



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

21 April 2021

ABR MAKES TRANSFORMATIONAL APPOINTMENTS TO DRIVE US LISTING PROCESS

HIGHLIGHTS

- **US Advisory Board established to drive US listing process**
- **John Mitchell appointed Chairman, with Tim Johnston and Govind Arora to make up balance of the three-member Advisory Board:**
 - **John Mitchell 's previous roles include President, Albemarle Lithium and Advanced Material as well as President, Rockwood Lithium, North America;**
 - **Tim Johnston is currently Executive Chairman of Li-Cycle Corp. which has entered into a business combination agreement with Peridot Acquisition Corp., a US-listed SPAC (PDAC:NYSE); and**
 - **Govind Arora is currently President, Blue Horizons Capital, having previously been Chief Commercial Officer, Albemarle Lithium and Advanced Material and CFO, Asia Pacific, Honeywell Process Solutions**
- **Advisory Board mandate includes:**
 - **drive the Company's strategic business planning;**
 - **consider debt capital markets options for accelerating mine expansion;**
 - **create a talent management plan and focus on necessary C-suite appointments for US listing;**
 - **select and appoint US investment banks for US listing process;**
 - **support listing marketing activities including roadshows; and**
 - **complete the Company's US listing**

COMPANY DIRECTORS

David Salisbury – Non-Executive Chairman

Michael X. Schlumberger – Managing Director & CEO

Anthony Hall – Executive Director

Stephen Hunt – Non-Executive Director

Jimmy Lim – Non-Executive Director



ISSUED CAPTIAL

377.1 million shares

59.6 million options

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American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to advise it has created a US Advisory Board to drive the Company's US listing process.

Commenting on the creation of the Advisory Board, ABR Chairman, David Salisbury said:

"The creation of the US Advisory Board is a deliberate strategy enabling ABR to access a team of professionals like John Mitchell, Tim Johnston and Govind Arora that have significant experience in the industrial minerals sector across engineering, operations, sales and marketing, and public markets.

Their involvement in the business with responsibility for driving the ABR US listing process is an amazing result. The Advisory Board has a clear understanding of ABR's rare industrial minerals' project that is highly relevant for clean energy materials, decarbonisation more broadly and food security.

We are looking forward to working them to deliver positive shareholder outcomes".

Commenting on his appointment as Chairman of the Advisory Board, John Mitchell said:

"ABR has a unique borate project that has strong parallels with our experience in lithium, energy advanced materials and other critical minerals broadly necessary for global decarbonisation and food security. We are very much looking forward to working with the ABR Board led by David and expect to leverage the good work already completed, while striving to deliver an exceptional outcome of ABR shareholders into the US."

US Advisory Board

The creation of the Advisory Board is a deliberate strategy to enable the Company to access a team of professionals with deep public markets and industrial minerals' operating experience that can support and drive the Company's aspirations to successfully list its shares on a recognised US exchange.

The Advisory Board will initially consist of three members. John Mitchell has been appointed Chairman. Tim Johnston and Govind Arora make up the balance of the members of the Advisory Board.

Advisory Board Mandate

The Advisory Board has a broad mandate to work the Company's executive management to consider and drive the following activities:

- Strategic business planning, including assessing options to enhance and accelerate the Fort Cady Borate Mine;
- Debt capital markets discussions to consider non-dilutive capital options for potential mine acceleration;
- Value engineering of proposed operations where necessary;
- The creation of a talent management plan;
- Recruitment of C-suite executives considered necessary for ongoing operations and management of US public markets;
- Selecting and appointing US investment banks to support the US listing process;
- Relevant listing activities including roadshows; and
- Completion of the Company's US listing.

The Advisory Board will report into the Company's Chairman, David Salisbury.



About Advisory Board Members

John Mitchell, Chairman

John is an experienced industrial minerals' executive having held senior roles at Albemarle Lithium and Advanced Materials, Rockwood Lithium and Lind AG. At Albemarle, John was President for the Lithium and Advanced Materials Global Business, a global thought leader in energy materials and the battery supply chain. During his term as president, he was also responsible for initiating a significant global expansion of lithium resources, mining capacity and integrated refining and specialty chemicals with projects under construction on several continents resulting in a multi-billion capital expansion program and propelling Albemarle to a global leadership position in lithium. John's prior roles included: President, Rockwood Lithium, North America and Senior Advisor to the Executive Operations Board, Linde AG with a focus on the industrial gas businesses in Africa and South America. John is currently President of Genlith, Inc., a private venture holding company focused on early stage investments within the New Energy Economy and a Founder/Partner at Blue Horizon Capital, an asset management firm that launched an index ETF focused on publicly traded leaders and innovators of the New Energy Economy (BNE:NYSE).

John holds a degree in Materials Engineering from Drexel University, Philadelphia, Pennsylvania, USA.

Govind Arora, Member

Govind joins the ABR advisory board with an impressive track record having held a significant number of senior executive positions. He served as Chief Commercial Officer for Albemarle Corporation's Lithium business where he dealt with establishing and maintaining long-term commercial relationships with clients and partners across the battery value chain, including automotive OEMs. Prior to Albemarle, Govind led several businesses to achieve high growth. He served as President for Stanley Black & Decker's Latin American Group, Chief Financial Officer for Stanley Black & Decker's Global Emerging Markets business, and Chief Financial Officer for Honeywell's Process Solutions business in Asia based out of China. Govind is currently President/Partner at Blue Horizon Capital and a Senior Vice President at Genlith Inc.

Govind holds an Executive MBA in Global Management from Thunderbird School of Global Management, a BA in Business Administration from California State University and is certified as a Six Sigma Black Belt.

Tim Johnston, Member

While a Senior Consultant and Specialist at Hatch, Tim evaluated hundreds of energy materials projects while consulting for some of the largest industrial minerals' companies and leading financial investors worldwide. He specialised in project management and transactional analysis for global lithium businesses including working on Rio Tinto's Jadar lithium / borate project. As the Executive Chairman and Co-Founder of Li-Cycle, Tim has helped create a leading global lithium battery recycling business that has entered into a business combination agreement with Peridot Acquisition Corp., a US-listed Special Purpose Acquisition Company (PDAC:NYSE). He has brought a wealth of knowledge to Li-Cycle, where his greatest contributions have been technology, operations and leading capital market efforts. He also is a Non-Executive Director for Lacero Solutions, a clean technology firm focused on safe and sustainable solutions for recycling safety systems in autos.

Tim holds Bachelor of Mechanical Engineering from the University of Queensland. He is a chartered professional engineer and CFA charter holder.



Advisory Board Remuneration

The initial contract is for a period of 12 months and includes cash and share remuneration, outlined below in totality for all Advisory Board members.

Cash Remuneration

- US\$250,000 per month

Share Remuneration

- 10m ordinary shares payable at the rate of 1.5m ordinary shares quarterly in arrears and the balance on successful listing in the US; and
- Up to 10m ordinary shares across four tranches payable on the achievement of a 10 day VWAP share price of greater than the following hurdles:
 - A\$3 per share equivalent
 - A\$4 per share equivalent
 - A\$5 per share equivalent
 - A\$6 per share equivalent

- ENDS -

Authorised for release by: David Salisbury, Chairman.

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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 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.

An updated enhanced Definitive Feasibility Study (“eDFS”) was completed in February 2021 (ASX release dated 4 February 2021¹). The updated eDFS has production targets of 450kstpa of boric acid and 400kstpa of SOP in full production. Financial metrics include an unlevered post tax NPV₈ of US\$2.02bn, an unlevered post tax IRR of 41% and an EBITDA in the first full year of production of US\$453m.

The Company is currently in construction of the initial phase of the Fort Cady Borate Mine with first production targeted for Q3, CY2021.

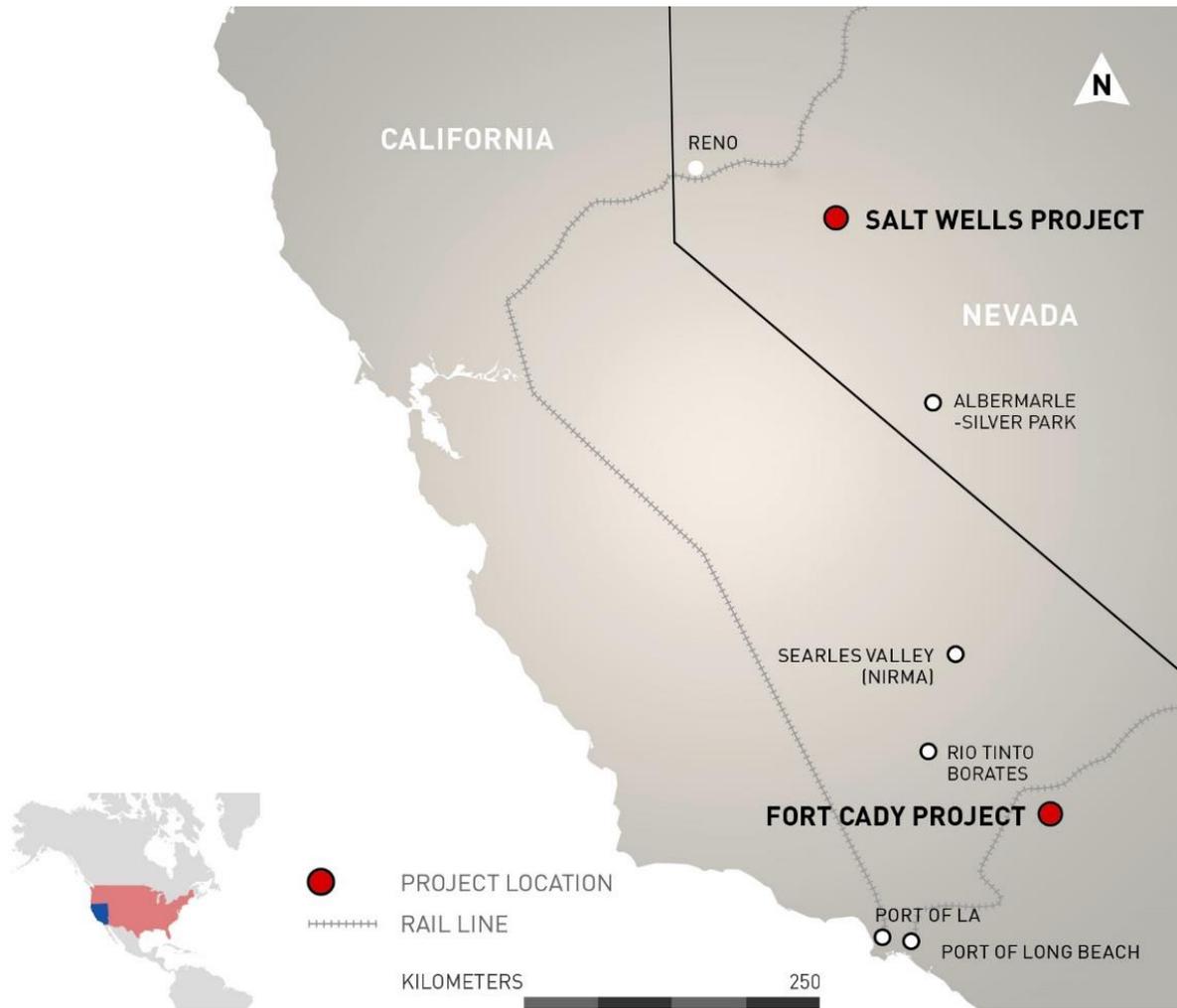
JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018²)

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 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.

¹ 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.

² 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.