

American Pacific Borate and Lithium Enters into Strategic Cooperation Agreement with Chinese State Owned Enterprise

- **ABR has established an initial path to market for the Company's boric acid sales from its Fort Cady Borate Project located in Southern California with one of China's largest State-Owned Enterprises**
- **The Company has entered into a non-binding strategic cooperation agreement ("Agreement") with Sinochem Hebei Corporation ("Sinochem"), a wholly owned subsidiary of Sinochem Group**
- **Sinochem Group is a leading chemical services provider and plays a key role within China for borate supply and distribution**
- **The Agreement provides for the parties to work together to develop ABR's product offering with a view to Sinochem entering into a binding off-take agreement for up to 40k tonnes of phase one's 82k tonnes of boric acid production**

American Pacific Borate and Lithium Limited (ASX:ABR) ("ABR" or the "Company"), through its wholly owned subsidiary, Fort Cady California Corporation, is pleased to announce it has entered into a non-binding strategic cooperation agreement (the "Agreement") with Sinochem Hebei Corporation ("Sinochem"), a wholly owned subsidiary of Chinese state-owned enterprise Sinochem Group.

Sinochem Group is a key state-owned enterprise under supervision of State-Owned Assets Supervision and Administration Commission of the State Council of China (SASAC). Sinochem Group is one of China's four state oil companies, China's leading chemical services provider, China's largest agricultural input provider as well as being a vertically integrated modern agricultural operator.

Cooperation Agreement

Under the terms of the non-binding Agreement, the parties have agreed to develop ABR's product offering into China and to ensure it optimises the parties ability to maximise sales to Chinese customers. It is also the intention of the parties that a binding off take agreement ("Off-take Agreement") be entered into for up to 40k tonnes of boric acid per annum from the Company's phase one production of 82k tonnes per annum.

The parties intend to finalise the binding Off-take Agreement which will be conditional on ABR having achieved all relevant approvals and secured financing to commence production at its Fort Cady Borate Project, as well as ABR having completed certain preparation work set out in the Agreement, including providing Sinochem with samples, specifications and feasibility reports.

COMPANY DIRECTORS

Harold (Roy) Shipes – Non-Executive Chairman

Michael X. Schlumpberger - Managing Director & CEO

Anthony Hall - Executive Director

Stephen Hunt -Non-Executive Director

John McKinney – Non-Executive Director



ISSUED CAPTIAL

169.8 million shares

15.5 million options

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American Pacific Borate and Lithium, CEO, Michael Schlumpberger commented:

“This is a very significant milestone for the Company. The non-binding Agreement with Sinochem Hebei Corporation establishes our first path to market and demonstrates the strategic nature of borates within China. We believe the signing of this agreement demonstrates demand for borates, as well as the strength and attractiveness of the Fort Cady Borate Project. This is significant as it gives the market visibility of credible financing support for the project.

There are very few global sources of borates and demand is believed to be increasing at 6% per annum. We have a very substantial borate resource that can ultimately be meaningful in terms of global production for a sustained period of time.”

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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 Boron and Lithium Project located in Southern California, USA (*Figure 1*). Fort Cady is a highly rare and large colemanite deposit with substantial lithium potential 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 Project has a JORC mineral estimate of 120.4 Mt at 6.50% B_2O_3 (11.6% H_3BO_3 , boric acid equivalent) & 340 ppm Li (5% B_2O_3 cut-off) including 58.59 Mt at 6.59% B_2O_3 (11.71% H_3BO_3) & 367 ppm Li in Indicated category and 61.85 Mt @ 6.73% B_2O_3 (11.42% H_3BO_3) & 315 ppm Li in Inferred category. The JORC Resource has 13.9 Mt of contained boric acid. In total, in excess of US\$50m has historically been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial pilot-scale test works.

ABR expects the Fort Cady Project can quickly be advanced to construction ready status due to the large amount of historical drilling, downhole geophysics, metallurgical test work, pilot plant operations and feasibility studies completed from the 1980's to early 2000's. 33 resource drill holes and 17 injection and production wells were previously completed and used for historical mineral estimates, mining method studies and optimising the process design. Financial metrics were also estimated which provided the former operators encouragement to commence commercial-scale permitting for the Project. The Fort Cady project was fully permitted for construction and operation in 1994. The two key land use permits and Environmental Impact Study remain active and in good standing.

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 the Company funding US\$3m of Project expenditures. Both projects are exploration stage projects that 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.

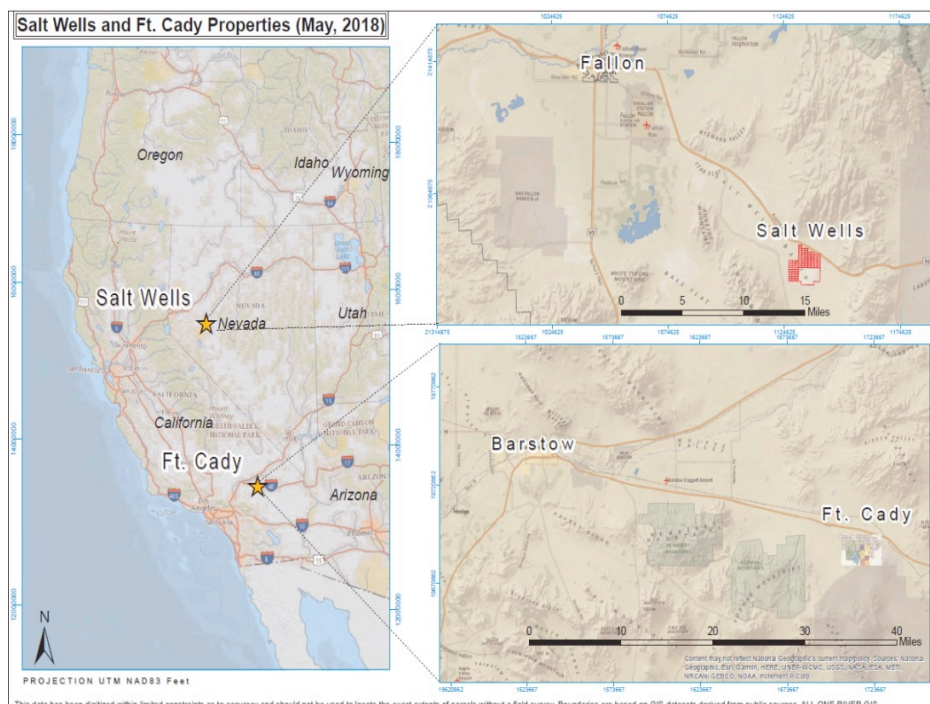


Figure 1. Location of the Fort Cady Project, California and the Salt Wells Projects, Nevada, USA