cash balance</b>	<b>4,022,780</b>

### 7.3.7 Pro forma Exploration and Evaluation Assets

The table below details the reconciliation of the pro forma exploration and evaluation assets balance of the Company as at 31 December 2021, reflecting the actual exploration and evaluation assets balance at that date and the impact of the pro forma adjustments as set out in Section 7.3.5:

	<i>Ref</i>	\$
The Company as at 31 December 2021		-
On acquisition of the PGE Projects		600,000
Reimbursement of PGE Projects tenement outgoings		50,000
<b>Pro forma exploration and evaluation assets balance</b>	<i>i</i>	<b>650,000</b>

The PGE Projects are primarily located in the Eastern Goldfields and Pilbara regions of Western Australia and are prospective for platinum group metals, gold, nickel and other minerals.

### 7.3.8 Pro forma Trade and other payables

The table below details the reconciliation of the pro forma trade and other payables balance of the Company as at 31 December 2021, reflecting the actual trade and other payables balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	<i>Ref</i>	\$
The Company as at 31 December 2021		1,683,296
Repayment on effectuation of the DOCA		(1,454,768)
Directors' remuneration liability for services provided prior to the Company entering into administration		30,000
Settlement of payables pursuant to the Directors Offer		(30,000)
Payment of payables associated with costs of the relisting		(204,047)
Other adjustments		(24,481)
<b>Pro forma trade and other payables balance</b>		<b>-</b>

### 7.3.9 Pro forma Short-term loan

The table below details the reconciliation of the pro forma short term loan balance of the Company as at 31 December 2021, reflecting the actual short term loan balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	<i>Ref</i>	\$
The Company as at 31 December 2021 <sup>1</sup>	<i>i</i>	124,932
Repayment of loan principal		(120,000)
Accrual of interest to estimated repayment date		3,106
Payment of loan interest		(8,038)
<b>Pro forma short term loan balance</b>		<b>-</b>

- i. On 22 September 2021, PBX Aus Pty Ltd, a wholly owned subsidiary of the Company, entered into a \$120,000 loan facility with Oceanic Capital Pty Ltd ("Oceanic") ("Oceanic Loan"). The Oceanic Loan has a term of 6 months and accrues interest at 15% per annum. The Oceanic Loan is secured over the assets of PBX Aus Pty Ltd. The loan is expected to be repaid out of the funds raised from the Public Offer.

### 7.3.10 Pro forma Convertible Notes

The table below details the reconciliation of the pro forma convertible notes balance of the Company as at 31 December 2021, reflecting the actual amounts due to shareholders at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	<i>Ref</i>	\$
The Company as at 31 December 2021 <sup>1</sup>	<i>i</i>	225,000
Proceeds from the Convertible Note Offer	<i>i</i>	325,000
Interest accrued		7,595
Payment of interest in cash		(7,595)
Revaluation of conversion price discount associated with Convertible Notes	<i>ii</i>	550,000
Conversion of Convertible Notes to capital		(1,100,000)
<b>Pro forma convertible notes balance</b>		<b>-</b>

- i. In December 2021, the Company issued 225,000 Convertible Notes with a face value of \$1 each. The Company is expected to raise an additional \$325,000 under the same terms of the original Convertible Notes prior to relisting. The Convertible Notes mature 18-months after issue, attract interest at 6% per annum (repayable in cash) and, subject to shareholder approval, may be converted into fully paid ordinary shares at a conversion price of \$0.10 at the election of the holder or convert automatically on completion of a qualifying capital raising by the Company. As the Capital raising pursuant to this Prospectus is deemed to be a qualifying capital raising, we have assumed that the Convertible Notes automatically convert on relisting.
- ii. As the conversion price associated with the Convertible Notes is at a 50% discount to the IPO price, the discount is treated as an additional liability and expensed to accumulated losses on conversion.

### 7.3.11 Pro Forma Share Capital Reconciliation

The table below details the reconciliation of the pro forma share capital balance of the Company as at 31 December 2021, reflecting the actual share capital balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	Number of shares	\$
<b>Ordinary issued and paid up share capital</b>		
Actual Balance as at 31 December 2021	396,614,034	20,471,348
Consolidation of Capital on a 50:1 basis	(388,681,753)	-

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Shares to be issued under the Vendor Offer	3,000,000	600,000
Shares to be issued under the Proponent Offer	32,440,000	1,670,000
Shares to be issued under the Aurum Offer	6,000,000	1,200,000
Shares to be issued under the Administrator Offer	1,000,000	200,000
Shares to be issued under the Director Offer	300,000	30,000
Shares to be issued under the Bellatrix Offer	450,000	45,000
Shares to be issued under the Convertible Note Offer	5,500,000	1,100,000
Shares to be issued under the Public Offer	22,500,000	4,500,000
Transaction costs of the Public Offer	-	(270,000)
Transaction costs of the Convertible Note Offer	-	(33,000)
<b>Pro forma share capital balance</b>	<b>79,122,281</b>	<b>29,513,348</b>

The table below details the reconciliation of the pro forma share based payment reserve and options balance of the Company as at 31 December 2021, reflecting the actual share based payment reserve and options balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 7.3.5:

	Number of options	\$
<b>Options</b>		
Actual Balance as at 31 December 2021	-	1,624,540
Consolidation of Capital on a 50:1 basis	-	-
Options to be issued under the Proponent Offer	32,440,000	-
Options to be issued under the Aurum Offer	6,000,000	-
Options to be issued under the Convertible Note Offer	2,750,000	-
Options to be issued under the Public Offer	11,250,000	-
Class A Incentive Options to be issued to Directors	830,823	77,802
Class B Incentive Options to be issued to Directors	830,823	-
Class C Incentive Options to be issued to Directors	830,823	-
Options to be issued under the Advisor Offer	6,000,000	432,814
<b>Pro forma options balance</b>	<b>60,932,469</b>	<b>2,135,156</b>

### 7.3.12 Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

The following subsequent events were noted:

- Subsequent to 31 December 2021, the Company raised \$325,000 via unsecured Convertible Notes under the terms as noted in Section 7.3.10.

## **7.4 Management Discussion and Analysis of The Historical Financial Information**

### **7.4.1 General Overview**

The section below is a discussion of the Company's operating and financial performance during the period of the historical financial information, and which may impact on future operating and financial performance.

The general matters discussed below are a summary only, do not represent all events and factors that affected the Company's historical operating and financial performance, nor everything that may affect the Company's operating and financial performance in future periods.

The information in this section should also be read in conjunction with the risk factors set out in Section 8 and the other information set out in this Prospectus.

### **7.4.2 Revenue**

Apart from revenue from creditor funding of the administration process and minor other income, there was no other revenue generated since 1 July 2019. The Company did not conduct any substantial business operations over this period.

### **7.4.3 Expenses**

The most significant expenditure since 1 July 2019 has been for the costs of the administration process. Other expenditure is largely comprised of employment costs and expenses related to the impairment of assets. The Company did not conduct any substantial business operations over the periods presented and has been in voluntary administration since 24 December 2019.

### **7.4.4 Tax**

The Company has tax pools as a result of prior losses. These tax pools offset against a portion of expected future profits from operations. The Company has not recognised a deferred tax asset as at 31 December 2021.

### **7.4.5 Key Factors Affecting the Company's Historical Statement of Cashflows**

As the Company is party to a DOCA, cash generated from operations has not been sufficient to sustain operations. The principal source of funding for the Company since 1 July 2019 has been funds raised through the DOCA.

### **7.4.6 Working Capital**

Subsequent to the proposed capital raising, as illustrated in the pro forma historical statement of financial position, the pro forma net current assets of the Company as at 31 December 2021 would be approximately \$4.8m based on a capital raising of \$4.5m before costs.

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### 7.4.7 Funding

The Company has set aside \$120,000 of the proceeds from the Public Offer to repay existing loans that are due within 6 months. The remaining proceeds from the capital raising will be used principally to fund exploration expenditure and working capital.

### 7.5 Key Accounting Policies

#### Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied during the years and period presented, unless otherwise stated.

#### 7.5.1 General

The financial information includes that attributable to the Company.

Pacific Bauxite Limited (subject to a Deed of Company Arrangement) (the “Company”) is incorporated in Western Australia. The principal activities of the Company are mineral exploration.

The financial information is presented in Australian dollars (“\$”), which is the functional currency of the Company.

#### Going concern

The Financial Information has been prepared on the basis of accounting principles applicable to a going concern, which assumes that The Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, net cash outflows from operating activities, has limited financial resources, and no assurances that sufficient funding, including adequate financing, will be available to enable it to continue its operations. These material uncertainties may cast a significant doubt on the validity of the going concern assumption.

The Company’s ability to continue as a going concern is dependent upon the effectuation of the DOCA and its ability to obtain the funding or financing necessary, from either shareholders or new investors, including pursuant to the proposed capital raising via this Prospectus, to continue operations.

If the going concern assumption was to no longer be appropriate then adjustments may be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications adopted in this Financial Information. Such adjustments could be material.

#### 7.5.2 Basis of Preparation

##### *Statement of Compliance*

The consolidated Financial Information has been prepared in accordance with Australian Accounting Standards (“AAS”), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act



2001. The financial information also complies with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this Financial Information has been prepared using the accrual basis of accounting, except for cash flow information.

#### *Use of estimates and judgments*

The preparation of the Group’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### Impairment

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date by evaluating conditions specific to the Group that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in Use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### Exploration and Evaluation (E&E) expenditure

The Company’s accounting policy for E&E expenditure results in expenditure being expensed with acquisition costs being capitalised for an area of interest where it is considered likely recovered by future exploitation or sale or where activities have reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the acquisition costs under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of profit or loss and other comprehensive income.

#### Share-based payments

The Company’s accounting policy for share-based payments results in the cost of equity settled transactions being measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black Scholes option pricing model. In undertaking this valuation, the Company makes certain judgments regarding the model inputs. In determining the model inputs, consideration is made of publicly available information of transactions of a similar nature.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed on the best available information at reporting date., No adjustment is

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made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

### Recognition of deferred taxes

The Company's accounting policy for recognising deferred tax assets states that a deferred tax asset may only be recognised where it is probable that there will be future taxable amounts available to utilise those deferred tax assets.

### *Business Combinations*

The purchase method of accounting is used to account for acquisitions of businesses and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. If the consideration of acquisition given up is less than the fair value of the net assets received, the difference is recognized immediately in the income statement. If the consideration of acquisition is greater than the fair value of the net assets received, the difference is recognized as goodwill on the statement of financial position. Acquisition costs incurred are expensed.

### 7.5.3 Significant Accounting Policies

#### (a) Basis of consolidation and principle of consolidation

##### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and

- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in FRS 103.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary,

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amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company. On disposal of investment in subsidiaries the difference between the net disposal proceeds and the carrying amount of the investment are recognised in profit or loss.

### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks, and money market investments readily convertible into cash within three months, net of outstanding bank overdrafts.

### (c) Exploration and evaluation (E&E) expenditure

E&E expenditure is expensed in respect of each identifiable area of interest held in the name of the Group. Acquisition costs are capitalised and recognised on the statement of financial position only to the extent that there exists evidence of the capitalised expenditure to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

When production commences, the accumulated exploration, acquisition and development costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages (where the liabilities exist) and



included in the costs of that stage. A regular review is undertaken of each area of interest to determine the appropriateness of the continuing carry forward costs in relation to that area of interest.

(d) **Impairment of non-financial assets**

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(e) **Income taxes**

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 7. Financial Information

### (f) Revenue

Revenue is measured based on the consideration to which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from rendering of services is recognised when the services have been performed and rendered.

Interest income is recognised on a time proportion basis using the effective interest method.

### (g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (h) Share capital

Ordinary shares issued by the Group and the Company are classified as equity and recorded at the proceeds received, net of direct issue costs.

### (i) Share based payments

The Group operates an equity-settled share-based plan. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share capital.

The total amount to be recognised is determined by reference to the fair value of the shares granted on the date of the grant. These shares are vested immediately upon issue.

### (j) Financial Instruments

*Financial Assets*

#### Classification and Measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives, if any, are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Subsequent measurement

##### *Debt instruments*

Debt instruments mainly comprise of trade and other receivables, contract assets, amount due from subsidiaries and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group’s business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets’ cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in “other income / other expenses”. Interest income from these financial assets is recognised using the effective interest rate method and presented in “interest income”, if any.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the

## 7. Financial Information

period in which it arises and presented in “other income / other operating expenses”, if any.

### *Equity instruments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other income / other operating expenses”, except for those equity securities which are not held for trading.

### Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income.

### Impairment of Financial Assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivable and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay. For other receivables, the Group and the Company apply a general approach to calculate loss allowance based on a 12-month ECL.



The Group and the Company consider a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### *Financial Liabilities*

#### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

## 8. Risk Factors

An investment in the securities offered under this Prospectus should be considered highly speculative because of the nature of the Company's business. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the risk factors to which the Company and holders of its securities are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statement will eventuate.

The selection of risks contained in this Section has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge. Additional risks not presently known to the Company, or if known, not considered material, may also have an adverse impact.

Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for securities.

### 8.1 Risks specific to the Company

#### (a) Completion of the DOCA

As the Company is currently subject to a DOCA, there is a risk that if the terms and conditions of the DOCA are not satisfied then the Administrators will be required to convene a meeting of the Company's creditors (in accordance with the DOCA) for the purposes of varying or terminating the DOCA. In those circumstances, the Company may proceed into liquidation and the Administrators are currently uncertain about the return likely to the Company's creditors. The terms and conditions of the DOCA are summarised in Section 9.1. The Company believe that the conditions to completion of the DOCA are capable of satisfaction, however no assurances can be made that the DOCA will proceed to completion. If the DOCA is not wholly effectuated then investors will be repaid their Application Monies.

#### (b) Reinstatement to Trading on the Official List of ASX

The Company's Shares are suspended from trading on the Official List of ASX. ASX's policy is to remove from the official list an entity whose securities have been suspended from quotation for a continuous period of 2 years. Pursuant to ASX guidance, ASX may agree to a short extension of this 2 year deadline for delisting if the entity can demonstrate to ASX's satisfaction that it is in the final stages of implementing a transaction that will lead to the resumption of trading in its securities.

As at 24 December 2021, the Company's shares had been suspended from trading for a continuous period of 2 years. ASX has granted a short extension of the Company's automatic removal date until 2 May 2022. The Company must be reinstated before commencement of trading on this date to avoid automatic removal from the official list of



the ASX. ASX have advised that no further extensions will be considered or granted. Investors should be aware that there is no guarantee that the Company will be able to achieve reinstatement to trading by ASX's deadline.

The Company is seeking for its Shares to be reinstated to trading on ASX and this Prospectus has partly been prepared for that purpose. Shares offered under this Prospectus will not be able to be traded on the ASX until such time as ASX's requirements for re-quotation are met, if at all. If the Offer Conditions are satisfied, the Company will seek to have its Shares released from Suspension. ASX has ultimate discretion on the lifting of the suspension. There is a risk that ASX will not grant the reinstatement of the Shares to trading on ASX. Therefore, there is a risk that the Shares issued under this Prospectus will not be quoted on ASX.

(c) **Proposed Acquisitions and Re-compliance with Chapters 1 and 2 of the Listing Rules**

As identified in the Independent Solicitor's Report, the Company is not the registered owner of any of the tenements comprising the PGE Projects as at the date of this Prospectus. The Company's right to acquire the PGE Projects is subject to the Proposed Acquisition Agreements. In order for the Company to achieve its stated objectives, the Company is reliant on the Vendors to complete settlement of the Proposed Acquisition Agreements and otherwise comply with their contractual obligations under such agreements. The Proposed Acquisition Agreements are also subject to various conditions precedent (as set out in Section 9.3), which if not satisfied or waived may prevent the Proposed Acquisitions being completed. Accordingly, there is a risk that completion under the Proposed Acquisition Agreements may not occur.

As part of the Company's change in scale of activities due to the Proposed Acquisitions and the Proposed Divestment, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Shares will remain suspended until completion of the Offers, completion of the Proposed Acquisitions, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such re-instatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation. In the event that the Proposed Acquisitions or the Proposed Divestment do not proceed and the Company is unable to meet the requirements of Chapters 1 and 2 of the Listing Rules, it may be removed from the Official List by ASX.

(d) **Dilution**

The Company will have 7,932,281 Shares on issue post completion of the Consolidation. On effectuation of the DOCA, completion of the Proposed Acquisitions and completion of the Offers the subject of this Prospectus, the existing Shareholders (as at the date of this Prospectus) will retain approximately 10.0% of the issued capital of the Company. Oceanic and the Vendors (and/or their nominees) will hold an aggregate of 44.79%, Aurum will hold 7.6%, Convertible Note holders will hold an aggregate of 7.0% and the investors of the Offer will hold an aggregate of 28.4% (all percentages expressed on an undiluted basis).

The Company will also issue Options pursuant to the Offers. There is a risk that the interests of Shareholders will be further diluted on conversion of these Options. There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

## 8. Risk Factors

### (e) Tenement Title

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, a Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

The Tenements (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

Although the Company has taken steps to verify the title to its projects, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to the Company's projects, and resource properties which the Company may acquire in the future, may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

Further, two of the Tenements are pending applications, including the Darling Range Project. There is a risk that the applications for Tenements may not be granted in their entirety, not granted at all or granted with conditions unacceptable for the Company's proposed activities.

The Company is aware of a number of concurrent interests which encroach on the projects, including licence applications affecting the tenements in Western Australia. These may affect the Company's access to, or rights to conduct exploration and/or mining activities on, the encroaching areas. Refer to the Independent Solicitor's Report in Section 14 for further details. Any encroaching interests which affect the Company's projects, or any resource properties which the Company acquires in the future, have the potential to materially adversely affect the Company's operations, outlook and financial condition.

### (f) Land Access and Compensation

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to gain access to land in Australia. Negotiations with both Traditional Owners and landowners/occupiers are generally required before the Company can access land for exploration or mining activities.

The Company notes that certain tenements overlap with conflicting land uses, including private land (see Section 8.1(g) below), file notation areas, pastoral leases, petroleum titles, registered heritage sites and areas of Crown reserves and proposed reserve lands. Refer to the Independent Solicitor's Report for further details on the such conflicting land uses.

Investors should be aware that the Company cannot be assured of obtaining the necessary consents and approvals to access such lands. In addition, any delay in obtaining any necessary agreement to obtain access may adversely impact or delay the Company's ability to carry out exploration or mining activities on its Tenements.

(g) **Private Land**

As detailed in the Independent Solicitor's Report in Section 14, tenements E70/5111 (Darling Range Project), E70/5767 and E70/5921 (Melbourne Project) overlap private/freehold land parcels by an aggregate of 88.03%, 98.59% and 79.35% respectively.

Most grants of freehold that were made prior to 1 January 1899 in Western Australia included the grant of minerals other than gold, silver and precious minerals (referred to as 'the Royal Metals'), which were reserved to the Crown. This land is commonly referred to as 'minerals to owner' land as the landowner owns all other minerals and has the right to deal with those minerals as it sees fit. In such a situation, a mining tenement granted under the *Mining Act 1978* (WA) will confer on the tenement holder the right to explore for, or mine gold, silver and precious metals only but will not give any rights to exploit any other mineral.

Preliminary enquiries made with Landgate have confirmed that the majority of the lots overlapped by the above tenements comprise (partially or in whole) land granted prior to 1 January 1899 (refer to the Independent Solicitor's Report in Section 14 for further detail). It should be noted that the enquiries made with Landgate were made to identify the Crown allotment parcel only. The report obtained from Landgate does not constitute a full chain of title searches and does not capture all records within the chain of each land parcel. Further investigations would be required to trace the passage of mineral ownership over time.

As the Company defines exploration targets on these affected tenements and prior to commencing ground disturbing activities, the Company will conduct further investigations to confirm whether the relevant private land parcels are 'minerals to owner' land and whether it is necessary to obtain consent and/or agreement in relation to access and compensation from the owners of such land.

Approvals for mining gold, silver and precious metals on pre-1899 land have generally been granted by local government as an Extractive Industry Licence ("EIL"; *Local Government Act 1995*) or Development Approval ("DA"; *Planning and Development Act 2005*). A miner wishing to mine minerals other than the gold, silver and precious metals located on pre-1899 land will need to negotiate an access and compensation agreement with the owner of the land (and owner of the minerals) and obtain permission either through an EIL or DA. Any significant proposal may require assessment by the Environment Protection Authority and any mining activity will be subject to the *Mines Safety and Inspection Act 1994*.

(h) **Exploration and Development**

The Company's projects are at various stages of exploration and development, and potential investors should understand that mineral exploration and development are high-risk undertakings, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

The quantities and grades included in any future mineral resource statements are estimates and may not prove to be an accurate indication of the quantity or grade of the metals that have been identified or that the Company will be able to extract. No assurance can be given that any particular level of recovery from mineral resources or reserves will in fact be

## 8. Risk Factors

realised or that an identified mineral resource will ever qualify as commercially viable which can be legally and economically exploited. In addition, there can be no assurance that exploration of the Company's mineral interests, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economically viable mineral deposit that can be profitably exploited.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising its projects and obtaining all required approvals for its contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Company's projects, a reduction in the cash reserves of the Company and possible relinquishment of mineral exploration licences comprising the Company's projects.

### (i) 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 or 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, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

### (j) Native Title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

A number of the Tenements are affected by known Native Title claims and/or rights and interests. Accordingly, the ability of the Company to gain access to these Tenements or to progress from the exploration phase to the development and mining phases of operation may be adversely affected. Certain Tenements are also subject to ILUAs, which may contain terms and conditions which are unfavourable for, or restrictive against, the Company.



If Native Title is found to exist in respect of the area of any of the Tenements, then any compensation liability payable to the holders of the Native Title rights in relation to the grant and activities conducted on the relevant tenements will lie with the Company. Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force). At this stage, the Company is not able to quantify any potential compensation payments, if any.

Refer to the Independent Solicitor's Report for further details on the above Native Title issues.

**(k) Aboriginal Heritage**

The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.

The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally which affect certain Tenements. Refer to the Independent Solicitor's Report for further details on the registered Aboriginal heritage sites which are relevant to the Company's projects. It is also likely that additional Aboriginal sites may be identified on the land the subject of the Tenements.

The Company will comply with all relevant Aboriginal Heritage Acts and any applicable agreements that may be in place with the relevant Traditional Owners. Prior to commencing ground disturbing activities, including mining, the Company will need to consult with relevant Traditional Owners regarding the likely impact that the proposed activities may have on such areas. There is no guarantee that the Company will be able to deal with Aboriginal heritage issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities, lead to increased costs for such activities (in obtaining the required consents and/or approvals) and also limit the Company's ability to conduct its proposed activities on the relevant Tenement.

**(l) Regulatory Compliance**

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and work safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise its operations. These permits relate to exploration, development, production and rehabilitation activities.

While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

## 8. Risk Factors

Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even in inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

### (m) **No Defined Resources**

The Company, at this time, does not have any JORC Code 2012 compliant mineral resources or reserves on its projects, and previous exploration over the areas covered by the Company's projects is limited. There can be no assurance that future exploration and development activities on the Company's projects, or any other mineral permits that may be acquired in the future, will result in the identification of an economically viable mineral deposit.

### (n) **Resource Estimates**

Whilst the Company intends to undertake exploration activities with the aim of defining a JORC Code 2012 compliant resources, no assurances can be given that exploration will result in the determination of a resource on any Tenement. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

In the event that the Company successfully delineates a resource or reserve on any of its mineral permits, that resource or reserve estimate will be an expression of judgment 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, 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.

### (o) **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to its projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies. The Company intends to complete such studies within parameters designed to determine the economic feasibility of the subject projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject projects or that the results of other studies undertaken by the Company will be consistent with the results of previous studies undertaken.

Even if a study confirms the economic viability of a Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in a feasibility study (e.g., operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(p) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk, such as:

- identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- developing an economic process route to produce a metal and/or concentrate; and
- changes in mineralogy in the ore deposit that can result in inconsistent metal recovery, affecting the economic viability of the project.

(q) **Commodity Prices and Demand**

As an explorer for nickel, copper, gold and PGEs, and potentially other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and project development plans, together with the ability to fund those plans and activities.

(r) **Environmental Risks**

The operations and proposed activities of the Company are subject to State and Federal 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. Approvals are required for various mining and exploration activities including, 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.

There is also a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Amendments to current laws, regulations and

## 8. Risk Factors

permits governing operations and activities of mining companies, or a more stringent implementation thereof, could have a material impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or require abandonment or delays in the exploration or development of the Company's Tenements.

(s) **Loss of key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Board. The Company has a small management team. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these officers, or future officers or employees forming its key management, cease their employment. The Company may not be able to replace such personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.

(t) **Agents and contractors**

The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third party contractors. In most cases, the Company has yet to enter into these arrangements. The Directors are unable to predict the risk of financial failure, default or insolvency of any of the contractors. If these events occur in relation to a contractor, recovery by the Company of resulting financial losses may be limited. Contractors may also underperform their obligations of their contracts. If such contracts are terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

(u) **New projects and acquisitions**

The Company intends to actively pursue and assess new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.

There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company. If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from its existing projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(v) **Royalties**

Any future mining projects may be subject to State or Federal royalties, in addition to the royalties payable to third parties (refer to Section 9.4 for further details). Each royalty holder



has an express right to lodge caveats against the relevant tenements to protect its interest in the relevant tenements.

In the event that additional royalties are imposed or increased in the future, the profitability and commercial viability of the Company's projects may be negatively impacted.

(w) **Climate risk**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributed to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. Whilst the Company will endeavour to manage these risks and limit any consequential impacts there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(x) **Downturn in the resources industry**

The Company's revenue and growth are susceptible to a downturn in the resources industry. The resources industry is influenced by many economic and political factors which are outside the control of the Company, including but not limited to confidence in the global economy and global economic growth, continued international demand and commodities prices. Any prolonged decline in commodity prices, particularly gold or copper, or the demand for resources may have a materially adverse effect on the Company's financial performance and financial position.

(y) **Future Capital Needs**

The future capital requirements of the Company will depend on many factors. The Company believes that the proceeds of the Offer should be adequate to fund its business activities in the short term as stated in this Prospectus. Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional funding (whether debt or equity) will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and its financial condition and performance and the Company's ability to continue as a going concern. Any additional equity financing may also be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive

## 8. Risk Factors

covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing shareholders will be diluted.

### 8.2 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. The Company's financial performance may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

#### (a) COVID-19 risk

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations, including access to its projects to conduct exploration activities, and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

#### (b) Government Legislation and Policy Changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Any material adverse changes in government policies or legislation in Australia or in any other country that the Company may acquire economic interests in may affect the viability, financial performance and profitability of the Company.

#### (c) Foreign Exchange Risks

International prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined on international markets. If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product may also expose the potential income of the Company to further exchange rate risks.

(d) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption and the rate of growth of gross domestic product in Australia and other jurisdictions in which the Company may acquire mineral assets.

(e) **Securities investments**

There are risks associated with any securities investments. The prices at which the Shares trade on ASX may fluctuate in response to a number of factors including:

- the recruitment or departure of key personnel;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in the Company's financial results or those of companies that are perceived to be similar to the Company including changes caused by changes in financial accounting standards or practices or taxation rules or practices;
- announcements regarding litigation or other proceedings that involve the Company;
- war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets;
- other general economic, industry and market conditions; and
- other factors described in this Section.

(f) **Share market risk**

Global credit, commodity and investment markets can experience a high degree of uncertainty and volatility. The factors which lead to this situation are outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(g) **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Shares. Accordingly, there is a risk that, should the market for the Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

(h) **Active market**

The price of the Company's securities is subject to uncertainty and there can be no assurance that an active market for the Company's securities will develop or continue after the Offer. The price at which Shares trade on ASX after re-listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and

## 8. Risk Factors

business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

### (i) Force majeure events

Events may occur within or outside Australia that could impact upon global, Australian or other local economies relevant to the Company's financial performance, the operations of the Company and the price of the Company's Shares. These events include but are not limited to terrorism, international hostilities, floods, earthquakes, labour strikes, civil wars, natural disasters or other man-made or nature events or occurrences that can have an adverse effect on the Company and its ability to conduct business. The Company has limited ability to insure against some of these risks.

### (j) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of contractual claims, intellectual property claims, personal injury claims, mining title related disputes, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position and share price of the Company.

### (k) Taxation risk

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

## 9. Material Contracts

### 9.1 Deed of Company Arrangement

Pursuant to the resolution at a meeting of creditors on 23 August 2021 held under s439A(1) of the Corporations Act, the Company, the Administrators and Oceanic executed the DOCA on 6 September 2021 and the Administrators became the administrators of the DOCA.

#### (a) Purpose

The purpose of the DOCA is to provide for the affairs of the Company to be administered in a way that maximises the chances of the Company continuing in existence and resulting in a better return for the Company's creditors than would result from an immediate winding up of the Company.

The DOCA is part of the overall process to restructure the Company and restore quotation of the Company's shares on the Official List of ASX.

#### (b) Proponent

Oceanic is an Australian based private investment company, incorporated in February 2005 with its head office in Perth, Western Australia. Oceanic is the proponent to the DOCA and, subject to approval and successful implementation of the recapitalisation proposals and completion of the Offers, will receive a substantial interest in the Company.

#### (c) Key Terms

The material terms of the DOCA comprise of the following:

1. Oceanic to provide the Company with \$1,600,000 (**Fund**) with \$150,000 required as a non-refundable upfront deposit upon the creditor resolution accepting the proposal (**Initial Contribution**).
2. The Fund to be applied as follows:
  - a. Payment of the Administrators' remuneration (including disbursements and costs) subject to a creditors resolution but not otherwise to exceed:
    - i. \$1,100,000 from the Fund; and
    - ii. the issue of 1,000,000 Shares to the Administrators (and/or their nominee/s). Such issue is the subject of the Administrator Offer.
  - b. Full payment to the priority creditors of the Company.
  - c. Payment to Aurum in the sum of \$184,100.57.
  - d. A cash payment of \$267,114.25 to be distributed pro-rata between the remaining creditors of the Company less any amount paid to priority creditors.
  - e. The balance being available to the Company for working capital purposes.

## 9. Material Contracts

- Oceanic to also provide additional funding to the Company to the extent the above payment and the fees, costs, expenses and liabilities associated with obtaining all necessary approvals and consents required to meet the conditions under the DOCA exceed the Fund (**Top-Up Funding**). Oceanic is entitled to 2 Shares and 2 New Options for each dollar of Top-Up Funding provided.

The DOCA also provides that the ownership of the Company's wholly owned subsidiary Iron Mountain (which has an interest in the Nendo Bauxite Project) will be transferred by the Company to:

- the JV Creditors obtaining an 80% holding in Iron Mountain; and
- Richard Albarran and Cameron Shaw in their capacity as trustees for the Iron Mountain Trust retaining a 20% holding of Iron Mountain. The Iron Mountain Trust is a trust created for the benefit of Shareholders of the Company as at the date of voluntary administration.

(d) **DOCA conditions**

The key conditions precedent for the completion of the DOCA include:

- Oceanic paying the Fund into a solicitor's trust account (including the Initial Contribution. Oceanic has made such payment; and
- the execution of the Share Transfer Deed between the Company, the JV Creditors and the trustees of the Iron Mountain Trust, regarding the transfer of shares in Iron Mountain. Refer to Section 9.2 for further information on the Iron Mountain Share Transfer Deed.

The continued operation of the DOCA is also conditional upon the following conditions subsequent taking place or being satisfied within four months of the DOCA being accepted by the Company's creditors:

- the Company carrying out the Consolidation. Shareholders approved the Consolidation at the Company's Annual General Meeting;
- the Company's Shareholders resolving to proceed with the issue of shares pursuant to the DOCA. Shareholders approved such issue of shares at the Company's Annual General Meeting; and
- the application for exploration licence ELA 50/5111 lodged by PBX Aus not being altered, reduced, amended, varied or otherwise changed, withdrawn, revoked, denied, declined or refused.

Upon satisfaction of the above conditions subsequent, the Company must issue the following Securities:

- 32,000,000 Shares together with 32,000,000 New Options (exercisable at \$0.20 per share and expiring three years from the date of grant) to Oceanic (and/or its nominee/s). Such Securities form part of the Proponent Offer the subject of this Prospectus;

2. additional Shares and New Options pursuant to any Top-Up Funding provided by Oceanic to the Company. As at the date of this Prospectus, Oceanic has provided an aggregate of \$1,820,000 (including \$220,000 in Top Up Funding). Accordingly, pursuant to the terms of the DOCA, Oceanic is entitled to be issued a total of 440,000 Shares and 440,000 New Options (exercisable at \$0.20 per share and expiring three years from the date of grant) for providing such Top-Up Funding. Such Securities form part of the Proponent Offer the subject of this Prospectus;
3. 6,000,000 Shares and 6,000,000 New Options (exercisable at \$0.20 per share and expiring three years from the date of grant) to Aurum. Such Securities form the Aurum Offer the subject of this Prospectus; and
4. 1,000,000 Shares to the Administrators. Such Shares form the Administrator Offer the subject of this Prospectus.

Upon the Administrators lodging written notice to ASIC that the parties to the DOCA have fulfilled all of their obligations under the DOCA, the Company must transfer to:

- the JV Creditors, 80% of the Shares in Iron Mountain; and
- the trustees of the Iron Mountain Trust, the remaining 20% of the Shares in Iron Mountain.

See Section 9.2 for further information on the Iron Mountain Share Transfer Deed.

Upon execution of the DOCA, the Company grants to Oceanic (or its nominee) the rights to the following:

- a 1.5% net smelter royalty on all base and precious metals and rare earths; and
- a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually).

See Section 9.4 for further information on the Oceanic Royalty Deed.

## 9.2 Iron Mountain Share Transfer Deed

A condition of the Oceanic DOCA is for the Company to complete the Proposed Divestment as follows:

- 80% of the issued capital to be divested to the JV Creditors; and
- 20% of the issued capital to be divested to the trustees of the Iron Mountain Trust. The Iron Mountain Trust is a trust established for the benefit of Shareholders as at the date the Company entered into voluntary administration on 24 December 2019.

The Company had previously announced its intentions to divest the Nendo Bauxite Project prior to the administration of the Company, as announced on 13 December 2019. However, opportunities to extract value from the Nendo Bauxite Project were limited given the funding required to progress the project and the sovereign risk hurdles. While the Company will receive no consideration for the Proposed Divestment, the Company believes the Proposed Divestment is in the best interests of the Company. Shareholders of the Company

## 9. Material Contracts

as at the date of voluntary administration will also retain a 20% interest in the Nendo Bauxite Project via the Iron Mountain Trust.

To effect the Proposed Divestment, the Company has entered into a share transfer deed with various parties, whereby the Company has agreed to divest the Company's shares in Iron Mountain in the proportions and on the terms and conditions as set out below.

### (a) Transfer of Shares

The Company holds 100 Shares in Iron Mountain, representing 100% of the total issued shares. The Company will transfer these shares to the following parties in the proportions as set out below:

Buyer	Shares
Richard Albarran and Cameron Shaw as trustees for the Iron Mountain Trust <sup>1</sup>	20
Peter Forrest Pty Ltd (ACN 119 584 422) as trustee for the Peter Forrest Family Trust <sup>2</sup>	66
Nicholas Michael Wixon Willis <sup>3</sup>	14
<b>Total</b>	<b>100</b>
Notes:	
1. The Iron Mountain Trust is a trust established for the benefit of those persons who were Shareholders of the Company as at the date of voluntary administration, with Richard Albarran and Cameron Shaw appointed as the initial trustees. Such trustees will aim to seek opportunities to derive value from the sale of Iron Mountain in the future.	
2. Peter Forrest Pty can (ACN 119 584 422) is an entity controlled by Peter Forrest who is a director of Aurum Pacific Pty Ltd, a creditor of the Company. Aurum Pacific holds the remaining 50% interest in Eight South Investments. Peter Forrest is also an existing shareholder of Eight South Investments.	
3. Nicholas Willis is a director and shareholder of Eight South Investments and is also a director of Aurum Pacific.	

Subject to the conditions for completion outlined below, the Company agrees to transfer to each buyer their respective portion of shares in Iron Mountain as set out above, subject to such buyers, Aurum and Iron Mountain releasing claims against the Administrators and the Company in relation to the DOCA, the Company or its administration.

### (b) Conditions for Completion

The parties have no obligation to complete the transfer of shares in Iron Mountain unless each of the following conditions is met or waived:

1. a new shareholders deed is executed and exchanged between the parties to that deed;
2. a release deed in relation to debts owed by the Company to the buyers is executed by the parties;
3. the DOCA has been effectuated, and notice of that effectuation has been lodged with ASIC; and

4. there has been no material adverse change in the assets, liabilities, financial position, performance, profits, losses, business, operations or prospects of Iron Mountain since the Iron Mountain share transfer deed was executed.

If the conditions set out above are not met or waived by the date agreed by the parties, then the share transfer deed may be terminated by any party by notice.

The Iron Mountain Share Transfer Deed otherwise contains provisions considered standard for an agreement of its nature.

### 9.3 Proposed Acquisition Agreements

The Company has entered into share sale agreements with the Vendors to acquire the entire issued share capital of Western Yilgarn and AAM Resources (**Proposed Acquisition Agreements**).

The tenement package to be acquired as a result of the Proposed Acquisition Agreements comprises the PGE Projects. Refer to Sections 5.4 to 5.9 for further information on the PGE Projects.

The terms and conditions of the agreements reached with the Vendors for the acquisition of Western Yilgarn and AAM Resources are materially the same, with the only exception being the entity to be acquired and the tenements or tenement applications held by the applicable entity under each agreement.

A summary of the material terms of the Proposed Acquisition Agreements are set out below:

#### Consideration

The consideration payable to the Vendors is as follows:

1. 1,500,000 Shares to the Vendors for the acquisition of Western Yilgarn and 1,500,000 Shares to the Vendors for the acquisition of AAM Resources. Such Shares form the Vendor Offer the subject of this Prospectus.;
2. a 2% net smelter return royalty payable to the Vendors (or their nominees) on all minerals extracted from the PGE Projects; and
3. reimbursement to the Vendors of outgoings in respect of the PGE Projects, including costs associated with keeping such tenements in good standing (which as at the date of this Prospectus total approximately \$50,000).

#### Conditions Precedent

Completion is conditional on the satisfaction of various conditions precedent including:

1. completion of due diligence by the Company on the PGE Project tenements and each company's business, assets, financial position, operations and interest in the PGE Project tenements. This has been completed by the Company;

## 9. Material Contracts

2. the PGE Projects having been maintained in good standing, in full force and effect and free from encumbrances, third party interests or any liability for forfeiture or non-renewal;
3. the Company securing all shareholder, board and regulatory approvals required to perform its obligations under the Proposed Acquisition Agreements. The Company obtained all required Shareholder approvals at the Annual General Meeting; and
4. the Company lodging this Prospectus, receiving the minimum subscription under the Offer and receiving a conditional re-listing letter from ASX on terms that the Company acting reasonably believes can be satisfied.

If the above conditions are not satisfied (or waived by mutual agreement) within 6 months following execution of each agreement with the Vendors (or such later date as the parties may agree), or if the DOCA is terminated, then any party may terminate each agreement by notice in writing to the other party.

The Proposed Acquisition Agreements otherwise contain provisions considered standard for agreements of their nature.

### 9.4 Royalty Deeds

#### Oceanic Royalty Deed

Pursuant to the terms of the DOCA, the Company has entered into a royalty deed with Monarch Royalty & Investments Pty Ltd (ACN 647 506 349) (**Monarch**) (as nominated by Oceanic under the DOCA) for a royalty payable in respect of exploration licence application E70/5111 (**Oceanic Royalty Deed**). The operation of the Oceanic Royalty Deed is conditional on the Oceanic DOCA being effectuated.

#### Royalty

Under the Oceanic Royalty Deed, the Company will pay to Monarch for each quarter in which any minerals are produced and sold, removed or otherwise disposed of, a 1.5% net smelter return royalty on all base and precious metals and rare earth minerals and a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually) extracted from the tenement or any subsequent tenement over any of the land or area comprising the tenement in the future. The obligation to pay the royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of minerals extracted.

#### Calculation and Payment of Royalty

Within sixty (60) days after the end of each quarter, the Company must:

- (a) calculate the royalty payable for that quarter, if any;
- (b) give to Monarch a statement in respect of that quarter, even if there is no royalty payable in respect of that quarter; and
- (c) if the royalty is payable, pay to the Monarch the royalty due by it for that quarter.

## Termination

The Oceanic Royalty Deed automatically terminates when the last of the tenements subject to the deed has been relinquished, expired, withdrawn or surrendered.

The Oceanic Royalty Deed otherwise contains provisions considered standard for a deed of its nature.

## Western Yilgarn Royalty Deed

Pursuant to the Proposed Acquisition Agreements, Company has entered into a royalty deed with Glen William Goulds and Monarch (as nominated by St Barnabas under the Proposed Acquisition Agreements) for a royalty payable in respect of the exploration licences E36/1010, E36/1011, E70/5767 and E70/5921 and exploration licence application E36/1025 (**Western Yilgarn Royalty Deed**). The operation of the Western Yilgarn Royalty Deed is conditional on the proposed acquisition of Western Yilgarn by the Company completing.

## Royalty

Under the Western Yilgarn Royalty Deed, the Company will pay to Glen William Goulds and Monarch (in equal proportions) for each quarter in which any minerals are produced and sold, removed or otherwise disposed of, a 2% net smelter return royalty on such minerals extracted. The obligation to pay the royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of minerals extracted.

## Calculation and Payment of Royalty

Within sixty (60) days after the end of each quarter, the Company must:

- (d) calculate the royalty payable for that quarter, if any;
- (e) give to the Glen William Goulds and Monarch a statement in respect of that quarter, even if there is no royalty payable in respect of that quarter; and
- (f) if the royalty is payable, pay to the Glen William Goulds and Monarch the royalty due by it for that quarter.

## Termination

The Western Yilgarn Royalty Deed automatically terminates when the last of the tenements subject to the deed has been relinquished, expired, withdrawn or surrendered.

The Western Yilgarn Royalty Deed otherwise contains provisions considered standard for a deed of its nature.

## AAM Resources Royalty Deed

Pursuant to the Proposed Acquisition Agreements, the Company entered into a royalty deed with the Glen William Goulds and Monarch (as nominated by St Barnabas under the Proposed Acquisition Agreements) for a royalty payable in respect of the tenements held by AAM Resources comprising exploration licences E52/3861, E58/0562 and E59/2496 (**AAM Resources Royalty Deed**). The operation of the AAM Resources Royalty Deed is conditional on the proposed acquisition of Western Yilgarn by the Company completing.

## 9. Material Contracts

### Royalty

Under the AAM Resources Royalty Deed, the Company will pay to the Glen William Goulds and Monarch (in equal proportions) for each quarter in which any minerals are produced and sold, removed or otherwise disposed of, a 2% net smelter return royalty on such minerals extracted. The obligation to pay the royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of minerals extracted.

### Calculation and Payment of Royalty

Within sixty (60) days after the end of each quarter, the Company must:

- (g) calculate the royalty payable for that quarter, if any;
- (h) give to the Glen William Goulds and Monarch a statement in respect of that quarter, even if there is no royalty payable in respect of that quarter; and
- (i) if the royalty is payable, pay to the Glen William Goulds and Monarch the royalty due by it for that quarter.

### Termination

The AAM Resources Royalty Deed automatically terminates when the last of the tenements subject to the deed has been relinquished, expired, withdrawn or surrendered.

The AAM Resources Royalty Deed otherwise contains provisions considered standard for a deed of its nature.

### 9.5 Broker Mandate

The Company and Euroz Hartleys are parties to a broker mandate in relation to the Offer (**Broker Mandate**), the material terms of which are as follows:

- (a) Euroz Hartleys will facilitate the Offer on a best endeavours basis;
- (b) the Company will pay Euroz Hartleys the fees outlined in Section 4.5; and
- (c) subject to the Offer successfully closing, the Company grants to Euroz Hartleys the first right to act as:
  - (i) exclusive corporate advisor (if desired by Euroz Hartleys) in respect to all merger or acquisition transactions which the Company is a party to; and
  - (ii) lead manager (if desired by Euroz Hartleys) in relation to all equity capital raisings;

for the period of 12 months following the Offer.

The Broker Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and indemnities).

## 9.6 Convertible Notes

The Company has issued Convertible Notes to sophisticated and professional investors, raising \$550,000 (before costs). The purpose of the issue was to provide funding to cover the costs of the Company seeking re-admission to the Official List and for general working capital purposes.

The Convertible Notes are unsecured, non-voting and were otherwise issued on the following material terms and conditions:

- Interest – 6.00% per annum to maturity or conversion (whichever occurs earlier);
- Maturity date – 18 months from the date of issue;
- Conversion price – \$0.10 per Share; and
- Conversion – the Convertible Notes may be converted into Shares at the conversion price on election of the Convertible Note holder, not before 6 months after issue or automatically on completion of a qualifying capital raising. Where the conversion of the Convertible Notes is triggered by the Company conducting a qualifying capital raising, Convertible Note holders are entitled to be issued such other securities (other than Shares) issued to participants in such capital raising on the same terms and on the same basis issued to such participants.

The Offer the subject of this Prospectus is a qualifying capital raising under the Convertible Note Term Sheet. As such, Convertible Note holders are entitled to be issued Shares and Placement Options on the same basis issued to participants to the Offer. The Company sought and obtained Shareholder approval for the convertibility of the Convertible Notes at the Annual General Meeting.

## 9.7 Agreements with Directors, Related Parties and key management personnel

### (a) Agreements with Directors

The Company has entered into customary director appointments and deeds of indemnity, insurance and access with Directors and management. A summary of the agreements with Directors, key management personnel and related parties of the Company is set out in Section 6.5.

# 10. Additional Information

## 10.1 Rights Attaching to Shares

The Shares offered under this Prospectus are fully paid ordinary shares in the capital of the Company and rank equally with the existing Shares.

Full details of the rights attaching to Shares are set out in the Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders.

Investors should note that the Company recently adopted a new constitution as approved by Shareholders at the Annual General Meeting. The summary of the rights attaching to Shares below reflects the new constitution of the Company.

### (a) General meetings and notices

Each eligible Shareholder is entitled to receive notice of, and, except in certain circumstances, to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

### (b) 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:

- (i) each eligible Shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (iii) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible 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 per Share. On a poll, partly paid shares confer a fraction of a vote pro-rata to the amount paid up and payable on the Share.

### (c) 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, such dividend to be paid only out of the profits of the Company. The Directors may determine the amount, method and time for payment of the Dividend, which are to be apportioned and paid proportionately to the amounts paid or credited as paid on 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.

(d) **Winding-up**

Subject to the Corporations Act, the Listing Rules and any special or preferential rights attaching to any class or classes of shares in the Company, on a winding up of the Company the liquidator may, with the approval of a special resolution, distribute among the Shareholders the whole or any part of the assets of the Company and may determine how such division is to be carried out. The liquidator may also, with the approval of a special resolution, vest the whole or any part of the Company's assets in a trustee on trust for contributories as the liquidator thinks fit.

Sections 254B(2), (3) and (4) of the Corporations Act prescribe certain terms of issue and entitlements with respect to shares in a "no liability" company. Section 254B(2) provides that a share in a no liability company is issued subject to a term that if the company is wound up and a surplus remain, it must be distributed among the parties entitled to it in proportion to the number of shares held by them irrespective of the amounts paid up on those shares. However, a member who is in arrears in payment of a call on a share, but whose shares have not been forfeited, is entitled to participate in the distribution of that surplus if the full amount outstanding in respect of the call is first paid.

Section 254B(3) provides that if a no liability company is wound up having ceased to carry on business within 12 months after its registration, those of its shares that were issued for cash (to the extent of the capital contributed by subscribing shareholders) must on a winding up rank in priority to shares issued to vendors or promoters, or both, for consideration other than for cash.

Additionally, section 254B(4) provides that shareholders that were vendors or promoters of a no liability company are not entitled to any preference upon a winding up of that company at any time, notwithstanding anything contained in the company's constitution or the terms on which the shares were issued.

(e) **Shareholder liability**

The Shares offered under this Prospectus are fully paid ordinary shares. There is no liability on a holder of those Shares to contribute any further amount to the Company in respect of those Shares.

(f) **Transfer of Shares**

Holders of Shares may transfer them by proper transfer. The Company may participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act, Listing Rules and the operating rules of a CS Facility (as defined in the Corporations Act), in which case, Shares may be transferred and transfers may be registered in any manner required or permitted by the Listing Rules or those operating rules.

The Company may refuse to register a transfer of Shares where the refusal to register the transfer is permitted under the Listing Rules.

## 10. Additional Information

### (g) **Future increase in capital**

The Board of Directors may (subject to the restrictions on the issue of Shares imposed by the Constitution, the Corporations Act and the Listing Rules), issue Shares, grant options in respect of Shares, or otherwise dispose of further Shares as the Board may determine and on any terms the Board considers appropriate.

### (h) **Unmarketable parcels**

Provided that the Company complies with certain requirements as dictated by the Constitution, the Listing Rules and the Corporations Act, the Company may sell all the Shares of a holder who has an unmarketable parcel of Shares.

### (i) **Variation of rights**

Subject to the Corporations Act, the Company may, with the sanction of special resolution passed at a meeting of shareholders or with the written consent of holders of three quarter of the issued shares, vary the rights and privileges attached to any class of Shares.

### (j) **Alteration of the 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 entitled to 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.

### (k) **Directors**

Details of the powers and duties of Directors are contained in the Constitution.

### (l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back Shares in itself on the terms and at times determined by the Directors.

### (m) **Listing Rules**

While the Company is admitted to the Official List, notwithstanding anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 10.2 Terms and Conditions of New Options

### (a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

The amount payable upon exercise of each New Option will be \$0.20.

(c) **Expiry Date**

Each New Option will expire 3 years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

## 10. Additional Information

### (k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

### (l) **Transferability**

The New Options are not transferable without consent of the Board.

## 10.3 Terms and Conditions of Placement Options

### (a) **Entitlement**

Each Placement Option entitles the holder to subscribe for one Share upon exercise of the Placement Option.

### (b) **Exercise Price**

The amount payable upon exercise of each Placement Option will be \$0.30.

### (c) **Expiry Date**

Each Placement Option will expire 3 years from the date of issue (**Expiry Date**). A Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) **Exercise Period**

The Placement Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) **Notice of Exercise**

The Placement Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Placement Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Placement Option being exercised in cleared funds (**Exercise Date**).

### (g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Placement Options.

(h) **Shares issued on exercise**

Shares issued on exercise of the Placement Options rank equally with the then issued Shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Placement Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options without exercising the Placement Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Placement Option can be exercised.

(l) **Transferability**

The Placement Options are not transferable without consent of the Board.

#### 10.4 **Terms and Conditions of Advisor Options**

(a) **Entitlement**

Each Adviser Option entitles the holder to subscribe for one Share upon exercise of the Adviser Option.

(b) **Exercise Price**

The amount payable upon exercise of each Adviser Option will be \$0.30.

(c) **Expiry Date**

Each Adviser Option will expire on 3 years from the date of issue (**Expiry Date**). An Adviser Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Adviser Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Adviser Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Adviser Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Adviser Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

## 10. Additional Information

### (f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Adviser Option being exercised in cleared funds (**Exercise Date**).

### (g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- i. issue the number of Shares required under these terms and conditions in respect of the number of Adviser Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- ii. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Adviser Options.

### (h) **Shares issued on exercise**

Shares issued on exercise of the Adviser Options rank equally with the then issued Shares of the Company.

### (i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Adviser Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

### (j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Adviser Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Adviser Options without exercising the Adviser Options.

### (k) **Change in exercise price**

An Adviser Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Adviser Option can be exercised.

### (l) **Transferability**

The Adviser Options are not transferable without consent of the Board.

## 10.5 Terms and Conditions of Incentive Options

### (a) **Entitlement**

Each Incentive Option entitles the holder to subscribe for one Share upon exercise of the Incentive Option.

### (b) **Exercise Price**

The amount payable upon exercise of each Incentive Option will be \$0.20.

(c) **Vesting Milestones**

Incentive Options will vest on the achievement of the following milestones:

<b>Class</b>	<b>Vesting Milestone</b>
Class A Incentive Option	The Company is readmitted to the Official List of ASX.
Class B Incentive Option	The volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the Shares have been traded) being at least \$0.30.
Class C Incentive Option	The volume weighted average market price of the Company's shares on ASX over 20 consecutive trading days (on which the Shares have been traded) being at least \$0.40.

(d) **Expiry Date**

Each Incentive Option will expire on 3 years from the date of issue (**Expiry Date**). An Incentive Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

Upon the applicable Vesting Milestone being satisfied, the Holder may exercise the Incentive Options at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Incentive Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Incentive Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Incentive Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if re-admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Incentive Options.

## 10. Additional Information

### (i) Shares issued on exercise

Shares issued on exercise of the Incentive Options rank equally with the then issued Shares of the Company.

### (j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Incentive Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

### (k) Participation in new issues

There are no participation rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options without exercising the Incentive Options.

### (l) Change in exercise price

An Incentive Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Incentive Option can be exercised.

### (m) Transferability

The Incentive Options are not transferable without consent of the Board.

## 10.6 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

### *As at the date of the Prospectus*

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Mr Scott James Dodd <Scott Dodd Family A/C>	616,000	-	7.77%	7.77%

### *On completion of the issue of securities under the Offer (assuming no existing substantial Shareholder subscribes and receives additional securities pursuant to the Offer)*

Shareholder	Shares	Options <sup>3</sup>	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Oceanic Group <sup>1, 2</sup>	27,940,000	26,440,000	35.31%	38.83%
Glen William Goulds <sup>2</sup>	7,500,000	6,000,000	9.48%	9.64%
Aurum Pacific Management Group	6,000,000	6,000,000	7.58%	8.57%

#### Notes:

1. The Oceanic Group is comprised of Oceanic (and/or its nominee/s) and St Barnabas. As set out in Section 4.9, Oceanic and St Barnabas are considered by the Company to be associated entities for the purposes

of determining an entity's relevant interest in the issued voting shares of the Company as they have common control. Both Oceanic and St Barnabas are controlled by David Michael.

2. As set out in Section 4.9, the Oceanic Group and Glen William Goulds are considered by the Company to be associated entities for the purposes of determining an entity's relevant interest in the issued voting shares of the Company as they may arguably be acting in concert in relation to the implementation of the DOCA and the recapitalisation of the Company. As such, their combined interest in the issued voting shares of the Company should be aggregated to total 44.79% (on an undiluted basis) and 48.47% (on a fully diluted basis).
3. New Options (exercisable at \$0.20 and expiring 3 years from the date of grant) on the terms and conditions as set out in Section 10.2.

## 10.7 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter, underwriter or 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 has, or had within two years before 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 its formation or promotion or in connection with the Offer under this Prospectus; or
- (c) the Offer under this Prospectus,

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 those persons for services rendered in connection with the formation or promotion of the Company or the offer of securities under this Prospectus.

SRK Consulting (Australasia) Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 13. The Company estimates it will pay SRK Consulting (Australasia) Pty Ltd \$25,550 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, SRK Consulting (Australasia) Pty Ltd has been paid \$21,216 (exclusive of GST) in fees from the Company for services provided in relation to the Notice of Meeting for the Annual General Meeting.

Hopgood Ganim has acted as Independent Solicitor and has prepared the Independent Solicitor's Report on Tenements which is included in Section 14. The Company estimates it will pay Hopgood Ganim a total of \$18,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hopgood Ganim has not received fees from the Company for any other services.

Moore Australia Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 15. The Company estimates it will pay Moore Australia Corporate Finance (WA) Pty Ltd a total of \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Moore Australia Corporate Finance (WA) Pty Ltd has not received fees from the Company for any other services.

Rothsay Auditing is the Auditor to the Company. Fees for these audit services are charged in accordance with normal charge out rates. During the 24 months preceding lodgement of

## 10. Additional Information

this Prospectus with ASIC, Rothsay Auditing has been paid or is entitled to be paid \$34,000 (exclusive of GST) in fees from the Company.

Larri Legal has acted as the Solicitors to the Company in relation to the Offer. The Company estimates it will pay Larri Legal approximately \$70,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Larri Legal has not received fees from the Company for any other services.

Euroz Hartleys is acting as broker to the Offer. Euroz Hartleys will receive those fees set out in Section 4.5 following the successful completion of the Offer for its services as broker to the Offer. Further details in respect to the Broker Mandate are summarised in Section 9.5. During the 24 months preceding lodgement of this Prospectus with the ASIC, Euroz Hartleys has not received fees from the Company for any other services.

Computershare has been appointed to conduct the Company's Share Registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus and will be paid for these services on standard industry terms and conditions. During the 24 months preceding lodgement of this Prospectus with the ASIC, Computershare has been paid or is entitled to be paid \$9,974 (exclusive of GST) in fees from the Company.

### 10.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this 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, or any statement on which a statement in this Prospectus is based, other than those referred to in this Section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offers; and
- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any statements in, or omissions from any part of this Prospectus other than a reference to its name and a statement and/or a report (if any) included in this Prospectus with the consent of that party as specified in this Section.

SRK Consulting (Australasia) Pty Ltd has given its written consent to being named as the Independent Geologist in this Prospectus and the inclusion of the Independent Geologist's Report in Section 13 to this Prospectus in the form and context in which it appears. SRK Consulting (Australasia) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.



Hopgood Ganim has given its written consent to being named as the Independent Solicitor in this Prospectus and the inclusion of the Independent Solicitor's Report in Section 14 to this Prospectus in the form and context in which it appears. Hopgood Ganim has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Moore Australia Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report which is included in Section 15 in the form and context in which the information and report is included. Moore Australia Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Rothsay Auditing has given its written consent to being named as Auditor of the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Larri Legal has given its written consent to being named as the Solicitors to the Company in relation to the Offer in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Euroz Hartleys has given its written consent to being named as broker to the Offer for the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Computershare has given its written consent to being named as the Share Registry to the Company in this Prospectus and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

## **10.9 Litigation**

To the knowledge of the Directors, 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 except as disclosed in this Prospectus.

## **10.10 Taxation**

The acquisition and disposal of securities in the Company 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 accepts no liability and responsibility with respect to the taxation consequences of subscribing for securities under this Prospectus.

## **10.11 Costs of the Offers**

The estimated costs of the Offers are as follows (exclusive of GST):

## 10. Additional Information

Item of Expenditure	Amount
ASIC and ASX fees	\$108,000
Broker and selling fees <sup>1</sup>	\$270,000
Independent Geologist's Report	\$25,000
Investigating Accountant's Report	\$15,000
Legal fees	\$88,000
Other costs (printing, share registry, administration, miscellaneous)	\$22,000
<b>Total</b>	<b>\$528,000</b>
<b>Notes:</b>	
1. Refer to Section 4.5 for further details in respect to fees payable under the Offer.	

## 11. 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 and has not withdrawn that consent.



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**Peter Lewis**  
Chairman  
for and on behalf of the Company

7 February 2022

## 12. Glossary

Where the following terms are used in this Prospectus, they have the following meanings:

**\$** means an Australian dollar.

**AAM Resources** means AAM Resources Pty Ltd (ACN 643 207 701).

**Administration Costs** has the meaning given in Section 4.2(d).

**Administrator Shares** has the meaning given in Section 4.2(d).

**Administrators** means Richard Albarran and Cameron Shaw of Hall Chadwick Chartered Accountants in their capacity as joint and several voluntary administrators of the Company and the DOCA.

**Advisor Option** means an option granted on the terms and conditions as set out in Section 10.3(a).

**Advisors** means various advisors or consultants of the Company who provided corporate, legal, financial or company secretarial services to the Company.

**Annual General Meeting** means the 2021 annual general meeting of the Company's Shareholders held on 31 January 2022.

**Applicant** means a person who submits an Application.

**Application Form** means the application form for Shares accompanying this Prospectus relating to the Offer.

**Application** means a valid application for Shares offered under this Prospectus.

**Application Monies** means application monies for Shares accompanying an Application Form submitted by an Applicant.

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

**ASX** means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange operated by ASX Limited (as the context requires).

**ASX Settlement Operating Rules** means the settlement operating rules of the ASX.

**Aurum** means Aurum Pacific Management Pty Ltd (ACN 610 003 506).

**Aurum Securities** has the meaning given to that term in Section 4.2(c).

**Bellatrix** means Bellatrix Corporate Pty Ltd (ACN 614 936 239).

**Bellatrix Shares** has the meaning given to that term in Section 4.2(g).

**Board** means the board of Directors as constituted from time to time.

**BPAY®** means the payment mechanism used to pay Application Monies online.

**Broker** means an ASX participating organisation selected to act as a sub-broker to the Offer.

**Broker Mandate** has the meaning in Section 9.5.

**Business Day** means a weekday when trading banks are ordinarily open for business in Perth, Western Australia.

**CHESS** means ASX's Clearing House Electronic Sub-register System.

**Closing Date** means the date on which the Public Offer or the Priority Offer (as applicable) closes as set out in the indicative timetable in Section 2.

**Company** means Pacific Bauxite Limited (subject to Deed of Company Arrangement) ACN 112 914 459.

**Computershare** means Computershare Investor Services Pty Limited (ACN 078 279 277).

**Consolidation** means the consolidation of the issued capital of the Company on a 1 for 50 basis as approved by Shareholders on 31 January 2022, consolidating the issued shares in the Company from 396,614,034 Shares to 7,932,281 Shares as at 1 February 2022. Refer to the Important Information Section for further information on the Consolidation.

**Constitution** means the constitution of the Company.

**Conversion Securities** has the meaning given to that term in Section 4.2(e).

**Convertible Notes** means convertible notes each with a face value of \$1, maturing 18-months after issue, attracting interest at 6% per annum (re-payable in cash) and which, may be converted into Shares at a conversion price of \$0.10 per Share at the election of the holder or converts automatically on completion of a qualifying capital raising by the Company. Refer to Section 9.6 for further information on the Convertible Notes.

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

**Darling Range Project** has the meaning given to that term in Section 5.3.

**Director Offer** has the meaning given to that term in Section 4.2(f).

**Director Shares** has the meaning given to that term in Section 4.2(f).

**Directors** mean the directors of the Company specified in Section 6.

**DMIRS** means the Department of Mines, Industry, Regulation and Safety.

**DOCA** means Deed of Company Arrangement.

**Eligible Shareholders** means Shareholders who are registered at 5:00pm (WST) on the Priority Offer Record Date with a registered address in Australia or such other jurisdiction where the Directors consider reasonable to make the offer and issue Shares.

**Enterprise Value** means the sum of the market capitalisation of the Company at the Offer Price less the expected net cash at completion of the Offer.

**ESI** means Eight South Investments Pty Ltd (ACN 148 002 233).

**Euroz Hartleys** means Euroz Hartleys Limited.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**Financial Information** means the financial information of the Company.

**First Guardian** means First Guardian Synergy Capital Pty Ltd (ACN 619 169 667).

**Fund** has the meaning given to that term in Section 9.1(c).

**GST** has the same meaning as in A New Tax System (Goods & Services Tax) Act 1999 (Cth).

## 12. Glossary

**HIN** means a Shareholder's Holder Identification Number.

**Incentive Options** means an option issued on the terms and conditions as set out in Section 10.5.

**Independent Geologist's Report** means the independent geologists report in Section 13.

**Independent Solicitor's Report** means the independent solicitor's reports on tenements Section 14.

**Investigating Accountant's Report** means the investigating accountant's report in Section 15.

**Iron Mountain** means Iron Mountain Bauxite Pty Ltd (ACN 614 956 106).

**JV Creditors** means the creditors of the Company, comprising Scott James Dodds, Nicholas Michael Wixon Willis and Peter Forrest Pty Ltd.

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

**Monarch** means Monarch Royalty & Investments Pty Ltd (ACN 647 506 349).

**Minimum Subscription** has the meaning given Section 4.1.

**Nendo Bauxite Project** has the meaning given to that term in Section 5.3.

**New Option** means an option granted on the terms and conditions set out in Section 10.2.

**Oceanic** means Oceanic Capital Pty Ltd (ACN 112 800 978).

**Offer** means the public offering of 22,500,000 Shares (at a deemed issue price of \$0.20) to raise \$4,500,000 (further detailed in Section 4.1).

**Offer Price** means the price of Share offered under Offer, being \$0.20.

**Offer Conditions** mean the conditions of the Offer as set out in Section 4.3.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation of the Shares by ASX in accordance with the Listing Rules.

**PBX Aus** means PBX Aus Pty Ltd (ACN 621 245 387).

**PGE Projects** has the meaning given in Section 5.4.

**Placement Option** means an option issued on the terms and conditions as set out in Section 10.2(a).

**Priority Offer** has the meaning given in Section 4.1.

**Priority Offer Record Date** means the date of this Prospectus.

**Proponent Group** means Oceanic (and/or its nominee/s), St Barnabas and Glen William Goulds. Refer to Section 4.9 for further information on the Proponent Group.

**Proponent Offer** means the offer of the Proponent Securities to Oceanic (and/or its nominee/s) (further detailed in Section 4.2(b)).

**Proponent Securities** has the meaning given to that term in Section 4.2(b).

**Proposed Acquisition Agreements** has the meaning given to that term in Section 9.3.

**Proposed Acquisitions** has the meaning given to that term in Section 5.4.

**Proposed Divestment** has the meaning given to that term in Section 5.3.

**Prospectus** means this prospectus and any supplementary or replacement prospectus in relation to this document.

**Recapitalisation** means all of the transactions proposed to be completed by the Company pursuant to the Oceanic DOCA.

**Related Party Securities** has the meaning given to that term in Section 4.22.

**Remuneration Entitlement** has the meaning given to that term in Section 4.2(d).

**SAPPR** means the Strategic Assessment of the Perth-Peel Green Growth Plan.

**Section** means a section of this Prospectus.

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

**Share Registry** means the share registry of the Company specified in the Corporate Directory.

**Shareholder** means a holder of Shares.

**SRN** means the securityholder reference number issued by the Share Registry.

**St Barnabas** means St Barnabas Investments Pty Ltd (ACN 088 998 387) as trustee for the Melvista Family Trust.

**Top-Up Funding** has the meaning given to that term in Section 9.1(c).

**Vendor Offer** means the offer of 3,000,000 Shares (at a deemed issue price of \$0.20) to the Vendors (further detailed in Section 4.2(a)).

**Vendor Shares** has the meaning given to that term in Section 4.2(a).

**Vendors** means St Barnabas and Glen William Goulds.

**Western Yilgarn** means Western Yilgarn PGM Pty Ltd (ACN 644 650 582).

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

## 13. Independent Geologist's Report

Final

### Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)

Prepared for:

Pacific Bauxite Limited (subject to a Deed of Company Arrangement)

SRK Consulting (Australasia) Pty Ltd ■ PBL001 ■ February 2022



Final

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)

**Prepared for:**

Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
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Quality  
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SRK Consulting (Australasia) Pty Ltd ■ PBL001 ■ February 2022



# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Contents ■ Final

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## Useful definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

%	per cent
A\$	Australian Dollar
AAM	AAM Resources Pty Ltd
AC	air core (drill hole/s)
AIG	Australian Institute of Geoscientists
Al <sub>2</sub> O <sub>3</sub>	Aluminium oxide
Alpha	Alpha Bauxite Pty Ltd
Aluminex	Aluminex Resources Ltd
Aluminex Prospectus	Aluminex Resources Ltd's Prospectus for an Initial Public Offering
ASIC	Australian Securities and Investment Commission
ASL	above sea level
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
AusQuest	AusQuest Ltd
BAC	Base Acquisition Cost – the 'average cost to identify, apply for and retain a base unit of area of title' for use in the geoscientific rating or modified Kilburn method .
BIF	banded-iron formation
Caspin	Caspin Resources Limited
Chalice	Chalice Mining Limited
cm	centimetres
CP	Competent Person
Cu	copper
DBCA	Western Australian Department of Biodiversity, Conversation and Attractions
DMIRS	Western Australian Department of Mines, Industry Regulation and Safety
dmt	dry metric tonne/s
DOCA	Deed of Company Arrangement
E or EL	Exploration Licence
ELA	Exploration Licence Application/s
EM	electromagnetic
Falconbridge	Falconbridge (Australia) Pty Ltd
Ga	Billion years
geophysics	the study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
GPS	global positioning system
granite	an acid intrusive rock
granodiorite	a type of granitic rock with abundant feldspar

granulite	an equigranular coarse-grained metamorphic rock
GSWA	Geological Survey of Western Australia
ha	hectares
Hanwright	Hancock & Wright Prospecting, Perth
Hunter	Hunter Resources NL
hydrothermal fluid	upward flowing fluids originating from igneous or metamorphic geological events
igneous	an igneous rock formed entirely within the Earth's crust
IGR	Independent Geologist's Report
INCO	International Nickel Company of Australia Limited
IP	induced polarisation
Iron Mountain	Iron Mountain Mining Limited, ASX code: IRM
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
kg	kilogram/s
km	kilometre/s
km <sup>2</sup>	square kilometre/s
koz	kilo ounces, thousand ounces
m	metre/s
M	Million
Ma	Million years ago
magmatic	formed from molten rock
Maximus	Maximus Resources Limited
meta-	a prefix used to indicate the precursor rock type of a metamorphic rock
metamorphic rock	a rock altered by temperature and pressure within the earth
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral Resources are subdivided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
mineralisation	geological occurrence of mineral of potential economic interest
Moz	Million ounce/s
Mt	Million tonne/s
Ni	nickel
Oceanic	Oceanic Capital Pty Ltd
Optika Study	Technical assessment undertaken by Optika Solutions Pty Ltd, including a desktop techno-economic evaluation assessing mining and processing physicals and costs, capital expenditure, and transport options relating to the establishment of a bauxite mining operation.
oz	ounces

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Pacific Bauxite or PBX	Pacific Bauxite Limited (subject to a Deed of Company Arrangement), ASX code: PBX
Pacminex	Pacminex Pty Ltd, the exploration and mining subsidiary of Colonial Sugar Refining Company or CSR
Pancontinental	collectively Pancontinental Mining Limited, Pancontinental Mining (Europe) Gmbh and Degussa AG in joint venture
Pb	lead
PBXA	PBX Aus Pty Ltd
PGE Projects	The Projects and their related Exploration Licences held by Western Yilgarn PGM Pty Ltd and AAM Resources Pty Ltd.
PGEs	platinum group elements, synonymous with PGM
PGM	The platinum group metals (PGMs) are six transitional metal elements that are chemically, physically, and anatomically similar. The PGMs are the densest known metal elements. Exceptionally rare, the six metals naturally occur in the same ore bodies.
ppb	parts per billion by mass
ppm	parts per million
Proponent	Proponent of the Deed of Company Arrangement (DOCA)
Proposed Transaction	This transaction is the restructuring of Pacific Bauxite Limited which would result in the voting interests of the Deed of Company Arrangement Proponent increasing from below 20% to approximately 43%.
QA/QC	Quality Assurance/Quality Control samples for evaluating accuracy and precision of exploration geochemical data.
quartz	a silicon mineral (SiO <sub>2</sub> )
RAB	rotary air blast
RC	reverse circulation (drill hole/s)
Report	Independent Technical Assessment and Valuation Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)
sample	a small amount of rock pertaining to the deposit which is used to estimate the grade of the deposit and other geological parameters
siltstone	a fine-grained granular sedimentary rock
SRK	SRK Consulting (Australasia) Pty Ltd
St Barnabas	St Barnabas Investments Pty Ltd as trustee for the Melvista Family Trust
Subscribers	Subscribers to whom New Shares are issued pursuant to the Subscription
The Company	Pacific Bauxite Limited (subject to a Deed of Company Arrangement)
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
volcanic	formed by or associated with a volcano
volcaniclastic	debris or rock formed from volcanic eruptions
Wandoo	Wandoo Bauxite Project
Wandoo Project	Darling Ranges tenements
Wanex	Westralian Nickel Exploration NL
WIC	Windimurra Igneous Complex

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
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WYPGM	Western Yilgarn PGM Pty Ltd
Zn	zinc

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Executive summary ■ Final

## Executive summary

SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed to prepare an Independent Geologist's Report (IGR or Report) on the mineral assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement) (the Company) in accordance with the Listing Rules of the Australian Securities Exchange (ASX) and the Australian Securities and Investments Commission (ASIC) Regulatory Guides.

SRK understands that this Report will be included in a prospectus to be issued by the Company (Prospectus) for a proposed re-listing and associated capital raising on the ASX (the Proposed Re-Listing).

The Report has been prepared under the guidelines of the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code). The VALMIN Code incorporates the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). In addition, the Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant ASIC Regulatory Guidelines.

No Exploration Targets, Mineral Resource or Ore Reserve estimates have been prepared or reported for any of the Projects listed in this report.

The facts, opinions and assessments presented in this Report are current at the Report's Effective Date of 2 December 2021.

## Tenure

The Company's entire mineral tenure comprises seven granted exploration licences (ELs) and two exploration licence applications (ELAs) located in the Meekatharra, Mount Magnet, Leonora, Chittering, Toodyay, and Dalwallinu shires of Western Australia. In terms of ownership, the Darling Range ELA is held by PBX Aus Pty Ltd (PBXA), three ELs (comprising the Boodanoo, Challa and Sylvania Projects) are registered to AAM Resources Pty Ltd (AAM) and 4 ELs and 1 ELA (comprising the Bulga and Melbourne Projects) are registered to Western Yilgarn PGM Pty Ltd (WYPGM).

The Company has entered into share sale agreements to acquire the entire issued share capital of WYPGM and AAM, subject to satisfaction or waiver of certain conditions precedent. On completion of such acquisitions, WYPGM and AAM will be wholly owned subsidiaries of the Company thereby providing the Company with a 100% interest in the tenements held by those entities.

In total, the 7 granted ELs and 1 ELA to be acquired and the Darling Range ELA cover a combined area of approximately 1,197 km<sup>2</sup>.

## Geology and mineralisation setting

Five of the nine tenures are located in the Yilgarn Craton, while the Sylvania EL resides along the southern margin of the Pilbara Craton.

The Yilgarn Craton represents a stable segment of Archaean crust comprising greenstone belts of volcanic, sedimentary and intrusive sequences interspersed within extensive areas of granitoid. The Yilgarn Craton hosts numerous precious and base metal deposits.

Apart from the known Darling Range bauxite deposits, the Company wish to target nickel-copper-cobalt- platinum group elements (PGEs) and titanium-vanadium mineralisation associated with orthomagmatic intrusive complexes similar to that at the recently discovered Julimar Complex. Indeed the Company's Darling Range Project is focused on the Julimar Complex, a 26 km-long layered mafic intrusion, which is almost entirely buried under cover in the Mid West region. Other targets include the Nardee and Windimurra igneous complexes which are both large, multiphase layered mafic intrusions offering potential for polymetallic mineralisation.

The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. In the northern portion of the EL, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic Ni-Cu-PGE sulphide mineralisation associated with komatiitic basalt flows and related sub-volcanic feeders of the Archean Fortescue Group.

At the Bulga and Melbourne project, the Company intends to target shear hosted gold and polymetallic base metals mineralisation associated with regional-scale shear zones within recognised granite greenstone terranes.

In addition to its focus on nickel-cobalt, copper, gold and PGEs, the Darling Range also offers potential for lateritic bauxite layers formed over mature Tertiary surfaces derived from alumina-rich basement rocks of the Western Gneiss Terrane, which have undergone weathering, thereby concentrating the alumina. Bauxite deposits have been identified throughout the Darling Range and within the current application tenure but remain to be fully delineated.

## Use of funds – technical budget

The Company has developed a technical budget that relies on monies raised from the Proposed Re-Listing. The summary use of exploration funds of the technical budget is summarised in Table ES-1. Additional details relating to the sources and uses of funds including tenement costs and costs of the offer are presented in Section 8 of the IGR and in the Prospectus relating to the Proposed Offer.

**Table ES-1: Summary of 2-year exploration budget post-re-listing**

Project area	Exploration Licence	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Darling Range	ELA70/5111	70,000	70,000	140,000
Mount Magnet	E58/562	105,000	155,000	260,000
	E59/2496	155,000	205,000	360,000
Sylvania	E52/3861	105,000	355,000	460,000
Bulga	E36/1010	155,000	205,000	360,000
	E36/1011	155,000	205,000	360,000
Melbourne	E70/5767 & E70/5921	105,000	205,000	310,000
Field support		30,000	40,000	70,000
	<b>Total</b>	<b>775,000</b>	<b>1,440,000</b>	<b>2,320,000</b>

Note: Table may not total exactly due to rounding.

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Executive summary ■ Final

SRK has reviewed the planned work programs and the amounts allocated to each of the five projects. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the development status of each project. The funds allocated by the Company for the technical assessment of the Project should be sufficient to sustain the planned work programs over a 24-month budget period and enable a meaningful assessment of the exploration potential of the various targets. SRK cautions, however, that the proposed exploration programs may change in Year 2 from that currently stated as they are dependent on the results from the Year 1 program.

## 1 Introduction

SRK has been engaged to prepare an IGR on the mineral assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement) (the Company) in accordance with the Listing Rules of the ASX and ASIC Regulatory Guides. In addition, this Report has been prepared under the guidelines of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code). The VALMIN Code incorporates the 2012 edition of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code).

This IGR is addressed to the Company's Directors.

The Company is an Australian focussed mineral explorer that has entered into share sale agreements to acquire the entire issued share capital of WYPGM and AAM, subject to satisfaction or waiver of certain conditions precedent. On completion of such acquisitions, WYPGM and AAM will be wholly owned subsidiaries of the Company thereby providing the Company with a 100% interest in the tenements held by those entities.

Upon completion of these acquisitions, the Company's subsidiaries will include PBXA, AAM and WYPGM, which will provide the Company with interests in a number of exploration projects considered prospective for either bauxite or nickel-copper-cobalt-PGE mineralisation in Western Australia. The Company was incorporated on 14 February 2005 under the name Iron Mountain Mining Limited (Iron Mountain) and subsequently changed its name to Pacific Bauxite Limited in late 2016. Subsidiary Company, PBXA was incorporated on 22 August 2017, while AAM was incorporated on 4 August 2020 and WYPGM was incorporated on 25 September 2020. The current corporate structure of the Company is detailed in the Prospectus.

SRK understands that this IGR will be included in a Prospectus to be published by the Company (the Prospectus) relating to a proposed re-listing and associated capital raising on the ASX (the Proposed Re-Listing).

For the purposes of ASX Listing Rules, SRK is responsible for this IGR as part of the Prospectus and declares that it has taken all reasonable care to ensure that the information contained in this IGR is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import, and that no material change has occurred from 2 December 2021 to 2 February 2022 (the Publication Date) that would require any amendment to the IGR. SRK consents to the inclusion of this IGR and reference to any part of the Report in the Prospectus.

The purpose of the IGR is to provide an impartial assessment of the technical data and merits of the Company's Darling Range, Mount Magnet (Boondanoo, Challa), Sylvania, Bulga and Melbourne Projects (collectively the Mineral Assets), as well as to comment on the exploration program and associated budget as proposed by the Company.

No current Exploration Target, Mineral Resource or Ore Reserve estimates have been prepared or reported for the Mineral Assets.

This IGR presents the following Technical Assessment as at the Effective Date (defined below):

- An overview of the geological setting of the Projects and the associated mineralisation.
- An outline of the historical and recent exploration work undertaken at the Projects.

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Introduction ■ Final

- SRK's opinion on the exploration and development potential for each prospect within the Projects.
- A summary of the key technical risks and opportunities.
- SRK's opinion on the reasonableness of the Company's budgeted work programs.

This IGR is intended to properly inform readers of the Company's Prospectus about the status and exploration potential of the Company's projects and to provide commentary on the Company's proposed future exploration and development programs.

Certain units of measurements, abbreviations and technical terms are defined in the Useful definitions of this IGR. Unless otherwise explicitly stated, all quantitative data as reported in this IGR are reported on a 100% basis.

## 1.1 Reporting standard

The Report has been prepared to the standard of, and is considered by SRK to be, a technical assessment under the guidelines of the VALMIN Code (2015). The Report was prepared by Dr Karen Lloyd and Mr Jeames McKibben, with peer review undertaken by Mr Michael Lowry (Authors).

The Authors are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN Code and the JORC Code. For the avoidance of doubt, this report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this Report, the mineral assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- Early-Stage Exploration Projects – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- Advanced Exploration Projects – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

- Pre-development Projects – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- Development Projects – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study.
- Production Projects – tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

SRK has classified the Darling Range Project as an Early to Advanced Exploration Project and has classified the additional portfolio of exploration licences as Early Stage Exploration Projects.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given the low level of technical confidence.

## 1.2 Qualifications of consultants and specialists

This IGR has been prepared by a team of consultants from SRK's offices within Australia. Details of the qualifications of the consultants who carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing with appropriate professional institutions, are set out below.

### **Karen Lloyd, BSc Hons (Geology), MBA, PhD (Mining and Metallurgical Engineering) FAusIMM – Associate Principal Consultant**

Dr Lloyd has 25 years international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe. Dr Lloyd's PhD research was focussed on the market risk premium for gold project transaction on the ASX.

Dr Lloyd is a Fellow of the AusIMM. She has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

### **Jeames McKibben, BSc Hons, MBA, Chartered Valuation Surveyor (MRICS), MAusIMM(CP), MAIG – Principal Consultant**

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 25 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent

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Technical Reports in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy) and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames is a RICS Registered Valuer and Chartered Valuation Surveyor, as well as a former member of the VALMIN Code Committee.

### **Michael Lowry, BSC Hons (Geology), GradCert (Geostatistics), MAusIMM – Principal Consultant**

Michael is a geologist with more than 25 years mining industry experience in roles that have varied from mine operations, brownfields exploration, Mineral Resource estimation and technical auditing. He has worked on projects throughout Australia, Africa and South America and has experience with several commodities across varied geological environments. Michael has worked on projects for various gold systems, nickel, iron ore, polymetallic VMS and IOCG deposits. Michael has sound technical experience in and grade control and reconciliation systems for both open cut and underground mines and Mineral Resource estimation as well as conducting technical assurance reviews of proposed or operating mining operations. Michael has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Competent Person' under the JORC Code (2012).

This Report was supplied to the Company to check for material error, factual accuracy and omissions before the final Report was issued. The final Report was issued following review of any comments made by the Company.

## **1.3 Forward-looking statement**

Mineral exploration is a high-risk process, particularly during the early phases. It is possible that no significant mineralisation exists. Project success can also be impacted by uncertainty in the market, including volatility and variations in commodity prices, which may have either positive or negative impacts.

## **1.4 Work program**

SRK's work program commenced in October 2021, with a technical assessment of material data, including information sourced from the Company and subscription databases such as S&P Capital IQ Pro services. Further to this review and assessment, the Report was prepared by SRK.

A site inspection to the Project was not undertaken by SRK as, in SRK's opinion, a site inspection was unlikely to reveal additional current information that was material to the Report. SRK has previously inspected adjacent third-party projects and therefore has a reasonable understanding of the Project setting that informs this technical assessment report.

## **1.5 Effective Date**

The Effective Date of this Report is 2 December 2021. The technical information contained in this IGR has been prepared as at the Effective Date.

## 1.6 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has relied on the accuracy and completeness of the documentation supplied to it by the Company. SRK has made all reasonable enquiries into this status as at the Effective Date.

This Report concerns a technical assessment and is not financial product advice and, in preparing this Report, SRK is not operating under an Australian Financial Services Licence.

## 1.7 Limitations

SRK's opinion contained herein is based on information provided to SRK by the Company throughout the course of SRK's assessment as described in the Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by the Company was taken in good faith by SRK. This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages, and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by the Company was complete and not incorrect, misleading or irrelevant in any material aspect.

The Company has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by the Company was complete, accurate and true; and not incorrect, misleading or irrelevant in any material aspect.

## 1.8 Statement of SRK independence

Neither SRK nor the authors of this Report have any material present or contingent interest in the outcome of the Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK.

## 1.9 Indemnities

As recommended by the VALMIN Code (2015), the Company has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by the Company or the Company not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from the Report.

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## 1.10 Practitioner consent

The information in this Report that relates to the technical assessment of the Projects and the additional ELs is based on, and fairly reflects, information compiled, and conclusions derived by a team supervised by Mr Jeames McKibben. Jeames McKibben is a Chartered Professional and Fellow of the AusIMM and a Principal Consultant at SRK. Mr McKibben has sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the style of mineralisation and the type of deposit under consideration, and the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets*, and as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*.

Mr McKibben consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.

## 1.11 Consulting fees

SRK's estimated fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$27,000. The payment of this professional fee is not contingent upon the outcome of this Report.

## 2 Overview of the Company

### 2.1 Introduction

The Company is an Australian mineral exploration company focused on delivering shareholder value through the exploration for, and development of bauxite and high-quality nickel-copper-cobalt PGE or titanium-vanadium mineralisation within several strategically located project areas in Western Australia.

To this end, the Company has assembled a prospective tenement portfolio located in proximity to known orthomagmatic intrusion related nickel-copper-cobalt-PGE and titanium-vanadium deposits in Western Australia, with a secondary focus towards bauxite in the Darling Ranges. Despite their location in recognised mineral centres, much of the Company's assembled portfolio has, to date, received minimal modern, systematic exploration and only limited deeper drilling.

The Company proposes to rapidly evaluate its projects for orthomagmatic intrusion related nickel-copper-cobalt PGE and titanium-vanadium mineralisation similar to that at Windimurra, and the recently discovered Julimar deposit. Tertiary bauxites of the Darling Ranges remain a secondary target. To this end, the Company has commenced initial data compilation in order to define conceptual and refined targets able to be drill tested in the near term, as well as an integrated exploration program able to support the Company's medium- to longer-term exploration focus. To this end, the Company is now seeking to re-list on the ASX in order to fund these exploration programs.

The Company was incorporated as Iron Mountain on 14 February 2005 and was subsequently listed on the ASX on 23 May 2007 (ASX code: IRM). The Company's name was changed to Pacific Bauxite Limited (ASX Code: PBX) on 7 December 2016 following shareholder approval. Following a prolonged legal battle relating to certain mineral assets in the Solomon Islands, the Company's shares were last able to be traded on ASX prior to the suspension and voluntary administration on 24 December 2019.

On 30 June 2020, the Administrators announced the Deed of Company Arrangement (DOCA) proposal by First Guardian Synergy Capital Limited had been accepted by creditors at a major meeting of creditors on 18 June 2020. Following multiple extensions granted to First Guardian to satisfy the conditions precedent required under their DOCA, on 16 June 2021 the Administrators advised that First Guardian had withdrawn from the DOCA.

On 6 September 2021, the Administrators announced that the Company's creditors had resolved to accept a variation to the DOCA and recapitalisation as proposed by Oceanic Capital Pty Ltd (Oceanic). New directors were appointed to the Company effective 6 September 2021.

As outlined in Section 2.2 below, the Company has entered into share sale agreements to acquire the entire issued share capital of AAM and WYPGM, subject to satisfaction or waiver of certain conditions precedent. On completion of such acquisitions, AAM and WYPGM will be wholly owned subsidiaries of the Company thereby providing the Company with a 100% interest in the tenements held by those entities. Upon completion, the Company intends to operate through three wholly controlled subsidiaries, PBXA, AAM and WYPGM.

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PBXA was incorporated in 2017, while AAM and WYPGM were both incorporated in 2020. AAM is the registered holder of a number of mineral interests, while the Bulga and Melbourne tenements are held by WYPGM and the Darling Range ELA is held by PBXA. All companies are domiciled in Perth, Western Australia.

For operating purposes, the Company has divided its tenements into five tenure groupings: Darling Range, Mount Magnet (Sylvania and Challa), Boodanoo, Bulga and Melbourne. The Company's project locations in Western Australia are presented in Figure 2-1.

## 2.2 Recent transactions

The Company has entered into material agreements with St Barnabas Investments Pty Ltd, as trustee for the Melvista Family Trust (St Barnabas) and Glen Williams Goulds to acquire the entire issued share capital of WYPGM and AAM and their related ELs (collectively referred to as the PGE Projects). Further details of these material agreements are set out in the Prospectus. SRK's Report does not comment on the fairness or reasonableness of these material agreements or related transactions.

The PGE Projects include 4 ELs (E36/1010, E36/1011, E70/5767 and E70/5921) granted to WYPGE, 3 ELs (E52/3861, E58/0562 and E59/2496) granted to AAM and 1 ELA (E36/1025) applied for by WYPGE in its own name (Table 2-1).

The PGE Projects are located in the Eastern Goldfields and Pilbara regions of Western Australia and are considered by the Company to be prospective for platinum group metals, gold, nickel and other minerals.

## 2.3 Exploration strategy

The Company's exploration strategy as presented to SRK is summarised as follows:

- Assemble a prospective exploration landholding in the low-risk jurisdiction of Western Australia.
- Develop a project portfolio offering potential for the rapid discovery and delineation of orthomagmatic nickel-copper-cobalt-PGE and titanium-vanadium mineralisation and known bauxite deposits.
- Upon the successful grant of ELA 70/5111 to assess and review the potential for polymetallic mineralisation similar to that of the Julimar deposit recently discovered by Chalice Mining Limited (Chalice), as well as to consider upgrading the historical bauxite estimate to compliance with the JORC Code (2012).
- Complete a review of all geophysical and geochemical data to develop additional targets for near-term systematic exploration.
- Undertake exploration activities designed to fully assess the strike extents of known mineralised zones within adjacent third-party held areas which are associated with the Julimar, Windimurra and Namdee Igneous Complexes, the Sylvania Inlier and Waroonga Shear Zone.
- Conserve cashflow and maximise discovery potential through:
  - Strategically evaluating historical datasets and/or new conceptual targets using an exploration philosophy akin to that adopted by Chalice prior to its discovery of the Julimar deposit in 2020.

- Completing early stage and low-cost exploration for maximum value add at short duration.
- Keeping exploration lean, technical and highly efficient.

Figure 2-1: Location map of the Company's projects in Western Australia



Source: OnTheWorldMap.com, Tengraph

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## 2.4 Tenure

The Company's entire mineral tenure upon completion of the sale agreement comprises 7 ELs and 2 ELAs located in the Meekatharra, Mount Magnet, Leonora, Chittering, Toodyay and Dalwallinu shires of Western Australia. Five of the nine tenures are located in the Yilgarn Craton, while the Sylvania EL resides in the Pilbara Craton. The seven granted tenures cover a combined area of approximately 518 km<sup>2</sup>. The ELA (ELA36/1025) was applied for by WYPGM in its own name and covers 14 graticular subblocks (approximately 45 km<sup>2</sup>).

The Company's Darling Range ELA70/5111 covers 119 graticular subblocks (approximately 349 km<sup>2</sup>).

In terms of ownership, the Darling Range ELA is held by PBXA, three ELs (comprising the Boodanoo, Challa and Sylvania Projects) are registered to AAM and 3 ELs (comprising the Bulga and Melbourne Projects) are registered to WYPGM. The remaining ELA (comprising the Bulga Project) is also registered to WYPGM. Upon completion of a share sale agreement, WYPGM and AMM will become subsidiaries of the Company, thereby providing it with an effective 100% interest in the tenements.

All required annual rental payments for the current year have been paid in full as at the Effective Date. A summary of the tenure status is presented in Table 2-1.

**Table 2-1: Summary of tenement status**

Project	Tenement	Holder	Status	Expiry	Area (blocks)	Annual rent (A\$)	Annual expenditure commitment (A\$)
Darling Range	ELA70/5111	PBXA	Pending	-	119	15,946	-
Sylvania	EL52/3861	AAM	Granted	01/07/2026	43	6,278	43,000
Challa	EL58/562	AAM	Granted	13/01/2026	1	406	10,000
Boodanoo	EL59/2496	AAM	Granted	06/01/2026	13	1,898	20,000
Bulga	EL36/1010	WYPGM	Granted	12/09/2026	21	3,066	21,000
Bulga	EL36/1011	WYPGM	Granted	12/09/2026	16	2,336	20,000
Bulga	ELA36/1025	WYPGM	Pending	-	14	-	-
Melbourne	EL70/5767	WYPGM	Granted	11/07/2026	35	5,110	35,000
Melbourne	EL70/5921	WYPGM	Granted	05/12/2026	33	4,818	33,000
<b>Total</b>					<b>295</b>	<b>39,858</b>	<b>182,000</b>

Source: DMIRS, November 2021

The native title status of the Company's tenements is presented in Table 2-2. Further details in relation to the Company's mineral tenure is presented in the Solicitor's Report elsewhere within the Prospectus.

**Table 2-2: Summary of Native Title status**

Project	Tenement	Representative bodies	Procedural outcome	Clearance notification date
Darling Range	ELA70/5111	South West Aboriginal Land and Sea Council	Native Title Cleared – Expedited Applies	26/03/2019
Sylvania	EL52/3861	Central Desert Native Title Services	Native Title Cleared – Expedited Applies	14/06/2021
Challa	EL58/562		Native Title is Extinguished – Native Title Determination	
Boodanoo	EL59/2496		Native Title is Extinguished – Native Title Determination	
Bulga	EL36/1010	Native Title Services Goldfields	Native Title Cleared – Expedited Applies	11/08/2021
Bulga	EL36/1011	Native Title Services Goldfields	Native Title Cleared – Expedited Applies	11/08/2021
Melbourne	E70/5767		Native Title is Extinguished – Native Title Determination	
Melbourne	E70/5921		Native Title is Extinguished – Indigenous Land Use Agreement (only where extinguishment clause)	

Source: DMIRS, 2021

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## 3 Darling Range Project

The Company's Darling Range Project comprises a single ELA (ELA70/5111) situated on the Perth (SH50-14) 1:250,000 scale and the Chittering (2135) and Woorlooloo (2134) 1:100,000 scale map sheets.

The project is centred approximately 75 km northeast of Perth in Western Australia. The nearest towns are Bindoon, Gingin and Toodyay, which lie via sealed roads 5 km to the west, 24 km to the west and 30 km to the southeast, respectively (Figure 3-1).

SRK understands that the Company has been advised that 10.30% of EA 70/5111 encroaches on the Julimar State Forest. Additionally, 2.97% of EA 70/5111 also encroaches on File Notation Area (FNA) 12671, which relates to the Western Australian Government's Perth and Peel Green Growth Plan. The Company has advised that the application will not be processed until the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) has finalised its consultation with the Department of Biodiversity, Conversation and Attractions (DBCA) to confirm the application may be granted over this FNA area.

Figure 3-1: Project location: ELA 70/5111



Source: DMP WA

The southern portion of the ELA lies immediately adjacent to, and west of, Chalice's Julimar PGE–Ni–Cu–Co deposit within the Gonnevillite Intrusive, which was discovered in 2020.

The northern part of the ELA lies in proximity to Caspin Resources Limited's (Caspin) Yarawindah Brook Project, where initial drilling at the XC-29 anomaly and Yarabrook Hill Prospect has outlined a package of mafic and ultramafic rocks extending over a 6 km strike length with anomalous levels of PGE, nickel and copper (Caspin website).

An area representing approximately 10.30% of the Company's ELA 70/5111 encroaches on the Julimar State Forest and will require an appropriate conservation management plan to be submitted prior to the application being processed. Additionally, 2.97% of ELA 70/5111 also encroaches on File Notation Area 12671 which relates to the Western Australian Government's Perth and Peel Green Growth Plan. The Company has advised that the application will not be processed until the DMIRS has finalised its consultation with the DBCA to confirm the application may be granted over this FNA area.

The Company previously held an EL (E70/4999) which covered much of the current application area. This EL was previously registered to Iron Mountain and formed part of a larger project area targeting the Wandoo Bauxite Project (Wandoo). At that time, Wandoo comprised 13 granted EIs for a total area of approximately 950 km<sup>2</sup>.

In August 2012, Iron Mountain sold Wandoo to Alpha Bauxite Pty Ltd (Alpha) for a consideration of A\$4.0 M in cash. Iron Mountain retained a royalty of A\$0.75/dmt on future production of bauxite, however the tenure was ultimately surrendered in 2017.

At the time of the 2012 transaction, a resource estimate had been prepared for Wandoo in accordance with the 2004 JORC Code guidelines. This estimate has not been upgraded to conform to the requirements of the 2012 JORC Code and hence has not been reported here. This estimate remains conceptual in nature and may be updated following the completion of additional works, potentially including further drilling. In addition, the Company will assess and review the potential for polymetallic mineralisation similar to that of the Julimar deposit recently discovered by Chalice.

### 3.1 Access, physiography and climate

The Project lies in the Shire of Chittering in the Wheatbelt region of Western Australia. It can be accessed from Perth via State Route 4 (Tonkin Highway) and National Highway 95 (Great Northern Highway) to Bindoon (approximately 70 km) and then by unsealed farming tracks which traverse the project area.

The surrounding region to the Project forms part of the Darling Plateau, which stretches from the area east of Perth, in a north-south direction for over 250 km from Bindoon in the north to Collie in the south. The Darling Plateau lies between 250 m and 350 m above sea level (ASL) and is separated from the Perth Basin by the Darling Fault, being a major tectonic lineament closely aligned to the Darling Scarp. The plateau can be sub-grouped into lateritic upland areas (horizontal or very gently dipping), deeply incised valley areas and a large area having wide valleys and low hills to the east.

The Wheatbelt region experiences hot dry summers (December to March) and mild winters. The summer average daily maximum temperature is 34 degrees, with a daily minimum of 17 degrees Celsius. In Winter this becomes the daily maximum with an average minimum of 5 degrees. The highest temperature recorded is 46.2 and the lowest is minus 3.4 degrees Celsius. The average

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annual rainfall is 328 mm usually falling between March and November. There is an average of 170 clear days per year. The region is dominated by farmland with state forest overlapping the project area. The topography is low lying with no extremes of elevation with some drainage channels evident. Exploration activities can continue year-round although bush fires are common between December and March.

## 3.2 Geological setting

### 3.2.1 Regional

Geologically, the Project is located within the Western Gneiss Terrane along the western margin of the Yilgarn Craton of Western Australia. The Yilgarn Craton a stable segment of Archaean crust comprising greenstone belts of volcanic, sedimentary and intrusive sequences interspersed within extensive areas of granitoid. The Yilgarn Craton is host to numerous precious and base metal deposits (i.e. gold, nickel, iron, bauxite, tantalite), which includes the Kalgoorlie, Southern Cross, Leonora, Meekatharra and Wiluna gold mining centres. Within the Yilgarn Craton, nickel is also sourced from Mount Keith, Kambalda, Lake Johnston, Forrestania and Ravensthorpe areas, with iron derived predominantly from the Koolyanobbing, Koolanooka, Weld Range and Talling Peak in the Central/West Yilgarn. In addition, bauxite is currently mined at Huntley and Willowdale from the Darling Ranges south of Perth, near Boddington.

The Western Gneiss Terrane is predominantly composed of granites, granitic gneisses and migmatites, as well as the greenstones to the south. The granites are relatively undeformed, but they have been intruded by numerous northerly-trending dolerite dykes that range in thickness from 1 m to 200 m. The dominant structural feature in the region is the Darling Fault, which forms the western boundary of the Western Gneiss Terrane.

The southwest Yilgarn Craton, particularly the South West Terrane, hosts world-class mineral deposits, including the Boddington Au–Cu mine and the Greenbushes Li mine. This region is highly prospective, as highlighted by the discovery of the Julimar PGE–Ni–Cu–Co deposit in 2020, which has triggered renewed interest in the South West Terrane.

The Julimar complex is a 26 km-long layered mafic intrusion, which is almost entirely under cover and coincident with north- to northeast-trending magnetic features. The Gonneville intrusion, at the southern end of the magnetic anomaly, is about 0.7 × 1.6 km in size and consists of about 90% serpentinised peridotite, 5% pyroxenite, and 5% gabbro (Chalice 2021).

In the Darling Range, the lateritic bauxite layers are formed over mature Tertiary surfaces derived from alumina-rich basement rocks of the Western Gneiss Terrane, which have undergone weathering, thereby concentrating the alumina.

The Darling Range is a block-faulted elevation of the Tertiary surface which is covered by extensive lateritisation. The abundant seasonal rainfall and topographical setting of the Darling Range facilitates good drainage and provides a favourable setting for the formation of bauxite. Bauxite deposits have been identified throughout the Darling Range and generally occur as erratically distributed alumina-rich lenses within the eroded laterites that mantle the granites to the east of the scarp line.

Lateritisation commenced during the Cretaceous and continued through to the Eocene periods. Subsequent periodic activity of the Darling Fault resulted in the current landform of scarps and deeply incised valleys on the western edge of the Darling Range. Remnant laterite occurs on the tops and flanks of these hills. The lateritic cover is thickest and most extensive along a corridor that extends for over 250 km, from the Avon River in the north to the Collie River in the south. This corridor is over 30 km wide and extends eastwards from, and runs sub-parallel to, the Darling Scarp, over gently sloping to flat upland area at 280 to 300 m ASL.

The Darling Range bauxites have formed from the prolonged weathering of granites and dolerites within a relatively stable structural environment, and under sub-tropical conditions marked by distinct seasonal variation in rainfall and temperature. Under favourable geomorphological and pH-eH conditions, the feldspars in the granites are altered to kaolin, and then to gibbsite or boehmite, with the breakdown and removal of silicates resulting in the residual enrichment of  $Al_2O_3$ . The mafic minerals are generally altered to chlorites and iron oxides and hydroxides, which are either removed or re-distributed within the profile.

### 3.2.2 Local

Key geological units in proximity to the Project include the Chittering and Jimperding Metamorphic belts with intervening areas of gneissic granite (A-gy-Y) (Figure 3-2). These metamorphic rock sequences comprise highly deformed and altered greenstones, which include mafic, ultramafic, and sedimentary rocks (A-mf-YSW and A-mdnf-YSW). Numerous Proterozoic-aged dolerite dykes intrude the country rock. Changes in bedrock lithology are significant in the development and areal extent of the overlying lateritic (bauxitic) profile.

Historically the Project area has been the focus of bauxite exploration in the lateritic weathering profile until the recent discovery of Chalice's Julimar PGE-Ni-Cu-Co deposit. Two potential 'feeder' zones have currently been interpreted within the Julimar Complex; the Gonnevillie Intrusion situated at the southern end of the complex on private farmland and the other situated mid-way along the complex within the Julimar State Forest. Drilling at the deposit is ongoing.

The Gonnevillie intrusion lies within the Jimperding Metamorphic Belt, a band of very mixed and often mafic rocks that runs north-northwest to south-southeast through Northam along the Avon valley. This metamorphic belt comprises Archaean gneisses, arkosic paragneiss and banded-iron formation (BIF), interleaved with a variety of garnetiferous orthogneiss and ultramafic units.

Regional airborne magnetic geophysical data, and mapping by the GSWA has delineated the stratiform layered gabbroic intrusion extends into the eastern portion of E70/5118 and E70/5119 (Chalice's tenements occur to the immediate east of the Company's ELA), as well as dolerite dykes (post gabbro) within a granitic basement. Outcropping geology across the area is limited, with the ground comprising mostly sandplains and laterite capped ridges.

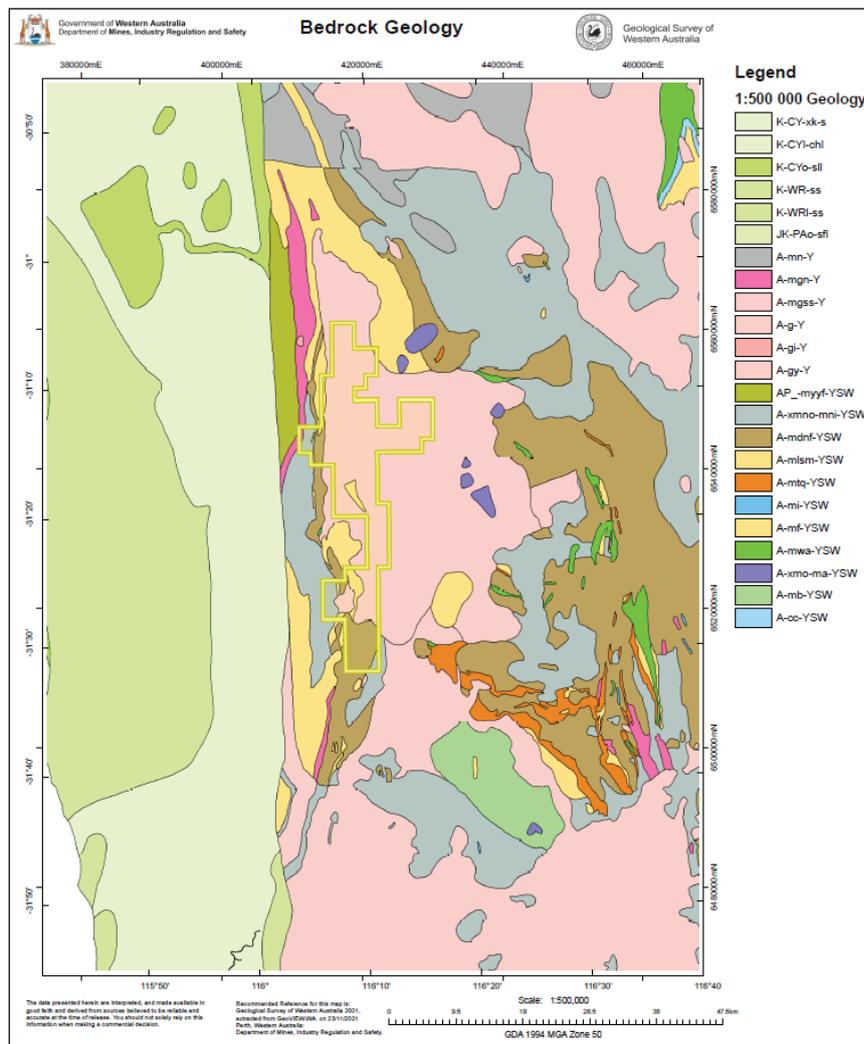
The Gonnevillie Intrusion has an interpreted chonolith shaped architecture with a footwall that consists of upper greenschist facies sulfide-rich pelites and a hangingwall of metasediments. Numerous late granites and dolerite dykes crosscut the intrusion, with granite complexes being particularly prevalent to the south of the Gonnevillie intrusion, (Demmer 2020).

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New geochronology data from the Julimar PGE–Ni–Cu–Co deposit define an age of c. 2670 Ma for ultramafic magmatism and orthomagmatic mineralisation in the Yilgarn Craton. A pegmatitic metagabbro from the ore-hosting Gonneville intrusion at Julimar yielded an igneous crystallization age of  $2668 \pm 4$  Ma (GSWA 203747, Wingate et al., 2021a). A granodiorite that crosscuts the Gonneville intrusion crystallized at  $2663 \pm 8$  Ma (GSWA 248207, Wingate et al., 2021c).

**Figure 3-2: Local geology of the Darling Range project**



Source: Geological Survey of Western Australia, 1:500,000 scale Interpreted Bedrock Geology  
Note: ELA 70/5111 boundary is shown in yellow.

In addition to prospective mafic and mafic sequences, the ELA also offers potential for lateritic weathering products, which are the dominant cover lithology. The average thickness of the lateritic profile of the surrounding region ranges from 8 to 20 m (depending on location and bedrock), and the profile may be divided into separate zones from the top downwards as follows and is illustrated in Figure 3-3.

- topsoil: may be absent due to erosion
- lateritic gravel: comprising loose pisoliths and iron-rich nodules
- duricrust: strongly cemented ferricrete or ironstone caprock, variably thick due to bedrock type
- friable fragmental unit: upper nodular gibbsitic zone (typically red-brown from elevated iron content), and a lower granular gibbsitic zone
- mottled zone: mottles of iron oxyhydroxides in a kaolinitic matrix
- plasmic zone: mottles absent, mainly kaolinite and quartz
- saprolith: clay-rich weathered bedrock, may contain some bedrock
- fresh bedrock: unweathered.

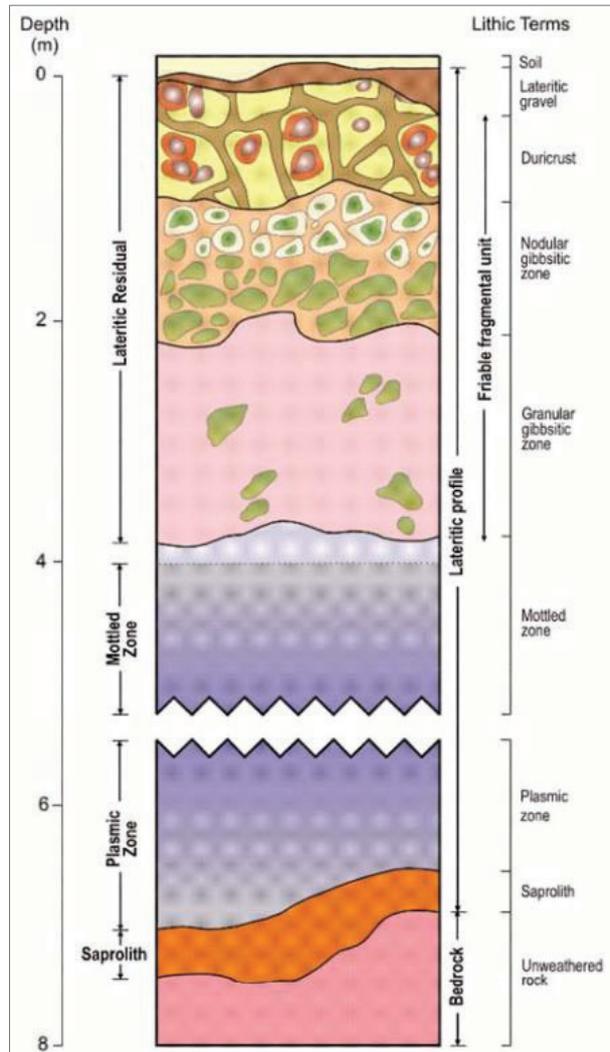
The materials of economic interest are typically contained within the lateritic gravel and duricrust.

On a local scale, the bauxite profile exhibits significant lateral variability in both its thickness and the proportions of the various material types. The vertical profile is relatively consistent in terms of the general grade trends which, with depth, are typified by reductions in  $Al_2O_3$ , iron, boehmite, sulphate, and oxalate, and an increase in reactive  $SiO_2$ .

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Figure 3-3: Generalised profile of Darling Range laterites



Source: Bauxite Resources Prospectus, 2005

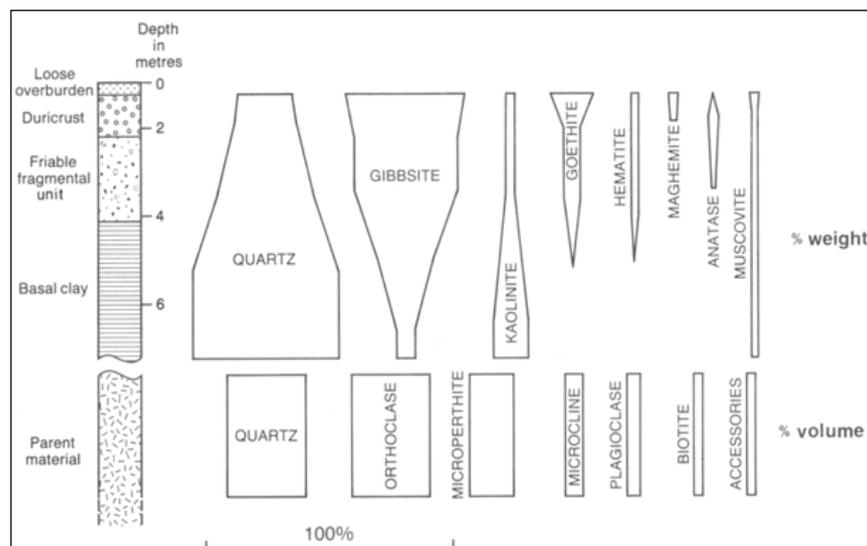
Typically, the lateritic profile above the bedrock is composed of the following, in order of magnitude:

- Gibbsite - >50%
- Goethite – 10-30%
- Quartz – 5-20%, especially over granites
- Boehmite – 1%

- Haematite – 2-10%
- Maghemite – 2%
- Kaolinite – 1%

Corundum, rutile, anatase, muscovite and magnetite may also be found in trace quantities. The proportions of the various minerals which constitute the Darling Range bauxites (over granitic and mafic bedrock) are schematically represented in Figure 3-4.

**Figure 3-4: Typical mineral concentrations within the bauxite profile and parent rock**



Source: modified after Sadlier and Gilkes, 1976

### 3.3 Exploration history

The presence of bauxite was established in the Darling Range area early last century. However, it was not until the late 1950s, following geological mapping by the Geological Survey of Western Australia (GSWA) that Western Mining Corporation discovered significant bauxite laterite deposits in the Jarrahdale- Dwellingup region to the southeast of Perth. Mining commenced at Jarrahdale in 1963 and was followed by the Huntly and Willowdale mines. Refineries were built at Kwinana, Pinjarra and Wagerup to process the bauxite.

The Alusuisse Company from Zurich commenced exploration and investigation of the bauxite potential of the Chittering area north-northeast of Perth in the mid-1960s. Ultimately, Alusuisse did not pursue this project, possibly due to its active development of the Gove bauxite deposit in the Northern Territory.

From 1966, the surrounding region was explored under partnership between Dr Bruno Campana and Hancock & Wright Prospecting (Hanwright) of Perth. Several properties in the Darling Range, principally in the Chittering area, north-northeast of Perth, and the Mount Talbot area due east of

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Perth, were assessed at this time with exploration consisting of mapping, surface sampling, scout drilling and assaying.

In 1968, Pacminex Pty Ltd, the exploration and mining subsidiary of Colonial Sugar Refining Company or CSR (Pacminex) drilled approximately 10,000 vacuum holes for a total of 170,000 feet (52,743 m) within their Chittering Alumina Project. Pacminex ceased exploration in 1975 due to low global aluminium prices at that time.

In September 2008, Aluminex Resources Ltd (Aluminex) included a portfolio of Darling Ranges tenements (Wandoo Project) in its IPO (Aluminex Prospectus). Aluminex was suspended in October 2008 and ultimately removed from the official list of the ASX in July 2009. The Aluminex Prospectus reported a total Indicated and Inferred Mineral Resource estimate of 50.29 Mt at 43.72% total  $Al_2O_3$  under JORC (2004) reporting guidelines.

In November 2009, Iron Mountain completed an off-market takeover of Aluminex from Swancove Enterprises Pty Ltd. and other shareholders. Iron Mountain acquired a 96.67% stake in Aluminex and remaining stake was acquired through short form merger.

Further to quality assurance and quality control (QA/QC) checks and validation of the open file drilling and data base, Iron Mountain reported an Inferred Mineral Resource estimate of 17.48 Mt at 38.2%  $Al_2O_3$  on E70/ 2692 under JORC (2004) reporting guidelines in March 2010.

In the June quarter of 2010, Iron Mountain completed additional QA/QC and validation checks on the historical data and completed 287 air core drill holes at Wandoo on E70/2693 and reported the updated the Inferred Mineral Resource estimate to 89.3 Mt at 41.75%  $Al_2O_3$  at a cut-off grade of 30% available  $Al_2O_3$  (JORC Code (2004) reporting).

Following technical due diligence including 20 air core drilling holes, Iron Mountain sold Wandoo to Alpha for a consideration of A\$4.0 M in cash. Iron Mountain retained a royalty of A\$0.75/dmt on future production of bauxite. These drill holes were not collared in the area covered by ELA70/5111.

Submissions to the Western Australian government by Alpha in the subsequent reporting period indicate that a technical assessment undertaken by Optika Solutions Pty Ltd included a desktop techno-economic evaluation (Optika Study) which assessed mining and processing physicals and costs, capital expenditure, and transport options relating to the establishment of a bauxite mining operation.

The tenure was surrendered by Alpha in 2017.

In 2018, Chalice staked the tenure supporting the Gonville Project (comprising two ELs – E70/5118 and 5119, which lie immediately adjacent and to the east of the Company's ELA 70/5111, as part of its global search for high-potential nickel sulphide opportunities. Chalice subsequently interpreted the possible presence for a mafic-ultramafic layered intrusive complex (the Julimar complex) based on high-resolution airborne magnetics. The Julimar complex is interpreted to extend over 26 km of strike and is confirmed to be prospective for nickel, copper and PGE.

### 3.4 Proposed exploration

Given the recent discovery of significant tonnages of nickel-copper-PGE mineralisation within the adjacent tenure held by Chalice, the Company has prioritised data compilation and analysis over its ELA to delineate targets capable of representing known extension or repetitions of this mineralisation style. As evidenced by Chalice's exploration strategy, acceptance of the stated geological interpretation would not have resulted in the current success being enjoyed by Chalice's shareholders. Hence, the Company seeks to challenge the conventional interpretation of the local geology and to expressly re-evaluate those sequence which may represent continuations of the Gooneville stratigraphy into its tenure.

To this end, the Company has proposed extensive reconnaissance mapping, geophysical surveying, and re-interpretation to delineate targets for drilling testing upon grant of the tenure:

- a surface geochemical sampling program
- a high-resolution aeromagnetic surveying to highlighted coincident geochemical–geophysical targets and define drill targets
- field reconnaissance mapping (geology, structure and alteration) to define structural controls to the known mineralisation and refine drill targeting
- where warranted and pending grant of the tenure, drilling over previously untested geochemical and geophysical targets including extensions to known mineralisation, contacts, regional-scale faults and associated splays, and areas of colluvial cover
- in addition, further works will be carried out to upgrade the bauxite estimate to compliance with JORC Code (2012).

Whilst the area covered by ELA70/5111 remains prospective for bauxite mineralisation, there is insufficient geological continuity and sample support to estimate Mineral Resources with reasonable prospects of eventual economic extraction with under JORC Code (2012) reporting guidelines at this time. However, additional historical data compilation, shallow regolith drilling and the investigation into the suitability of the ultra-fine soil sampling method is warranted at the Project.

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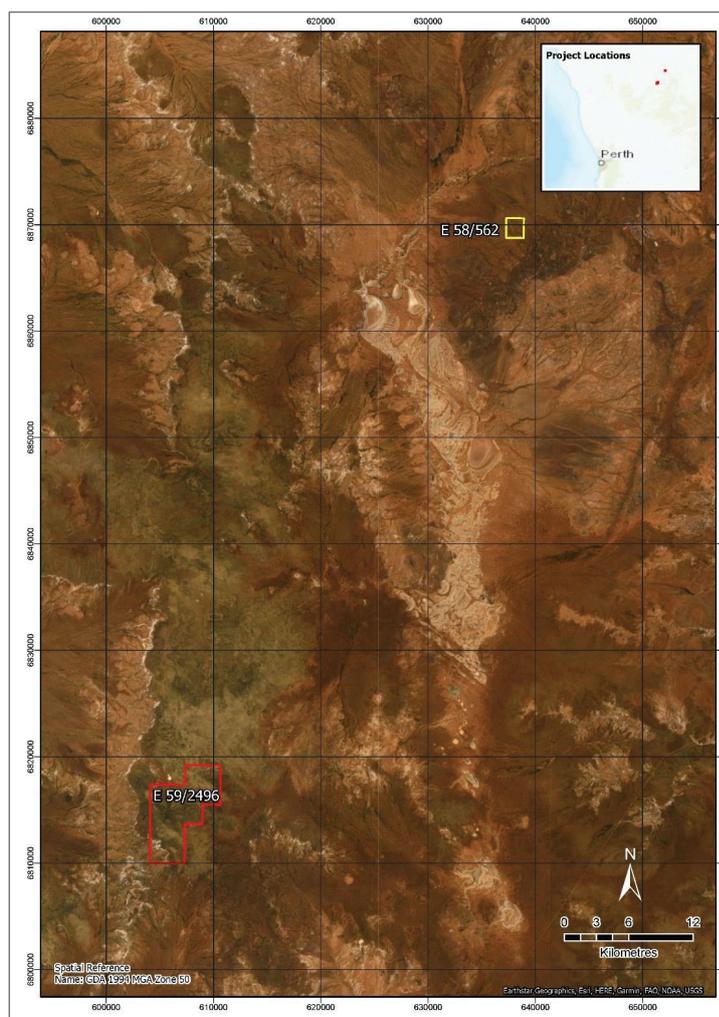
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## 4 Mount Magnet Project

### 4.1 Location and access

The Company's Mount Magnet Project comprises 2 separate ELs; Boodanoo (E59/2496) and Challa (E58/562) which are centred on the Narndee and Windimurra layered mafic intrusive complexes in the Youanmi Terrane of the Archaean Yilgarn Craton (Figure 4-1).

Figure 4-1: Location of the Mount Magnet Project exploration licences



Both Project tenures are situated in the Murchison Mineral Field within the Cue (SG50-15) and Kirkalocka (SG50-3) 1:250,000 scale and Mount Magnet (2441) and Wynyangoo (2542) and Challa (32541) 1:100,000 scale map sheets. The nearest town is the historical gold mining centre of Mount Magnet.

The Boodanoo EL covers an area of approximately 42 km<sup>2</sup> located approximately 410 km northeast of Perth and 87 km south-southeast of the Mount Magnet township. Access is via the Great Northern Highway then four-wheel drive accessible pastoral station tracks and fence lines that vary from well to poorly maintained. This tenure lies in close proximity to Aldoro Resources Limited Nardee Project and Golden Mile Resources Limited's Yarrabee Project, which are targeting magmatic nickel-copper-cobalt and nickel-copper-zinc mineralisation, respectively.

The Challa EL covers approximately 302 ha and is located approximately 475 km northeast of Perth and 59 km east-southeast of the Mount Magnet township. Access is via the Great Northern Highway then the Mount Magnet Sandstone Road before turning onto four-wheel drive accessible pastoral station tracks that vary from well-kept graded access to the homesteads to less maintained fence lines and previous drill access tracks. This tenure is located approximately 15 km west of Atlantic Limited's Windimurra Vanadium Project and adjacent to Flinders Mines Limited's Canegrass Nickel Project.

The Mount Magnet airport has a daily scheduled commercial flight service from Perth and is used as a regional exploration location where campaign-based exploration work is typically undertaken by a Fly-In Fly-Out workforce based in Perth.

## 4.2 Climate and physiography

The Gascoyne region experiences a moderate arid - temperate desert climate. It is generally warm all year round, with mean maximum daily temperatures ranging from 22 °C in July to 35 °C in January. The region receives about 320 days of sunshine per year. Annual rainfall is low and variable, averaging about 200 mm, most of which occurs as a result of cyclonic activity. Because of the semi-arid climate, most of the Gascoyne is covered in scrub, primarily spinifex and mulga, with very little tree cover.

The topographical features are that of a mainly undulating landscape with sheet-wash surfaces sloping down to ill-defined drainages with clay pans and usually dry salt lakes. There are no material topographic impediments to year-round exploration activities.

The primary land use in the surrounding area is for rangeland agriculture, with the topography comprising low hills and broad plains covered by native grasses and acacia scrub and forest. Less than 20% of the area has good outcrop. A major drainage and playa lake system is located with the Nardee and Windimurra complexes.

## 4.3 Geological setting

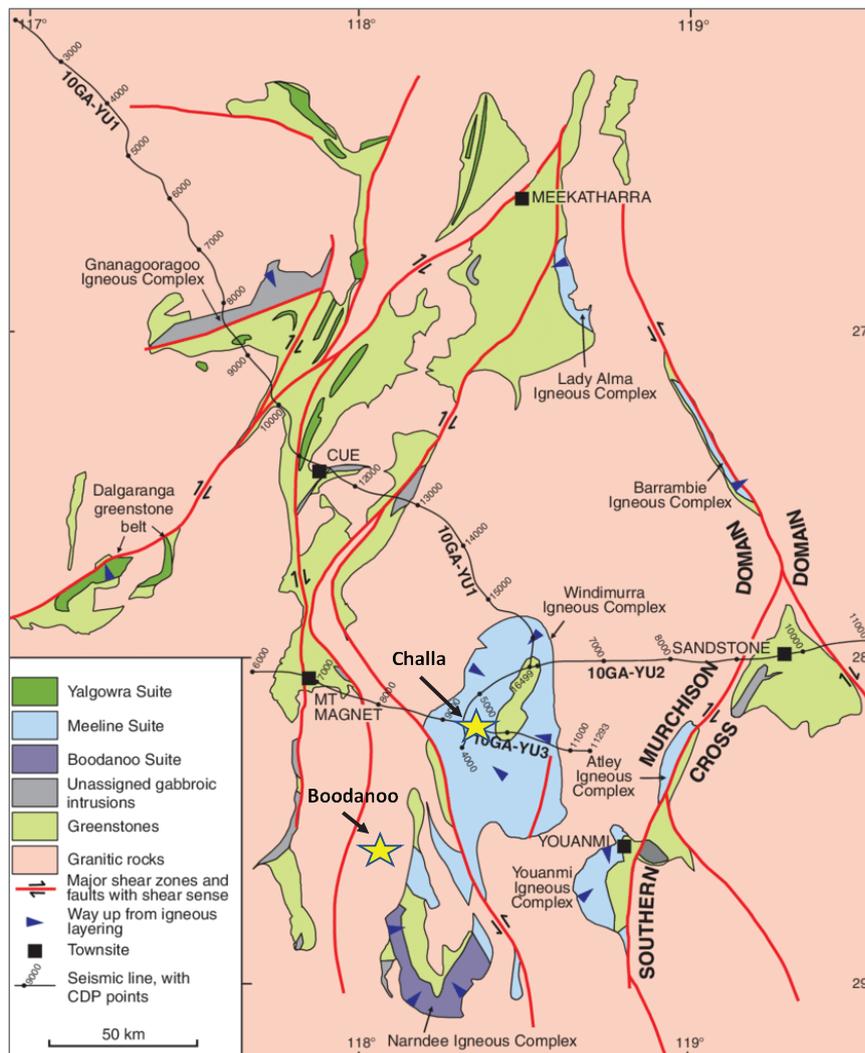
The Nardee and Windimurra igneous complexes are large, multiphase layered mafic intrusions located at the interpreted crustal boundary separating the Murchison and Southern Cross granite-greenstone provinces of the Yilgarn Craton (Figure 4-2). Collectively they represent the largest layered intrusive system in Australia and have been dated at approximately 2.8 Billion years (Ga).

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Long considered separate, they are now widely regarded to be structurally dislocated parts of the same layered intrusive, with Narndee representing a lower ultramafic bearing series and Windimurra, a more gabbroic and anorthositic upper series (Figure 4-2). Basement rocks separating the intrusions lack exposure, but regional magnetic geophysical data suggest a major northwest trending shear zone occupied by numerous granites may offset the two complexes.

**Figure 4-2: Simplified geological map of the northern Murchison Domain**



Source: Modified after Ivancic et al. 2010

Note: Approximate centroid locations of the Boodanoo and Challa ELs are displayed with yellow stars.

#### 4.3.1 Boodanoo

The Boodanoo EL is located along the north western flank of the Nardee Igneous Complex, which is exposed over an area of approximately 400 km<sup>2</sup>. The architecture of this complex is a roughly north opening U-shaped exposure, which represents a broad syncline of layered ultramafic and gabbroic rocks which truncates along its eastern (upper) and western (lower) contacts against the surrounding greenstones. The contacts of the complex with the greenstones are not exposed but are interpreted to be sheared.

The Boodanoo Prospect is geologically located in the Cundimurra Monzogranite (A-TUcu-mg) of the Tuckanarra Suite in the western Yilgarn Craton (Figure 4-3). This is a north-trending, elongate pluton, which is about 200 km long and up to 25 km wide. It consists mainly of medium- to coarse-grained monzogranite and syenogranite, but also contains subordinate coarse-grained tonalite, fine-grained, leucocratic, distinctively muscovite-bearing monzogranite, and minor quartz diorite veins. The monzogranite was syntectonically emplaced along the dextral Cundimurra Shear Zone which extends for more than 300 km across the Youanmi Terrane.

While reef-style chromium-PGE mineralisation is only recorded at the Windimurra Igneous Complex, poor exposure, and limited drilling within other intrusions (notably the Nardee Igneous Complex) leaves the potential for undiscovered reefs.

#### 4.3.2 Challa

The Challa EL is geologically located within the north western portion of the Windimurra Igneous Complex (WIC) straddling the boundary between the upper and middle units of the WIC.

The WIC is elliptical in shape and is exposed over an area of approximately 2300 km<sup>2</sup> measuring 85 km from north to south and 37 km from east to west and comprises predominantly mafic cumulate rocks which are broadly gabbroic in composition, and which reflect mineralogical changes associated with the progressive fractionation of a tholeiitic magma. Magmatic layering dips inwards at the margins and flattens in the centre of the complex, consistent with the complex having a basin-shaped, or lopolithic form.

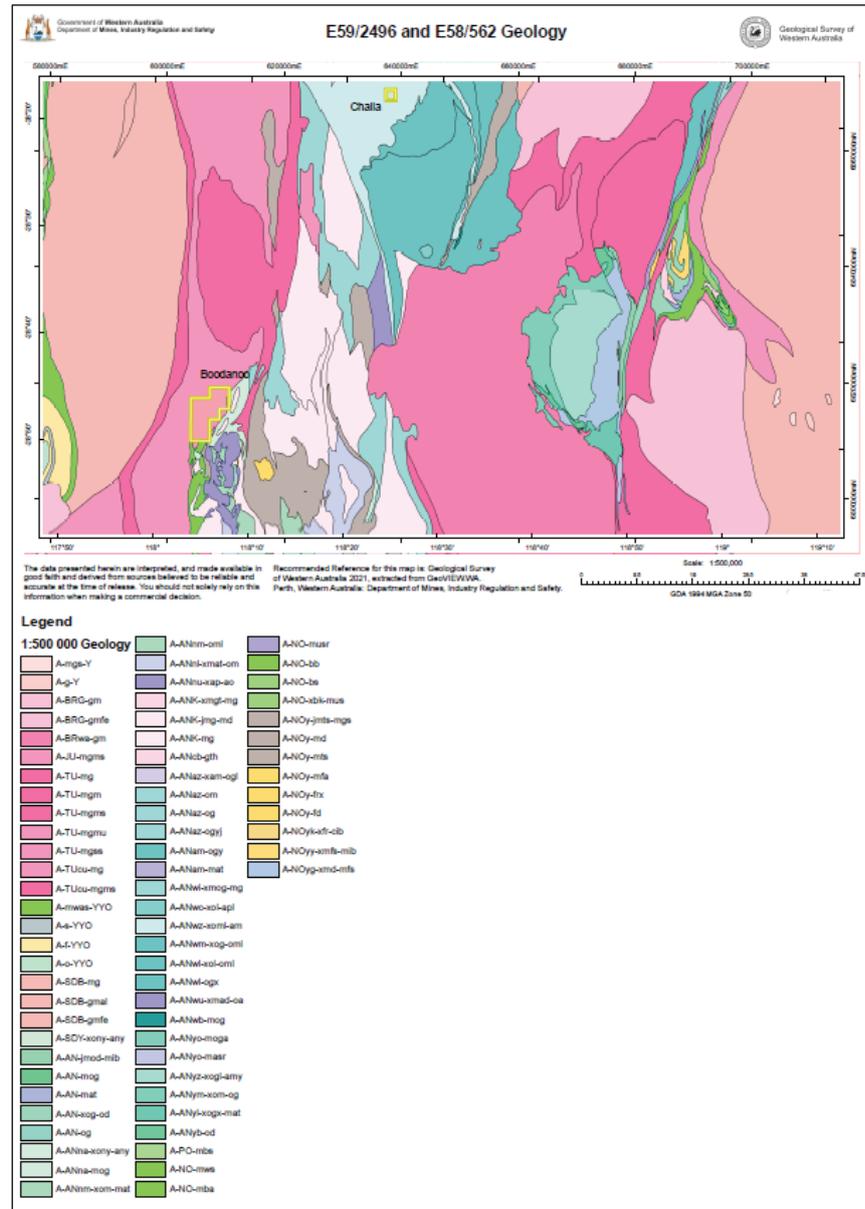
The exposed part of the intrusion consists mainly of a thick rhythmically layered sequence of fractionated rock types of gabbroic composition. The complex shows a broad upward trend from ultramafic dunites to mafic gabbros. A stratigraphic thickness of 10 to 13 km has been estimated. From the base, the stratigraphy of the WIC comprises:

- altered and deformed / metamorphosed gabbro interpreted as the chilled margins to the complex
- a thin Ultramafic Basal Series of serpentinised olivine and chromite cumulates
- a Lower Series of layered anorthositic gabbro and olivine gabbro
- a Middle Series of magnetite gabbro that shows well-defined magmatic layering and includes the nearby third party held Canegrass layered magnetite zone
- an Upper Series of magnetite olivine gabbro.

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Figure 4-3: Boodanoo and Challa regional geology



Source: Geological Survey of Western Australia, 1:500,000 scale Interpreted Bedrock Geology  
 Note: Boodanoo and Challa ELs are outlined in yellow.

Layering within the WIC is disrupted by at least two major stratigraphic discontinuities interpreted to represent post-intrusion faulting, breaks related to major disruptions during the development of the magma chambers, or the development of a feeder zone to higher levels within the original magma chamber. The latter two explanations may have considerable significance to the processes of magma mixing that favour the formation of PGE mineralisation. Along the margins of the complex, the rocks are recrystallised, with metamorphic grades ranging from lower amphibolite to granulite facies. The interior of the complex is essentially unmetamorphosed, with the rocks retaining their primary minerals and textures.

Vanadiferous - titaniferous magnetite lenses and layers of up to 10 m thick occur in the upper portion of the WIC as evident at the Windimurra and Youanmi mines. Minor chromite segregations up to several centimetres thick are found near the base. This pattern is similar to that of many other large-layered intrusions including the famous Bushveld Complex in South Africa, which is the world's premier source of platinum and other associated PGEs.

Ultramafic rocks of the WIC are considered prospective for orthomagmatic platinum, chromium and vanadium mineralisation. The felsic volcanics suite of the Kantie Murdana Volcanics may also offer potential for volcanogenic base metal (copper-zinc) and gold mineralisation. Other potential styles of mineralisation at Challa may include gold in laterite, shear zone hosted gold and palaeodrainage hosted uranium.

#### 4.4 Previous exploration

Many companies have previously explored the Narndee and Windimurra Igneous Complexes for gold, a variety of base metals, PGEs and vanadium. Calcrete deposits in regional drainages have also been explored for uranium.

Initial prospecting and mining activities focused on gold, and during the late 1800s and early 1900s, and approximately 4,000 oz was produced from Paynesville and Windsor to the north of the project area. Most of the gold came from quartz veins hosted by gabbroic rocks, with some production reported from within the Kantie Murdana Volcanics.

The WIC was first recognised as an analogue to the Bushveld Complex in South Africa during the early 1960s, by geologists working for Mangore Australia who located vanadium-rich magnetite rocks near Windimurra Homestead and PGE anomalous horizons in the Wondinong area.

During the late 1960s and early 1970s, Westralian Nickel Exploration NL (Wanex), conducted nickel-copper exploration near Milgoor Peak in the Narndee Complex and reported intersections from percussion drilling of up to 9 m at 1.37% nickel (PDH15A). Following this, International Nickel Company of Australia Limited (INCO), formed a joint venture with Wanex and carried out gossan sampling, induced polarisation (IP) and ground magnetic geophysical surveys and diamond drilling. INCO also logged and resampled Wanex's drill holes, and although unable to confirm the intersection in PDH15A, reported many assays above 0.2% nickel associated with pyrrhotite and chalcopyrite recovered from the primary zone by diamond drilling.

Alcoa of Australia WA Pty Ltd commenced exploration in 1980 seeking primarily, alumina associated with anorthositic rocks, whilst also recognising the potential for nickel and PGE mineralisation. Between 1980 and 1987, Alcoa explored parts of the northwest, central and southeast portions of the WIC, and carried out very detailed mapping to identify stratigraphic variations within it. Other activities included rock chip and soil sampling, and ground and airborne magnetic surveys.

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In 1972, inspired by its uranium discovery at Yeelirrie in Western Australia, Western Mining Corporation Limited began evaluating airborne radiometric geophysical anomalies associated with calcrete developed within the Cainozoic paleodrainage channels around the northern and eastern flanks of the WIC.

Between 1977 and 1984, WMC conducted a comprehensive exploration program over the Canegrass sequence for nickel-copper, PGE, and vanadium and titanium-bearing magnetite. No significant indications of nickel-copper or platinum mineralisation were found, but percussion drilling intersected significant vanadium-titanium-iron oxide mineralisation. CRA Exploration Pty Ltd carried out ground and airborne magnetic geophysical surveys, rock chip and stream sediment sampling, and percussion drilling near Milgoo Peak for platinum between 1980 and 1981. No significant new drill intersections were reported.

Anaconda Aust Inc explored the Narndee and Windimurra Complexes for platinum and chromite between 1981 and 1986, including geological mapping, ground and airborne geophysical surveys, rock chip, soil and stream sediment sampling and rotary and percussion drilling. Again, no significant mineralisation was reported.

Pancontinental Mining Limited, Pancontinental Mining (Europe) GmbH and Degussa AG in joint venture (collectively 'Pancontinental') carried out a major campaign of PGE exploration over the WIC between 1986 and 1990. Pancontinental conducted very extensive petrographic, rock chip and stream sediment sampling, together with geological mapping and ground and airborne magnetic geophysical surveys. Exploration focused on the Wondinong and Corner Well areas and included RAB drilling over areas covered by recent sediments at the latter project.

BHP Minerals Pty Ltd and Hunter Resources NL (Hunter) carried out exploration for PGE in the Narndee Complex between 1985 and 1990. Activities included costeaning, ground and airborne geophysical surveying, stream sediment, soil and rock chip sampling, and diamond and percussion drilling. Chromite-bearing pegmatitic rocks in costeans analysed up to 0.43% nickel and 1.5 ppm PGE, but drilling failed to replicate these values.

During 1987 and 1988, Greater Pacific Investments Limited and Tensor Resources Limited carried out an extensive RAB drilling program targeting possible ultramafic zones beneath the playa lake system over the central western part of the WIC. The program targeted airborne magnetic anomalies regarded as indicators of potential feeder zones to the magma chamber. Many of the holes failed to penetrate to bedrock and no follow-up exploration was completed.

Wedgetail Resources Pty Ltd completed four RC drillholes near Milgoo Peak in 2001 to test extensions of mineralisation identified by Wanex and intersected narrow zones (<1 m) of low grade (<1% combined) nickel-copper-platinum-palladium.

Between 1995 and 2004, Apex carried out several phases of exploration over the WIC for a variety of mineralisation styles and a range of commodities. Following completion of a high resolution aeromagnetic and radiometric survey in 2003, numerous reconnaissance sampling surveys were carried out. Several areas with significant geochemical results were followed up with detailed MagLag soil sampling and rock chip sampling with multiple locally persistent horizons of anomalous palladium and gold mineralisation identified.

In 2002, Apex optioned tenements covering the Narndee Complex to Falconbridge (Australia) Pty Ltd (Falconbridge). The primary objective of Falconbridge's exploration was the discovery of a commercially viable PGE deposit using the Bushveld Complex as a guiding model. Falconbridge completed a high resolution airborne magnetic, and radiometric and digital elevation surveys which

were followed by geological and lithochemical surveys, and stream sediment and soil MagLag geochemical surveys. In spite of encouraging nickel results, Falconbridge was disappointed with the PGE results and withdrew from the option agreement.

Between 2006 and 2009 Maximus Resources Limited (Maximus) completed an airborne electromagnetic (EM) geophysical survey over the Narndee Complex and a few limited exploration drilling programs in the region. At Boodanoo, Maximus completed 51 rotary air blast (RAB) drill holes for 1,612 m between 2006 and 2007 in a series of drill lines that crossed the eastern boundary of the Boodanoo EL. At Challa, Maximus completed one air core (AC) drill hole for 14 m (2006) and two reverse circulation (RC) drill holes for 294 m over the south eastern corner of the Challa EL.

In October 2020, Aldoro announced the commencement of a major exploration effort at its Narndee Igneous Complex Project including airborne EM and ground based Fixed Loop time-domain EM surveys several major targets and deeper targets for near term drill assessment. Subsequent field reconnaissance outlined two nickel-copper gossans which were geologically mapped and sampled.

#### 4.5 Exploration potential

Previous explorers have established the presence of anomalous concentrations of nickel, PGE and gold in the Narndee and Windimurra Complexes. Secondary uranium mineralisation has been also been intersected in calcrete deposits occupying regional drainage systems.

The Company intends to focus its exploration towards the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits within the two complexes. The Boodanoo EL has been acquired to target magnetic geophysical anomalies located at the intersection of the Narndee complex and the north western edge of a regionally significant structure.

Exploration over the Challa EL will examine the extensions to a laterally extensive iron-vanadium-titanium bearing horizon forming part of the broader WIC. In addition, the potential for gold and PE mineralisation associated with the contact between the upper and middle units of the WIC will be further evaluated.

The Company intends to explore prospective areas in the Kiabye Greenstone Belt along the western side of the Narndee Complex, where potential exists for komatiite hosted nickel deposits and shear hosted gold deposits. The greenstones in this area have received very little exploration attention, however several previous geochemical results require further investigation. Planned exploration work will include:

- A surface geochemical sampling program.
- A re-interpretation of high resolution aeromagnetic and radiometric data to assist in the assessment of previous ground-based exploration data and the development of new targets.
- Conducting ground geophysical surveys in the southwest part of the Narndee Complex, in particular EM and IP surveys, to detect anomalies of potential significance for nickel.
- Funds have been allocated for air core/RAB and limited RC drill testing of any resulting anomalies.

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- Funds have also been allocated for RAB drilling over unique structural features along the interpreted position of the Wyemandoo Shear zone, over geochemical anomalies in the Kiabye greenstone belt and over uraniferous calcretes in the northern part of the project area.
- Provision has been made for follow up RC drilling where warranted.

The proposed exploration programs are considered sound, and consistent with the mineral potential of the project area. Budgeted expenditure is adequate to cover the costs of the proposed programs and to meet the annual expenditure commitments set by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS).

SRK notes that parts of the Nardoo and Windimurra Complexes have been extensively explored for base metals, PGE and vanadium over the past several decades. Within the Challa EL, the bedrock is extensively obscured by recent cover sediments, nevertheless, base metal and precious metal anomalous zones have been outlined.

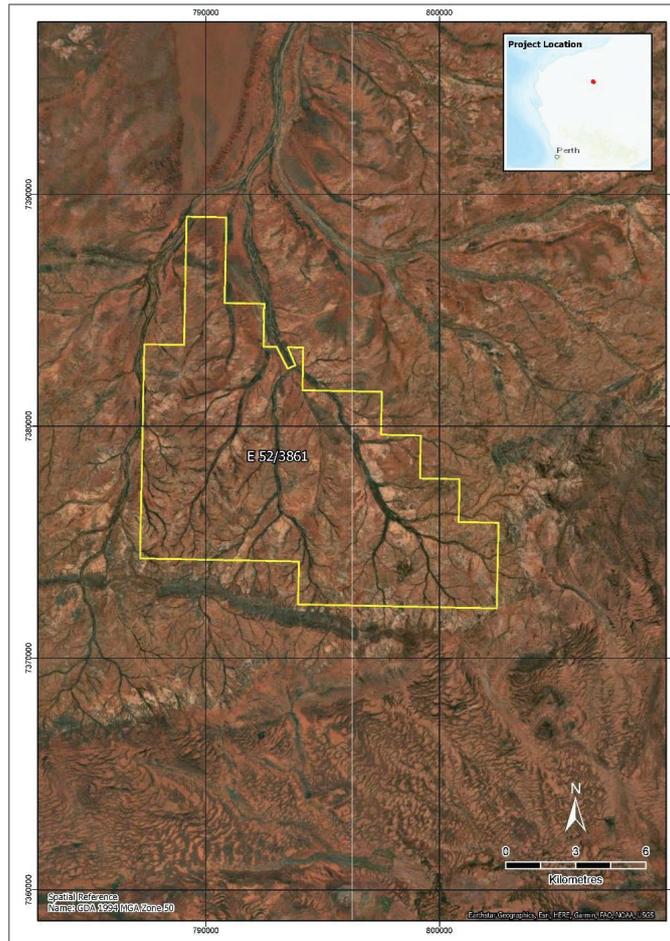
In SRK's opinion, both the Boodanoo and Challa ELs provide reasonable expectations at a conceptual level albeit that significant data compilation and assessment is required to delineate additional targets for near term assessment and further sound, systematic, geologically driven exploration is required.

## 5 Sylvania Project

### 5.1 Location and access

The Company's Sylvania Project is located near the Tropic of Capricorn in the Pilbara region of Western Australia, approximately 70 km southeast of the regional mining town of Newman and 1,190 km north of Perth (Figure 5-1). The Project comprises a single granted EL (E52/3861), which covers an area of approximately 138 km<sup>2</sup>. The Project falls within the Newman (SH50-16) 1:250,000 scale and Warrawanda (2850) 1:100,000 scale map sheets.

Figure 5-1: Location of the Sylvania Project exploration licence



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The project is accessible via the sealed Great Northern Highway before turning onto gravel station roads and poorly formed drill lines. Newman has a population of approximately 7,000 and is able to provide skilled and unskilled labour in support of project assessment and development. A regional airport is located at Newman and daily commercial flights from Perth are available. A standard gauge single track railway connects the Mount Newman mine near Newman with the deep-water port at Port Hedland. The Ophthalmia Dam ensures the town's water supply storing seasonal rainfall able to recharge underground aquifers.

## 5.2 Climate and physiography

The Pilbara region experiences an arid monsoonal climate with high temperatures and low irregular rainfall that follows a summer cyclone season. During the summer months, maximum temperatures exceed 30°C most days, and temperatures of more than 45°C are not uncommon. Winter temperatures rarely drop below 0°C. The average annual rainfall in the region is between 200 and 350 mm. Almost all of the Pilbara's rainfall occurs between December and May, usually with occasional heavy downpours in thunderstorms or tropical cyclones. The period from June to November is usually completely rainless. Exploration fieldwork is generally conducted in the winter months.

The topography is low lying with incised channels posing a flash flooding risk during cyclone season. Vegetation ranges from tree and shrub steppe to low mulga woodland.

## 5.3 Geological setting

The Sylvania Project is located entirely within the central southern portion of the Sylvania Inlier in Hamersley Basin at the southern margin of the Pilbara Craton. The structurally complex Sylvania Inlier largely comprises foliated and/or banded granitoid (monzogranite to granodiorite) with the rafts of poorly preserved greenstone sequences (low- to medium grade, mafic and ultramafic metavolcanic rocks, clastic metasedimentary rocks, cherts and BIF, together with mafic and ultramafic intrusions).

The Inlier is unconformably and structurally overlain by low grade meta-volcanic and meta-sedimentary rocks of the Archaean Fortescue Group (circa 2,750 Ma) which is in turn overlain by BIF-dominated, fine-grained meta-sedimentary and acid volcanic rocks of the Hamersley Group (circa 2,500 Ma).

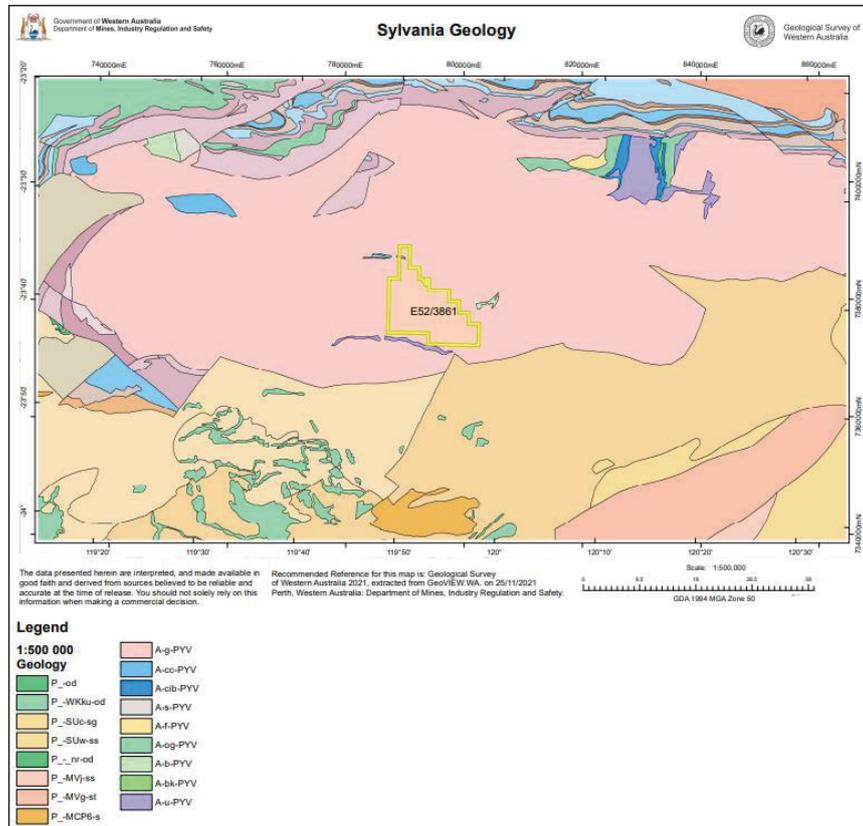
By comparison, Hamersley Group rocks appear to be relatively poorly represented in the Sylvania Project Area. Only the Marra Mamba Iron Formation, the basal unit within the Hamersley Group, crops out.

The fault architecture of the area is complex and reflects the long duration of the Capricorn Orogen. Dominant structures include the Fortescue Fault, Mt Whaleback Fault, Western Creek Fault, Homestead Fault and Prairie Downs Fault, however mineralisation reliant of hydrothermal fluid flow is not restricted.

The Sylvania Project is interpreted to predominantly host granitic units (A-g-PYV) of the Sylvania Inlier. In the northern portion of the EL, a greenstone intrusion has been identified and is considered prospective for Archean gold and for magmatic Ni-Cu-PGE sulphide mineralization associated with komatiitic basalt flows and related sub-volcanic feeders of the Archaean Fortescue Group. Additional potential may include pisolitic iron ore in Tertiary channel iron deposits, calcrete

uranium deposits associated with Cainozoic sediments draining Archean granitoids of the Sylvania Inlier and manganese mineralisation associated with weathering and supergene enrichment of manganese shales, as well as minor deposits of gold, chromite, copper, barite and opaline and chalcedonic silica (Figure 5-2).

**Figure 5-2: Sylvania regional geology**



Source: Geological Survey of Western Australia, 1:500,000 scale Interpreted Bedrock Geology  
 Note: Sylvania EL is outlined in yellow.

## 5.4 Previous exploration

The Sylvania Inlier has been extensively explored with previous companies conducting significant early-stage exploration for iron, uranium, base metal (Cu, Pb, Zn, Ni), diamonds, and gold however no drilling has been completed over E52/3861.

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Since the 1960s, iron ore has been the focus of most of the regional exploration in the east Pilbara region, particularly to the north, east and west of the project area. Within the project area, companies such as Rio Tinto Exploration Pty Ltd, Atlas Iron Limited and BHP Limited have held overlapping tenure in the past and conducted exploration programs searching for iron ore deposits.

Base metals directed exploration commenced in and around the area in the 1970s and continued into the early 80s with various operating companies including Car Boyd Minerals Limited, CRA Exploration Pty Ltd, MIM Exploration Limited, GeoPeko Limited, Shell Minerals Exp Aust Pty Ltd and Pacminex Pty Ltd. Work programs typically targeted regional faults within the Proterozoic sediments using geophysical surveys, surface geochemical sampling and RAB drilling. MIM Exploration Limited targeted specific stratigraphic units within the Fortescue Group exploring for stratabound copper and zinc. This work has resulted in the discovery of numerous geochemical anomalies and several small deposits of Ag, Pb, Zn are recorded within the surrounding area.

As a result of airborne and ground geophysical surveys in the mid-1970s, the area has also been widely assessed for uranium with several radiometric anomalies identified. Key uranium proponents have included CRA Exploration Pty Ltd, Uranerz Australia Pty Ltd and Pancontinental Mining Limited/PNC Exploration Australia Pty Ltd.

Widespread exploration for gold has also been carried out throughout the Inlier, with the only known in situ gold occurrence located at the southern contact of the Sylvania inlier where it is unconformable with Proterozoic sediments of the Fortescue Group. All other targets are either conceptual in nature or related to unresolved stream sediment sample anomalies and/or low-level soil anomalism. Work has been conducted for gold since the 1980s by Texasgulf Australia Limited, Bedrock Mining Pty Ltd, Giralia Resources NL., CRA Exploration Pty Ltd, Egerton Gold NL., MIM Exploration Limited, and Anvil Mining NL/KKR Resources NL.

More recent exploration by AusQuest Ltd (AusQuest) has focussed on the potential for magmatic nickel-copper-PGE associated with komatiitic basalt flows, pisolitic iron (Channel Iron Deposits) and calcrete and bedrock uranium exploration in the Sylvania Inlier. In addition, the broader area may be prospective for magmatic nickel-copper-PGE in layered mafic intrusions in the Sylvania Inlier, Marra Mamba and BIF iron as well as gold associated with Archean BIFS and granite-hosted quartz veins. Following exploration included reconnaissance geological investigation and mapping, soil geochemical sampling, geophysical surveying (including compilation of historical aeromagnetic/radiometric, GeoTEM datasets) and limited RC and core drilling, AusQuest downgraded the potential of the western portion of the Sylvania Inlier but noted the potential for the remaining parts of the Inlier.

## 5.5 Proposed exploration

Previous exploration has a magnetic high in the northern parts of the tenure interpreted as a possible greenstone granite intrusion and a series of northwest trending structures that may host Ni-Au mineralisation. The Company intends to focus its exploration on testing these features by proposing to conduct:

- a surface geochemical sampling program
- a review of the structural geology and lithology
- testing the northwest structures with RAB drilling.

SRK notes that historically portions of the Sylvania Dome have been the subject of extensive exploration activity targeting precious and base metals, iron ore and uranium mineralisation. Nevertheless, SRK considers that the Company's Sylvania Project remains prospective and offers potential albeit at a conceptual level. Significant data compilation and follow-up ground assessment is required to generate targets for near term assessment and should be followed by further sound, systematic, geologically driven exploration.

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Bulga Project ■ Final

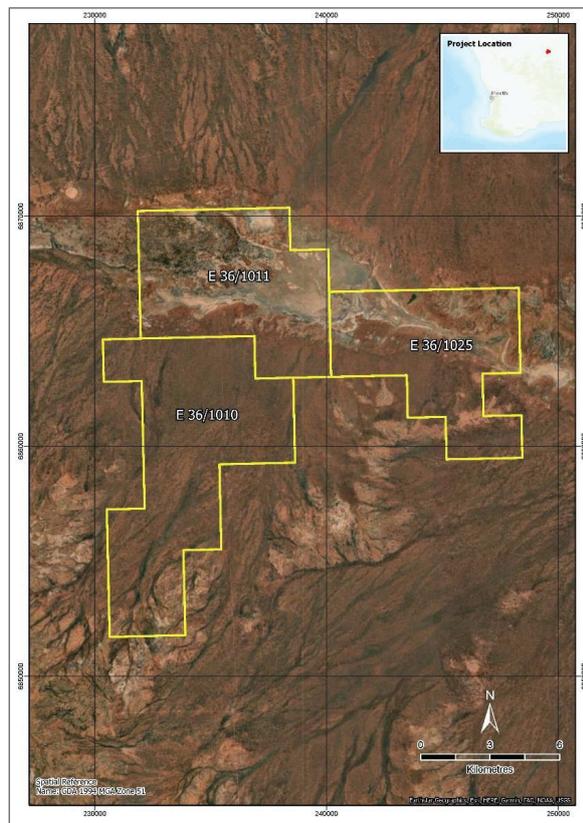
## 6 Bulga Project

### 6.1 Location and access

The Bulga Project is a continuous landholding comprising 2 granted ELs (E36/1010 and E36/1011) and a covering a combined area of 118 km<sup>2</sup> in the Gascoyne region of central Western Australia. Additionally, the project includes an ELA (ELA36/1025) applied for by WYPGM. The Project falls within the Leonora (SH51-01) 1:250,000 scale and Munjeroo (2941) 1:100,000 scale maps sheets.

The project is located approximately 840 km northeast of Perth, 120 km northwest of Leonora and 40 km southwest of the nearest town of Leinster (Figure 6-1). There are numerous gold and nickel mines in the surrounding district including the New Holland, Waroonga, Lawlers, Redeemer, Bounty, Deliverer, Cox-Crusader, Vivien, Turret and McCaffery gold mines, as well as the Yakabindie, Leinster and Perseverance nickel sulphide mines.

Figure 6-1: Location of the Bulga Project exploration licences



Road access is typically made from Kalgoorlie-Boulder via the Goldfields Highway, before turning on either the Leonora-Mount Ida Road (to approach from the south) or the Agnew-Leinster, Old Agnew, Pinnacles and Munjeroo gravel roads (to approach from the north).

The Leinster airport has a daily scheduled commercial flight service from Perth and is used as a regional exploration location where campaign-based exploration work is typically undertaken by a Fly-In Fly-Out workforce based in Perth.

## 6.2 Climate and physiography

The Gascoyne region has a moderate arid tropical climate. It is generally warm all year round, with mean maximum daily temperatures ranging from 22 °C in July to 35 °C in January. The region receives about 320 days of sunshine per year. Annual rainfall is low and variable, averaging about 200 mm, most of which occurs as a result of cyclonic activity.

Because of the semi-arid climate, most of the Gascoyne is covered in scrub, primarily spinifex and mulga, with very little tree cover.

The region is typically flat with little relief and ranges in elevation between 400 and 450 m ASL. There is a marked absence of significant bedrock outcrops and rock float which may be indicative of bedrock. Where present float comprises weathered granite, calcrete, bucky quartz and lithified sandstone.

E36/1011 covers a salt lake, representing the eastward extension of Lake Noonie. There are no material topographic impediments to year-round exploration activities.

## 6.3 Geological setting

The Bulga Project is interpreted to lie along the trend of the Ida Fault, an early steep structure marking the boundary between the Eastern Goldfields Superterrane in the east from the Youanmi Terrane in the west. Under this interpretation the Ida Fault north of Mount Alexander becomes the Mount Goode Rift, host to the Cosmos nickel complex. This structure continues northwards where it can be traced on the west side of the Agnew -Wiluna greenstone belt as the Waroonga Shear Zone, a locally important gold associated structure.

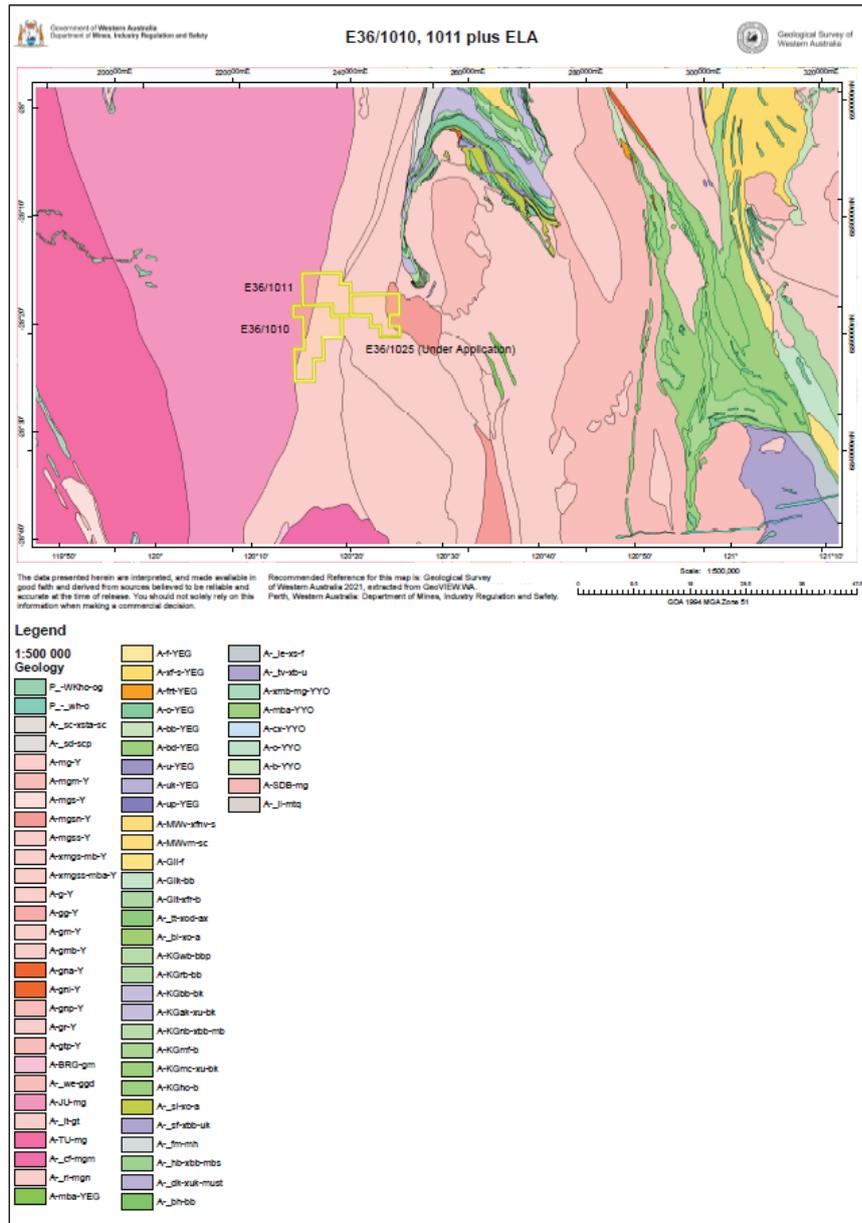
Due to the presence of widespread cover, the Project geology is interpreted to comprise mainly granite (A-mgss-Y and A-mgsn-Y) with minor greenstone rocks adjacent to the Mount Ida Fault. The main greenstone sequence consists of two prominent magnetic units that appear to merge to the south, which the granite comprises foliated meta-granite which is locally gneissic and may include amphibolite lenses and magmatic components (Figure 6-2).

This greenstone sequence has been sparsely drilled and appears to have a maximum thickness of approximately 1,000 m. It is potentially related to the Mount Alexander belt to the south, dips steeply and youngs to the east (i.e., the rocks become younger as one moves eastward). The metamorphic grade of the belt is amphibolite facies, and it is interpreted to be moderately deformed due to the presence of strongly foliated rocks. Previous drilling has confirmed the presence of ultramafic rocks with moderate MgO levels. While no nickel sulphides have been encountered to date, the presence of ultramafic rocks offers potential for Mount Alexander style nickel-copper or komatiitic nickel sulfide deposits.

# 13. Independent Geologist's Report

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 Bulga Project ■ Final

Figure 6-2: Bulga regional geology



Source: Geological Survey of Western Australia, 1:500,000 scale Interpreted Bedrock Geology  
 Note: Bulga ELs are outlined in yellow.

## 6.4 Previous exploration

Previous exploration over the Project area has been conducted by Delta Gold NL (1996-1997), BHP (2010 – 2014) and St George Mining (2014 – 2019) targeting granite hosted gold and nickel sulfide mineralisation within deformed migmatised ultramafic belts within granite terrain. Work completed includes heritage surveys, exploration planning and interpretation, geological mapping, surface geochemical sampling (soils), surface geophysical surveying (including fixed loop and moving loop EM), air core and RC drilling.

Drilling by Delta in 1996-1997 included 32 vertical AC holes totalling 1,280 m targeting three magnetic geophysical lows, interpreted to represent remnant greenstone stratigraphy along the Waroonga Shear Zone. Only two holes (SWR016-017 for 220 m) were completed within the northeast portion of the current project area (E36/1011) and failed to intersect bedrock on the lake. Elsewhere, drilling confirmed granitic bedrock, strongly foliated in places and the presence of variably thick transported cover.

Drilling by BHP comprised two programs completed in October and November 2012 totalling 67 air core holes for 2,468 m. Results were encouraging with 20 holes intersecting moderate to high MgO ultramafic in bedrock with elevated nickel (maximum 1.29% Ni) in the regolith. These ultramafic units were delineated over a 5 km strike length adjacent to the Ida Fault. As this area was previously interpreted as granite the discovery of prospective ultramafic units was a significant exploration milestone.

In 2015, St George Mining completed four RC holes for 770 m to test a combination of priority geological, geophysical and geochemical targets. No nickel sulfide mineralisation was encountered but drilling confirmed the greenstone sequence. Based on the results of the drilling, St George subsequently completed a moving loop EM survey in October 2015 and a large geochemical sampling program in September 2018. Further drilling and surface geophysical surveying was recommended to assess the potential for nickel sulfide mineralisation and, given the proximity and geological relationships to historical gold production at Ida Valley area, also for gold

## 6.5 Proposed exploration

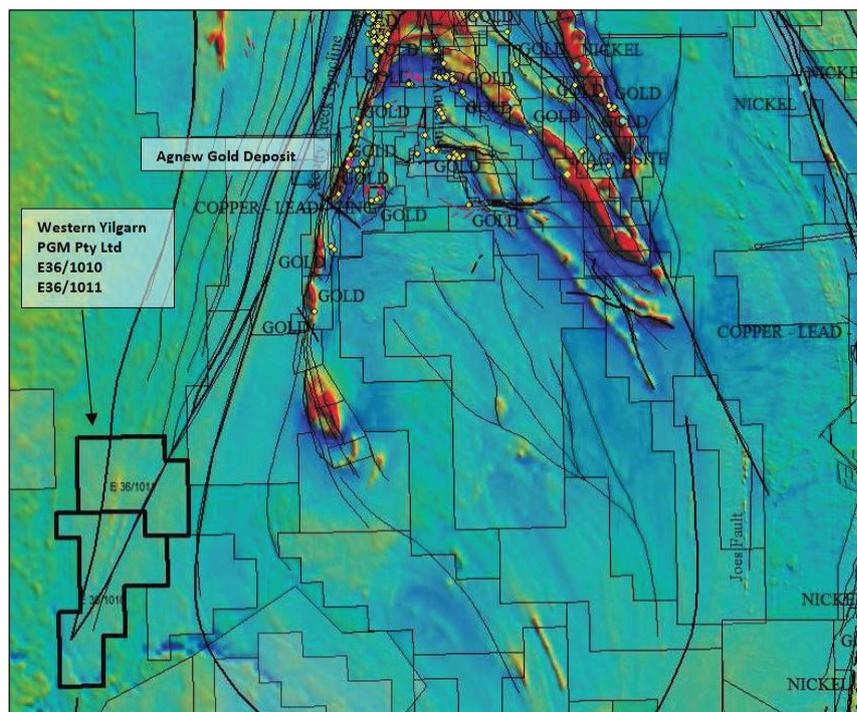
Upon re-listing, the Company intends to assess the develop and exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone (Figure 6-3), as well as to further assess the newly outlined greenstone sequences as encountered by BHP and St George. The potential for medium-high MgO ultramafic requires further assessment, particularly given its proximity to regionally significant structures which are known to host significant gold and nickel mines at Agnew and Yakabindie respectively. As part of its exploration strategy for the project area, the Company plans to test for nickel and gold occurrences by undertaking:

- a compilation of the available technical data
- a structural geology review
- a surface geochemical sampling program
- additional geophysical surveying
- air core drilling under cover targeting the shear zone.

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Bulga Project ■ Final

Figure 6-3: Bulga regional targeting



Source: Company Supplied

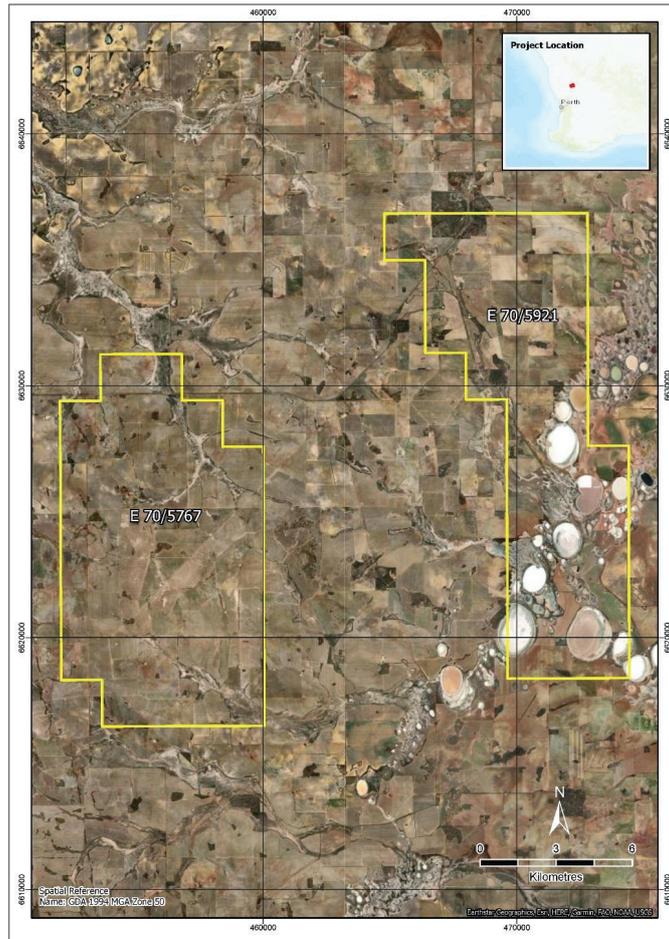
From SRK's assessment of the exploration data, it is evident that the Bulga Project remains largely untested. However, the recent delineation of ultramafic greenstone sequence in the near environs provides a reasonable basis for on-going exploration targeting gold and nickel sulphide mineralisation along the regionally significant Waroonga Shear Zone. SRK recognises that a geologically driven exploration strategy, as presented by the Company, provides potential for the identification of various styles of mineralisation such as that at Mount Alexander and at Agnew. SRK agrees with the Company that the project area is prospective, from a conceptual standpoint. SRK considers the project to be at an early stage of exploration. In this context, the work program proposed by the Company is justified.

## 7 Melbourne Project

### 7.1 Location and access

The Company's Melbourne Project comprises two granted ELs (E70/5767 and E70/5921) which cover a combined area of approximately 112 km<sup>2</sup> in the Wheatbelt region of Western Australia (Figure 7-1). E70/5921 is to be acquired as part of the WYPGM share sale agreement. The Project lies on the Moora (SH50-10) 1:250,000 scale and Wongan (2236) and Dalwallinu (2237) 1:100,000 scale map sheets.

Figure 7-1: Location of the Melbourne Project exploration licences



# 13. Independent Geologist's Report

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Melbourne Project ■ Final

The ELs are centred approximately equidistant between the small towns of Pithara and Miling on the Great Northern Highway. The rural centres of Dallwallinu and Moora lie approximately 29 km to the northeast and 53 km to west-southwest respectively. Perth is approximately 180 km to the southwest.

The Project can be accessed from Perth via State Route 4 (Tonkin Highway) and National Highway 95 (Great Northern Highway). The Great Northern Highway cuts east-west through the northern portion of the tenement with internal access to the project by unsealed gravel roads and farming tracks.

## 7.2 Climate and physiography

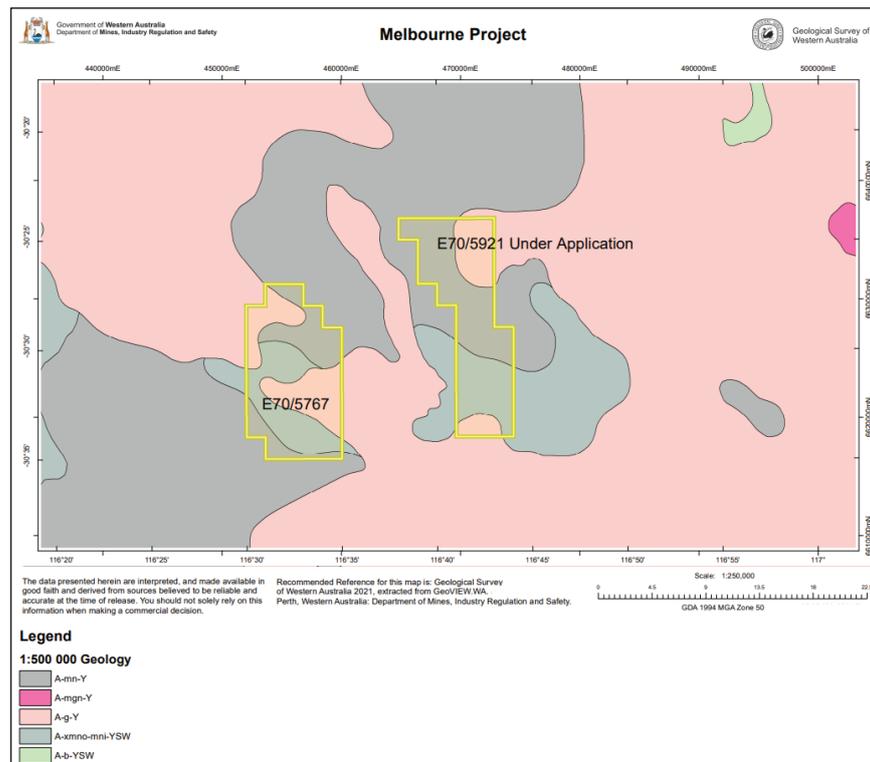
The surrounding region experiences hot dry summers (December to March) and mild winters. The summer average daily maximum temperature is 34°C, with a daily minimum of 17°C. In winter, this falls to an average minimum of 5°C. The average annual rainfall is 328 mm, principally falling between March and November. There is an average of 170 clear days per year.

The entire project area comprises relatively flat lying to undulating freehold farmland (sheep, cereals, and crops), which has been largely cleared and is subject to extended periods of agricultural activity. Local labour and machinery are readily sourced from the township of Dalwallinu. Exploration activities can continue year-round although bush fires are common between December and March.

## 7.3 Geological setting

The surrounding area is interpreted to lie within the South West Terrane of the Yilgarn Craton in proximity to its ill-defined boundary with the Murchison Domain of the Youanmi Terrane (Figure 7-2). The bedrock lithologies at the Project are interpreted to include granites (A-g-Y), undifferentiated metamorphic unit (A-mn-Y) and Neoproterozoic greenstone units of the South West Terrane (A-xmno-mni-YSW). Most of the area is covered by a thin veneer of Cenozoic sediments, which are rarely more than 50 m thick. As a result, outcrop is generally very poor.

Figure 7-2: Melbourne regional geology



Source: Geological Survey of Western Australia, 1:500,000 scale Interpreted Bedrock Geology

Note: Melbourne ELs are outlined in yellow.

## 7.4 Previous exploration

To date only limited exploration has been conducted over the surrounding area, with previous tenure holders including Magnet Metals Ltd (1976), Billiton Australia (1984 – 1985), Bentonite Australia Pty Ltd (1986), Otter Exploration NL (1987 – 1990), Geopeko (1993), and Magnetic Resources NL (2008). The majority of this exploration was conducted to the south of the current tenure focussing on the base metal potential associated with the Wongan Hills greenstone belt.

The underexplored nature of the area was deemed to be a positive feature by some explorers. Based on a few prominent aeromagnetic geophysical anomalies, Magnetic Resources NL completed limited geochemical sampling collecting soil and pisolite samples along roadsides to verify the interpreted aeromagnetic targets in 2008. In total 54 samples were collected (32 soil and 22 pisolite), but all samples returned low values and no obvious targets were generated. As a result, the project was relinquished.

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Melbourne Project ■ Final

## 7.5 Proposed exploration

Despite a lack of modern minerals exploration, the Company considers its Melbourne Project to be prospective for Caravel – style copper-molybdenum mineralisation which is interpreted to lie some 15 km to the southeast of the project at Caravel Minerals Limited's Caravel Project near Wongan Hills. The Company interprets its Melbourne Project is prospective for ultramafic intrusives under laterite cover located along a regionally significant structure associated with the modelled Yilgarn Craton granite greenstone contact and which also intersects the Caravel Project area.

Within the Caravel Project, mineralisation at the Bindi West prospect consists of coarse-grained chalcopyrite and molybdenite in a gneissic host rock, while mineralisation at Calingiri is interpreted to be either porphyry or skarn mineralisation.

As part of its exploration strategy for the project area, the Company plans to undertake:

- a compilation of the available technical data along with geological mapping, geochemical sampling, and geophysical surveying
- analysis of the results from these programs will then be carried out to highlight targets with the potential to host significant polymetallic base metal and/or gold mineralisation
- subject to the results of the data assessment phase, a program of reconnaissance air core drilling is proposed.

From SRK's assessment of the exploration data, it is evident that the Melbourne Project has been cursorily, but not systematically, explored and the area remains effectively untested. SRK recognises that a geologically driven exploration strategy, as presented by the Company, provides potential for the identification of various styles of mineralisation such as that at Caravel. SRK agrees with the Company that the project area is prospective, as demonstrated by the presence of deformed, sheared and veined granite-greenstone units. SRK considers the project to be at an early stage of exploration; with conceptual targets remaining to be defined and tested. In this context, the work program proposed by the Company is justified.

## 8 Work program and exploration budget

### 8.1 Proposed exploration work program

The Company has proposed a staged program of exploration at its projects over a 2-year period following its re-listing on the ASX. The proposed work programs will initially focus on the compilation, verification and critical reassessment of the historical exploration database leading to:

- investigate the potential for magmatic nickel-copper-PGE, titanium-vanadium and gold mineralisation within the current project areas
- further targeting by way of surface geochemical sampling, geophysical surveying, reprocessing/reinterpretation and exploratory air core/RAB drilling
- follow-up evaluation of previously identified nickel-copper-PGE, titanium-vanadium and gold anomalies and concepts
- if warranted, additional RC drilling to assess these targets with a view to determining their economic viability.

The exploration program proposed by the Company includes the following tasks.

#### Darling Range

The Company considers that the Darling Range is underexplored below 30 m depth and is in proximity to the recent Julimar discovery (in the southern part of the EL). On that basis, the Company has proposed to conduct the following exploration once the tenure has been granted:

- a surface geochemical sampling program
- a high-resolution aeromagnetic surveying to highlighted coincident geochemical–geophysical targets and define drill targets
- field reconnaissance mapping (geology, structure and alteration) to define structural controls to the known mineralisation and refine drill targeting
- where warranted and once the tenure is granted, drilling over previously untested geochemical and geophysical targets including extensions to known mineralisation, contacts, regional-scale faults and associated splays, and areas of colluvial cover
- in addition, the Company will consider upgrading the historical bauxite estimate to compliance with the JORC Code (2012).

#### Mount Magnet

The Company intends to focus its exploration towards the discovery and further assessment of nickel-copper-PGE, titanium-vanadium and gold deposits within the Narndee and Windimurra complexes:

- a surface geochemical sampling program
- a re-interpretation of high resolution aeromagnetic and radiometric data to assist in the assessment of previous ground-based exploration data and the development of new targets
- conducting ground geophysical surveys in the southwest part of the Narndee Complex, in particular EM and IP surveys, to detect anomalies of potential significance for nickel

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Work program and exploration budget ■ Final

- funds have been allocated for air core/RAB and limited RC drill testing of any resulting anomalies
- funds have also been allocated for RAB drilling over unique structural features along the interpreted position of the Wyemandoo Shear zone, over geochemical anomalies in the Kiaboo greenstone belt and over uraniferous calcretes in the northern part of the project area
- provision has been made for follow up RC drilling where warranted.

## Sylvania

Previous exploration has a magnetic high in the northern parts of the tenure interpreted as a possible greenstone granite intrusion and a series of northwest trending structures that may host Ni-Au mineralisation. The Company intends to focus its exploration on testing these features by proposing to conduct:

- a surface geochemical sampling program
- a review of the structural geology and lithology
- testing the northwest structures with RAB drilling.

## Bulga

Upon re-listing, the Company intends to assess the develop and exploration model relating to the south-southwest regional splay structures associated with the Waroonga Shear Zone as well as to further assess the newly outlined greenstone sequences as encountered by BHP and St George. As part of its exploration strategy for the project area, the Company plans to test for nickel and gold occurrences by undertaking:

- a compilation of the available technical data
- a structural geology review
- a surface geochemical sampling program
- additional geophysical surveying
- air core drilling under cover targeting the shear zone.

## Melbourne

The Melbourne Project is a conceptual, early-stage nickel-copper-PGE exploration project for which only cursory exploration has been completed to date. As part of its exploration strategy for the project area, the Company plans to undertake:

- a compilation of the available technical data along with geological mapping, geochemical sampling, and geophysical surveying
- analysis of the results from these programs will then be carried out to highlight targets with the potential to host significant polymetallic base metal and/or gold mineralisation
- subject to the results of the data assessment phase, a program of reconnaissance air core drilling is proposed.

## 8.2 Proposed budget

The Company has proposed a staged exploration program at its Western Australian projects over a 2-year period following its re-listing on the ASX.

The proposed exploration program developed by the Company and reviewed by SRK has been designed to realise the exploration potential of the projects in a prudent and efficient manner. The exploration programs currently planned by the Company total approximately A\$0.78 M in Year 1 and A\$1.44 M in Year 2 following the equity raising (Table 8-1). SRK notes that these amounts are sufficient to meet the minimum expenditure obligations for each tenement as specified by DMIRS.

**Table 8-1: Summary of 2-year exploration budget post-re-listing**

Project area	Exploration Licence	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Darling Range	ELA70/5111	70,000	70,000	140,000
Mount Magnet	E58/562	105,000	155,000	260,000
	E59/2496	155,000	205,000	360,000
Sylvania	E52/3861	105,000	355,000	460,000
Bulga	E36/1010	155,000	205,000	360,000
	E36/1011	155,000	205,000	360,000
Melbourne	E70/5767 & E70/5921	105,000	205,000	310,000
Field support		30,000	40,000	70,000
<b>Total</b>		<b>775,000</b>	<b>1,440,000</b>	<b>2,320,000</b>

**Note:** Table may not total exactly due to rounding.

From SRK's assessment of the Company's project areas, it is our opinion that the projects are of merit and worthy of further exploration. Further, SRK considers that the exploration programs proposed over the respective targets have been carefully conceived and are realistic in the context of the equity being raised. The budgets proposed should permit a meaningful assessment of the exploration potential of the various targets. SRK cautions, however, that the proposed exploration programs may change in Year 2 from that currently stated and will be dependent on the results from the Year 1 program.

# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
Closure ■ Final

## Closure

This report, Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement), was prepared by

 srk consulting

This signature has been scanned. The author has given permission to its use for this document. The original signature is held on file

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Jeames McKibben  
Principal Consultant

and reviewed by



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Michael Lowry  
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

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# 13. Independent Geologist's Report

Independent Geologist's Report on the Mineral Assets of Pacific Bauxite Limited (subject to a Deed of Company Arrangement)  
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# 14. Independent Solicitor's Report

## Pacific Bauxite Limited Solicitor's Report on Tenements



31 January 2022

The Directors  
Pacific Bauxite Limited ACN 112 914 459  
(Subject to Deed of Company Arrangement)  
Level 3, 33 Ord Street  
West Perth WA 6005

Our ref: 2196731

Dear Directors

### **Solicitor's Report for Pacific Bauxite Limited (Subject to Deed of Company Arrangement)**

This Solicitor's Report is prepared for inclusion in a re-compliance prospectus to be issued by Pacific Bauxite Limited (Subject to Deed of Company Arrangement) ACN 112 914 459 (**Company**) on or about 7 February 2022 (**Prospectus**), which includes an offer of 22,500,000 shares in the Company at an issue price of \$0.20 per share with one free attaching placement option (each with an exercise price of \$0.30 expiring three years from the date of issue) for every two shares issued in order to raise up to \$4,500,000 (before costs).

This report relates to exploration licences 36/1010, 36/1011, 52/3861, 58/562, 59/2496, 70/5767 and 70/5921 and applications for exploration licences 36/1025 (**ELA36/1025**) and 70/5111 (**ELA70/5111**) (together, the **Tenements**) applied for or granted (as applicable) under the *Mining Act 1978* (WA) (**Mining Act**), located in Western Australia.

#### **1. Background**

- 1.1 The Tenement ELA70/5111 was applied for by PBX Aus Pty Ltd ACN 621 245 387 (**PBX Aus**), a wholly owned subsidiary of the Company.
- 1.2 The remaining Tenements are currently held (or applied for, in the case of ELA36/1025) by third parties, namely Western Yilgarn PGM Pty Ltd ACN 644 650 582 (**Western Yilgarn**) and AAM Resources Pty Ltd ACN 643 207 701 (**AAM Resources**), as set out in the Tenement Schedule in Schedule 1 (**Tenement Schedule**).
- 1.3 The Company has entered into share sale agreements with the shareholders of each of Western Yilgarn and AAM Resources dated 30 December 2021 to acquire the entire issued share capital of each company (**Proposed Acquisition Agreements**), subject to satisfaction (or waiver) of certain conditions precedent. On completion of the acquisitions of shares in Western Yilgarn and AAM Resources under each Proposed Acquisition Agreement, Western Yilgarn and AAM Resources will be wholly owned subsidiaries of the Company and the Company will hold an interest in the Tenements via those subsidiaries.

# 14. Independent Solicitor's Report

## Pacific Bauxite Limited Solicitor's Report on Tenements



### 2. Searches

- 2.1 The legal due diligence enquiries undertaken by HopgoodGanim Lawyers in relation to the Tenements involved conducting and reporting on the following searches of the Tenements:
- (a) the register of mining tenements maintained by the Department of Mines, Industry Regulation and Safety (**DMIRS**) through extracts obtained by LandTrack Systems as at 27 January 2022;
  - (b) quick appraisal searches of the Tengraph system maintained by DMIRS as at 27 January 2022;
  - (c) a search of the National Native Title Tribunal (**NNTT**) maintained registers of native title claims, determinations and indigenous land use agreements as at 28 January 2022; and
  - (d) searches of the Aboriginal Heritage Inquiry System (**AHIS**) for registered sites on the database maintained by the Department of Planning, Lands and Heritage as at 27 January 2022,
- (together the **Searches**).
- 2.2 We note that we have not conducted official searches of the register of mining tenements directly with DMIRS and are relying on a third party information vendor trading as LandTrack Systems (ABN 17 109 058 620) who obtain a daily extract of the register of mining tenements from DMIRS to provide to their customers.
- 2.3 In preparing this report, we have relied solely on the Searches, the Proposed Acquisition Agreements, the Royalty Deeds referred to below in paragraph 4.5 and the Heritage Agreements referred to in paragraph 4.90.

### 3. Opinion

- 3.1 As a result of the Searches and the agreements affecting the Tenements referred to in paragraph 2.3, subject to our assumptions, qualifications and exceptions set out in this report (including those set out in paragraph 10), we are satisfied that, as at the date of the relevant Searches, this report provides an accurate statement as to:
- (a) the status of the Tenements;
  - (b) the Company's interests in the Tenements;
  - (c) the validity and good standing of the Tenements;
  - (d) any third party interests, including encumbrances, in relation to the Tenements;
  - (e) any onerous conditions which apply to the Tenements; and
  - (f) concurrent interests in the land the subject of the Tenements, including other mining tenements, freehold / private land, reserves, pastoral leases, native title and Aboriginal heritage.
- 3.2 This report relates to constraints on the Company's exploration activities on the Tenements. It does not consider constraints such as additional tenure or approvals required for mining and processing minerals.



#### 4. Summary of the Solicitor's Report

- 4.1 Details of the material issues identified from the Searches are set out in the following summary in section 4 of this report, however this report must be read in conjunction with sections 5, 6, 7 and 8 below (which set out the legislation governing the Tenements), the Tenement Schedule and the Conditions Schedule at Schedule 2 (**Conditions Schedule**).
- 4.2 Subject to the assumptions, qualifications and exceptions set out in this report, as at the date of the Searches, we make the comments set out below.

##### Tenement Ownership

- 4.3 As set out in the Tenement Schedule:
- (a) application for E70/5111 was lodged by PBX Aus (a wholly owned subsidiary of the Company);
  - (b) granted Tenements E36/1010, E36/1011, E70/5767 and E70/5921 are held by Western Yilgarn, and application for E36/1025 was lodged by Western Yilgarn, and are subject to the Proposed Acquisition Agreement with St Barnabas Investments Pty Ltd ACN 088 998 387 as trustee for the Melvista Family Trust and Glen William Goulds (**Vendors**), the shareholders of Western Yilgarn; and
  - (c) granted Tenements E52/3861, E58/562 and E59/2496 are held by AAM Resources, and are subject to the Proposed Acquisition Agreement with the Vendors, the shareholders of AAM Resources.
- 4.4 The Company does not currently have a legal interest in the Tenements (other than its wholly owned subsidiary PBX Aus, which is the applicant for ELA70/5111) however, as noted above, the Company holds the right to acquire Western Yilgarn and AAM Resources in accordance with the Proposed Acquisition Agreements. Subject to the satisfaction (or waiver) of certain conditions precedent, on completion of the Proposed Acquisition Agreements, Western Yilgarn and AAM Resources will be wholly owned subsidiaries of the Company and the Company will hold an interest in those Tenements via its subsidiaries.

##### Third party interests in the Tenements

- 4.5 We have been provided with three Royalty Deeds which provide for the following third party royalty interests in the Tenements (as set out in section 9).
- 4.6 Monarch Royalty & Investments Pty Ltd ACN 647 506 349 (**Monarch Royalty & Investments**) will hold a 1.5% net smelter return royalty over ELA70/5111 (once granted) and subsequent tenements over that area in respect of all base and precious metals and rare earth minerals and a \$1 per tonne (subject to CPI increases annually) royalty for any bauxite, iron ore or any other valuable commodity.
- 4.7 Monarch Royalty & Investments and Glen William Goulds hold:
- (a) a 2% net smelter return royalty over E36/1010, E36/1011, E70/5767, E70/5921 and ELA36/1025 (once granted) (held by Western Yilgarn) and subsequent tenements over that area in respect of all minerals; and
  - (b) a 2% net smelter return royalty over E52/3861, E58/562 and E59/2496 (held by AAM Resources) and subsequent tenements over that area in respect of all minerals.
- 4.8 The Searches of the Tenements do not reveal any registered mortgages, caveats or other encumbrances currently registered or recorded against the Tenements which may indicate third

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party interests in the Tenements. We have not been provided with, and are not aware of, any contracts creating any third party interests in the Tenements, other than the Royalty Deeds.

### Status of Applications

- 4.9 ELA36/1025 and ELA70/5111 (the **Applications**) are pending applications and have not yet been granted. There are risks that the Applications may not be granted, there may be delays in grant, they may be granted over a lesser area than applied for or are granted subject to Tenement specific conditions which restrict the Company's exploration activities on the Tenements.

#### ELA36/1025

- 4.10 In relation to ELA36/1025, which has been applied for by Western Yilgarn, the Searches show:
- (a) no objections have been lodged by third parties to ELA36/1025 and the period for third parties to object to the grant of the tenement has closed;
  - (b) ELA36/1025 has been determined as being compliant with the Mining Act and has been recommended for grant; and
  - (c) ELA36/1025 was notified in accordance with section 29 of the *Native Title Act 1993* (Cth) (**NT Act**) as an act attracting the expedited procedure on 15 December 2021 and the notification close date is 15 April 2022. As at the date of the Searches, there is no current native title claim or determination in the area of ELA36/1025 and no objections to the expedited procedure have been lodged.

#### ELA70/5111

- 4.11 In relation to ELA70/5111, which has been applied for by PBX Aus, the Searches show:
- (a) no objections have been lodged by third parties to ELA70/5111 and the period for third parties to object to the grant of the tenement has closed;
  - (b) ELA70/5111 has been determined as being compliant with the Mining Act and has been recommended for grant; and
  - (c) ELA70/5111 cleared the requirements of the NT Act, since the date of clearance native title has been extinguished by the South West Settlement.
- 4.12 We are instructed that the Company has been advised by DMIRS that ELA70/5111 has been held in abeyance due to a 2.97% overlap with a proposed future nature reserve, national park or conservation park (as indicated by File Notation Area – 12671 for the Perth and Peel Green Growth Plan (**Plan**)). The Plan and the restrictions it will place on exploration activities where it overlaps ELA70/5111 (if granted) is further discussed at paragraphs 4.62(a) and 4.35.
- 4.13 Due to concurrent interests in the land subject to ELA70/5111, it is expected that there will be conditions imposed on the grant of ELA70/5111 (in addition to specific legislative obligations), which restrict access to and activities on significant parts of the Tenement, which will require Ministerial and third party consents and agreeing compensation with third parties. In addition to the current and future overlapping land interests affecting ELA70/5111 set out elsewhere in this report, we note in particular that:
- (a) as ELA70/5111 overlaps various reserves (including a State forest, an A Class reserve (10.30% overlap) and C Class reserves (0.53% overlap and 0.13% overlap)), it is expected, in accordance with DMIRS practice, that ELA70/5111 (if granted), will be granted subject to "no mining" conditions in relation to the area of the reserves, which will prohibit exploration activity within the area of reserves unless and until Ministerial

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consent is granted. No mining lease or general purpose lease will be able to be granted over the area of an A Class reserve unless the Company obtains a resolution of both Houses of Parliament, and only then subject to any terms and conditions specified in the resolution;

- (b) as ELA70/5111 overlaps 266 parcels of freehold land (88.03% overlap), it is expected to be granted with the exclusion of any land overlapping ELA70/5111 which constitutes private land for the purpose of section 29(2) of the Mining Act, other than land which is below 30 metres from the natural surface of the land (i.e. it is likely to be granted for sub-surface rights only) and in such areas, the Company will need to obtain the consent of the landowner and occupier for the top 30 metres of land to be included in the grant of the exploration licence; and
  - (c) we are instructed by the Company that it has been advised by Landgate that there are large areas of "minerals to owner" land which overlap ELA70/5111, which will restrict the grant of the exploration licence to gold, silver and other precious metals over such areas, and the Company will need to reach an agreement with the landowner to obtain permission to explore for and / or mine for any other minerals on such areas.
- 4.14 See below at paragraphs 4.78 to 4.81 and section 7 generally for more detail on the native title process and status of the Applications, paragraphs 4.31 to 4.40 and 6.1 to 6.7 for more detail on the impact of reserves overlapping the Applications and paragraphs 4.41 to 4.59 and 6.15 to 6.20 for more detail on private land overlapping ELA70/5111.
- 4.15 We are unable to comment on all conditions and endorsements which may be imposed on the Applications but note that the Applications are expected to be subject to various conditions and endorsements imposed by DMIRS and under the Mining Act, which could delay, restrict or prevent the Company carrying out activities on the Tenements.

### Term of Tenements

- 4.16 The Tenement Schedule sets out the specific expiry dates of the Tenements.
- 4.17 The Tenements (other than the Applications) are in the first or second year of their initial five year term. The Applications are yet to be granted, hence their term has not commenced. If granted, the Applications will be granted for an initial term of five years with renewal available in prescribed circumstances.
- 4.18 See paragraph 5.7 in relation to extensions of the term of an exploration licence.

### Rent

- 4.19 All of the rental payments which are due for the current year for each granted Tenement have been paid in full. The first-year rental for each of the Applications was paid at the time of application and rent will not be due for the Applications (if granted) after grant until the first anniversary of grant.
- 4.20 Please refer to the Tenement Schedule for the dates rent is due for each Tenement.
- 4.21 See below at paragraphs 5.14 to 5.16 in relation to rent requirements generally.

### Expenditure

- 4.22 Expenditure reports (Form 5 Operations Reports) are required to be lodged 60 days after the anniversary of grant of each granted Tenement. Please refer to the Tenement Schedule for the dates on which expenditure reports are due and the applicable statutory expenditure commitment for each granted Tenement.

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- 4.23 As at the date of the Searches, no expenditure reports have been lodged for any of the granted Tenements as they are either in their first or second year of grant and in the case of the second year Tenements, the expenditure reports have not yet become due.
- 4.24 In terms of upcoming expenditure requirements for the two second year Tenements, the expenditure report for E59/2496 for the year ending 6 January 2022 is due to be submitted by 7 March 2022 and the expenditure report for E58/562 for the year ending 13 January 2022 is due to be submitted by 14 March 2022.
- 4.25 The aggregate minimum expenditure commitment for the granted Tenements (excluding the Applications) for the 2022 tenement year is \$182,000.
- 4.26 See below at paragraph 5.17 in relation to expenditure requirements generally.

### Compulsory Surrender

- 4.27 Exploration licences granted over more than 10 blocks are subject to the requirement to surrender 40% of the blocks before the sixth anniversary of grant. See below at paragraph 5.12 in relation to compulsory surrender of an exploration licence generally. The Tenements are all over 10 blocks except for E58/562. The obligation to surrender 40% of the Tenements (for which this is a requirement) will not occur until 2027 or later. Specifically:
- (a) a minimum of 9 blocks of the 21 blocks comprising E36/1010 are required to be surrendered by 12 September 2027 (subject to the renewal application being granted);
  - (b) a minimum of 7 blocks of the 16 blocks comprising E36/1011 are required to be surrendered by 12 September 2027 (subject to the renewal application being granted);
  - (c) a minimum of 18 blocks of the 43 blocks comprising E52/3861 are required to be surrendered by 1 July 2027 (subject to the renewal application being granted);
  - (d) a minimum of 6 blocks of the 13 blocks comprising E59/2496 are required to be surrendered by 6 January 2027 (subject to the renewal application being granted);
  - (e) a minimum of 14 blocks of the 35 blocks comprising E70/5767 are required to be surrendered by 11 July 2027 (subject to the renewal application being granted);
  - (f) a minimum of 14 blocks of the 33 blocks comprising E70/5921 are required to be surrendered by 5 December 2027 (subject to the renewal application being granted).

### Conditions

- 4.28 The Tenements are subject to various standard conditions and endorsements imposed by DMIRS and under the Mining Act. Tenement-specific conditions have been imposed on several of the Tenements in relation to relevant underlying tenure. The standard and tenement-specific conditions applicable to each Tenement are set out in the Conditions Schedule.
- 4.29 Failure to comply with the conditions of a Tenement may result in a forfeiture of that Tenement or a fine. There was no indication from the Tenement Searches that any of the conditions of the Tenements have been breached by the holders of the Tenements, to the extent that the Searches reveal such information.
- 4.30 See below at paragraphs 5.25 to 5.27 in relation to tenement conditions and paragraphs 5.28 to 5.33 in relation to the consequences of breaches of tenement conditions.



**Concurrent interests in land**

*Reserves*

4.31 Details of the material Crown reserves overlapping the Tenements are listed in the table below:

Tenements	Overlapping reserves	Percentage overlap with Tenement
ELA70/5111	State Forest 61	10.30%
	R 29100 "C" Class Reserve Buffer Strip	0.53%
	R 965 "C" Class Reserve Conservation of Flora and Fauna	0.13%
E 70/5767	R 12637 "C" Class Reserve Water	0.04%
E 70/5921	R 16173 "C" Class Reserve Parkland	0.54%
	R 16272 "C" Class Reserve Public Utility	1.86%
	R 17536 "C" Class Reserve Gypsum Deposit	1.92%
	R 17602 "C" Class Reserve Water	0.26%
	R 17626 "C" Class Reserve Water	<0.01%
	R 24671 "C" Class Reserve Water	1.97%
	R 38371 "A" Class Reserve Conservation of Flora & Fauna	6.30%
	R 38624 "C" Class Reserve Rubbish Disposal Site	0.06%
	Unnumbered Railway Reserve	1.11%
	Rail corridor land Dalwallinu – Wongan Hills	1.11%
ELA70/5111 E70/5767 E70/5921	Numerous road reserves, including Great Northern Highway	Specific encroachment details not provided

4.32 As noted above at paragraph 4.28, the Tenements are subject to tenement specific conditions as set out in the Conditions Schedule at Schedule 2, which include conditions preventing access to, or the commencement of activities on, the Crown reserves listed above without Ministerial consent. For example, specific conditions are imposed in relation to the road reserves to ensure that activities within the vicinity of road reserves are restricted to ensure that there is no interference with roads, as set out in the Conditions Schedule.

4.33 See below at paragraphs 6.1 to 6.7 in relation to the limitations on exploration and mining activities on Crown reserves generally, including the requirement for Ministerial consent and conditions which may be imposed on grant of Ministerial consent.

4.34 Those Tenements which overlap land classified as an A Class Reserve and land reserved under Part 4 of the *Land Administration Act 1997* (WA) (**LAA**) (which includes reserves such as C Class Reserves) may require additional consents, approvals or plans to be implemented by the Company in order to carry out any exploration or mining activities on the reserve areas which overlap the relevant Tenements.

4.35 Exploration on land reserved under part 8 of the *Conservation and Land Management Act 1984* (WA) (which includes reserves such as a State forest), Class "A" nature reserves and certain conservation parks) requires the Minister for Mines' consent with consultation with, and the concurrence of, the Minister for Environment. In relation to nature reserves other than Class "A"

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reserves, and certain conservation parks, the Minister for the Environment is generally required to give his or her recommendation in relation to the grant of consent. The Minister for Mines may ultimately refuse consent or give consent subject to such terms and conditions as the Minister specifies. The areas of the Tenements listed above which overlap Class A reserves may not be converted to a mining lease or general purpose lease without a resolution by both Houses of Parliament and the grant will be subject to any terms and conditions imposed under such resolution.

- 4.36 In particular, we note that ELA70/5111 (if granted) will have a 10.30% overlap with a State forest and may in future be subject to an additional Class A reserve / national park under the Perth and Peel Green Growth Plan as indicated by File Notation Area 12671 (a 2.97% overlap with ELA70/5111, however this area is wholly within land reserved for State forest). See paragraphs 4.60 to 4.62 below for further detail. We also note that E70/5921 has a 6.3% overlap with an Class A Reserve for the Conservation of Flora and Fauna (see also the applicable conditions in the Conditions Schedule). Ministerial consent from the Minister for Mines with the concurrence of the Minister for Environment will be required for any exploration or mining activities to be carried out on such areas of overlap, which may not be granted or if granted, may be granted with restrictive conditions, and the Class A reserve areas are unable to be converted to a mining lease or general purpose lease unless the Company obtains a resolution by both Houses of Parliament.
- 4.37 We have not been provided with evidence of Ministerial consent being granted to undertake exploration or mining activities on areas of the Tenements specified above which overlap the reserves noted in the table above.
- 4.38 The existence of current or future reserves within the area of the Tenements listed above in paragraph 4.31 may adversely impact the Company's ability to carry out exploration activities on the area of the relevant reserves on the Tenements, for example, they may result in delays in obtaining the necessary consents from the relevant Minister(s), consent not being granted at all or consent being granted with onerous or restrictive conditions.
- 4.39 As the Company defines exploration targets on the affected Tenements, the Company will need to ascertain which areas of the Tenements require Ministerial consent or compliance with other conditions.
- 4.40 We are instructed that the Company will seek to obtain all necessary Ministerial consents and comply with applicable conditions prior to commencing any exploration activities on the areas of the Tenements which overlap with Crown reserves.

### *Private / freehold land*

- 4.41 Generally, freehold or private land (which is not already subject to a mining tenement) in Western Australia is open for mining under the Mining Act, and a mining tenement may be granted over that land, subject to certain exceptions and limitations (such as "minerals to owner" land, referred to in paragraph 4.51).
- 4.42 The following Tenements overlap freehold land to the extent set out in the table below.

Tenements	Freehold land	Percentage overlap with Tenement
ELA70/5111	266 parcels of freehold	88.03%
E70/5767	51 parcels of freehold	98.59%
E70/5921	60 parcels of freehold	79.35%

- 4.43 Where a Tenement overlaps freehold land which constitutes section 29(2) land under the Mining Act and / or minerals to owner land (refer to paragraph 4.51) the landowner will likely have a

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veto right in that the landowner can refuse to allow exploration or mining activities on such freehold land, as described in detail below.

- 4.44 To the extent that E70/5767 and E70/5921 overlap freehold land which falls within section 29(2) of the Mining Act (e.g. where the land is subject to a yard or stockyard in regular use, is under cultivation, where there are substantial improvements, or it is a parcel of land 2,000 square metres or less, referred to as "section 29(2) private land", refer to paragraph 6.15), the grant of these Tenements excludes the top 30 metres of land, that is, they are granted for sub-surface rights only, as noted in the Tenement Schedule. If granted, ELA70/5111 will be granted subject to the same exclusion and will be granted for sub-surface rights only where it overlaps section 29(2) private land. In respect of any areas of ELA70/5111 (if granted), E70/5767 and E70/5921 which are for sub-surface rights only, the Company must obtain consent from the landowner and occupier to include the top 30 metres in the grant of those Tenements (referred to as surface rights) and apply to the Minister for the Tenement to be amended to include the grant of surface rights (in addition to the existing sub-surface rights). This means that the landowner effectively has a veto over the Company carrying out exploration on the surface of the land and top 30 metres of the land, as the landowner can refuse consent to surface rights being included in the grant of the Tenement.
- 4.45 If the landowner and occupier consent to the grant of surface rights and surface rights are included in the grant of the Tenement, the Tenement holder is required to pay or tender compensation to the owner and occupier of the land under the Mining Act (as determined by agreement or by the Warden) or make an agreement as to compensation, before commencing any exploration on the surface of the land or within a depth of 30 metres from the surface of the land.
- 4.46 We have not been instructed to make any enquiries as to whether any of the freehold land the subject of the relevant Tenements falls within the category of section 29(2) of the Mining Act and this is outside of the scope of this report. We have not been provided with any landowner agreements relating to the freehold land affecting the Tenements.
- 4.47 The possible existence of section 29(2) private land within the boundaries of the Tenements and the requirement to obtain the necessary landowner consents to carry out exploration and reach agreement in respect of consent to surface rights and compensation may:
- (a) adversely impact the Company's ability to carry out exploration activities within section 29(2) private land on the significant majority of ELA70/5111 (if granted) and E70/5921, and almost the entire area of E70/5767; and
  - (b) may delay, restrict or prevent entirely any activities being carried out on the top 30 metres of the land overlapping such land parcels.
- 4.48 Paragraphs 6.15 to 6.17 sets out details of the legislation imposing such limitations on exploration and mining on private land and the limbs of potential compensation payable to owners and occupiers of private land.
- 4.49 As the Company defines exploration targets on the affected Tenements, prior to carrying out ground-disturbing activities, the Company will need to carry out detailed investigations to ascertain which parcels of freehold land are section 29(2) private land and require the landowner's consent to the grant of surface rights in the Tenement, and seek such consent, which will likely involve negotiating an access and compensation agreement with the landowner.
- 4.50 We are instructed that the Company will seek to obtain all necessary consents and agree compensation with landowners prior to commencing any exploration activities on the top 30 metres of the surface of the Tenements which overlap such section 29(2) private land.

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#### *Freehold land alienated before 1 January 1899 – minerals to owner land*

- 4.51 One or more freehold land parcels overlapping ELA70/5111 (if granted), E70/5921 and E70/5767 may constitute "minerals to owner" land (being land originally granted before 1 January 1899, in which the landowner owns all minerals other than gold, silver and other precious metals on such land, rather than the State). Refer to paragraphs 6.18 to 6.20 for further information about minerals to owner land.
- 4.52 An exploration licence granted under the Mining Act over minerals to owner land will confer on the holder the right to explore for gold, silver and other precious metals (which are owned by the State) on the overlap area, but will not give the holder rights to explore for any other mineral (which are owned by the landowner).
- 4.53 As noted above, ELA70/5111 overlaps 266 freehold parcels, E70/5767 overlaps 51 freehold parcels and E70/5921 overlaps 60 freehold parcels. Due to the large number of private land parcels identified, and the costs and time associated with undertaking detailed land searches to determine whether the freehold land that these Tenements encroach upon is minerals to owner land, we have not obtained the additional certificate of title searches from Landgate.
- 4.54 However, we are instructed by the Company that its preliminary enquiries made with Landgate have confirmed that the majority of the private land parcels overlapped by these Tenements comprise (partially or in whole) land granted prior to 1 January 1899 (hence it is minerals to owner land). Further, there is an endorsement on the Mineral Titles Online tenement register for E70/5767 that states that it is restricted to gold, silver and precious metals in respect to private land which was alienated from the Crown prior to 1 January 1899 (i.e. minerals to owner land). This indicates that there are likely to be one or more parcels of minerals to owner land which overlaps E70/5767 and in any such areas, minerals other than gold, silver and precious metals will likely be owned by the landowner rather than the State. Accordingly, there is a risk that the large portions of freehold land which overlaps those Tenements are minerals to owner land (even if there is no specific endorsement or notation on the Mineral Titles Online tenement register).
- 4.55 If E70/5767, E70/5921 and / or ELA70/5111 (if granted) are granted over one or more parcels of minerals to owner land (which we have not confirmed or verified), the rights granted pursuant to the relevant Tenement will be restricted to gold, silver and other precious metals, and the landowner will own all minerals other than gold, silver and other precious metals and can exploit them as the landowner sees fit. In order to explore for such other minerals on minerals to owner land, the Company would need to negotiate and reach an agreement with the landowner to obtain permission to do so, which may include payment of compensation, a royalty or various other terms for the benefit of the landowner. If an agreement has been reached with the landowner, there is no need for a mining tenement granted under the Mining Act in order to explore for minerals other than gold, silver and other precious metals. If the Company intends to explore for minerals other than gold, silver and other precious metals on any minerals to owner land, the Company will need to negotiate with the landowner to obtain access to explore the land for such minerals, as the grant of the Tenement will not give the Company rights to explore for such minerals.
- 4.56 A minerals to owner land parcel which is overlapped by a tenement may also constitute section 29(2) land (e.g. private land under cultivation) for the purpose of gold, silver and other precious metals, in which case the Company would need to obtain the landowner's consent to surface rights and agree compensation under the Mining Act before it is able to explore for those minerals on the relevant area of the exploration licence.
- 4.57 Any inability to obtain the necessary landowner agreement or permission and agree compensation payable to the landowner to carry out exploration for minerals other than gold, silver and other precious metals on minerals to owner land may prevent, delay or restrict the Company from carrying out exploration activities for such minerals on ELA70/5111 (if granted), E70/5921 and E70/5767. There is also a risk that a third party reaches an agreement with a

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landowner first to obtain exclusive rights to carry out exploration for minerals other than gold, silver and other precious metals on minerals to owner land, to the exclusion of the Company, even if there is a pending or granted Tenement over the area held by the Company.

- 4.58 In order to explore or develop a mining project for other minerals (not gold, silver or other precious metals) on minerals to owner land there will also be other governmental approvals required to be obtained (typically an extractive industries licence or a development approval). Such a project may also require Environmental Protection Authority approval and would be subject to the *Mines Safety and Inspection Act 1994 (WA) (MSIA)*. For the purpose of this report, we have not investigated the likelihood of obtaining such approvals and conditions which may be imposed, and these matters are outside the scope of this report. We note, however, that any inability to obtain the necessary approvals to carry out exploration activities for minerals other than gold, silver and other precious metals on minerals to owner land may prevent, delay or restrict the Company carrying out such activities.
- 4.59 As the Company defines exploration targets on the affected Tenements, the Company will need to carry out detailed investigations to ascertain areas which are minerals to owner land and whether it is necessary to obtain consent and/or agreement in relation to access and compensation with the owners of such land. We are instructed that the Company will seek to obtain all necessary consents and approvals prior to commencing any exploration activities for minerals other than gold, silver and other precious metals on any minerals to owner land.

*File notation areas*

- 4.60 File Notation Areas (**FNAs**) are a notation on the Tengraph system maintained by DMIRS which indicate that there is a proposed change in land use, such as a land transaction, alienation from the Crown, or other proposed or prior changes in land use in the area of the FNA. The following FNAs overlap the Tenements:

Tenements	Details of File Notation Area	Percentage of Tenement overlap
E58/562	FNA 12713 Challa Station Regeneration Project - ERF121431 Carbon Credits (Carbon Farming Initiative) Challa Station Regeneration Project	100%
ELA70/5111	FNA 16174 Proposed Pilgrims Trail Shire of Toodyays s16 (3) clearance	0.53%
	FNA 10875 Proposed licence for access portion of reserve 29100 s91(5) LAA	0.15%
	FNA 12671 Perth and Peel Green Growth Plan - Proposed lands to be reserved Class A under the CALM Act and vested in the Conservation Commission of Western Australia as a nature reserve, national park or conservation park (as at 2015) Perth and Peel Green Growth Plan	2.97%
	FNA 2874 clause 9(20)(c) Alumina Refinery Agreement Act Bauxite	3.41%
	FNA 2932 Commonwealth defence training area - Bindoon	1.48%
E70/5921	FNA 12943 Land required for road purposes for Perth to Darwin national highway road widening s16(3)	0.02%
	FNA 13782 Land requirement for road purposes Great Northern Hwy - Dalwallinu to Wubin Project. Shire of Dalwallinu notice to take (8 December 2017)	0.02%
	FNA 15934 Proposed excision of portions of various freehold lots (being lot 302) for road purposes as part of	0.08%

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Tenements	Details of File Notation Area	Percentage of Tenement overlap
	Northam – Pithara road upgrade, East Ballidu and East Damboring s16(3) clearance taking order (11/06/21)	

- 4.61 The Tenements listed above are subject to various FNAs which, following the proposed land transaction or change in land use, there may be additional restrictions applicable to the Company's ability to use the land for exploration or mining activities, depending on the nature of the land transaction or change in land use. It is possible that DMIRS may impose additional conditions or endorsements on a granted Tenement as a result of such land transaction or change in land use. Paragraph 6.21 provides further information in relation to FNAs.
- 4.62 We note the following in relation to certain specific FNAs:
- (a) FNA 12671 for the Plan which overlaps ELA70/5111 by 2.97% relates to the protection of bushland, rivers, wildlife and wetlands through a proposed plan to protect the environment of the Perth and Peel regions. Although the Plan is currently in draft phase, the Plan proposes exclusion areas in the Perth and Peel regions of Western Australia where mining and exploration activities will be prohibited. We are instructed by the Company that DMIRS previously delayed the grant of tenements, including ELA70/5111, which overlap the area subject to the Plan. We are further instructed that DMIRS recently advised the Company that it is consulting with the Department of Biodiversity, Conservation and Attractions for ELA70/5111 to be granted on the basis that a no mining condition be applied to ELA70/5111 upon grant to protect the reserve area subject to the Plan. We note the relevant area subject to the Plan is wholly within land reserved for State forest which is protected from mining and exploration activities under the Mining Act in the manner set out in paragraph 4.35.
  - (b) FNA 2932 for the Commonwealth defence training area – Bindoon which overlaps ELA70/5111 by 1.48% relates to land that is owned or controlled by the Commonwealth Department of Defence which is managed as a training or test area. A tenement can be marked out on Commonwealth land with the consent of the Minister for Mines and the relevant Commonwealth Minister(s) (likely the Defence Minister), and exploration (and mining) may be carried out on Commonwealth land with the written consent of the Minister for Mines who may refuse consent or who may give consent subject to such terms and conditions as the Minister specifies in the consent, provided that the Minister for Mines first consults, and obtains the concurrence of, the relevant Commonwealth Minister. A tenement holder may undertake exploration activities on the overlapping area subject to certain restrictions and conditions which may be imposed by the Minister on the grant of the tenement, on grant of the consent to explore, under the *Defence Act 1903* (Cth) and / or the *Defence Regulation 2016* (Cth).
  - (c) FNA 2874 for the *Alumina Refinery Agreement Act 1961* (WA) which overlaps ELA70/5111 by 3.41% refers to clause 9(20)(c) of that Act, which provides that the State of Western Australia must ensure that any mining lease granted to a third party (such as the Company in future) over area which has been surrendered by Alcoa must not authorise the holder of the mining lease to mine bauxite. Accordingly, the State will not grant a mining lease over an area surrendered by Alcoa which permits the Company to mine bauxite.
  - (d) FNA 12713 for the Challa Station Regeneration Project which overlaps E58/562 by 100% is discussed below at paragraph 4.66.

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### *Pastoral Leases*

4.63 The Tenements overlap pastoral leases as set out in the table below:

Tenements	Pastoral Lease	Percentage overlap with Tenement
E36/1010, E36/1011 and E36/1025	N049812 Pinnacles Pastoral Lease	100%
E52/3861	N049724 Ethel Creek Pastoral Lease	6.02%
	N049932 Sylvania Pastoral Lease	93.98%
E58/562	N049896 Challa Pastoral Lease	74.48%
	N049896 Atley Pastoral Lease	25.52%
E 59/2496	N049908 Boodanoo Pastoral Lease	100%

4.64 Paragraphs 6.8 to 6.13 set out the limitations on exploration and mining on pastoral leases. By way of summary, the Mining Act provides that, unless overruled by the mining warden, the written consent of such pastoral lease holders will be required for the holders to gain access within 'buffer zones' around certain restricted sites (e.g. water bores, dams etc.) on these leases. There is also potential compensation payable to the pastoral lessee, primarily in the event the pastoral lessee suffers a substantial loss of earnings as a result of the tenement holder's activities or there is damage to pastoral infrastructure or improvements (section 123 of the Mining Act).

4.65 Often the tenement holder enters into a pastoral access agreement which governs the interaction between exploration or mining activities and pastoral activities. We have not been provided with any access agreements relating to the pastoral leases affecting the Tenements.

4.66 We note that Atley and Challa Pastoral Leases are the subject of a proposed carbon farming project. The Challa carbon farming project is noted as a File Notation Area set out above at paragraph 4.60. The State Government has made a commitment to pay compensation to the carbon farming proponents as a result of loss caused by exploration activities. Carbon farming projects on pastoral leases which overlap mining tenements may require a tenement holder to pay compensation to the pastoralist (the carbon farming proponent) for any substantial loss of earnings suffered by the pastoralist caused by the impact of exploration activities or mining activities on the carbon farming project. See paragraph 6.14 for further information in relation to carbon farming projects.

### *Overlapping Tenements*

4.67 The Quick Appraisals show the following tenement applications overlapping ELA70/5111:

Tenement	Applicant	Application Date	Percentage overlap with Tenement
E70/5374	Salvado Resources Pty Ltd	20 March 2020	87.39%
E70/5701	Souwest Metals Pty Ltd	28 January 2021	9.25%
E70/5983	CGM (WA) Pty Ltd	18 November 2021	24.33%
E70/5984	CGM (WA) Pty Ltd	18 November 2021	61.39%

4.68 The tenement applications listed in the table above are pending applications and have not yet been granted. Multiple exploration licences cannot overlap the same area so these tenements will not be granted over the same area. ELA70/5111 was lodged on 4 January 2018 and hence

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was first in time ahead of the above applications. ELA70/5111 will be determined first provided that the application was lodged in the prescribed manner and is compliant with the initial requirements under the Mining Act: section 105A(1) of the Mining Act, and to that end, we note that ELA70/5111 been determined as being compliant with the Mining Act and has been recommended for grant.

4.69 There are no live tenements overlapping the Tenements.

### *Petroleum permit*

4.70 Application for ELA70/5111 is overlapped 60.04% by petroleum exploration permit EP 494 held by Macallum Group Ltd granted under the *Petroleum and Geothermal Energy Resources Act 1967 (WA) (PGERA)*.

4.71 For the purpose of this report, we have not conducted further searches in relation to the petroleum exploration permit. The company may consider seeking an access agreement (or similar) with the petroleum title holder to effectively manage the access and interests of each party in relation to the encroachment area.

4.72 In the event that a dispute arises between a holder of a petroleum exploration permit or a holder of a mining tenement, the dispute will be referred to the Minister to make such order and give such directions to resolve the dispute. See below paragraphs 6.22 and 6.23 in relation to the relationship between mining tenements and petroleum permits.

### *State and Commonwealth Heritage*

4.73 The Searches indicate the following State and Commonwealth heritage sites overlap the Tenements:

Tenement	Heritage Site	Percentage overlap with Tenement
ELA70/5111	3101 WA Heritage Site Catholic Agricultural College, Bindoon	0.55%
	105619 Commonwealth Heritage Listing Bindoon Defence Training Area	0.94%

4.74 The State and the Commonwealth maintain a heritage register of places in Western Australia and Australia that are protected due to their cultural, historical and natural heritage significance. The existence of these State and Commonwealth heritage places may mean that conditions are imposed on the grant of ELA70/5111 to protect such places.

4.75 In respect of the Western Australian heritage site, the Company must not alter the fabric of the place so that the cultural heritage significance of the place is detrimentally affected, or demolish, damage or despoil the place or remove anything from that place, or to authorise anyone else to do so, without approval from the Heritage Council of WA. A person may apply to the Heritage Council of WA for a works permit authorising the doing of specified works on areas listed on the State Heritage Register, which the Heritage Council of WA may grant subject to any conditions it considers to be in furtherance of the State Heritage Act. Accordingly, the conditions and legislative requirements for the State heritage area may delay, limit or restrict entirely mining and exploration activities in the area of State heritage site on ELA70/5111 listed above.

4.76 Commonwealth heritage places are subject to specific rules and procedures that all Commonwealth agencies must follow to manage and protect heritage values on land they own, care for, affect or control. As such, a responsible Commonwealth agency, such as the Department for Defence, may not undertake or permit any action on a Commonwealth heritage

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place that has, will have, or is likely to have a significant adverse impact on heritage values of the place without the prior approval from the Minister for Environment. Approval will be required to be obtained under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) before any action takes place that is likely to have a significant impact on the heritage values of the Commonwealth heritage place. Any conditions imposed and legislative requirements may delay, limit or restrict entirely mining and exploration activities in the area of the Commonwealth heritage place of ELA70/5111 listed above.

- 4.77 Paragraphs 6.24 to 6.31 provide further information in relation to State and Commonwealth heritage land.

### Native Title

#### *Native Title Overlaps*

- 4.78 The Searches indicate the following native title overlaps:
- (a) E58/562 and E59/2496 are wholly within land subject to the former Badimia People native title claim. Native title was determined not to exist in respect of the Badimia People native title claim;
  - (b) ELA70/5111, E70/5767 and E70/5921 are wholly within the South West Settlement area, the South West Settlement extinguished native title and established Indigenous Land Use Agreements;
  - (c) there is no current native title claim or determination in the area overlapping E36/1010, E36/1011 or ELA36/1025; and
  - (d) there is one determined native title claim, Nyiyaparli and Nyiyaparli #3 (WCD2018/008), overlapping the full extent of E52/3861. The Nyiyaparli and Nyiyaparli #3 claim was determined on 29 September 2018. Native title was determined to exist in part of the determination area. E52/3861 is within the portion of the determination where non-exclusive native title rights exist.

#### *Native Title Status*

- 4.79 Registered native title claims and determinations of native title attract the procedural processes under the NT Act.
- 4.80 We have set out the native title status of the Tenements below:
- (a) E58/562, E59/2496, E70/5767 and E70/5921 were not required to be processed through the NT Act as native title has been extinguished;
  - (b) ELA70/5111 was processed through the NT Act as an act attracting the expedited procedure prior to the extinguishment of native title over the area in accordance with the South West Settlement;
  - (c) E36/1010, E36/1011 and E52/3861 were processed through the NT Act as acts attracting the expedited procedure; and
  - (d) ELA36/1025 was notified in accordance with section 29 of the NT Act as an act attracting the expedited procedure on 15 December 2021. Currently there are no registered native title claimants over the area. An affected native title party has three months from the date of notification to apply to become registered and must be registered by the closing date for objections, 15 April 2022, to have the right to lodge an objection. Any native title objections must be resolved prior to the tenement granting.

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4.81 We assume that where the Tenements have been granted, the relevant processes under the NT Act have been complied with and that the grants of the Tenements were validly made. More detailed information about native title processes and the NT Act is provided at paragraph 6.29.

### Aboriginal Cultural Heritage

#### Aboriginal Heritage

4.82 Searches of the DPLH AHIS indicated that the following registered Aboriginal cultural heritage sites overlaps a small portion of ELA70/5111:

- (a) ID 15979 / Avon River / mythological, camp, natural feature, water source, food resource; and
- (b) ID 38659 / Needonga / mythological, water source.

4.83 Our Searches did not show any other registered Aboriginal cultural heritage sites which overlap the Tenements.

4.84 We are not aware of any consents being granted under section 18 of the *Aboriginal Heritage Act 1972 (WA) (AH Act)* in respect of the Tenements.

4.85 It is important to note that the inclusion or non-inclusion of an area or place on the DPLH Heritage register is not in any way indicative of the existence of Aboriginal cultural heritage. The register is not determinative of whether Aboriginal cultural heritage exists and as such, the Company should conduct heritage due diligence prior to undertaking ground-disturbing activities.

4.86 We note WA Parliament recently passed the (**ACH Act 2021**) on 22 December 2021, which proposed amendments to the AH Act, including amendments to section 18 approvals. See paragraph 8.8 below for further information in relation to the application of the ACH Act 2021.

4.87 More detailed information of the laws concerning Aboriginal cultural heritage is provided at paragraph 8.

### Native Title, Heritage and Indigenous Land Use Agreements

4.88 The Searches indicate the following ILUAs overlap the Tenements, as noted in the Tenement Schedule:

Tenement	ILUA
E52/3861	FMG-Niyiyaparli Land Access ILUA (WI2016/003)
	Niyiyaparli and BHP Billiton Comprehensive Agreement ILUA (WI2019/003)
	Niyiyaparli People and BHP Billiton Comprehensive (WI2012/005)
	RTIO and Niyiyaparli ILUA (WI2012/007)
ELA70/5111, E70/5767 & E70/5921	Yued Indigenous Land Use Agreement (WI2015/009)
ELA70/5111	Whadjuk People Indigenous Land Use State of Western Australia Agreement (WI2017/015)

4.89 The Yued and Whadjuk People ILUAs require tenement holders to enter into, or offer to enter into, the Noongar Standard Heritage Agreement (**NSHA**) or enter into a negotiated heritage agreement prior to exercising any rights, powers or duties in relation to E70/5767, E70/5921 and ELA70/5111 (if granted). This is also a condition of E70/5767 and E70/5921 as set out in the Conditions Schedule, and the same condition is expected to be imposed on grant of ELA70/5111 (in respect of both the Yued and Whadjuk People ILUAs).

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- 4.90 We have been provided with:
- (a) an NSHA between Western Yilgarn and the South West Aboriginal Land & Sea Council Aboriginal Corporation ICN 3832 (**SWALSC**) for and on behalf of the Yued Agreement Group (**Yued People**) dated 19 August 2021 relating to E70/5767 (**NSHA**); and
  - (b) a Heritage Agreement between AAM Resources and Karlka Nyiyaparli Aboriginal Corporation RTNBC (PBC) ABN 28 295 487 837; ICN 3649 (**KNAC**) for and on behalf of the Nyiyaparli People dated 8 June 2021 relating to E52/3861 (**Nyiyaparli Heritage Agreement**).
- 4.91 We are instructed that Western Yilgarn expects to shortly enter into a NSHA with SWALSC (for and on behalf of the Yued People) relating to E70/5921. Summaries of the NSHA relating to E70/5767 and the Nyiyaparli Heritage Agreement are set out below in section 9.
- 4.92 We do not consider the ILUAs noted in paragraph 4.88 and in the Tenement Schedule as overlapping various Tenements, other than the Yued and Whadjuk People ILUAs, would apply to the Tenements.

## 5. Mining Act and other key legislation governing the Tenements

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### Mining Act Overview

- 5.1 The Mining Act governs the exploration for and production of minerals in Western Australia. The Mining Act is supported by the Mining Regulations and is administered by the Minister for Mines and Petroleum (**Minister** or **Minister for Mines**). Subject to the provisions of the Mining Act, the Crown owns all gold, silver and any other precious minerals existing in their natural condition on or below the surface of any land whether or not the land has been alienated from the Crown (section 9(1) of the Mining Act).

### Exploration Licences

#### *Grant of exploration licences*

- 5.2 Section 57 of the Mining Act provides that the Minister may, upon application by any person, grant to that person an 'exploration licence' on such terms and conditions as the Minister may determine. The applicant must provide a statement specifying the proposed method of exploration, details of a proposed work programme, the estimated amount of expenditure on exploration if the exploration licence is granted and the technical and financial resources of the applicant (section 58(1) of the Mining Act). An applicant must provide such further information or evidence in support of the application as the mining warden or mining registrar may require (excluding any prior test results or samples) (section 58(3) of the Mining Act). The applicant must serve the application on owners and occupiers of land subject to the application (section 58(4) of the Mining Act).
- 5.3 Before granting the exploration licence, the Minister will receive and consider a tenement report from the mining registrar (where there are no objections to the application) or the mining warden (where objections are lodged and heard by the warden) about whether to grant or refuse the application, however the Minister is not beholden to such tenement reports in making its decision (section 59(1)-(6) of the Mining Act). The mining registrar or the warden shall not recommend the grant of an exploration licence unless he or she is satisfied that the applicant is effectively able to explore the land in respect of which the application has been made (section 57(3) of the Mining Act).
- 5.4 An applicant must also adequately address native title prior to the grant of the tenure (refer to paragraph 6.29 below).

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### *Rights under exploration licences*

- 5.5 While in force and subject to restrictions in respect of protected Crown land, an exploration licence authorises the holder to explore for minerals and carry out such ancillary works and operations (for example, digging pits, trenches and holes) as are necessary for that purpose (section 66(b) of the Mining Act). Furthermore, the holder may enter and re-enter land the subject of the licence with such agents, employees, vehicles, machinery and equipment as may be necessary or expedient to undertake the relevant exploration activities (section 66(a) of the Mining Act). The terms 'explore', 'exploration' or 'exploring' are not defined by the Mining Act and therefore assume their ordinary and natural meanings.
- 5.6 Despite these rights, certain Crown land is protected from mining. For example, the holder of an exploration licence will not be entitled to explore on any Crown land that is (amongst other things) situated within 100m of any land that is in actual occupation and on which a house or other substantial building is erected, without the written consent of the occupier (section 20(5)(c) of the Mining Act). However, other Crown land, such as land within 100m of (amongst other things) a stockyard, orchard, vineyard, airstrip or airfield, or on a pastoral lease and within (amongst other things) 400m of any dam, well or bore, will not require the written consent of the occupier to explore if the mining warden grants permission (section 20(5)(ea) of the Mining Act). The mining warden will not give permission unless he or she is satisfied that the holder has met its compensation obligations to owners or occupiers of land impacted by mining activities (section 20(5) of the Mining Act). The Minister also has the power to exempt from time to time certain land from mining that is not private land or land the subject of a mining tenement or application for a mining tenement (section 19(1) of the Mining Act).

### *Term of an exploration licence*

- 5.7 Section 61 of the Mining Act provides for the term of exploration licences and their periods for extension. An exploration licence which was granted or applied for *on or after 10 February 2006* remains in force for a period of five (5) years and may, in prescribed circumstances and at the Minister's discretion, be extended over the whole or a part of the exploration licence by a further period of five (5) years, followed by further periods of two (2) years. The Minister may grant extensions to the terms for the Tenements upon application by the holders in the last year of the relevant term. The relevant prescribed circumstances for an extension include where the Minister is satisfied that planned exploration could not be carried out due to delay in obtaining necessary approvals or due to the land being unworkable for at least a considerable part of one year of the term, or where the Minister is satisfied that work carried out justifies further exploration (regulation 23AB of the Mining Regulations).

### *Transfer of exploration licences*

- 5.8 No legal or equitable interest in or affecting an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister (section 64 of the Mining Act). DMIRS' position is that consent to transfer under section 64 of the Mining Act will only be given when there is no outstanding rent on the licence, evidence is provided that the transferee has necessary financial and technical ability to work the ground as outlined in sections 58(1) and (1aa) of the Mining Act and a statement is provided confirming the transferee will continue with the proposed exploration programme or a revised exploration programme is submitted with the transfer document (DMIRS Position Paper 6 effective 25 March 2021). If consent is provided, the transfer of the legal interest in an exploration licence must be registered under the Mining Act to be legally effective (section 103C(8) of the Mining Act).
- 5.9 An application for an exploration licence is not transferable. There is no specific provision in the Mining Act restricting sale of an application but once the application is granted, Ministerial consent to the sale will be required as noted in the preceding paragraph. No transfer may be lodged until the exploration licence is granted. There is a risk that DMIRS may refuse an application for an exploration licence if it comes to their attention that it has been purportedly

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transferred prior to grant. This does not apply to a transfer of ownership of the company holding the tenement.

### *Application for a mining lease*

- 5.10 The holder of an exploration licence which is in force has the right to apply for and, subject to the grant requirements of the Mining Act, have granted, one or more mining leases over any part or parts of the land the subject of the licence (section 67(1) of the Mining Act). Where an application for a mining lease is lodged before the expiry date of the exploration licence but the application is not determined by that date, the Mining Act extends the term of the exploration licence until the application for the lease is determined (section 67(2) of the Mining Act).

### *Application for retention status*

- 5.11 Alternatively, the holder of an exploration licence may apply for 'retention status' for the licence where a mineral resource has been identified but it is impracticable to mine at the present time (because it is uneconomic or unmarketable), but the resource may reasonably be expected to become economic or marketable in the future (section 69B(1)(a), (b)(i) of the Mining Act). The mineral resource must be identified as coming within the classification of the JORC 2004 Code as either an inferred mineral resource, indicated mineral resource or measured mineral resource (regulation 89C of the Mining Regulations). Other bases of retention include that the relevant resource is required to sustain operations for an existing or future operation or there are existing political, environmental or other difficulties in obtaining the requisite approvals (section 69B(1)(b)(ii), (iii) of the Mining Act). The grant of retention status will entitle the holder to improved extension options and reduced expenditure obligations. On approval of the retention status or subsequently, the Minister may require the holder of the exploration licence to comply with a specified work programme (section 69D of the Mining Act) or show cause why a mining lease should not be applied for and to require such application where sufficient reasons are not forthcoming (section 69E of the Mining Act).

### *Partial surrender of an exploration licence*

- 5.12 Section 65 of the Mining Act provides that the holder of an exploration licence granted in respect of more than 10 blocks must surrender 40% of the blocks granted before the end of the sixth year. If a holder has not lodged the required surrender by the end of the sixth year, the Minister must, by notice in writing, require the holder to lodge the surrender within a period specified in the notice. This requirement does not apply to an exploration granted retention status. Any area converted to a mining lease or general purpose lease shall be taken into account as though it were an area of land surrendered in satisfaction of the surrender requirement.

### **Ministerial refusal of application**

- 5.13 The Minister has certain powers to refuse summarily an application for a mining tenement (section 111A of the Mining Act). If the Minister is satisfied on reasonable grounds in the public interest that the land to which an application for a mining tenement relates should not be disturbed or that the application should not be granted, the Minister may terminate or refuse the application, whether or not it has been heard by a third party.

### **Rent**

- 5.14 The Mining Act and Mining Regulations provide that rent must be paid by the holders to hold the Tenements. The rate of rent depends upon the type of mining tenement. Rent is payable yearly in advance and is due on the anniversary date after the commencement of the term of the Tenement and must be paid not later than one month after that date.
- 5.15 Rent is payable for each of the Tenements pursuant to section 108 of the Mining Act and regulation 109 of the Mining Regulations (as prescribed by Schedule 2 of the Mining Regulations).

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- 5.16 If the holder of an exploration licence has failed to pay the rent owing by the due date, the tenement is liable for forfeiture under section 96A or 63A of the Mining Act upon declaration by the Minister in the government gazette that the exploration licence is forfeited. Alternative options available to the Minister, however, include imposing a fine of up to \$150,000 (for a company) or imposing no penalty at all (section 96A of the Mining Act).

### Expenditure Requirements

- 5.17 The holder of an exploration licence must comply with the prescribed expenditure conditions for the licence unless an exemption is granted under the Mining Act. A tenement will be liable to forfeiture by the Minister or a third party if the expenditure obligations are not complied with (see further detailed information at paragraphs 5.30 to 5.32).

### Combined Reporting Groups

- 5.18 Combined reporting groups allow the holder to apply for a "project exemption" from expenditure requirements under section 102(2)(h) of the Mining Act, if it can be established that the aggregate expenditure for the combined reporting tenements would satisfy the requirements for a particular tenement, had the aggregate expenditure been apportioned between each tenement in the respective Combined Reporting Group.

### Security and Bonds

- 5.19 The Mining Act requires that applicants and transferees of mining tenements lodge a \$5,000 security with DMIRS for every tenement, to protect against the holder not complying with the tenement conditions and the requirements of the Mining Act and the Mining Regulations (section 126 of the Mining Act and regulations 75(a) and 112 of the Mining Regulations).
- 5.20 Each of the Tenements is subject to the Mining Rehabilitation Fund (MRF). As of 1 July 2013, the majority of environmental bonds in Western Australia have been retired due to the operation of the MRF. The new system requires tenement holders to pay an annual levy on their tenements into a fund, which can later be used to rehabilitate mining sites. The levy is calculated based on the area of disturbed land, the kind of disturbance and the relevant environmental impact.
- 5.21 The MRF requires disturbance data (describing the number of hectares disturbed and the type of disturbance) to be collated and submitted online to DMIRS annually. The data is used to calculate a levy which the tenement holder must pay. Tenements with a liability estimate below \$50,000 must report disturbance data but will not be required to pay a levy to the MRF.
- 5.22 Disturbance data for the Tenements must be submitted by 30 June of a given year for the reporting period 1 July of the previous year to 30 June of the current year and if applicable the levy paid for that year.
- 5.23 The obligation to report disturbance data and pay the levy for a given year, and any penalties for non-payment, are borne by the holder recorded in DMIRS' Mineral Titles Online system who holds the relevant mining tenement on the due date. This liability remains with that holder even if the tenement is transferred to a third party after the due date.
- 5.24 DMIRS also retains the discretion to impose bonds in addition to the MRF on a case by case basis. There are some bonds on certain projects in Western Australia. DMIRS will generally impose a bond in addition to MRF where they consider there is "high risk of rehabilitation liability reverting to the state".

### Tenement Conditions

- 5.25 The Mining Act provides that exploration licences are held subject to deemed conditions and any specific conditions that may be imposed by the Minister. DMIRS imposes various standard conditions on all tenements concerning issues such as tenement reporting, reporting economic

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discoveries, not using ground disturbing equipment without an approved work programme, rehabilitating the land and removing waste and rubbish. DMIRS also imposes tenement specific conditions that are mainly concerned with the overlap with underlying Crown reserves or other tenure and certain public infrastructure. DMIRS publishes a list of its standard conditions on its website.

- 5.26 Section 63 of the Mining Act provides that all exploration licences are granted with certain deemed conditions. These deemed conditions include that the holder will explore for minerals and:
- (a) will promptly submit a tenement report in writing to the Minister on all minerals of economic interest discovered in, on or under the land the subject of the exploration licence or prospecting licence; and
  - (b) will not use ground disturbing equipment when exploring for minerals on the land the subject of the exploration licence or prospecting licence unless:
    - (1) the holder has lodged in the prescribed manner a programme of work in respect of that use; and
    - (2) the holder has paid the prescribed assessment fee in respect of the programme of work; and
    - (3) the programme of work has been approved in writing by the Minister or a prescribed official; and
  - (c) will fill in or otherwise make safe to the satisfaction of a prescribed official all holes, pits, trenches and other disturbances to the surface of the land the subject of the exploration licence or prospecting licence which are:
    - (1) made while exploring for minerals; and
    - (2) in the opinion of the prescribed official, likely to endanger the safety of any person or animal; and
    - (3) will take all necessary steps to prevent fire, damage to trees or other property and to prevent damage to any property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise.
- 5.27 Section 63AA of the Mining Act provides that other 'reasonable conditions' may be attached to an exploration licence in respect of preventing, reducing or making good injury to the land for which the licence is sought or was granted, or injury to anything on the surface or below the land or consequential damage to any other land.

### **Mining Tenement Forfeiture**

- 5.28 Mining tenements in Western Australia are granted subject to various standard conditions, as noted in paragraph 5.25 to 5.27.
- 5.29 If the holder of an exploration licence fails to comply with the terms and conditions of the tenement, the mining warden or the Minister, as applicable, may impose a fine or order that the tenement be forfeited (sections 63A and 96A of the Mining Act). In most cases an order for forfeiture can only be made where the breach is of sufficient gravity to justify forfeiture of the tenement. A fine can be imposed as an alternative to forfeiture.
- 5.30 In the case of failure to comply with the annual minimum expenditure requirement the tenement holder can apply to the DMIRS for an exemption from that expenditure requirement (section 102 of the Mining Act). Exemption may be granted for a variety of reasons, including that time is

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required to purchase and erect machinery and that the ground the subject of the tenement is unworkable (section 102(2) of the Mining Act). However, if the tenement holder does not meet the minimum expenditure requirement and either fails to apply for an exemption or an exemption application is refused then a fine may be imposed or the Tenement forfeited due to an application by a third party (section 98(1) Mining Act).

- 5.31 An application by a third party for forfeiture against a tenement holder must be made during the expenditure year in relation to which the requirement is not complied with or within eight months thereafter (section 98(2) of the Mining Act). For the Warden to forfeit or recommend forfeiture of a tenement due to a third party forfeiture application, the forfeiture applicant bears the onus to prove that there has not been compliance with the prescribed expenditure conditions in the relevant year and if there has been non-compliance, the tenement holder bears the onus to satisfy the Warden that the non-compliance is not, in all the circumstances of the case, of sufficient gravity to warrant the forfeiture of the tenement (section 98(5) of the Mining Act). Key factors in determining whether the breach is of sufficient gravity include, works carried out on the tenement (ie the less work done, the more likely the tenement will be forfeited) and whether the tenement holder included false or misleading information on the Form 5 Operations Report (also known as the expenditure report).
- 5.32 The Warden may only recommend forfeiture for exploration licences to the Minister who will determine if they should be forfeited or, alternatively, if a fine should be imposed (section 98 of the Mining Act). The Warden and Minister may, as an alternative to forfeiture, impose no penalty or impose a fine of no more than \$10,000 per tenement which may be awarded to the forfeiture applicant (section 98(4A) of the Mining Act).
- 5.33 It is noteworthy that the expiry, surrender or forfeiture of a mining tenement does not affect any existing liability to pay rent or penalties, comply with obligations attached to the tenement or for defaults made or done under the tenement (section 114B of the Mining Act).

#### Offences and Penalties

- 5.34 Anyone acting in contravention of, or failing to comply with the Mining Act is deemed to commit an offence (section 154(1) of the Mining Act).
- 5.35 Where a person has carried on mining (which is defined under section 8(1) to include fossicking, prospecting, and exploring for minerals and mineral operations) on any land without being duly authorised under the Mining Act or any other Act, the penalty for a body corporate is \$300,000 and if the offence is a continuing one, a further fine of \$30,000 for every day or part of a day during which the offence has continued (section 155 of the Mining Act).
- 5.36 Where a body corporate is convicted of an offence, every director and every other officer concerned in the management of the body corporate is guilty of the offence if it is proved that the act or omission that constituted the offence took place with his or her authority, permission or consent (section 154(3) of the Mining Act).
- 5.37 A mining tenement may also be liable for forfeiture if the holder of the licence is convicted of an offence against the Mining Act (section 63A of the Mining Act), and DMIRS is less likely to allow further extensions of the term where this occurs.

#### Effect of Registration of Title in WA

- 5.38 The Mining Act provides for a register on which grants of and dealing in mining tenements are recorded (section 103F of the Mining Act). An important issue for persons dealing in mining tenements is the extent to which they can rely upon this register as evidence that the holder's title is valid, and therefore 'indefeasible'.
- 5.39 Unlike the Torrens legislation (which enables such persons to rely solely on the register to validate title), the register under the Mining Act provides a 'limited' indefeasibility. Rather than

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offering full protection, section 116(2) of the Mining Act provides that a person dealing with the registered title holder can rely on the register to take a good title free of any competing, unregistered interests. However, this protection is subject to two (2) important qualifications:

- (a) registration will not of itself validate the transaction by which that person took from the registered title holder (that transaction could still be shown to be invalid and the register rectified); and
- (b) registration may be prevented by caveat.

5.40 Generally, a caveat is a statutory injunction which operates to protect a party's interest in a mining tenement by 'freezing' the register, thereby preventing further dealings in the tenement to the detriment of the protected interest.

### Programme of Works

- 5.41 As mentioned above, an applicant for an exploration licence (or any extension thereof) must submit a work programme for the tenement (section 58 of the Mining Act and regulation 23A of the Mining Regulations) and it is a deemed standard condition of an exploration licence that the tenement holder does not use ground disturbing equipment until a programme of work has been lodged and approved in writing by the Minister.
- 5.42 The Mining Act and Mining Regulations do not proscribe any other requirements for a programme of works. The Mining Act is also silent about what effect failure to comply with a programme of works has on an exploration licence and the Mining Regulations do not proscribe a particular form of programme.
- 5.43 Nevertheless, as a matter of policy, non-compliance with any aspect of a programme of works is likely to be viewed harshly and may be a factor influencing the Minister or mining warden upon exercise of their broad discretions under the Mining Act. For instance, non-compliance with any work programme may be a relevant factor when considering whether to extend the term of a particular tenement.

### Overlapping Tenements and Tenure

- 5.44 The Mining Act provides that the granted area of a mining lease, exploration licence or a prospecting licence will not include any land the subject of a current mining tenement (other than a miscellaneous licence). However, a miscellaneous licence may be granted over another miscellaneous licence or another tenement and vice versa.
- 5.45 Section 117(2) of the Mining Act provides that each grant of a mining tenement shall be deemed to contain an express reservation of the rights to which the holder of the existing mining tenement is entitled. This establishes a priority of first in time so where there is an overlap between the Company's Tenements and a third party tenement, the Company should be aware that its right on its Tenements may be limited by the rights of the third party especially if that third party has first in time priority.

### WA Environmental requirements

- 5.46 We note that environmental due diligence is outside the scope of this report and we were not instructed to carry out any environmental due diligence. However, we provide the following information as a general guide to environmental requirements relating to the Tenements.
- 5.47 *The Environmental Protection Act 1986 (WA) (EP Act)* regulates activities that are likely to have an impact on the environment.
- 5.48 Part IV of the EP Act sets out the regime for the referral and assessment of proposals likely to have a significant effect on the environment. Section 38 provides that any person may refer a

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'significant proposal' (being a proposal likely to have a significant effect on the environment) to the EPA for assessment. The words 'significant effect' are not defined by the EP Act and therefore assume their natural and ordinary meaning.

- 5.49 Upon referral the EPA will decide either that (sections 39A and 40 of the EP Act):
- (a) no assessment is required;
  - (b) a public environment review is required; or
  - (c) assessment on proponent information only is sufficient.
- 5.50 If the EPA assesses a proposal, it will prepare an assessment tenement report on the proposal and give that tenement report to the Minister (section 44 of the EP Act). After publishing the tenement report and consulting within the Government, the Minister will decide whether or not to implement the proposal and will publish a statement to that effect (section 45 of the EP Act). Where a proposal is approved, the proponent must implement the proposal in accordance with the statement (and any conditions thereto), otherwise it will commit an offence (section 47(1) of the EP Act).
- 5.51 Part V of the EP Act sets out pollution and environmental harm offences. Under this Part, it is an offence to intentionally or with criminal negligence cause pollution (whether waste, odour, noise, electromagnetic waves etc.) or emit unreasonable emissions from any premises (section 49 of the EP Act). The Part also sets out offences for:
- (a) dumping or discharging waste (which may affect the public or cause pollution) (sections 49A and 50 of the EP Act);
  - (b) committing 'material environmental harm' (environmental harm that is not trivial or negligible, or involves actual or potential property loss of more than \$20,000) (section 50B of the EP Act);
  - (c) committing 'serious environmental harm' (environmental harm that is irreversible or on a wide scale, or in an area of high conservation value or significance, or results in actual or potential property loss of more than \$100,000) (section 50A of the EP Act); and
  - (d) the unauthorised clearing of native vegetation (section 51C of the EP Act).
- 5.52 The EP Act provides for certain defences to these offences (sections 74-76 of the EP Act).
- 5.53 We have not conducted searches of the EPA website and list of proposals to confirm if the project comprising the Tenements has been referred to the EPA.
- 5.54 We have not conducted searches of current and historical environmental and planning approvals relating to the Tenements.
- 5.55 Some of the standard and specific conditions attached to the Tenements impose environmental requirements upon the holders of the Tenements. The more important of these obligations include compliance with the relevant mining proposal and mine closure plans obtaining the consent of an officer of DMIRS or the Minister before interfering with the surface of land (under an approved works programme) or carrying out activities on or near specified sites or reserves, rehabilitating the land within six (6) months and removing waste.

### Contaminated Sites

- 5.56 We have not carried out any contaminated sites searches or considered any potential contaminated sites issues on the Tenements because environmental due diligence is outside

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the scope of this report. We provide the following information as a guide only to the law regarding contaminated sites.

- 5.57 In general terms, the *Contaminated Sites Act 2003 (WA) (CSA)* requires a person to report any area known or suspected to be contaminated, or commit an offence punishable by fines of up to \$250,000, and a daily penalty of \$50,000 (section 11 of the CSA).
- 5.58 The Department responsible for the CSA must classify the contaminated site. If the site is classified as requiring remediation, responsibility to remediate generally lies with the person responsible for causing the contamination.
- 5.59 Occupiers of land who seek to change the use of contaminated land assume liability for any remediation required to enable the new use (section 26 of the CSA). If the Tenements have contaminated sites, and remediation is required by the Department responsible for the CSA, the holder may become responsible for remediation of that contamination.

### Mines Safety

- 5.60 The MSIA seeks to ensure that the risk to health and safety of persons at a mine is at an acceptable level.
- 5.61 The MSIA imposes a duty on employers to, so far as is practicable, provide and maintain at a mine a working environment in which that employer's employees are not exposed to hazards, are properly trained, instructed and supervised, and provided with protective equipment and clothing as required (section 9(1) of the MSIA). The employer will not avoid this duty simply by appointing a 'manager' at the mine (section 9(5) of the MSIA). Breaches of these duties may result in penalties for a corporation of a fine up to \$500,000 for a first offence and \$625,000 for a subsequent offence (sections 4A and 9A of the MSIA).
- 5.62 Other noteworthy aspects of the MSIA include that the MSIA still applies to contractors and employees of contractors as if they were employees of the principal who controls site. These obligations apply to exploration activities as well as mining activities.
- 5.63 None of the information that we have obtained or instructions that we have received indicate that the holder of the Tenements (nor any previous holders, where applicable) has breached any of the duties under the MSIA.

## 6. Land Access

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### Crown Reserves

- 6.1 The Mining Act permits mining tenements to be applied for and granted in respect of land that is subject to a Crown reserve (such as a townsite, national or marine park, nature or timber reserve or water management area), usually subject to the provision of written consent by the Minister and compliance with any specific procedures peculiar to the type of underlying reserves (sections 23, 24, 24A and 25 of the Mining Act).
- 6.2 Sections 24(1)(b), 24(3A) and 24(3B) of the Mining Act provide that areas covered by national parks, nature reserves or reserves under Part 4 of the *Lands Administration Act 1997 (WA) (LAA)* for the conservation of flora and fauna and classified as class A may be mined with the written consent of the Minister who must consult and obtain the concurrence of the Minister responsible for the administration of that reserve.
- 6.3 Sections 24(1)(c), 24(5A) and 24(5B) of the Mining Act provide that areas covered by other reserves under Part 4 of the LAA (not being reserved for mining, commons or public utility and includes class C reserves) may be mined with the written consent of the Minister who will consult

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with and obtain the recommendation of the Minister responsible for the administration of that reserve.

- 6.4 Sections 24(1)(d), 24(6A) and 24(6B) of the Mining Act provide that areas covered by State forest or timber reserves in the South West Mineral Field may be mined with the written consent of the Minister who must consult and obtain the concurrence of the Minister responsible for the administration of that reserve.
- 6.5 Sections 24(1)(da), (e), (f), (fa), (g), 24(7A) and 24(7B) of the Mining Act provides that areas covered by other State forests or timber reserves, water reserves (or other related catchments and reserves), Aboriginal reserves, land vested in the WA Land Authority or reserved under other Western Australian Acts may be mined with the written consent of the Minister who will consult with and obtain the recommendation of the Minister responsible for the administration of the applicable reserve.
- 6.6 The Minister may refuse consent or give consent subject to such terms and conditions as the Minister specifies.
- 6.7 Section 24(4) of the Mining Act provides that no mining lease or general purpose lease shall be granted over a national park or Class A reserve without a resolution of both Houses of Parliament.

### Pastoral Leases

- 6.8 The Mining Act provides that, unless granted permission by the mining warden, the written consent of an underlying pastoral lessee will be required for the holder of a tenement to gain access within 'buffer zones' around certain restricted pastoral infrastructure (e.g. water bores, dams etc.) on these leases.
- 6.9 Specifically, the Mining Act provides that holder of a tenement cannot explore or mine on Crown land that is the subject of a pastoral lease 'which is the site of, or is situated within 400m of the outer edge of, any water works, race, dam, well or bore, not being an excavation previously made and used for mining purposes by a person other than a lessee of that pastoral lease' without the written consent of the occupier under the pastoral lease, unless permission is granted by the mining warden or mining is being carried out at least 30m underground (section 20(5) of the Mining Act).
- 6.10 However, the holder of a tenement may pass within these areas for the purpose of *gaining access* to other land to conduct exploration activities (section 20(5a) of the Mining Act).
- 6.11 Before passing through the buffer zones the tenement holder must:
- (a) take all reasonable and practicable steps to notify the occupier of his intention to access the areas; and
  - (b) take all necessary steps to prevent fire and damage to property, livestock or trees,
- (section 20(5a)(c),(d)(i) of the Mining Act).
- 6.12 The tenement holder must also keep inconvenience to the occupier and use of the area to a minimum, comply with any reasonable requests of the occupier, and make good any damage to improvements or livestock (section 20(5)(d)(ii),(iii),(e) and (f) of the Mining Act). Compensation will be due from the tenement holder where any damage is not repaired by the holder (section 20(5a) of the Mining Act).
- 6.13 There is also potential compensation payable to an underlying pastoral lessee in the event the pastoral lessee suffers a substantial loss of earnings as a result of a tenement holder's activities or there is damage to pastoral infrastructure or improvements (sections 123 and 125 of the

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Mining Act). It is possible that loss of earnings associated with interference by exploration or mining activities on authorised carbon farming projects on pastoral leases could be substantial and hence be compensable by a tenement holder under these provisions of the Mining Act.

### Carbon farming

- 6.14 The State Government has implemented a carbon credits regime for relevant pastoralists via the Commonwealth's Government's Emissions Reduction Fund. Under the regime all granted and pending mining leases (and associated tenements) are to be excluded from carbon farming projects on pastoral leases unless the holder of the tenement agrees for the tenements to be included. However, once a carbon farming project is approved by the Minister, any future applicants for mining leases or miscellaneous licences which overlap the approved carbon farming project should obtain consent from the pastoralist and agree to the terms of a compensation agreement prior to carrying out mining activities.

### Private Land

- 6.15 As further outlined in paragraphs 4.41 to 4.50 above, section 29 of the Mining Act provides that the consent of the owner and occupier are required for land comprising the following categories to be included into the grant of a mining tenement:

- (a) land which is in *bona fide* and regular use as a yard, stock yard, garden, orchard, vineyard, plant nursery or plantation or which is land under cultivation;
- (b) land which is the site of a cemetery or burial ground;
- (c) land which is the site of a dam, bore, well or spring;
- (d) land on which a substantial improvement is erected
- (e) land situated within 100m of any of the above categories of land; and
- (f) land which is a separate parcel of land and has an area of 2,000 square metres or less,

unless the mining tenement is granted only in respect of that part of the private land which is not less than 30m below the lowest part of the natural surface. In respect of such areas, the landowner's consent must be obtained to include the top 30 metres in the grant of that mining tenement (referred to as surface rights) and the tenement holder must apply to the Minister for the tenement to be amended to include the grant of surface rights (in addition to the subsurface rights, i.e. the rights to the land which is below the top 30 metres from the surface of the land).

- 6.16 If the top 30 metres of the surface of the land are included in the grant of a mining tenement over section 29(2) private land, the owner and occupier of private land are entitled to compensation under the Mining Act and compensation is to be determined before mining commences or an agreement has been made in relation to compensation to be paid. In default of an agreement the amount of compensation can be determined by the warden.
- 6.17 Section 123 of the Mining Act sets out the matters for which an owner and occupier are entitled to compensation which include:
- (a) being deprived of the possession or use of the surface of the land;
  - (b) damage to the land, severance of the land from other land used by that person, loss or restriction of right of way or easement;
  - (c) loss of or damage to improvements;
  - (d) social disruption;

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- (e) in relation to land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruptions to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws and requirements in relation to that land as regards the spread of weeds, pests disease, fire or erosion, or as to soil conservations practices, as are observed by the owner or occupier of that land; and
- (f) any reasonable expense properly arising from the need to reduce or control the damage resulting or arising from the mining.

### Minerals to Owner Land

- 6.18 The usual position is that the State owns all minerals contained within the land. However, in circumstances where the original grant of freehold land in Western Australia occurred before 1 January 1899, the owner of the land retained ownership of all minerals, other than gold, silver and other precious metals. This is the case unless the owner or the owner's predecessor in title had transferred the minerals to someone else.
- 6.19 Gold, silver and other precious metals have always been owned by the State and a tenement can be granted over such land which is restricted to gold, silver and other precious metals. A mining tenement granted under the Mining Act over this land will confer on the holder of the tenement the right to explore for, or mine (depending on the tenement) gold, silver and other precious metals (which are owned by the State) but will not give the holder rights to explore for or mine any other mineral (which are owned by the landowner on minerals to owner land).
- 6.20 Such land (being land originally granted pre-1899) in relation to minerals other than gold, silver and other precious metals is expressly excluded from the definition of "private land" in the Mining Act and hence is not land open for mining under the Mining Act. Such land is commonly referred to as 'minerals to owner' land, as the landowner owns all minerals (except for gold, silver and other precious metals) and has the right to deal with those minerals as it sees fit. In this scenario, the landowner has a veto and can refuse to allow a third party to carry out exploration or mining for minerals, other than gold, silver and other precious metals, on their land. Minerals to owner land is common in older settled areas of Western Australia. There is some uncertainty about whether platinum is a precious metal and hence whether it is owned by the State or the landowner (if the original grant of land was pre-1899).

### File Notation Areas

- 6.21 As noted above, FNAs are a notation on the Tenograph system maintained by DMIRS which indicate that there is a proposed change in land use such as a land transaction, alienation from the Crown, or other proposed change in land use in the area of the FNA. Following the effect of the proposed land transaction or change in land use, there may be additional restrictions applicable to a tenement holders ability to use the land for exploration or mining activities, depending on the nature of the land transaction or change in land use. It is possible that DMIRS may impose additional standard conditions or endorsements on a granted tenement as a result of such land transaction or change in land use.

### Petroleum tenure

- 6.22 The PGERA regulates the exploration for, and the exploitation of, petroleum resources in Western Australia through a system of exploration permits, retention leases and mining leases. The land subject of a petroleum permit under the PGERA or a mining tenement under the Mining Act are not mutually exclusive.
- 6.23 In the event a dispute arises between a licensee or permittee under the PGERA and any person holding a mining tenement under the Mining Act, either party may refer the matter to the warden. Pursuant to section 159 of the Mining Act, the warden must inquire into the dispute and report to the Minister. The Minister may then make such order and give such directions to either party,

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in the public interest and the circumstances of the case, seems just and equitable. If a party fails to comply with the Minister's order, the Minister may cancel the petroleum permit or the mining tenement.

### Western Australian Cultural Heritage

- 6.24 The *Heritage Act 2018* (WA) (**State Heritage Act**) establishes the State Register of Heritage Places (**State Heritage Register**). The Register is a list of places in Western Australia that are protected due to their cultural heritage significance. The State Heritage Register is compiled and maintained by the Heritage Council of WA.
- 6.25 "Cultural heritage significance" means, in relation to a place, the relative value which that place has in terms of its aesthetic, historic, scientific or social significance for the present community and future generations.
- 6.26 Once a place is listed in the State Heritage Register, the place is protected in a number of ways, including:
- (a) it is an offence to alter the fabric of the place so that the cultural heritage significance of the place is detrimentally affected, demolish, damage or despoil the place or remove anything from that place, or to authorise anyone else to do so, without approval from the Heritage Council;
  - (b) the Minister for Heritage or the Heritage Council of WA may apply for an injunction to prevent damage to the place in contravention of the State Heritage Act; and
  - (c) development approval and building licences cannot be granted without the decision making authority first referring the matter to the Heritage Council for its advice.
- 6.27 A person may apply to the Heritage Council of WA for a works permit authorising the doing of specified works on areas listed on the State Heritage Register, which the Heritage Council of WA may grant subject to any conditions the Heritage Council of WA considers to be in furtherance of the State Heritage Act.
- 6.28 Failure to observe the above protections or conditions of a works permit for a place listed on the State Heritage Register may result in a fine of \$1,000,000 or a daily penalty of \$50,000.

### Commonwealth Heritage

- 6.29 The Commonwealth Heritage List established under the EPBC Act comprises natural, Indigenous and historical heritage places which the Minister for the Environment is satisfied have one or more Commonwealth heritage values. These places are often connected to defence, communications, customs and other government activities that reflect Australia's development as a nation and can only be included on the Commonwealth Heritage List if it is on land owned or leased by the Commonwealth.
- 6.30 Once a place is listed in the Commonwealth Heritage List, a Commonwealth agency must:
- (a) make a management plan to protect and manage the Commonwealth heritage values of a Commonwealth heritage place it owns or controls; and
  - (b) must not take an action that has, will have, or is likely to have an adverse impact on the Commonwealth Heritage values of a Commonwealth heritage place unless there is no feasible and prudent alternative and action is taken to mitigate the impacts.
- 6.31 Any proposals for development that may have a significant impact on the heritage values of such places are to be referred to the appropriate Government authority under the EPBC Act for assessment and approval if required. Approval or consent will be required to be obtained under

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the EPBC Act before any action takes place that is likely to have a significant impact on the heritage values of a listed place.

### 7. Native title

#### Commonwealth native title law

- 7.1 The NT Act prescribes a regime by which persons claiming to hold native title may lodge a claim to that effect for determination, by which any future act affecting native title (such as the grant of mining tenements) may be validly undertaken and by which registered claimants may be afforded certain procedural rights including the 'right to negotiate'.
- 7.2 Under the NT Act, native title can be confirmed to have been either totally or partially extinguished by certain grants. These grants are called Previous Exclusive Possession Acts or Previous Non-Exclusive Possession Acts, respectively.
- 7.3 Previous Exclusive Possession Acts are considered to be so inconsistent with the continued enjoyment of native title rights that they completely extinguish native title, and once extinguished, native title cannot revive. Relevantly, a grant will be a Previous Exclusive Possession Act and therefore will have extinguished native title where it:
- (a) is valid; and
  - (b) took place on or before 23 December 1996; and
  - (c) consists of the grant or vesting of any of the following:
    - (1) a Scheduled Interest;
    - (2) a freehold estate;
    - (3) a commercial lease that is neither an agricultural lease nor a pastoral lease;
    - (4) an exclusive agricultural lease or an exclusive pastoral lease;
    - (5) a residential lease;
    - (6) a community purposes lease;
    - (7) what is taken by s 245(3) of the NT Act (which deals with the dissection of Mining Leases into certain other leases) to be a separate lease in respect of land or waters mentioned in paragraph (a) of that subsection; or
    - (8) any lease (other than a Mining Lease) that confers a right of exclusive possession over particular land or waters.
- 7.4 Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing or pastoral purposes, occupation licences, permits to occupy, etc. Such grants and interests are known as Previous Non-Exclusive Possession Acts and will be confirmed to have extinguished native title only to the extent of any inconsistency.
- 7.5 The existence of a native title claim over an area of land is not evidence for the existence or otherwise of native title. The existence of native title is a question of fact to be determined by an assessment of the relevant facts and circumstances showing the existence of customary rights and continued connection with land, including the extent to which native title may have been adversely affected or extinguished by adverse Government action. A detailed assessment of the

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merits of any particular native title claim is beyond the scope of this report. A claim is an expression of interest by a native title group, which is subject to a detailed assessment by the Government and ultimately the Federal Court. A native title group receives a procedural right to negotiate in relation to land the subject of their native title claim where the grant of a mining tenement is proposed by the State.

- 7.6 Where native title is found to exist and not to have been extinguished over an area of land, any act that will affect that native title will be subject to the future act procedures under the NT Act. For mining activities, this procedure could be one of 3 options:
- (a) the 'Expedited Procedure';
  - (b) right to negotiate (**RTN**) resulting in a section 31 Agreement and Ancillary Agreement; or
  - (c) negotiation of an indigenous land use agreement (**ILUA**).
- 7.7 The application of the expedited procedure is a 'fast-tracking' of mining grants under section 32 of the NT Act where such grants do not affect or are unlikely to involve major disturbance to land or waters, or to Aboriginal sites and Aboriginal objects, or are not likely to interfere directly with the carrying on of community or social activities of the relevant native title holders. If a registered native title group does not object to the application of the expedited procedure within 4 months from the 'notification date', the tenement may be granted at the conclusion of the 4 month notification period.
- 7.8 If a registered native title group objects to the application of the expedited procedure, the applicant for the mining tenement and the registered native title group may either:
- (a) seek a determination from the NNTT as to whether the grant of the tenement is an act attracting the 'Expedited Procedure';
  - (b) enter into an agreement which provides for the withdrawal of the objection and a protocol for the protection of Aboriginal cultural heritage (a 'heritage protection agreement'); or
  - (c) enter the RTN procedure and create a full section 31 Agreement under the NT Act.
- 7.9 Where the State does not indicate the expedited procedure is applicable, the parties must enter into the RTN procedure under the NT Act. There are RTN guidelines which should be followed in the process however ultimately the NNTT administers the future act processes that attract the RTN. The NNTT's role includes mediating between parties, conducting inquiries and making decisions ('future act determinations') where parties cannot reach an agreement. The outcome of the RTN process is known as a 'Section 31 Agreement' which is an agreement between the parties to the doing of the future act. A 'Section 31 Agreement' must be registered with the State. An Ancillary Agreement may also be made between the parties (to which the State is not a party) which will deal with matters relating to compensation and usually Aboriginal cultural heritage.
- 7.10 The time frame for the RTN negotiations will generally vary between 6 and 12 months. The process begins with the State issuing a Section 29 Notice indicating that it proposes to grant the tenement. A notification period follows during which native title parties have 3 months to lodge claims and an additional month to register their claims with the NNTT. If at the end of the 4 month period there is a registered claim, the parties must negotiate in good faith for a minimum of two (2) months from the end of the 4 month notification period in an effort to reach agreement on the terms of a Section 31 Agreement. If agreement cannot be reached in this time, the established tenure holder may apply for arbitration (provided that a total of 6 months has passed since the notification period began). Usually, however, parties will continue to negotiate for a longer period where there is likelihood that agreement will be reached. If a party elects to go to arbitration, the arbitration period will run for a period of 6 months. At the end of the arbitration period, the NNTT determines whether and on what conditions the tenure may be granted.

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- 7.11 An ILUA is a voluntary agreement between a native title party and others about the use and management of land and waters. ILUAs may deal with topics such as access to an area, how native title rights coexist with the rights of others, native title holders agreeing to a future development and matters of compensation. An ILUA must be registered on the Register of Indigenous Land Use Agreements. As a general rule, an ILUA can take 12 to 18 months to complete.
- 7.12 The RTN process does not apply to the creation of a right to mine (by grant of a mining lease or otherwise) for the sole purpose of the construction of an infrastructure facility. These applications are dealt with pursuant to the procedure set out in section 24MD(6B) of the NT Act. These applications must be notified to registered claimants, registered native title body corporates, and representative Aboriginal/Torres Strait Islander bodies. Registered claimants and body corporates have 2 months to lodge an objection. Where a party objects, the tenement holder must consult with the native title objectors about minimising the impact of the future act on any registered native title interests in the affected land or waters. Following an objection that has not been withdrawn after 8 months, the State must ensure that the objection is heard by an independent person or body, who may make a determination either upholding the objection, or determining that the act may be done, or may be done with conditions.

### Native Title Claims over the Tenements

#### *Implications of Native Title for Projects*

- 7.13 The effect of a registered native title claim or determination is that the grant of a mining tenement (where the grant constitutes a future act under the NT Act) attracts procedural processes under the NT Act. Failure to adhere to future act processes will result in a future act being invalid if it is later determined that a native title claim exists in the relevant area. The consequence of invalidity would be that any third party could apply for tenure over the area of the invalid tenement. To protect its right the Company would need to apply for the grant of new tenure over the area.
- 7.14 Where exploration tenements have been applied for or granted over land where the extinguishment of native title has not been confirmed, the Company will need to comply with the future act provisions of the NT Act on future conversion of the licence to a mining lease.

#### *Risk of liability for compensation payments to native title holders*

- 7.15 Section 125A of the Mining Act provides that if compensation is payable to native title holders for or in respect of the grant, extension or renewal of a mining tenement, the person liable to pay the compensation is (a) if an amount is to be paid and held in trust, the applicant for the grant of, or the holder of, the mining tenement at the time the amount is required to be paid; or (b) otherwise, the applicant for the grant of, or the holder of, the mining tenement at the time a determination of compensation is made. Further, the section provides that if, at the relevant time, there is no holder of the mining tenement because the mining tenement has been surrendered or forfeited or has expired, a reference in the previous subsection to the holder of the mining tenement is a reference to the holder of the mining tenement immediately before its surrender, forfeiture or expiry. In addition, certain tenements in Western Australia contain an express condition with a similar effect to the above.
- 7.16 Accordingly, the registered tenement holder may be liable to pay compensation for interference with native title rights and interests. In the event that a native title determination is recorded over the area of a tenement and a successful compensation determination is made against the State for interference with native title rights and interests arising as a result of mining operations on a mining tenement, it is possible that the State may, pursuant to section 125A of the Mining Act or a relevant tenement condition, pass such liability onto the current or most recent holder of that tenement (including expired tenement). The risk of liability for future compensation payments to native title holders should be considered.



## 8. Aboriginal Cultural Heritage

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- 8.1 The AH Act seeks to protect areas and objects of cultural significance to aboriginal persons irrespective of the underlying tenure of the land (**Aboriginal cultural heritage**).
- 8.2 The AH Act makes it an offence to, among other things, alter or damage an Aboriginal site, or object on or under an Aboriginal site (section 17 of the AH Act). A corporation breaching section 17 may be liable for fines up to \$100,000 per offence and a daily penalty of \$1,000 (section 57(1) of the AH Act).
- 8.3 An Aboriginal site is defined to include any sacred, ritual or ceremonial site which is of importance and special significance to persons of Aboriginal descent (section 5 of the AH Act). The registrar under the AH Act must keep a register listing areas or objects of Aboriginal cultural heritage (section 38 of the AH Act). However, the register is not determinative of whether Aboriginal cultural heritage exists and as such, proponents should conduct heritage due diligence when undertaking operations. Where proponents intend to carry on activities where a site has been registered, it is prudent to take extra care to ensure that all sites are properly identified and any disturbance is pursuant to consent being given under section 18 of the AH Act.
- 8.4 It is a defence under section 62 of the AH Act if the person disturbing the place or object did not know and could not reasonably be expected to have known, that the place or object to which the offence relates was a place or object protected under the AH Act.
- 8.5 The Minister for Indigenous Affairs may consent, pursuant to section 18 of the AH Act, to a person using land in a way that is likely to disturb sites or objects in breach of section 17 of the AH Act on recommendation from the 'Aboriginal Cultural Materials Committee', a committee of approved persons with expertise in Aboriginal cultural heritage. Such consent may be provided subject to conditions as appropriate.
- 8.6 Practically, proponents usually seek to conduct surveys with Aboriginal people who can traditionally speak for the relevant area prior to conducting ground disturbing activities that may interfere with Aboriginal places or objects and so that they can, where necessary, make application to the Minister for Indigenous Affairs. These surveys are also useful for proponents if they have to argue for the defence under section 62 of the AH Act where disturbance is caused.
- 8.7 However, as noted above, the absence of recorded Aboriginal cultural heritage sites within the remainder of the Tenements does not mean that Aboriginal cultural heritage sites or objects do not exist within these other areas. The absence of recorded Aboriginal heritage sites or objects may simply reflect a lack of previous cultural heritage surveys having been conducted in an area. For conclusive results, cultural heritage surveys of these other areas should be conducted to identify any existing Aboriginal cultural heritage.
- 8.8 Part 1 of the ACH Act 2021, which amongst other things, amends section 18 of the AH Act and introduces a five-year limit on any new approvals applied for and granted after 23 December 2021. There is an 18 month transitional period (commencing on 23 December 2021) to allow the preparation of the regulations, statutory guidelines and operational policies under the ACH Act 2021, following which the ACH Act 2021 will come into effect and the AH Act will be repealed. The repeal of the AH Act will mark the end of section 18 approvals process under the AH Act, and proponents will need to undertake a due diligence assessment for activities that may harm Aboriginal cultural heritage, and depending on the classification of the activity (the classification of such activities will be specified in the regulations, which are being prepared), a proponent may require an Aboriginal Cultural Heritage (**ACH**) permit or an approved or authorised ACH plan.

# 14. Independent Solicitor's Report

## Pacific Bauxite Limited Solicitor's Report on Tenements



### 9. Material Contracts

- 9.1 We have reviewed and reported on the following agreements entered into by the Company in relation to the Tenements. The Royalty Deeds and Proposed Acquisition Agreements are summarised in detail at section 9 of the Prospectus. We have not been asked to summarise the Proposed Acquisition Agreements in this report.

#### Oceanic Royalty Deed

- 9.2 The Company has agreed to pay to Monarch Royalty & Investments a 1.5% net smelter return royalty on all base and precious metals and rare earth minerals and a \$1 per tonne royalty for any bauxite, iron ore or any other valuable commodity (subject to CPI increases annually) extracted from ELA70/5111 (if granted) or any subsequent tenement over the area, conditional upon the Deed of Company Arrangement being effectuated, pursuant to a Royalty Deed between the Company and Monarch Royalty & Investments executed on 28 January 2022 (**Oceanic Royalty Deed**).
- 9.3 The Oceanic Royalty Deed is otherwise on terms considered standard for a royalty of this kind. We note that the royalty holder has the right to lodge a caveat against the relevant Tenement to protect its royalty interest, but as at the date of the Searches, has not lodged a caveat.

#### Western Yilgarn Royalty Deed

- 9.4 The Company has agreed to pay to Monarch Royalty & Investments and Glen William Goulds a 2% net smelter return royalty on all minerals produced and sold, removed or otherwise disposed of from E36/1010, E36/1011, E70/5767, E70/5921 and ELA36/1025 (if granted) or any subsequent tenement over the area, conditional upon the Western Yilgarn Proposed Acquisition Agreement completing, pursuant to a Royalty Deed between the Company, Monarch Royalty & Investments and Glen William Goulds executed on 28 January 2022 (**Western Yilgarn Royalty Deed**).
- 9.5 The Western Yilgarn Royalty Deed is otherwise on terms considered standard for a royalty of this kind. We note that the royalty holder has the right to lodge a caveat against the relevant Tenements to protect its royalty interest, but as at the date of the Searches, has not lodged a caveat.

#### AAM Resources Royalty Deed

- 9.6 The Company has agreed to pay to Monarch Royalty & Investments and Glen William Goulds a 2% net smelter return royalty on all minerals are produced and sold, removed or otherwise disposed of from E52/3861, E58/562 and E59/2496 or any subsequent tenement over the area, conditional upon the AAM Resources Proposed Acquisition Agreement completing, pursuant to a Royalty Deed between the Company, Monarch Royalty & Investments and Glen William Goulds executed on 28 January 2022 (**AAM Resources Royalty Deed**).
- 9.7 The AAM Resources Royalty Deed is otherwise on terms considered standard for a royalty of this kind. We note that the royalty holder has the right to lodge a caveat against the relevant Tenements to protect its royalty interest, but as at the date of the Searches, has not lodged a caveat.

#### NSHA

- 9.8 Western Yilgarn entered into a NSHA relating to E70/5767 with SWALSC (for and on behalf of the Yued People) on 19 August 2021.
- 9.9 Under the NSHA, subject to limited exceptions noted in the following paragraph, Western Yilgarn is required to issue a notice in writing to SWALSC (**Activity Notice**) before undertaking physical works or operations on any part of E70/5767. The Activity Notice must contain adequate information to assist SWALSC to make an assessment as to whether a survey is required in relation to a proposed activity, and if a survey is required, to provide information relevant to the

## Pacific Bauxite Limited Solicitor's Report on Tenements



conduct of that survey. Following receipt of an Activity Notice, SWALSC may determine that a heritage survey may be required before Western Yilgarn can conduct such activities. Western Yilgarn will be responsible for payment of the costs of surveys.

- 9.10 Western Yilgarn may elect not to provide an Activity Notice where it has reasonable grounds to form the opinion that no heritage survey is required and the proposed activities consist entirely of Minimal Impact Activities, or Low Ground Disturbance Activities (as those terms are defined in the agreement) of a class that SWALSC has notified in writing to Western Yilgarn need not be the subject of an Activity Notice.
- 9.11 The results of any such survey may restrict the ability of the Company to conduct activities on part of the land the subject of the Tenement. Provided the Company complies with any recommendations in a survey report, it can rely on the report to demonstrate compliance with the AH Act or any other relevant statutory approvals.
- 9.12 Under the NSHA, Western Yilgarn must provide at least 30 business days' notice to SWALSC and consult with SWALSC before applying for any section 16 or 18 clearances under the AH Act.
- 9.13 The NSHA is generally on terms considered standard for agreements of this nature.

### **Niyaparli Heritage Agreement**

- 9.14 AAM Resources entered into the Niyaparli Heritage Agreement with KNAC (for and on behalf of the Niyaparli People) on 8 June 2021 in relation to E52/3861.
- 9.15 Under the Niyaparli Heritage Agreement, subject to limited exceptions, AAM Resources is required to issue a notice in writing to KNAC (**Heritage Notice**) before undertaking exploration activities on E52/3861. The Heritage Notice is to determine whether a heritage survey is required in relation to a proposed activity, and if so, what kind. Following receipt of a Heritage Notice, KNAC may determine that a heritage survey may be required before AAM Resources can conduct such exploration activities. Western Yilgarn will be responsible for payment of the costs of surveys.
- 9.16 AAM Resources may carry out Low Impact Activities (as that term is defined in the agreement) on any area that is not recorded as protected area under the AH Act without issuing a Heritage Notice in limited circumstances, being where the parties agree, KNAC waives its rights under the agreement in writing, or a heritage survey (comprising both an ethnographic and archaeological survey) has already been conducted over the relevant area.
- 9.17 The results of any such survey may restrict the ability of the Company to conduct activities on part of the land the subject of the E52/3861. Provided the Company complies with any recommendations in a survey report, it can rely on the report to demonstrate compliance with the AH Act or any other relevant statutory approvals.
- 9.18 Under the Niyaparli Heritage Agreement, Western Yilgarn must provide at least 30 days' notice to the KNAC and the Niyaparli People and consult with the Niyaparli People before applying for any section 16 or 18 clearances under the AH Act.
- 9.19 The Niyaparli Heritage Agreement is generally on terms considered standard for agreements of this nature.

# 14. Independent Solicitor's Report

## Pacific Bauxite Limited Solicitor's Report on Tenements



### 10. Assumptions, qualifications and exceptions

- 10.1 In relation to the Tenements, we have made the following assumptions in the preparation of this report:
- (a) our investigations were confined to the Searches and the agreements provided as set out above, unless otherwise specified. We note that this report is accurate and complete only to the extent that the information resulting from these Searches was correct as at the date that the Searches were conducted;
  - (b) there have been no material changes in the standing of the Tenements since the dates of our Searches;
  - (c) the Ministers administering the relevant Acts mentioned by this report and each of their delegates have been validly appointed, have acted within the scope of their power, authority and discretion in granting the Tenements and are able and willing to grant any required consents and approvals under relevant legislation;
  - (d) the authenticity of all signatures and seals and of any duty stamp or marking;
  - (e) the effectiveness, accuracy, completeness and conformity to originals of all copy documents submitted to us;
  - (f) that the documents are within the capacity and powers of, and have been validly authorised, executed, duly stamped (where required) and delivered by and are binding on the parties to them;
  - (g) that there are no defaults or contraventions under any agreement or instrument (other than those set out in this report) which have led or will lead to litigation or have other adverse consequences;
  - (h) that all relevant authorisations were obtained in all relevant jurisdictions prior to all transactions reviewed being entered into and were in full force and effect at all material times and that all obligations under those authorisations have been observed at all times;
  - (a) other than where we have indicated more information is required, that there were no documents other than those which were disclosed to us which related to the issues which we examined;
  - (b) the constitutional validity of all relevant legislation;
  - (c) that the registered holder of a Tenement has valid legal title to the Tenement;
  - (d) that the native title procedures set out in the Mining Act and NT Act were complied with in respect to either the grant or renewal of any of the Tenements and that the grants or renewals of the Tenements were validly made; and
  - (e) that we have not made enquiries as to the presence of Aboriginal sites, objects or remains in the Tenements, other than the Searches, and we have not made enquiries about the presence or adequacy of previous surveys.
- 10.2 No other matters form part of the scope of this report. We have not been instructed as part of the scope of this report to, nor have we, concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- 10.3 With respect to the Applications stage, we do not express any opinion as to if and when they will be granted and cannot confirm the conditions which may be imposed on grant.

## Pacific Bauxite Limited Solicitor's Report on Tenements



- 10.4 In this report, we do not express any opinion as to whether any approvals or consents necessary to carry out exploration activities on the Tenements or the land the subject of the Tenements will be granted, or any conditions which may be imposed on grant.
- 10.5 As noted above, the scope of this report is limited only to the information obtained from the Searches, including the extracts obtained from LandTrack Systems and the agreements we were provided which are listed above.
- 10.6 We have not been instructed as part of the scope of this report to, nor have we:
- (a) conducted searches of the AHIS maintained by the DPLH for unregistered "Other Heritage Places" overlapping the Tenements or made enquiries about the presence or adequacy of previous Aboriginal heritage surveys;
  - (b) conducted searches of or made enquiries regarding any contaminated sites or environmental approvals or conditions in respect of the Tenements; or
  - (c) conducted Landgate searches to ascertain ownership of minerals on freehold land parcels or investigated whether surface rights have been included in the grant of Tenements which overlap freehold land.
- 10.7 We have not been instructed as part of the scope of this Solicitor's Report to determine the application of safety or environmental legislation that may be relevant to the Tenements and the Company.
- 10.8 Where we state in this report that 'we have been instructed' or 'we are advised', this indicates that we have relied on statements (whether written or oral) provided by the Company, employees of the Company or a relevant Government department, respectively. We are unable to verify the accuracy of these statements as this verification is outside the scope of this report. We also noted where we have made assumptions and the basis for that assumption.
- 10.9 Where laws are mentioned, the Solicitor's Report does not purport to mention every requirement in respect of the relevant law and items listed after the word 'including' in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

### 11. Consent

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- 11.1 HopgoodGanim Lawyers has prepared this report for the purpose of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus, and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior written consent. To the extent permitted by law, HopgoodGanim Lawyers disclaims any liability in respect of this report to any person other than the Company.

Yours faithfully

*HopgoodGanim*

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HopgoodGanim Lawyers

# 14. Independent Solicitor's Report

## Schedule 1 - Tenement Schedule

No.	Tenement	Registered Holder / Applicant	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Status	Title	Security Bond	Standing		Overlapping Interests
										Rent (Current Year)	Rent (Previous Year)	
1.	E36/1010	Western Yilgarn PGM Pty Ltd	Live	13-Sep-21	12-Sep-26	N/A	Cleared expedited procedure <b>Overlaps</b> Nil	\$5,000 security	2022: \$2,961 paid in full 2023: \$3,066 due by 12 October 2022*	2022: \$21,000 commitment Form 5 due 11 November 2022	<ul style="list-style-type: none"> <li>GWA 21 Groundwater Area Goldfields 100%</li> <li>Pinnacles Pastoral Lease N049812 (100%)</li> </ul>	
2.	E36/1011	Western Yilgarn PGM Pty Ltd	Live	13-Sep-21	12-Sep-26	N/A	Cleared expedited procedure <b>Overlaps</b> Nil	\$5,000 security	2022: \$2,256 paid in full 2023: \$2,336 due by 12 October 2022*	First year tenement 2022: \$20,000 commitment Form 5 due 11 November 2022	<ul style="list-style-type: none"> <li>GWA 21 Groundwater Area Goldfields 100%</li> <li>Pinnacles Pastoral Lease N049812 (100%)</li> </ul>	
3.	ELA36/1025	Western Yilgarn PGM Pty Ltd	Pending			N/A	Notified as act attracting expenditure procedure 14 December 2021 <b>Overlaps</b> Nil	\$5,000 security	First year rental paid on application: \$2,044	N/A	<ul style="list-style-type: none"> <li>GWA 21 Groundwater Area Goldfields 100%</li> <li>Pinnacles Pastoral Lease N049812 (100%)</li> </ul>	
4.	E52/361	AAMI Resources Pty Ltd	Live	2-Jul-21	1-Jul-26	N/A	Cleared expedited procedure <b>Overlaps</b> Nyysparri and Nyysparri #3 determination	\$5,000 security	2022: \$6,063 paid in full 2023: \$6,278 due by 1 August 2022*	First year tenement 2022: \$43,000 commitment Form 5 due 30 August 2022	<ul style="list-style-type: none"> <li>GWA 21 Groundwater Area Goldfields (100%)</li> <li>SWA 30 Surface Water Area Pilbara 100%</li> <li>Ethel Creek Pastoral Lease N049724 (6.02%)</li> <li>Sylvania Pastoral Lease N049932 (93.98%)</li> </ul>	
5.	E68/662	AAMI Resources Pty Ltd	Live	14-Jan-21	13-Jan-26	N/A	Native Title extinguished - Bedrina People determination	\$5,000 security	2023: \$406 paid in full 2024: \$406 due by 13 February 2023*	2022: \$10,000 commitment Form 5 due 14 March 2022 2023: \$10,000 commitment Form 5 due 14 March 2023	<ul style="list-style-type: none"> <li>E592336 (held by Flinders Canegrass Pty Ltd) is stated to overlap E59/562 on Quick Appraisal but Mineral Titles Online Search indicates that E592336 is excluded from area of E59/562</li> <li>GWA 15 Groundwater Area East Murchison 100%</li> <li>Aley Pastoral Lease N049696 (25.52%)</li> <li>Challa Pastoral Lease N049689 (74.48%)</li> <li>Challa Station Regeneration Project - ERF121431 - Challa Credits (Carbon Farming Initiative) Challa Station Regeneration Project (100%)</li> </ul>	

No.	Tenement	Registered Holder / Applicant	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Status	Title	Security Bond	Standing		Overlapping Interests
										Rent (Current Year/ Previous Year)	Expenditure (Current Year / Previous Year)	
6.	E59/2496	AAMI Resources Pty Ltd	Live	7-Jan-21	6-Jan-26	N/A	Native Title extinguished – Badimia People determination	Title	\$5,000 security	2023: \$1,833 paid in full 2024: \$1,898 due February 2023*	2022: \$20,000 commitment Form 5 due 7 March 2022 2023: \$20,000 commitment Form 5 due 7 March 2023	<ul style="list-style-type: none"> <li>GWA 15 Groundwater Area East Murchison: 100%</li> <li>Boodanoo Pastoral Lease N048908 (100%)</li> </ul>
7.	EL170/5111	PBX Aus Pty Ltd	Pending			<p>ID: 15979 – Avon (Mythological Camp, Natural Feature, Water Source, Other: Food Resource)</p> <p>ID: 38659 – Needonga (Mythological, Water Source)</p>	<p>Cleared expedited procedure (26 March 2019)</p> <p>South West Settlement Native Title extinguished</p> <p><b>Overlap</b></p> <p>Yued (90.44%)</p> <p>Whadjuk (9.56%)</p>	ILUA ILUA	\$5,000 security	First year application: \$15,946 on	N/A	<ul style="list-style-type: none"> <li>Freehold Regional: 266 Land parcels affected 88.03%</li> <li>No conditions imposed as yet but expected to exclude any private land related to in section 28(2) of the Act, and that below 30 metres from the natural surface of the land.</li> <li>F 61 State Forest (10.30%)</li> <li>Proposed Forest: Conservation Area JULIMAR (10.31%)</li> <li>R 29100 °C Class reserve buffer strip (0.53%)</li> <li>R 965 °C Class Reserve conservation of flora and fauna (0.13%)</li> <li>Numerous road reserves, including Great Northern Highway</li> <li>GWA 18 Groundwater Area Gintjin 3.19%</li> <li>SWA 34 Surface Water Area Swan River system (62.03%)</li> <li>ANCA Wetlands Chittering – Needonga Lakes (0.01%)</li> <li>Dieback Risk Zone (100%)</li> <li>3101 WA Heritage Site Catholic Agricultural College, Bindoon (0.55%)</li> <li>05919 Commonwealth Heritage Listing Bindoon Agricultural College (0.64%)</li> <li>FNA 10514 Proposed Pilgrims Trail Site of Toodyay Section 16 (3) clearance 0.53%</li> <li>FNA 10875 Proposed licence for access portion of Reserve 29100 Section 91(5) LAA (0.15%)</li> <li>FNA 12671 Perth and Peel Green Growth Plan # - Proposed lands to be reserved Class A under the CALM Act and vested in the Conservation Commission of Western Australia as a national park or conservation park (as at 2015) Perth and Peel Green Growth Plan (2.97%)</li> <li>FNA 2874 Clause 9(20)(c) Alumina Refinery Agreement Act Bawltle (3.41%)</li> <li>FNA 2932 Commonwealth Defence Training Area - Bindoon Also Commonwealth Registered Site Number 105619 Bindoon Training Area (1.46%)</li> <li>Unallocated Crown Land (&lt;0.01%)</li> </ul>

# 14. Independent Solicitor's Report

No.	Tenement	Registered Holder / Applicant	Status	Granted	Expiry	Aboriginal Cultural Heritage Registered Sites	Native Status	Title	Security Bond	Standing		Overlapping Interests
										Rent (Current Year)	Rent (Previous Year)	
8.	E705767	Western Yigam PGM Pty Ltd	Live	12-Jul-21	11-Jul-26	N/A	Native extinguished <b>Overlap</b> Yued (100%)	Native Title <b>Overlap</b> ILLUA	\$5,000 security	2022: \$4,935 paid in full 2023: \$5,110 due 11 August 2022	First year tenement 2022: \$35,000 commitment Form 5 due 9 September 2022	<ul style="list-style-type: none"> <li>Freehold Regional: 51 land parcels affected (98.50%) - E705921 excludes any private land referred to in section 29(2) of the Mining Act, except that below 30 metres from the natural surface of the land.</li> <li>R 12637 "C" Class Reserve Water (0.04%) Various road reserves, including Great Northern Hwy (SWA 2 Surface Water Area Avon River System (SWA) Management Authority Avon River Management Area (93.49%))</li> <li>FNA 13782 - land requirement for road purposes Great Northern Hwy - Dalwallinu to Wubin project, Shire of Dalwallinu notice of intention to take - 8th December 2017 (0.02%)</li> </ul>
9.	E705821	Western Yigam PGM Pty Ltd	Live	6-Dec-21	5-Dec-26	N/A	Native extinguished <b>Overlap</b> Yued (100%)	Native Title <b>Overlap</b> ILLUA	\$5,000 security	2022: \$4,818 paid in full 2023: \$4,818 due 5 Jan 2023*	First year tenement 2022: \$20,000 commitment Form 5 due 11 November 2022	<ul style="list-style-type: none"> <li>Freehold Regional: 60 land parcels affected (79.35%) - E705921 excludes any private land referred to in section 29(2) of the Mining Act, except that below 30 metres from the natural surface of the land.</li> <li>R 16173 "C" Class Reserve parkland (0.54%)</li> <li>R 16272 "C" Class Reserve public utility (1.88%)</li> <li>R 17692 "C" Class Reserve sycamore forest (1.92%)</li> <li>R 17696 "C" Class Reserve Water (0.06%)</li> <li>R 17696 "C" Class Reserve Water (&lt;0.01%)</li> <li>R 24871 "C" Class Reserve Water (1.97%)</li> <li>R 38371 "A" Class Reserve conservation of flora &amp; fauna (6.30%)</li> <li>R 38824 "C" Class Reserve rubbish disposal site (0.06%)</li> <li>Rail Corridor Land Dalwallinu - Wongan Hills (1.10%) Various road reserves, including Great Northern Hwy (SWA 2 Surface Water Area Avon River System 100%)</li> <li>SWA 2 Surface Water Area Avon River System 100%</li> <li>Waterways Management Authority Avon River Management Area (93.98%)</li> <li>Unallocated Crown Land 5.12%</li> <li>FNA 12843 - land required for road purposes for Perth to Darwin national highway road widening section 16(3) (0.02%)</li> <li>FNA 13782 - land required for road purposes Great Northern Hwy - Dalwallinu to Wubin project, Shire of Dalwallinu notice of intention to take - 8th December 2017 (0.11%)</li> <li>FNA 15834 - proposed excision of portions of various freehold lots, (being proposed lot 302) for road purposes as part of Northern - Pitmeare road upgrade, East Balleau and East Damboning, Section 16(3) clearance taking order (1106021) (0.06%)</li> </ul>

\*Annual rent increase to be applied 1 July 2022

## Schedule 2 – Conditions Schedule

Tenements	Conditions	Endorsements
E36/1010	1-5	1-10
E36/1011	1-5	1-10
E52/3861	1-6, 25	1-13
E58/562	1-5	1-10, 14
E59/2496	1-5	1-10
E70/5767	1-3, 7-10	1-8, 10-12, 15, 17-19
E70/5921	1-3, 6, 8, 10-24	2-5, 7-13, 16-19
ELA36/1025	N/A	N/A
ELA70/5111	N/A	N/A

The following are summaries of the conditions and endorsements of each Tenement as described on the register of mining tenements maintained by DMIRS. These summaries are substantially the same as, but may differ as to the precise wording of, the conditions and endorsements on the register of mining tenements and the numbers that reference them in this report are different to those used in the register of mining tenements.

### Conditions

- All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
- All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
- Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
- The Licensee making verbal or written contact with the holder of any underlying pastoral or grazing lease within a reasonable time prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment
- The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
  - \* the grant of the Licence; or
  - \* registration of a transfer introducing a new Licensee;
 advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
- No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
- The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve 12637.
- No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the North West Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.
- No interference with Geodetic Survey Station MOORA 193, S280 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- As the Yued People's ILUA (relevant ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:
  - (i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;
  - (ii) where:
    - A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and
    - B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and
    - C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and
    - (iii) provide to the Department of Mines, Industry Regulation and Safety (DMIRS) a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies
- The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Parkland Reserve 16173, Gypsum Deposit Reserve 17536, Water Reserves 17602, 17626 and 24671, Conservation of Flora and Fauna Reserve 36371 and Rubbish Disposal Site Reserve 36624.
- No excavation, excepting shafts, approaching closer to the Great Northern Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the Great Northern Highway or Highway verge being confined to below a depth of 30 metres from the natural surface.
- Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

# 14. Independent Solicitor's Report

14. No interference with Geodetic Survey Stations MOORA 94, 95, 96 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
15. Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.
16. No interference with the Australian Telecommunications Commission microwave repeater station ray-line.
17. No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (Dalwallinu - Wongan Hills) as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act 1978.
18. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 17 hereof than a distance equal to three times the depth of the excavation without the prior written approval of Mines Safety, DMIRS.
19. Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 17 hereof being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land.
20. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 17 hereof without the prior approval of the operator of the railway on corridor land.
21. The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 17 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of Mines Safety, DMIRS.
22. No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS.
23. The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
24. Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.
25. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.

#### Endorsements

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2. The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. In respect to Water Resource Management Areas: The Licensee's attention is drawn to the provisions of the:
  - Waterways Conservation Act, 1976
  - Rights in Water and Irrigation Act, 1914
  - Metropolitan Water Supply, Sewerage and Drainage Act, 1909
  - Country Areas Water Supply Act, 1947
  - Water Agencies (Powers) Act 1984
4. The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water for inspection and investigation purposes.
5. The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water's relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
6. In respect to Water Resource Management Areas: the taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water
7. Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways.
8. All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
9. In respect to Proclaimed Ground Water areas: the taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water
10. The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
11. In respect to Proclaimed Surface Water Areas, Irrigation District Areas and rivers: the taking of surface water from a watercourse or wetland is prohibited unless a current licence as been issued by the Department of Water.
12. In respect to Proclaimed Surface Water Areas, Irrigation District Areas and rivers: advice shall be sought from the Department of Water and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users
13. In respect to Proclaimed Surface Water Areas, Irrigation District Areas and rivers: no exploration activity is to be carried out if: it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland; or it relates to the taking or diversion of water, including diversion of the watercourse or wetland, unless in accordance with a permit issued by the Department of Water and Environmental Regulation
14. The grant of this licence does not include the land the subject of prior Exploration Licence 58/236-I. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia"
15. The grant of this Licence is restricted to gold, silver and precious metals in respect to private land which was alienated from the Crown prior to 1 January 1899.
16. The land the subject of this Licence affects Threatened and Priority Flora (including Rare Flora sites 87411, 89045 and 94626) declared under the Biodiversity Conservation Act 2016. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions via email address [flora.data@dbca.wa.gov.au](mailto:flora.data@dbca.wa.gov.au) (with ID numbers) to receive the population details and information on the management of Threatened and Priority Flora present within the tenement area.
17. Prior to undertaking any exploration within a Waterways Management Area the Licensee shall seek advice from the Department of Water and Environmental Regulation (DWER).

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18. Any dredging and/or reclamation within a Waterways Management Area which affects the waterway or adjacent land within the Waterway Management Area is prohibited unless a current licence to dredge and/or reclaim has been issued by the Department of Water and Environmental Regulation (DWER).
  19. Any discharge or deposit of any matter within a Waterways Management Area which affects the waterway or adjacent land within the Waterways Management Area is prohibited unless a current disposal licence has been issued by the Department of Water and Environmental Regulation (DWER).

# 15. Investigating Accountant's Report



## Moore Australia

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T +61 8 9225 5355  
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[www.moore-australia.com.au](http://www.moore-australia.com.au)

3 February 2022

The Directors  
Pacific Bauxite Limited  
(Subject to a Deed of Company Arrangement)  
Level 1, 2A/300 Fitzgerald Street  
North Perth WA 6006

Dear Directors

## Independent Limited Assurance Report

### 1. Introduction

This report has been prepared at the request of the Directors of Pacific Bauxite Limited (subject to a Deed of Company Arrangement (the "Company") for inclusion in a prospectus to be issued by the Company ("Prospectus") in respect of the proposed public offering of fully paid ordinary shares in the Company ("Capital Raising" or "the Offer") and the listing of the Company on the Australian Securities Exchange Limited ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the prospects for the Company, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

### 2. Scope of Report

The Directors of the Company have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Independent Limited Assurance Report on:

#### Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of the Company for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021;
- The Historical Consolidated Statements of Cash flows of the Company for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021; and
- The Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021.

which is collectively termed the "Historical Financial Information".

The Historical 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 financial reports in accordance with the *Limited Act 2001*.

Moore Australia Corporate Finance (WA) Pty Ltd as trustee – ABN 41 421 048 107.  
An independent member of Moore Global Network Limited - members in principal cities throughout the world.  
Liability limited by a scheme approved under Professional Standards Legislation.



#### **Historical Financial Information (continued)**

The Historical Financial Information has been extracted from the audited general purpose financial statements of the Company for the financial years ended 30 June 2020, 30 June 2021 and the reviewed half year report of the Company for the 6 months ended 31 December 2021.

The financial reports of the Company for the financial years ended 30 June 2020 and 30 June 2021 were audited by Rothsay Auditing. Rothsay Auditing issued unmodified audit opinions for each of the years specified. The financial reports of the Company for the half year ended 31 December 2021 were reviewed by Rothsay Auditing. Rothsay Auditing issued an unmodified conclusion for the period specified. For each of the years and periods noted above Rothsay Auditing raised an emphasis of matter in respect of material uncertainty related to going concern.

The Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Company for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021 are included at section 7.3.1 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statement of Cash flows of the Company for financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021 are included at section 7.3.2 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statements of Financial Position as at 31 December 2021 of the Company is included in section 7.3.3 of the Prospectus and is presented without adjustment.

#### **Pro Forma Historical Financial Information**

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Pro Forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021, adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 7.3.5 of the Prospectus, as if those events and transactions occurred as at 31 December 2021.

which is collectively termed the “Pro Forma Historical Financial Information”.

The Pro Forma Historical Consolidated Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 31 December 2021, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in section 7.3.5, as if those events and transactions occurred as at 31 December 2021. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's future financial position.

### **3. Scope of Review**

#### **Directors' Responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Historical and Pro Forma Historical financial information, including the determination of the pro forma transactions. The Directors are also responsible for the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the Prospectus that is free from material misstatement whether due to fraud or error.

# 15. Investigating Accountant's Report



## Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Historical Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the Pro Forma Historical Financial Information, or the Pro Forma Historical Financial Information itself.

The purpose of the compilation of the Pro Forma Historical Financial Information is solely to illustrate the impact of the proposed Capital Raising, related transactions and accounting policies on unadjusted financial information of the Company as if the event or application of accounting policies had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising, related transactions and accounting policies would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited and reviewed financial statements of the Company and its controlled entities, including a review of the auditor's work papers and making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Historical Financial Information; and
- enquiry of Directors, management and advisors of the Company.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware of any matters that indicate the Historical and Pro Forma Historical Financial Information, set out in section 7 of the Prospectus, does not present fairly, in all material respects, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 31 December 2021, the pro forma financial position as at 31 December 2021, and of its financial results and cash flows for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021.



#### 4. Valuation of Interests in Exploration and Evaluation Assets

The principal assets of the Company post relisting, in addition to cash and cash equivalents, will be its interests in exploration and evaluation assets. The interests in exploration and evaluation assets have been included at cost of acquisition of \$650,000 in the pro forma Statement of Financial Position as at 31 December 2021, which is in accordance with the accounting policy adopted for such assets by the Company. We have not performed our own valuations of the exploration and evaluation assets and do not express a view on whether the carrying value of the exploration and evaluation assets are fairly stated. The value of the exploration and evaluation assets may rise or fall depending on future exploration results and world commodity prices.

#### 5. Conclusions

Based on our review, which is not an audit:

- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Profit or Loss and other comprehensive income of the Company for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021, as set out in section 7.3.1 of the Prospectus, do not present fairly the results of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Cash Flows of the Company for the financial years ended 30 June 2020 and 30 June 2021 and the half year ended 31 December 2021, as set out in section 7.3.2 of the Prospectus, do not present fairly the cash flows of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Statement of Financial Position of the Company, as set out in section 7.3.3 of the Prospectus, does not present fairly the assets and liabilities of the Company as at 31 December 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Pro Forma Historical Statement of Financial Position of the Company, as set out in section 7.3.4 of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 31 December 2021 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 7.3.5 of the Prospectus.

#### Emphasis of Matter – Uncertainty relating to going concern

In forming our conclusions on the financial information, which is not modified, we have considered the adequacy of the disclosure as set out in section 7.5.1 of the Prospectus, concerning the Company's ability to continue as a going concern. As disclosed in section 7.5.1, the Company is dependent on various funding initiatives in order to fund working capital and discharge its liabilities in the ordinary course of business. The financial information does not include any adjustments that may be required if the Company was unable to continue as a going concern. In our opinion, based on the Company's proposed use of funds and business plans as set out in the Prospectus, completion of the proposed Capital Raising pursuant to the Prospectus is expected to be sufficient to enable the Company to continue operating as a going concern.

#### 6. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

# 15. Investigating Accountant's Report



## 7. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Moore Australia Corporate Finance (WA) Pty Ltd was not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included and at the date of this report has not withdrawn this consent.

Yours faithfully

A handwritten signature in black ink that reads 'Neil Pace'.

Neil Pace  
Director

Moore Australia Corporate Finance (WA) Pty Ltd



## MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD

Australian Financial Services Licence No. 240773

### FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Limited Assurance Report for Pacific Bauxite Limited (subject to a Deed of Company Arrangement) (the "Company"). Our report has been prepared at the request of the Directors of the Company for inclusion in the Prospectus to be dated on or about 7 February 2022 in respect of the public offering of fully paid ordinary shares in the Company and the Company seeking re-quotations of its securities on the Official List of the Australian Securities Exchange Limited.

#### Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the Directors of the Company to prepare an Independent Limited Assurance Report in respect of the public offering of fully paid ordinary shares in the Company and the Company seeking re-quotations of its securities on the Official List of the Australian Securities Exchange Limited.

MACF holds an Australian Financial Services Licence – Licence No 240773.

#### Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

#### Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

#### General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

#### Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$15,000 plus GST.

#### Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

#### Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

#### Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered, Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

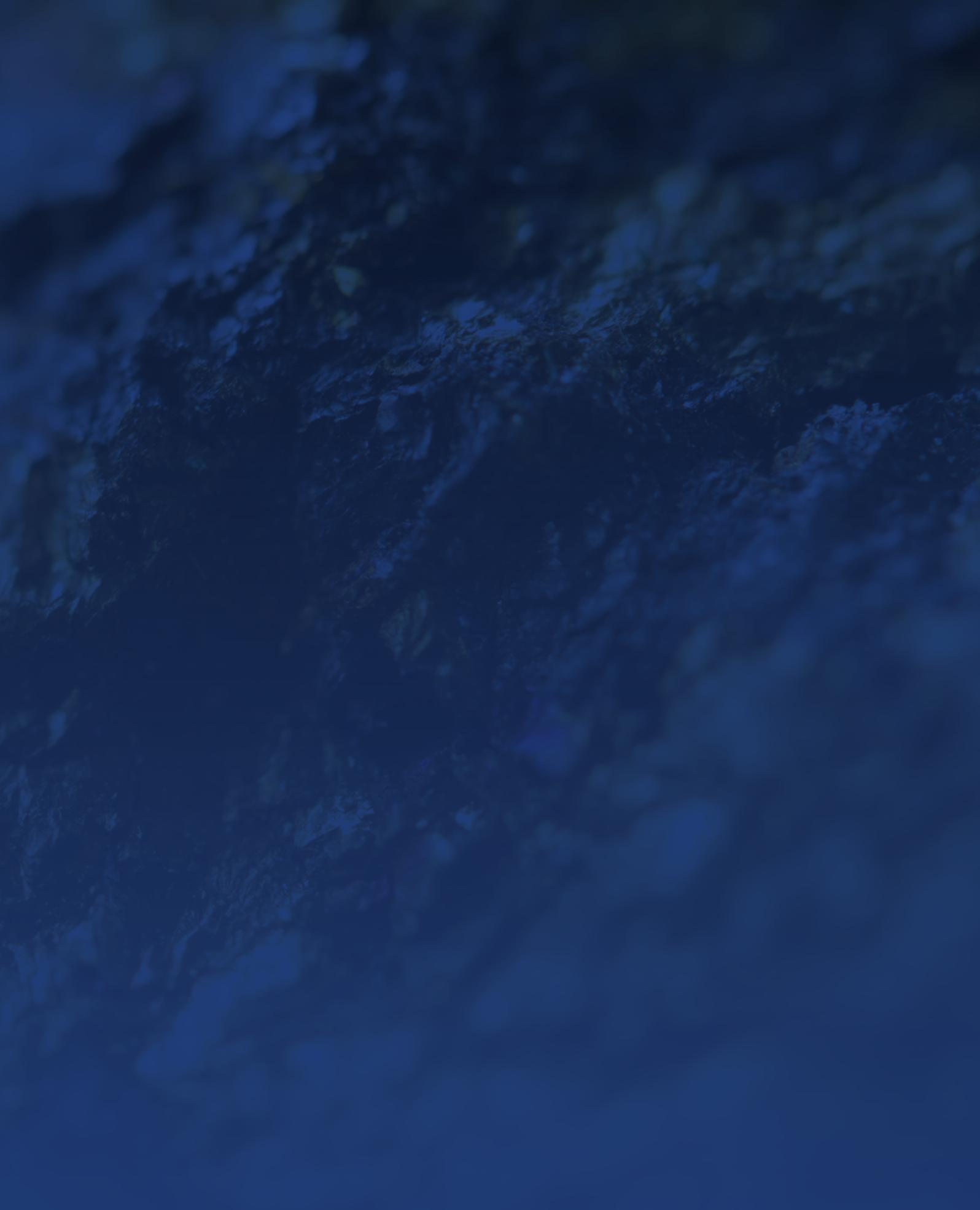
#### Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6830.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1800 930 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)



**Pacific Bauxite Limited**

2A / 300 Fitzgerald Street  
North Perth WA 6006