



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

16 June 2021

ABR PROVIDES AN UPDATE ON RECENT POSITIVE PROGRESS

HIGHLIGHTS

- **Corporate strategy updated to focus on boron specialties and advanced materials**
- **New world-class U.S. management team appointed**
- **Fort Cady Integrated Boron Facility development plan revised to improve economics while reducing risk**
- **Innovative, and more cost effective permanent integrated small-scale production facility to be built in place of the previously stated Phase 1A boric acid plant**
- **The permanent facility will enable value engineering of the mine and boric acid process plant, and produce product for customer qualification and for boron specialty test product development**
- **US listing process to commence in 2021**
- **Cash at Bank at 30 June 2021 expected to be in excess of A\$50m**

American Pacific Borates Limited (ASX:ABR) (“ABR” or the “Company”) is pleased to provide an update on recent positive progress with respect to corporate strategy and its flagship Fort Cady Integrated Boron Facility.

Corporate Strategy

The Company has decided to focus on establishing specialty boron products that leverage a rare boron resource and integrated production facility that includes a solution mine, SOP plant, boric acid plant and specialty production. This integrated approach will focus on low-cost production of high value products.

Fort Cady Integrated Boron Facility Development Plan

A new innovative and lower-cost development model has been adopted that includes the design and build of an Integrated small-scale production facility replacing the original Phase 1A boric acid operation. The Small-Scale Facility will integrate mining operations and chemical plant operations to produce enough tons for customer qualification and downstream specialty product development in 2022. The Small-Scale Facility will also be a permanent asset that will be leveraged for continual process innovation to improve operational efficiency and product refinement.

COMPANY DIRECTORS

David Salisbury – Executive Chairman

Anthony Hall – Executive Director

Stephen Hunt – Non-Executive Director

Jimmy Lim – Non-Executive Director



ISSUED CAPITAL

379.3 million shares

60.1 million options

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Executive Management Appointments

The Company now has an experienced and highly capable US based executive management team in place to progress the Company's growth plans and support a successful US listing process. The appointment of the new CEO, Mr Henri Tausch on 10 June 2021 in the United States (refer ASX release dated 11 June 2021) completed the Company's executive management team adding to the acting CFO/Controller, COO and recently appointed CCO/CTO. The formal appointments of the CFO and COO are expected to be confirmed over the coming months.

US Listing Strategy

The Board remains committed to a complementary listing of ABR's securities in the US. The appointments of the Company's US based senior management team moves ABR closer to completing a successful US listing.

US based executive management is on track to commence the listing process in 2021 with Board support.

Cash Management

At the end of the current financial year, the Company is expecting to report a cash at bank balance in excess of A\$50m after allowing for equipment purchases now associated with the Small-Scale Facility.

- ENDS -

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About American Pacific Borates Limited

American Pacific Borates Limited is focused on advancing its 100% owned Fort Cady Integrated Boron Facility located in Southern California, USA. Fort Cady contains a highly rare and large colemanite deposit and is the largest known contained traditional borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid.

In excess of US\$80m has been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial small-scale commercial operations and test works.

The Company is currently working through a process to ensure a strong listing on a recognised New York exchange having appointed a US Advisory Board and completing various activities including strengthening its executive management team, focusing on a larger initial mining operation to deliver stronger earlier EBITDA and progressing discussions with US based investment banks, potential US partners and debt capital markets advisors.

JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018¹)

JORC compliant Mineral Resource Estimate and Reserve						
Reserves	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MT	H ₃ BO ₃ MT
- Proven	27.21	6.70	11.91	379	1.82	3.24
- Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources						
- Measured	38.87	6.70	11.91	379	2.61	4.63
- Indicated	19.72	6.40	11.36	343	1.26	2.24
Total M&I	58.59	6.60	11.72	367	3.87	6.87
- Inferred	61.85	6.43	11.42	322	3.98	7.07
Total M,I&I	120.44	6.51	11.57	344	7.84	13.93

In addition to the flagship Fort Cady Integrated Boron Facility, the Company also has an earn in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South Projects in Nevada, USA on the incurrence of US\$3m of Project expenditures. The Projects cover an area of 36km² and are considered prospective for borates and lithium in the sediments and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron with several results of over 500ppm lithium and over 1% boron.

¹ ABR confirms all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed as per Listing Rule 5.23.2



Location of the Fort Cady and Salt Wells Projects in the USA

Forward Looking Statements

This announcement contains ‘forward-looking information’ that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘potential’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.