

## LARGE EXPLORATION TARGET DEFINED AT SOUTH WEST NEW GEORGIA BAUXITE PROJECT IN SOLOMON ISLANDS

### HIGHLIGHTS

- Initial Exploration Target confirmed at South West New Georgia Bauxite Project (SWNG) following extensive exploration
- Multiple large high-grade targets defined with characteristics of direct shipping ore (DSO) quality bauxite
- Company believes SWNG is prospective for large tonnage DSO bauxite mineralisation which may be amenable to cost-effective dig-load-ship style mining operation
- Resource definition program will be undertaken as a priority – consultants CSA Global engaged to manage and complete Resource definition

Pacific Bauxite Limited (ASX: PBX) (**Pacific Bauxite** or **Company**) is pleased to announce an initial Exploration Target at its South West New Georgia Bauxite Project (**SWNG** or **Project**) in the Western province of the Solomon Islands.

Exploration has resulted in the definition of large areas of high-tenor bauxitic soils, grading +40% Al<sub>2</sub>O<sub>3</sub>, (alumina) (Figure 1). Distinct high-grade targets, with characteristics suitable for DSO quality bauxite, have been identified throughout the Project area in this recent phase of exploration.

Two areas in the southern part of the SWNG Prospecting Licence - the Kindu and Dunde prospects (Figure 2) - were identified as priority targets due to the high grade Al<sub>2</sub>O<sub>3</sub> and lower silica content.

An initial Exploration Target<sup>(1)</sup> of **5.92Mt – 10.05Mt @ 41.0% – 48.0% Al<sub>2</sub>O<sub>3</sub> (alumina) and 9.5% - 11.8% SiO<sub>2</sub> (silica)** (Tables 1 and 2) has been estimated at the Kindu and Dunde prospects. These two targets are now the priority focus for resource definition work, scheduled to commence in the near future.

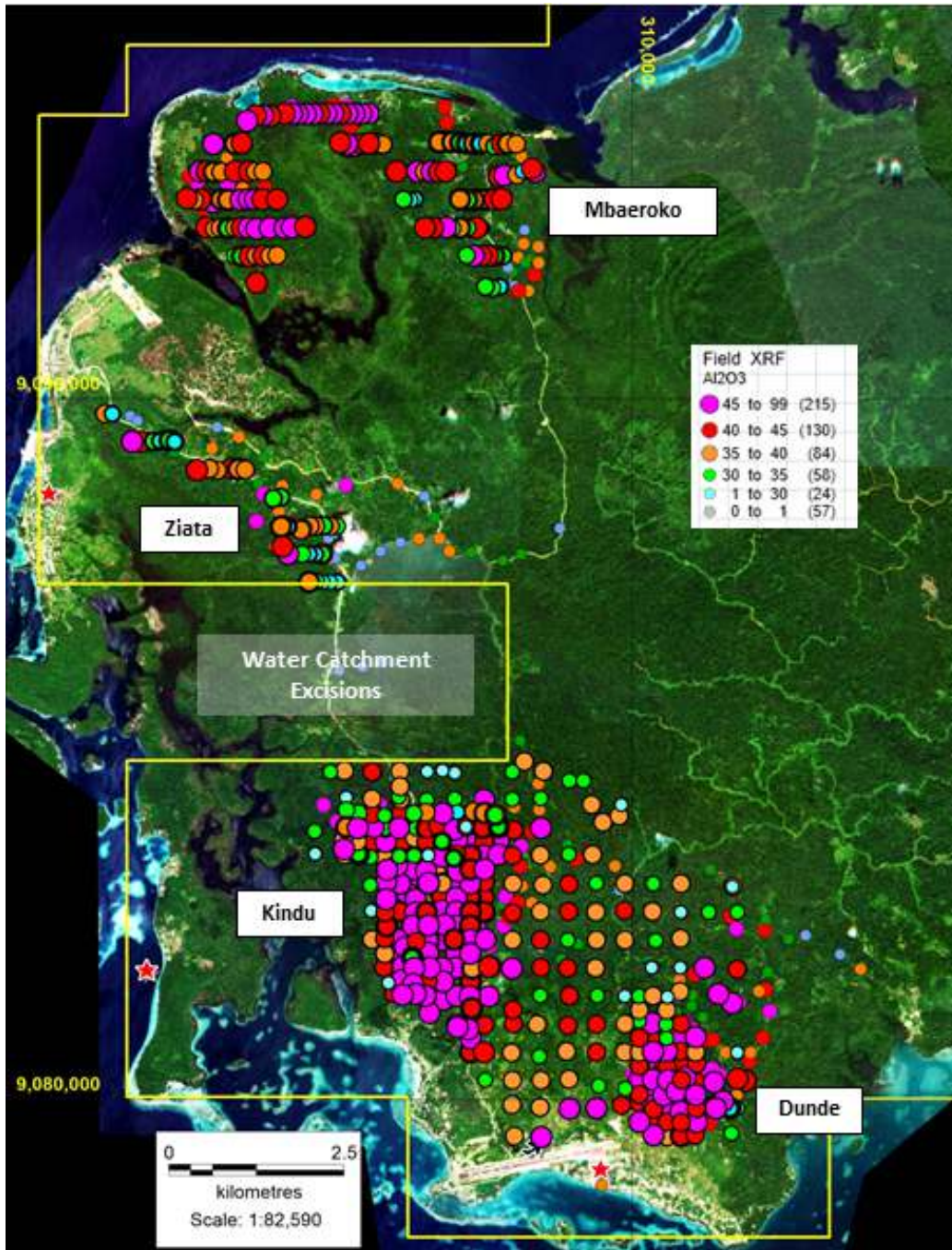
Tonnes		Total Al <sub>2</sub> O <sub>3</sub>		Total SiO <sub>2</sub>	
From	To	From	To	From	To
5,920,000	10,050,000	41.0	48.0	9.5	11.8

**Table 1** – Initial Exploration Target<sup>(1)</sup> for the Kindu and Dunde Prospects, South West New Georgia Project.

**(1) This Exploration Target is not a Mineral Resource as defined by JORC 2012. The target is conceptual in nature and, to date, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Additional details defining the basis for this target are presented within this document.**

The Exploration Target was defined using the results of the Company's recently completed extensive auger drilling and sampling program at the Project. A total of 562 hand-auger holes were completed, with 1092 samples taken; of these samples, 979 were analysed at the Company's field laboratory via hand-held XRF.

Representative samples from the recently completed program will now be sent to a certified Australian laboratory for detailed analysis.



**Figure 1** – Satellite Imagery of the SNWG Project, including auger drilling locations, colour coded with grade ranges for field hand-held XRF Al<sub>2</sub>O<sub>3</sub> results.

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## Current Activities and Proposed Work

Pacific Bauxite is active at both of its bauxite projects in the Solomon Islands - SWNG and the Nendo Project (**Nendo**) (Figure 2).

The Company's recently completed exploration program at SWNG has strengthened its view that the Project is prospective for large tonnage **DSO** bauxite mineralisation, analogous with the bauxite deposits of the Nendo and Rennell Islands, both within the Solomon Islands (Figure 2). This style of mineralisation provides the opportunity for quick, cost-effective resource definition and a simple, low cost, dig-load-ship style mining operation.



Figure 2 – Solomon Project Locations

SWNG is nearby to existing beneficial infrastructure and the Company has established advanced stakeholder engagement and consultation processes regarding the exploration and possible development of the Project. These factors in conjunction with the highly successful recent phase of exploration mark SWNG as a more “advanced” project (compared with Nendo) and have confirmed SWNG as Pacific Bauxite's current priority focus.

Leading industry consultants, CSA Global, have been engaged to manage the Company's exploration and resource definition within its Solomon Islands project portfolio, commencing with resource definition work at SWNG. CSA Global has a well-qualified team with extensive experience in bauxite and the Company is currently working with CSA to establish time-lines and budgets for Resource definition.

At Nendo the Company has established the presence of extensive high-quality bauxitic soils and has been working with local communities to establish landowner consultation groups and community trusts, such that all stakeholders can be fully engaged in the exploration process. This community engagement will include training and employment opportunities for local people.

## Background to Exploration at SWNG

The recently completed phase of exploration at SWNG has extended sample coverage of the Project area and provided data on the grade and depths of the zones of bauxite mineralisation. This program has built on the results of the Company's previous reconnaissance sampling program completed in 2017, which identified several areas believed prospective for DSO quality bauxite, with grade ranges of +40% total  $\text{Al}_2\text{O}_3$  and less than 10% total  $\text{SiO}_2$ .

Sampling within the Project area has been completed using hand-augers, causing minimal environmental disturbance. Work completed has included drilling 562 auger holes, 1,092 samples with 979 assayed using a hand-held XRF. Further details of this methodology are presented in Table 3 (attached to this announcement). Not all samples collected have been analysed, although all samples collected have been stored for possible submission for laboratory analysis.

Initially, auger holes were drilled on a 400 metre by 400 metre pattern and subsequently infilled in places to 100 metre by 400 metre or 200 metre by 200 metre (approximate) patterns. For the most part, a minimum of one sample is taken from each site at a depth of more than one metre below surface. However, the infill drilling programs attempted to test to basement. The maximum hole-depth recorded in the program was 9 metres.

**The recent program resulted in the definition of large distinct high-grade targets, with characteristics suitable for DSO quality bauxite** (Figures 1 and 3).

Sampling to date indicates the mineralisation at SWNG contains slightly higher total  $\text{SiO}_2$  content than the Company's other Solomon Islands' bauxite project, Nendo. However, early results suggest there is excellent potential to delineate significant tonnages of DSO quality, high value material with lower silica content.

The critical "reactive silica" content is expected to be substantially less than the total  $\text{SiO}_2$  content measured by the hand held XRF. As the "reactive silica" and "available alumina" analysis for these samples cannot be tested with the handheld XRF tool, representative samples will be sent to a certified Australian laboratory for analysis.

Using the field XRF results, interpretation of satellite imagery and digital terrain models, areas of less than 14% total  $\text{SiO}_2$  and greater than 40%  $\text{Al}_2\text{O}_3$  have been interpreted. For each area, the average grades have been calculated and depth ranges conservatively estimated from auger drilling that had been extended to basement.

A range for the average assay values for each area has been calculated using the actual average and the average of a "cut" grade. The discounted "cut" value is the statistical variation noted in validation work completed in 2017 and represents the difference between laboratory assayed XRF and field XRF results. While this difference appears more associated with  $\text{Al}_2\text{O}_3$  assays above 50%, the variation remains unexplained and, due to the high-grade characteristics

of the SWNG bauxite, it was considered prudent to apply a discount to all assays for the definition of the lower grade range expectation.

Details of an Exploration Target for the areas defined as less than 14% total SiO<sub>2</sub> and greater than 40% Al<sub>2</sub>O<sub>3</sub> are provided in Table 2, with locations shown in Figure 3. It is expected the mineralisation at SWNG will be poddy and discontinuous and require detailed drilling/testing to accurately identify resources. Additionally, detailed exploration further infilling target areas is expected to identify additional DSO quality material.

Summary – Exploration Target<sup>(1)</sup> – numbers rounded

Tonnes		Total Al <sub>2</sub> O <sub>3</sub>		Total SiO <sub>2</sub>	
From	To	From	To	From	To
5,920,000	10,050,000	41.0	48.0	9.5	11.8

Detail – Exploration Target<sup>(1)</sup> for areas identified with +40% Total Al<sub>2</sub>O<sub>3</sub> and <14% total SiO<sub>2</sub>

Region ID	Area m <sup>2</sup>	Average Depth		SG	Tonnes		Total Av SiO <sub>2</sub>		Total Av Al <sub>2</sub> O <sub>3</sub>	
		From m	To m		From	To	% Cut	%	% Cut	%
1 Kindu	380,600	1	3	1.2	456,720	1,370,160	4.05	4.79	43.35	50.41
2a Kindu	253,100	2	3	1.2	607,440	911,160	7.94	9.38	43.93	50.32
2b Kindu	253,400	2	3	1.2	608,160	912,240	13.92	16.45	42.97	49.97
3 Kindu	21,340	2	3	1.2	51,216	76,824	10.75	12.70	42.18	51.08
4 Kindu	21,500	2	3	1.2	51,600	77,400	11.17	13.20	40.33	46.90
5 Kindu	112,500	2	3	1.2	270,000	405,000	10.97	12.95	35.99	41.85
6 Kindu	115,500	2	3	1.2	277,200	415,800	13.98	16.52	41.83	48.64
7 Dundee Main	818,400	3	4	1.2	2,946,240	3,928,320	10.26	12.11	40.56	47.16
8 Dundee	466,600	1	3	1.2	559,920	1,679,760	9.03	10.67	40.22	46.77
11 Dundee	45,720	1	3	1.2	54,864	164,592	11.03	13.03	39.84	46.32
12 Dundee	30,000	1	3	1.2	36,000	108,000	10.08	11.90	39.63	46.08

**Table 2** - Exploration Targets<sup>(1)</sup> - SWNG Project March 2013

**(1) This Exploration Target is not a Mineral Resource as defined by JORC 2012. The target is conceptual in nature and, to date, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. Additional details defining the basis for this target are presented within this document.**

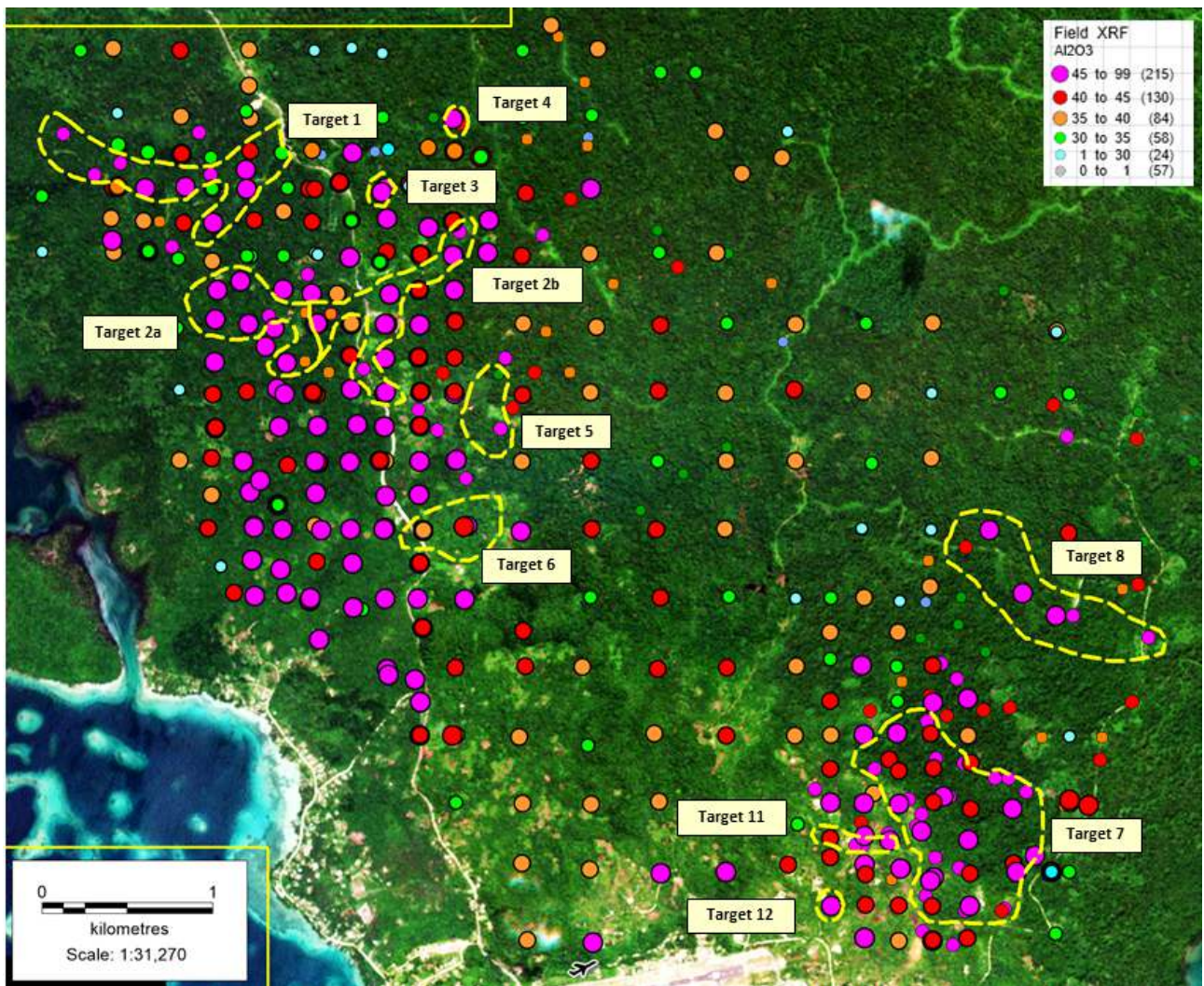
## About the South West New Georgia Bauxite Project

The SWNG Prospecting Licence covers an area of 236km<sup>2</sup> and targets bauxitic clays on uplifted limestone reef (averaging more than 100m above sea level), analogous in nature to the Nendo Project (ASX announcement, 27 September 2016). Much of the tenure at SWNG appears unexplored and represents a significant exploration opportunity for Pacific Bauxite.

Prior exploration by Pacific Bauxite in 2017 and Australian companies in the early 1970's identified extensive areas of bauxite mineralisation and postulated the potential for economic deposits at SWNG.

Significant infrastructure that could support mining operations exist at SWNG. The Project is adjacent to commercial port facilities, offering significant advantages for any future export mining operations. The Noro Port can accommodate Handymax and Supermax bulk cargo ships and is proposed for an infrastructure upgrade program in the near future. The presence of this established infrastructure, together with a potential for Mineral Resources, provides Pacific Bauxite with the potential to fast-track relevant feasibility studies, construction and operations.

The Project is well serviced by daily domestic flights from Honiara to Munda Airport, which is currently being upgraded to accommodate international flights.



**Figure 3** – Satellite Imagery of the SNWG Project with auger Al<sub>2</sub>O<sub>3</sub> results and Exploration Target area location. Refer to Figure 1 for location.

**END**

For further information, visit [www.pacificbauxite.com.au](http://www.pacificbauxite.com.au) or contact:

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## Competent Persons Statement

The information in this report that relates to Exploration Results and Targets is based on information compiled by Mr Brett Smith, B.Sc Hons (Geol), Member AusIMM, Member AIG and employee of Pacific Bauxite Limited. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify 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 Smith consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

## Forward Looking Statements

This announcement contains certain statements that may constitute "forward looking statement". Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward looking statements.

Forward-looking statements are statements that are not historical facts. Words such as "expect(s)", "feel(s)", "believe(s)", "will", "may", "anticipate(s)" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

The Company believes that it has a reasonable basis for making the forward looking Statements in the announcement based on the information contained in this and previous ASX announcements.

The Company is not aware of any new information or data that materially affects the information included in this ASX release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the exploration results in this release continue to apply and have not materially changed.

## Table 3: Checklist of Assessment and Reporting Criteria

27 March, 2018

### The South New Georgia Bauxite Project –Auger Drilling and Analysis

#### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration has included sampling using a conventional hand-auger drilling and powered hand-auger drilling machine. The machine powered auger has the capacity to drill a total depth of 9m and conventional hand-augers used have the capacity to test to depths of 6m below surface.</li> <li>Auger holes are sampled on a composited 1m basis.</li> <li>Field samples of between 2kg and 4kg were collected in calico bags and transported to the site office.</li> <li>A sub-sample of approximately 50 grams was taken from the calico for drying, crushing, grinding and testing using a hand-held XRF ("Field XRF" analysis). This exploration is considered early stage prospecting and it is not envisaged the results of this work will be included in any resource estimation.</li> <li>Typically, at least one sample is tested with the Field XRF from each hole, however the occasional hole is assayed for every metre, as a check for down-hole variability.</li> <li>An additional sample of approximately 300 grams are taken from the calico, collected in plastic snap-sealed bags for transport to an Australian laboratory for analysis (if required).</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Conventional hand auger and machine hand-auger drilling; 62 mm in diameter.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</li> </ul>	<ul style="list-style-type: none"> <li>Drilling tested shallow soil profiles to a maximum depth of 9 metres.</li> <li>Sample recovery for this style of drilling is generally very good.</li> <li>"Caverns" (voids) within the karst (limestone) basement were noted on occasion and reported in the logging.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>loss/gain of fine/coarse material.</i>	
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Hand written logs record hole number, date drilled, Land Owner details, sample numbers, depth (m), coordinates, RL, geological descriptions of the soil profile and basement material.</li> <li>• All logs have been transcribed to digital spreadsheets and combined with field assay results.</li> <li>• Logging is descriptive and qualitative in nature.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Field samples of between 2kg and 4kg were collected in calico bags and transported to the site office.</li> <li>• This phase of exploration has been completed during the wet season. As such, samples are generally damp and subsampling has been completed by taking random “cut” from the main sample.</li> <li>• A sub-sample of approximately 50 grams was taken from the calico for drying, crushing, grinding and testing using a hand-held XRF (“Field XRF”).</li> <li>• An additional sample of approximately 300 grams is cut from the calicos and collected in a separate bags for transport to an Australian laboratory for analysis (if required).</li> <li>• The phase of exploration is reconnaissance in nature and provides an indication of the tenor and distribution of mineralisation within the Project.</li> <li>• In each new area explored, deeper holes are drilled to test the soil profile to basement.</li> <li>• Sample and sub-sample sizes are considered appropriate for this stage of exploration.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks,</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were analysed in a field laboratory established at the Company’s site office.</li> <li>• Selected samples have been sent to ALS Minerals, Shand Street, Brisbane.</li> <li>• Field analysis was undertaken using a handheld Olympus Vanta handheld XRF analyzer. Personnel using these instruments have been trained in Australia and are certified to use the equipment. The tool is ‘self-calibrating’ with locally derived reference material being</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	used as a check on the performance of the instrument.
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Laboratory analysis of reconnaissance sampling completed in 2017 indicated the Field XRF results on average report higher than the Lab results for Al<sub>2</sub>O<sub>3</sub> and lower for SiO<sub>2</sub>. Work is on-going in explaining and understanding this variation. Previous discrepancies have been attributed to field sample preparation techniques. However, these have been improved and the Company is currently looking into the mineralogy and chemistry of the bauxite deposits at SWNG and how they could affect the field XRF or lab XRF analysis.</li> <li>• Because of this variation, a discount factor ("cut") has been applied for the estimation of the Exploration Targets.</li> <li>• Bauxite deposits in the Pacific typically have residual soil profiles that are fairly uniform with respect to Al<sub>2</sub>O<sub>3</sub> content. Field analysis of the SWNG samples from auger drilling support that the tenor of the Al<sub>2</sub>O<sub>3</sub> content is fairly consistent throughout the soil profile, however SiO<sub>2</sub> can be variable dependent on the area tested.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill-holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All sample sites have been located using handheld GPS units or an Altus APS3G RTK centimetre accurate surveying system. This phase of exploration is reconnaissance in nature and as such the level of accuracy provided by this equipment is deemed as adequate.</li> <li>• Datum: WGS84 (Zone 57s).</li> <li>• Sample site locations can be determined from plans provided within the document.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A conventional auger drilling program has tested 562 sites. A total of 1,092 samples were taken; field XRF assay results have been reported for 979 samples .</li> <li>• This phase of exploration is reconnaissance in nature. Data density, the quality of sampling and data analysis is not sufficient for the completion of resource estimation.</li> <li>• Sample site spacings are variable, to some degree determined by access and regolith.</li> </ul>
<b>Orientation of data in relation to</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The auger drilling and sampling is reconnaissance in nature, with sample sites determined primarily by access over the inland island areas.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>geological structure</b>	<ul style="list-style-type: none"> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>No orientation bias has been established, although it is anticipated that the higher-grade bauxite deposits of being sort will be poddy in character or narrow channel-like features related to drainage and paleo-water flow.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>All sampling and field analysis is supervised by Company geologists.</li> <li>Lab samples are transported to Honiara for additional sorting by Company geologists, prior to couriering to Brisbane for quarantine and analysis.</li> <li>Sample submission via courier through to ALS in Brisbane is trackable.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>This work remains in progress.</li> <li>ALS will provide in-house QA/QC reports for auditing purposes of all samples submitted for analysis.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership, including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Prospecting Licence 04/17 SW New Georgia was granted to Australian Pacific Bauxite Pty Ltd (APB) in July 2017 for a period of three years for all minerals and comprises of approximately 252.9 km<sup>2</sup>. APB is a wholly owned subsidiary of Australian company Eight South Investments Pty Ltd. Pacific Bauxite Limited holds 50% equity and is Manager of the joint venture company Eight South Investments Pty Ltd (ASX announcement dated 30 March 2016).</li> <li>The Prospecting Licence is governed by the Ministry of Mines, Energy and Rural Electrification in the Solomon Islands.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Work by Australian exploration company Solex Exploration Pty Ltd in the late 1970's, identified bauxite deposits as residual soils on up-lifted lagoon limestone reef platforms.</li> <li>Past exploration on the island has been validated in discussions with local people that were involved in the historical exploration programs.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The style of mineralisation is bauxite as residual soils over ancient uplifted coral lagoon.</li> <li>• Limestone reef (karst environment). Such deposits are also known as karst or carbonate bauxites and are well documented throughout tropical and sub-tropical regions. These deposits are formed by lateritic weathering and residual soils (clays) over or interbedded with limestone. Typically, deposits consist of low temperature gibbsite (tri-hydrate or tropical bauxite).</li> <li>• Bauxite is aluminum-rich ore that is used for aluminum production.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A conventional auger drilling and machine drilling program has tested 562 sites. A total of 1,092 samples were taken; field XRF assay results have been reported for 979 samples.</li> <li>• Sites were surveyed using handheld GPS units or an Altus APS3G RTK centimetre accurate surveying system with datum WGS84 (Zone 57s).</li> <li>• Sample site locations can be determined from plans provided within the document.</li> <li>• All auger holes were vertical.</li> <li>• Total hole depth and end of hole information has been recorded.</li> <li>• It is impractical to include all this data within this document. Overview plans have been provided as summary information.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Specific grade have not been reported within this document.</li> <li>• Grade ranges are provided in the diagrams for visual reference.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true</i></li> </ul>	<ul style="list-style-type: none"> <li>• The main area tested is believed to be on an uplifted coral lagoon, with estimated average bauxite thickness of more than 3m and in places greater than 9m tested with auger.</li> <li>• Auger holes are vertical. Depths presented are considered depths from surface.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>width not known</i> ’).	<ul style="list-style-type: none"> <li>• Surficial carbonaceous soils are thin (typically 0.1m to 0.4m) and commonly carry +30% Al<sub>2</sub>O<sub>3</sub>.</li> <li>• Depth is variable, with the paleo-limestone surface considered to be very irregular.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diagrams within this announcement identify positions of sample sites.</li> <li>• Grade ranges for sample results are show in figures within the report.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The average of results for SiO<sub>2</sub> and Al<sub>2</sub>O<sub>3</sub>, are presented within this report.</li> <li>• Grade ranges for sample results are show in figures within the report.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• In 1970, Sol exploration discovered the bauxite deposit on the central South part of the tenement</li> <li>• They suggested that the bauxite zone trends in a NW and South Easterly direction within the Uplifted coral lagoon reef area.</li> <li>• Thirty nine (39) deep auger holes were drilled and 101 samples were collected. This work identified non-JORC tonnages of plus 44% total Al<sub>2</sub>O<sub>3</sub> with less than 10% soluble SiO<sub>2</sub> .</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• This current phase of exploration will assist in the definition of areas suitable for resource definition work. Planning in well advanced for the commencement of resource definition.</li> </ul>