



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

17 August 2020

## ABR CONFIRMS ALL SUBSTANTIVE OPERATIONAL PERMITS IN PLACE FOR PRODUCTION AT FORT CADY BORATE MINE

### HIGHLIGHTS

- **Underground Injection Control Permit awarded by US EPA on 14 August 2020**
- **Company now has all substantive operational permits for production of borates and SOP at Fort Cady Borate Mine**
- **Another key milestone completed in the Company's transition from developer to producer**
- **Construction activities ongoing**
- **On track for first production in Q3 CY2021**

American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to announce it has been awarded the Underground Injection Control permit by the US EPA on 14 August 2020. With the award of this permit the Company now has all substantive operational permits for production of borates and SOP at the Fort Cady Borate Mine.

ABR, CEO and Managing Director, **Michael Schlumpberger**, commented:

*"This is another important milestone in our transition from developer to producer. We now have all substantive operational permits in place for the production of both borates and SOP from our Fort Cady Borate Mine in California.*

*We are now less than 12 months from production of speciality fertilisers and micro nutrients to be targeted initially at the high-priced Californian fertiliser market right on our door step. This is another key step in our intention to become a globally significant producer of specialty fertilisers."*

Construction activities at the Mine are ongoing with the Company on track for first production in Q3 CY2021.

- ENDS -

**Authorised for release by:** Michael X. Schlumpberger, Managing Director.

#### COMPANY DIRECTORS

David Salisbury – 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

317.7 million shares

56.3 million options

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## 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.

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## About American Pacific Borates Limited

American Pacific Borates Limited is focused on advancing its 100% owned Fort Cady Borate Mine Project located in Southern California, USA. Fort Cady is a highly rare and large colemanite deposit 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 JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid. In excess of US\$60m 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.

A Definitive Feasibility Study ("DFS") was completed in December 2018 (ASX release dated 17 December 2018). An enhanced DFS was completed in April 2020 (ASX release dated 16 April 2020<sup>1</sup>). The enhanced DFS increased production of SOP to 363ktpa in full production. This complemented boric acid production of 409ktpa.

The enhanced DFS delivered exceptional financial metrics, including an unlevered post tax NPV<sub>8</sub> of US\$1.97bn, an unlevered post tax IRR of 39% and an EBITDA in the first full year of production of US\$438m.

### JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018<sup>2</sup>)

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

<sup>1</sup> ABR confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

<sup>2</sup> 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



In 1994 the Plan of Operations (mining permit) was authorised along with the Mining and Land Reclamation Plan. These permits are in good standing and contain a full Environmental Impact Report and water rights for initial operations of 82ktpa of boric acid. The Company is currently working through a permitting process to gain the final permit required to commence operations.

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 36km<sup>2</sup> 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.



Figure 1 | Location of the Fort Cady and Salt Wells Projects in the USA