



## Announcement Summary

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**Entity name**

AMERICAN PACIFIC BORATES LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Monday June 1, 2020

**The Proposed issue is:**

☒ A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
n/a	Convertible note that can convert to ordinary shares at headline share price of A\$1.00 per share	51,282,050
n/a	Unlisted Options exercisable at \$0.75 each on or before 1 July 2021.	15,000,000
ABR	ORDINARY FULLY PAID	53,000,000

**Proposed +issue date**

Wednesday June 24, 2020

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

AMERICAN PACIFIC BORATES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ABN

**Registration Number**

68615606114

**1.3 ASX issuer code**

ABR

**1.4 The announcement is**

☒ New announcement

**1.5 Date of this announcement**

Monday June 1, 2020

**1.6 The Proposed issue is:**

☒ A placement or other type of issue



## Part 7 - Details of proposed placement or other issue

## Part 7A - Conditions

## 7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ Yes

## 7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday June 19, 2020	<input checked="" type="checkbox"/> Estimated	

## Comments

Approval to issue 42,000,000 tranche 2 ordinary fully paid shares

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Friday October 2, 2020	<input checked="" type="checkbox"/> Estimated	

## Comments

Approval to issue convertible note that can convert to ordinary fully paid shares

## Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

## Details of +securities proposed to be issued

## ASX +Security Code and Description

ABR : ORDINARY FULLY PAID



**Maximum Number of +securities proposed to be issued**

53,000,000

**Purpose of the issue**

Funds raised will be used towards progressing construction related activities at the Fort Cady Borate Mine

**Offer price details for retail security holders**

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 0.60000

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

☒ Yes

**Oversubscription & Scale back details**

**May a scale back be applied to this event?**

☒ No

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ No

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

☒ No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

☒ No

**ASX +Security Code**

New class-code to be confirmed

**+Security Description**

Convertible note that can convert to ordinary shares at headline share price of A\$1.00 per share

**+Security Type**

Convertible Debt Securities

**Maximum Number of +securities proposed to be issued**

51,282,050

**Purpose of the issue**

General working capital

**Offer price details for retail security holders****In what currency is the cash consideration being paid?**

USD - US Dollar

**What is the issue price per +security?**

USD 0.65000

**AUD equivalent to Offer Price amount per +security**

1.000000

**FX rate (in format AUD 1.00 / primary currency rate):**

AUD 1.00

**FX rate (in format AUD rate/primary currency rate) Primary Currency rate**

USD 0.65000000

**Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ Yes**Oversubscription & Scale back details****May a scale back be applied to this event?**☒ No

## Convertible Debt +Securities details

**These securities are:**

Convertible

**Type of security**

Convertible Bond

**+Security Currency**

USD - US Dollar

**Face Value**

USD 0.7220

**Interest Rate Type**

Fixed rate

**Frequency of Coupon/Interest Payments Per Year**

Annual

**First Payment Date**

Saturday October 2, 2021

**Interest Rate (p.a.)**

11.60000 %

**Is Interest Rate (p.a) estimated at this time?**☒ No



**s128F of the Income Tax Assessment Act status applicable to the security**

s128F exempt

**Is the security Perpetual (ie. No maturity)?**

☒ No

**Maturity Date**

Sunday October 2, 2022

**Is the Security Subordinated?**

☒ No

**Is the Security Secured?**

☒ Yes

**Select other features applicable to the security**

☒ None of the above

**Is a First Trigger Date on which conversion, redemption, call or put can occur (whichever is first) applicable?**

☒ No

**Details of the existing class of +security that will be issued upon exercise or conversion of this new class of +security**

ABR : ORDINARY FULLY PAID

**Please provide any further information relating to the principal terms of the +securities**

Investor: Virtova Capital Management Limited  
Aggregate Face Value: US\$33,333,333  
Investment Amount: US\$30,000,000  
Term: 24 months from draw down  
Interest Rate: 11.6% per annum payable annually in arrears  
Sunset Date for Completion: 31 December 2020  
Conversion: At the Investor's election at any time, in part or whole, to a total of 51,282,050 Ordinary Shares (at headline share price of \$1.00 per share using an exchange rate of A\$1.00 / US\$0.65)  
Forced Conversion: The Company may force the conversion of the Note if its shares trade on the ASX for ten consecutive days with a daily VWAP of over \$1.75 per share

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ No

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**



Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?  
☒ No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?  
☒ No

**ASX +Security Code**

New class-code to be confirmed

**+Security Description**

Unlisted Options exercisable at \$0.75 each on or before 1 July 2021.

**+Security Type**

Options

**Maximum Number of +securities proposed to be issued**

15,000,000

**Purpose of the issue**

As consideration for;  
1. the engagement of the Joint Lead Manager to the placement and pursuant to Joint Lead Manager Mandates - May 2020 (9,000,000 options).  
2. The provision of corporate advisory and investor relations services and pursuant to corporate advisory and investor relations mandates (6,000,000 options).

**Offer price details for retail security holders**

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.00001

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

**Oversubscription & Scale back details**

May a scale back be applied to this event?

☒ No

## Options details

**+Security Currency**

AUD - Australian Dollar

**Exercise Price**

AUD 0.7500

**Expiry date**

Thursday July 1, 2021

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

ABR : ORDINARY FULLY PAID

Please provide any further information relating to the principal terms of the +securities



## Part 7C - Timetable

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### 7C.1 Proposed +issue date

Wednesday June 24, 2020

## Part 7D - Listing Rule requirements

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### 7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☒ Yes

### 7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

Friday June 19, 2020

### 7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

☒ No

### 7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

### 7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

## Part 7E - Fees and expenses

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### 7E.1 Will there be a lead manager or broker to the proposed issue?

☒ Yes

### 7E.1a Who is the lead manager/broker?

Peloton Capital Pty Ltd, Canaccord Genuity (Australia) Limited and PAC Partners Securities Pty Ltd are Joint Lead Managers to the Placement.

### 7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Management fee - 1%

Placement fee - 5%

9,000,000 options at an exercise price of A\$0.75, with an expiry date of 1 July 2021

### 7E.2 Is the proposed issue to be underwritten?

☒ No





**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

Part 7F - Further Information

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**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

☒ No

**7F.2 Any other information the entity wishes to provide about the proposed issue**