

4 July 2019

ABR CONTINUES TO PROGRESS FORT CADY BORATE PROJECT

HIGHLIGHTS

- **Basic engineering nearing completion**
- **Ongoing positive financing discussions**
- **Strategy finalised to ramp up potential investor engagement in United States**
- **Commencement of construction targeted for Q4 CY2019 on a fully permitted basis, subject to financing and permitting**

American Pacific Borate and Lithium (ASX:ABR) (“ABR” or the “Company”) is pleased to provide an update to the market on various initiatives relating to the Fort Cady Borate Project.

Engineering

Funds from the Company’s May 2019 placement have been deployed to progress construction related engineering activities. Utah based Millcreek Engineering is currently completing the basic engineering. This is expected to be completed in August 2019 with a view to quickly moving into detailed engineering to ensure that construction timelines can be met.

Millcreek provides engineering and construction services across North America and specialises in bulk materials handling and processing solutions for mining projects.

Financing

As reported on 30 April 2019, the Company has commenced an informal financing process to test market appetite for substantially debt financing the capex required to build Phase One A. The Company is pleased with how these discussions are progressing in advance of potentially running a formal financing process over the coming months.

Marketing Initiatives

In the month of June 2019 the Company presented at New York’s 121 Mining Conference and London’s Mining Journal Select Conference. The Company continues to be pleased with investor response.

COMPANY DIRECTORS

Harold (Roy) Shipes – Non-Executive Chairman
Michael X. Schlumberger - Managing Director & CEO
Anthony Hall - Executive Director
Stephen Hunt - Non-Executive Director
John McKinney – Non-Executive Director



ISSUED CAPITAL

208.4 million shares
43.5 million options

REGISTERED OFFICE

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United States Investor Relations Strategy

The Company has prepared a strategy to progressively increase its interaction with potential investors in the United States. Over the coming weeks the Company expects to engage US based investor relations' professionals to assist. The increased engagement in the United States is part of a strategy that may see a dual listing onto a New York exchange in 1H of CY2020.

ENDS

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About American Pacific Borate and Lithium Limited

American Pacific Borate and Lithium Limited is focused on advancing its 100% owned Fort Cady Borate 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) delivering compelling financial metrics including steady state production target of 410ktpa of boric acid and 110ktpa of SOP, delivering an unlevered post tax NPV₁₀ of US\$1.25bn (NPV₈ of US\$1.59bn) and an unlevered post tax IRR of 41%.

In January 2019 (ASX release dated 31 January 2019¹) the DFS was enhanced to include a low capex starter project with an estimated capex of only US\$36.8m. This starter project delivers an EBITDA in the first year of operation of US\$26.7m and preserves the pathway to an EBITDA of over US\$340m in the first year of full production for the broader project.

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 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 three additional permits 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 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



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