Announcement Summary

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

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

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	** Approval
+Security holder approval	Friday June 19, 2020	actual?	received/condition met?
recommy means approxim			

Comments

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

Approval/Condition	Date for determination	Is the date estimated or	** Approval
+Security holder approval	Friday October 2, 2020	actual?	received/condition met?
recently mender approval			

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



Proposed issue of securities

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?

What is the issue price per

+security?

AUD - Australian Dollar

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 Will the entity be seeking quotation ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? **♥** No

of the 'new' class of +securities on ASX?

☑ No

ASX +Security Code

+Security Description

New class-code to be confirmed

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

+Security Type

Convertible Debt Securities

Proposed issue of 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?

What is the issue price per

+security?

USD - US Dollar USD 0.65000

AUD equivalent to Offer Price amount per +security

1.000000

FX rate (in format AUD 1.00 / primary

currency rate):

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

USD 0.65000000

AUD 1.00

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: Type of security Convertible Convertible Bond

+Security Currency **Face Value** USD - US Dollar USD 0.7220

Interest Rate Type

Fixed rate

Frequency of Coupon/Interest

Payments Per Year

First Payment Date

Annual

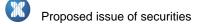
Saturday October 2, 2021

Interest Rate (p.a.) Is Interest Rate (p.a) estimated at this

time?

✓ No

11.60000 %



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 US\$30,000,000 Investment Amount:

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)

The Company may force the conversion of the Note if its shares trade on the ASX for ten

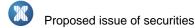
consecutive days with a daily VWAP of over \$1.75 per share

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 Will the entity be seeking quotation ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1? ☑ No

of the 'new' class of +securities on

ASX? ☑ No.

ASX +Security Code

+Security Description

New class-code to be confirmed

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?

What is the issue price per

+security?

AUD - Australian Dollar

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 **Exercise Price**

AUD - Australian Dollar AUD 0.7500 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

Expiry date



Part 7C - Timetable

7C.1 Proposed +issue date

Wednesday June 24, 2020

Part 7D - Listing Rule requirements

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

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

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds? $(\%, N_0)$

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