

ABR Raises A\$4m to enable construction related workstreams to progress quickly post completion of Fort Cady Borate Project DFS

- **ABR raises A\$4 million at 20c per share in oversubscribed placement to institutional and sophisticated investors**
- **Placement price of 20c represented a modest discount of 11.1% to last sale and 15.5% to 10-day VWAP**
- **Funds to enable construction related workstreams to progress quickly once Fort Cady Borate Project DFS, due in October 2018, is complete**
- **Management to acquire an additional A\$200k worth of shares at placement price subject to shareholder approval**
- **ABR will have more than A\$6 million cash at bank post placement with no debt.**

American Pacific Borate and Lithium Limited (ASX:ABR) (“APBL” or the “Company”) has successfully completed an oversubscribed placement of A\$4m at 20c per share to institutional and sophisticated investors. The placement price represented a modest discount of 12.5% to the last sale price and 17.5% to the 10-day VWAP. The placement shares are to be issued under the Company’s existing ASX Listing Rule 7.1 capacity.

Importantly, funds will enable construction-related workstreams to progress quickly once a Definitive Feasibility Study (DFS) for its the Fort Cady Borate Project in Southern California is complete. The DFS is due in October 2018 and the company believes this will be a transformational event as it evolves to the development stage.

ABR’s management has committed an additional A\$200k worth of shares at the placement price subject to shareholder approval. Post completion of the placement, the Company will have more than A\$6m cash at bank with no debt.

Sydney-based Peloton Capital was sole lead manager to the placement.

ABR’s CEO and Managing Director Michael Schlumpberger commented:

“This modest placement will ensure we can quickly move our flagship Fort Cady Borate Project from studies to construction-ready activities post the completion of our DFS in October 2018.”

“We continue to believe we have a very unique project that combines low capex, high margin, low technical risk and an EBITDA profile of more than US\$150 million per annum in full production into a borate market growing at 6% per annum, with limited new visible supply.”

COMPANY DIRECTORS

Harold (Roy) Shipes – Non-Executive Chairman

Michael X. Schlumpberger - Managing Director & CEO

Anthony Hall - Executive Director

Stephen Hunt - Non-Executive Director

John McKinney – Non-Executive Director



ISSUED CAPITAL

170.1 million shares

17.9 million options

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"With borates non-substitutable in new world applications like electric vehicles, wind turbines, space shuttles and agriculture, we can only see our project becoming more and more valuable as the reality of a tight ongoing market with one dominant supplier continues."

ABR's Fort Cady project is the largest known contained borate JORC or NI43-101 Mineral Resource Estimate in the world not owned by major borate producers Rio Tinto and Eti Maden. ABR is completing testwork to reduce operating expenditure and increase revenue for the project.

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About American Pacific Borate and Lithium Limited

American Pacific Borate and Lithium Limited is focused on advancing its 100% owned Fort Cady Boron and Lithium Project located in Southern California, USA (*Figure 8*). Fort Cady is a highly rare and large colemanite deposit with substantial lithium potential and is the largest known contained borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The Project has a JORC mineral estimate of 120.4 Mt at 6.50% B₂O₃ (11.6% H₃BO₃, boric acid equivalent) & 340 ppm Li (5% B₂O₃ cut-off) including 58.59 Mt at 6.59% B₂O₃ (11.71% H₃BO₃) & 367 ppm Li in Indicated category and 61.85 Mt @ 6.73% B₂O₃ (11.42% H₃BO₃) & 315 ppm Li in Inferred category. The JORC Resource has 13.9 Mt of contained boric acid. In total, in excess of US\$50m has historically been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial pilot-scale test works.

ABR expects the Fort Cady Project can quickly be advanced to construction ready status due to the large amount of historical drilling, downhole geophysics, metallurgical test work, pilot plant operations and feasibility studies completed from the 1980's to early 2000's. 33 resource drill holes and 17 injection and production wells were previously completed and used for historical mineral estimates, mining method studies and optimising the process design. Financial metrics were also estimated which provided the former operators encouragement to commence commercial-scale permitting for the Project. The Fort Cady project was fully permitted for construction and operation in 1994. The two key land use permits and Environmental Impact Study remain active and in good standing.

In addition to the flagship Fort Cady Project 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.

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Figure 1. Location of the Fort Cady Project, California and the Salt Wells Projects, Nevada USA