



Update Summary

Entity name

AMERICAN PACIFIC BORATES LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Tuesday December 29, 2020

Reason for update to a previous announcement

The Company has renegotiated the Convertible Note with Noteholder to now be one hundred percent equity. It has also renegotiated the time period for the drawdown with all funds due on or about 31 January 2021.

1. The Company will only drawdown the first tranche.
2. The Noteholder will wave all security requirements and all additional drawdowns.
3. The Company will complete a Placement to the Noteholder of 41,025,642 shares under its existing Listing Rule 7.1 placement capacity.

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

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

The Company has renegotiated the Convertible Note with Noteholder to now be one hundred percent equity. It has also renegotiated the time period for the drawdown with all funds due on or about 31 January 2021.

1. The Company will only drawdown the first tranche.
2. The Noteholder will wave all security requirements and all additional drawdowns.
3. The Company will complete a Placement to the Noteholder of 41,025,642 shares under its existing Listing Rule 7.1 placement capacity.

1.4b Date of previous announcement(s) to this update

Monday June 1, 2020

1.5 Date of this announcement

Tuesday December 29, 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	Monday November 30, 2020	<input checked="" type="checkbox"/> Actual	Yes

Comments

At the Company's AGM held on 30 November 2020, shareholders approved the issue of up to 6,666,666 Notes (the first of five tranches). The maximum number of fully paid ordinary shares to then be issued on conversion by the Noteholder would be 10,256,409 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)?

 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?

 Yes

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 each with a face value of US\$1.00

+Security type

+Convertible debt securities

Number of +securities proposed to be issued

10,256,409

Reason for the update of 'Maximum Number of +securities proposed to be issued'

The Company has renegotiated the Convertible Note with the Noteholder to now be one hundred percent equity. It has also renegotiated the time period for the drawdown with all funds due on or about 31 January 2021.

The issue of up to 6,666,666 Notes (the first of five tranches) is now the only tranche that is to be drawdown. The Noteholder has agreed to waive all security requirements and all additional Convertible Note drawdowns. The maximum number of fully paid ordinary shares to then be issued on conversion by the Noteholder is now 10,256,409 shares.

Offer price details

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

 Yes**+Convertible debt securities details****These securities are:**

Convertible

Type of security

Convertible Bond

+Security currency

USD - US Dollar

Face value

USD 1.0000

Interest rate type

Zero coupon/no interest

Frequency of coupon/interest payments per year

No coupon/interest payments

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

s128F exempt



Is the +security perpetual (ie. no maturity date)?

Yes

Select other features applicable to the +security

None of the above

Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)? **If yes, what is the first trigger date**

Sunday January 31, 2021

Yes

Details of the type of +security that will be issued if the securities to be quoted are converted, transformed or exchanged

ABR : ORDINARY FULLY PAID

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Addendum to Notice of Annual General Meeting:

<https://americanpacificborates.com/addendum-to-notice-of-annual-general-meeting-proxy-form/>

ASX Release - ABR Initiates Drawdown Of Renegotiated US\$30m Financing for Construction of Fort Cady Borate Mine:

<https://americanpacificborates.com/abr-initiates-drawdown-of-renegotiated-us30m-financing/>

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

Number of +securities proposed to be issued

41,025,642

Reason for the update of 'Maximum Number of +securities proposed to be issued'

The Company renegotiated the Convertible Note with the Noteholder to now be one hundred percent equity. It has also renegotiated the time period for the drawdown with all funds due on or about 31 January 2021.

The Noteholder will wave all security requirements and all additional Convertible Note drawdowns with the Company to now complete a Placement to the Noteholder of 41,025,642 shares for US\$24m under its existing Listing Rule 7.1 placement capacity.

Offer price details



Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

USD - US Dollar

What is the issue price per +security?

USD 0.58000

AUD equivalent to issue price amount per +security

0.770000

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 0.76000000

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

Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Monday February 1, 2021

Part 7D - Listing Rule requirements

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

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

41,025,642 shares

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11 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?

Yes

7D.4a Please enter the number and +class of the +securities subject to +voluntary escrow and the date from which they will cease to be subject to +voluntary escrow

51,282,051 shares

Part 7E - Fees and expenses

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

No

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?

No

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