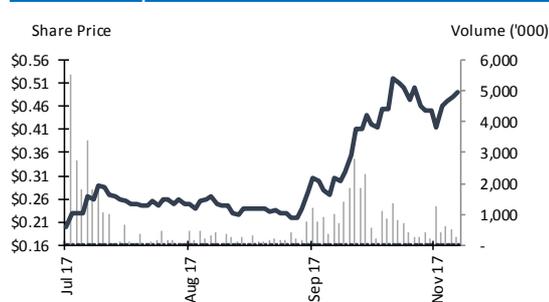




American Pacific Borate & Lithium Limited (ABR)

Strategically located US borate with lithium upside

Recommendation	Speculative Buy
Previous	N/A
Risk	Very High
Price Target (A\$)	\$0.62
Previous	N/A
Share Price (A\$)	\$ 0.49
ASX Code	ABR
52 week low - high (A\$)	0.20-0.52
Capital structure	
Shares on Issue (M)	170
Market Cap (A\$M)	83
Net Cash/(Debt) (A\$M)	5
EV (A\$m)	78
Options on issue (M)	15
12mth Av Daily Volume ('000)	721
Board	
Mr Harold (Roy) Shipes	Non-Executive Chairman
Mr Michael Schlumpberger	Managing Director
Mr Anthony Hall	Executive Director
Mr John McKinney	Non-Executive Director
Mr Stephen Hunt	Non-Executive Director
Major Shareholders	
Atlas Precious Metals Inc.	29.0%



Analyst: Matthew Chen +61 2 9993 8130
matthew.chen@fostock.com.au
 The analyst owns no ABR shares.

Talking Point mostly discusses stocks for which Foster Stockbroking does not provide formal research coverage. It combines both the dealing desk's market view and basic research analysis. The aim is to offer clients additional investment ideas that lie outside the firm's universe of formally covered stocks. Occasionally, some stocks under formal research coverage will also be discussed in Talking Point.

Event:

- We provide an overview on American Pacific Borate & Lithium (ABR).

Analysis:

- ABR is a borate and lithium developer with a 100% interest in the Fort Cady project in California, US.
- Maiden JORC Resource Estimate to be released this quarter. Historical non JORC Resource Estimate of 115Mt B₂O₃ (boric oxide) at 7.4%, equivalent to 13.1% H₃BO₃ (boric acid). This includes a high grade estimate of 69Mt at 9% B₂O₃, equivalent to 16% H₃BO₃.
- Steady upcoming news flow: Scoping Study to be released this quarter, with Scoping progress updates recently announced. Drilling to be completed by CY17e end.
- Low initial capex for Phase 1 operations. The company contemplates US\$80-90M initial capex for a Stage 1 90ktpa boric acid production, which includes a 25% contingency fee.
- Modular approach to asset development: further phases to scale up production will be funded by project cash flow. Phase 2 will add a lithium circuit. Phase 3 will look to triple boric acid and lithium production to 270ktpa, while Phase 4 will incorporate a Mannheim SOP plant.
- High margin, low cost output with an expected C1 cost of US\$345-383/t boric acid. US boric acid forecast is US\$800-1,000/t (Roskill). Option rich with lithium wildcard: the company is testing for lithium enriched brines in the central areas of the evaporite adjacent to the borate deposit. Historical estimate of lithium is at 80Mt at 313ppm Li.
- Strategic location and US\$50M suite of infrastructure in place including gas and grid electricity, port access, proximity to interstate highway and rail line, and an existing pilot plant with associated permitting.
- Experienced management and board with considerable experience in developing and commercialising resources.

Earnings and Valuation:

- We have derived a **risked valuation of \$0.62 per ABR share**. Our valuation is underpinned by a **risked NPV₁₀ of A\$245M** for Fort Cady, assuming US\$85M initial capex for 85ktpa boric acid production. First production to start in FY21e, and production trebling to 270ktpa in FY25e. We assume a price of US\$800/t for boric acid with C1 cost of US\$383/t. On an unrisksed basis, we have derived a valuation of \$1.52 per ABR share.

Recommendation:

- We **recommend ABR as a Speculative Buy** due to its strategic location, low capex, high margin project, supported by a long life high grade asset.
- We have a **price target of \$0.62** in line with our risked valuation, but note the possibility of a further rerate from a number of upcoming catalysts, including: 1) further drilling results in the current half; 2) maiden JORC Resource announcement in the current quarter; 3) full Scoping Study announcement in Q4 CY17e; 4) Definitive Feasibility Study in CY18e.



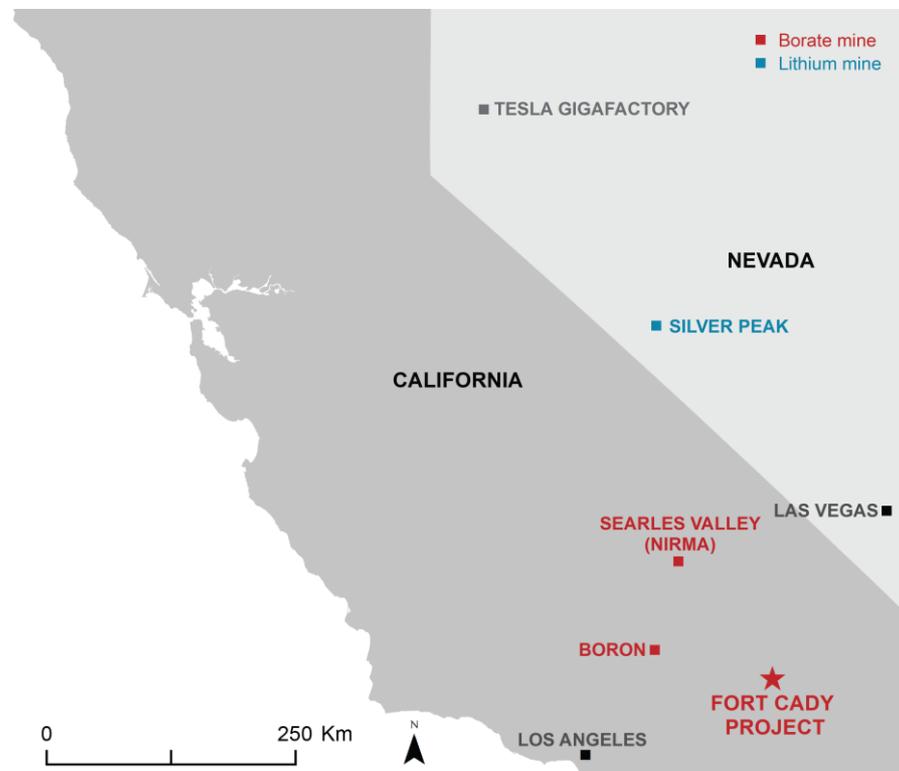
INTRODUCTION

- American Pacific Borate & Lithium Limited (ABR.ASX) is a recently ASX listed company that aims to develop its Fort Cady Project (100% interest). ABR has a strategically located and large high quality borate deposit in colemanite mineralisation. The project has an infrastructure head start along with a commercially proven extraction and processing route, as well as housing a complementary lithium opportunity. The Fort Cady Project has a mining licence in California, but will require the reinstatement of two company cancelled permits to commence commercial operations. The Project is currently fully permitted for pilot plant operations, and the focus in the near term is to move into construction and production.

LOCATION

- The Fort Cady Project is a borate-lithium project situated in the Barstow Trough of the central Mojave Desert, located in the southeastern desert region of San Bernardino County, California. The project is located near the township of Newberry Springs, approximately 50km east of the city of Barstow and 4km south of Interstate 40 and the BNSF rail line. The project area is approximately half way between Los Angeles, California and Las Vegas, Nevada and approximately 200km from both cities.
- A hectorite clay mine is directly adjacent to the Project. The Fort Cady project is also located close to the Rio Tinto Borax project and Nirma’s Searles Valley project, two major borate producing projects.

Figure 1: Location of the Fort Cady Project



Source: Company.

**HISTORICAL RESOURCE – MAIDEN JORC RESOURCE COMING**

- ABR has three historical (non JORC compliant) borate mineral estimates for Fort Cady. The most recent was undertaken by PT GMT Indonesia in 2015. The Project has a historical non JORC estimate of 115Mt at 7.4% B₂O₃ (5% cut off). This is equivalent to a 13.1% H₃BO₃ (boric acid) equivalent grade. Included in the estimate is a higher grade estimate of 69Mt at 9% B₂O₃, equivalent to 16% H₃BO₃ (7% B₂O₃ cut off).

Figure 2: Fort Cady Resource Estimate

Tonnage, Mt	B ₂ O ₃ , %	H ₃ BO ₃ , %	Cont. B ₂ O ₃ , Mt	Cont. H ₃ BO ₃ , Mt
115	7.4%	13.1%	8.51	15.1

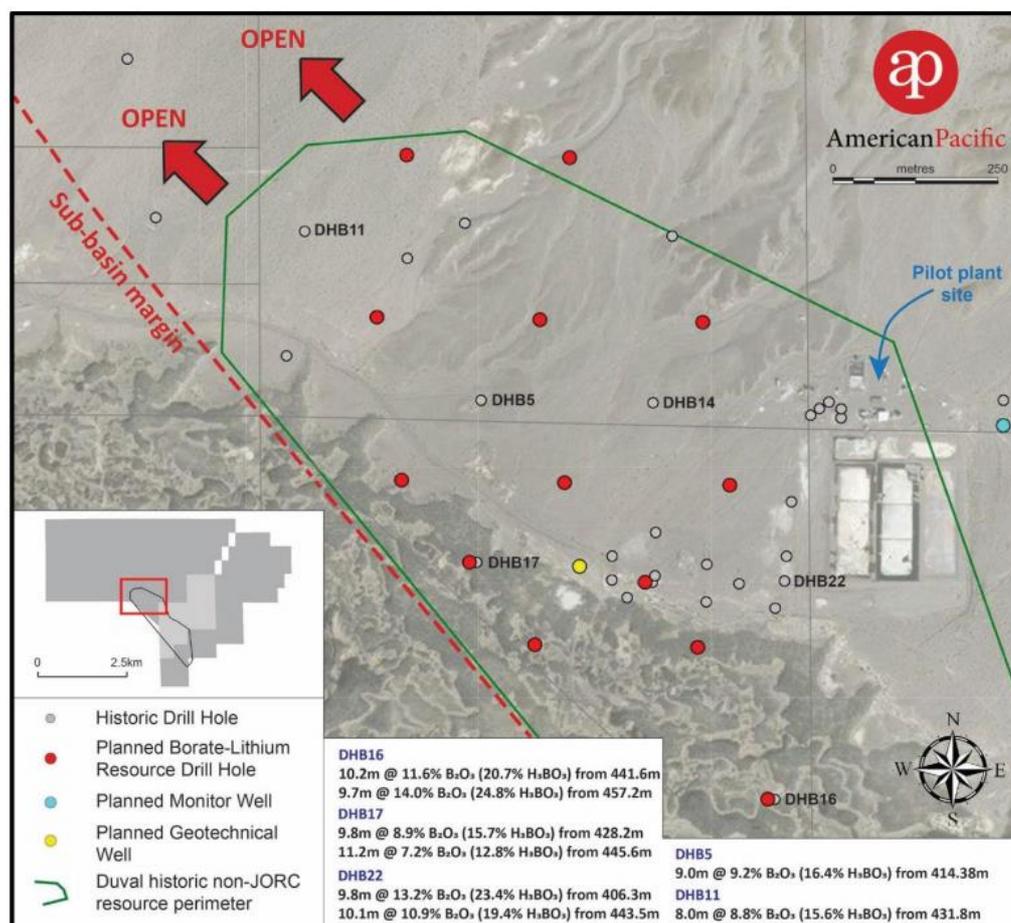
Source: Company; non JORC historical estimate, Duval (1982); H₃BO₃ (boric acid) equivalent grade is 1.78x B₂O₃ (boric oxide); Foster Stockbroking estimates.

- We estimate 15Mt of contained boric acid to support a long mine life, provided the company is able to convert the Resource Estimate to Reserves.
- There is a historical estimate (PT GMT Indonesia in 2015) of lithium mineral in the colemanite horizon estimated at 80Mt at 313ppm Li.
- ABR will look to release a maiden JORC Resource in the current quarter.
- The mineralisation lies 400 metres beneath surface and the deposit remains open to the northwest and southeast. Colemanite horizon ranges from 30 to 75 metres thick. The colemanite mineralisation has almost zero arsenic.
- ABR is of the opinion there is additional lithium potential from ambient brines within the borate bearing formation.

GEOLOGY AND EXPLORATION

- ABR commenced drilling at the Fort Cady site on 1 September 2017, and the drilling is currently ongoing. The purpose of the program is primarily to update the historical borate deposit to a JORC compliant Mineral Resource Estimate. The program will also test for lithium enriched brines located in central areas of the evaporite adjacent to the borate deposit.
- The drilling campaign comprises a 23 hole, 10,000 metre program.
- Fourteen drill holes have been designed to confirm the historical borate resource.
- Two drill holes have been designed to test the North Western extension of the evaporite along strike from the historical borate resource.
- Six drill holes have been designed to test the lithium brines target in the centre of the basin. The drilling will seek to test the hypothesis that lithium levels should occur in higher concentrations in the basin centre than those found at the edge of the basin (91ppm).
- The drill program is expected to take ~15 weeks to complete, with initial assay results to be released during November 2017.

Figure 3: Location of proposed borate-lithium drill holes



Source: Company, September 2017.

INITIAL FINDINGS FROM SCOPING STUDY PROGRESS UPDATE

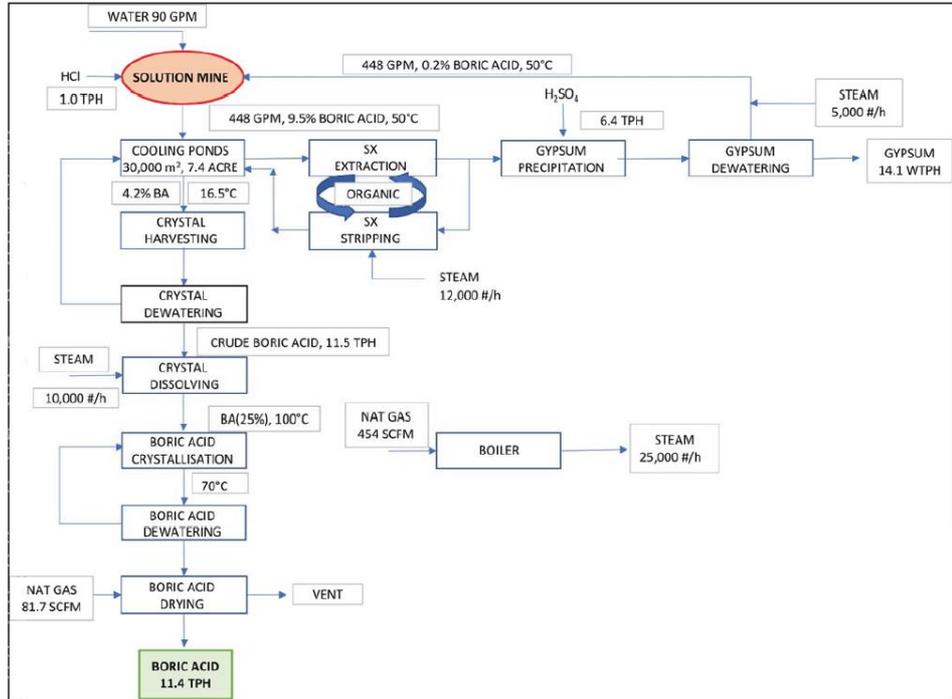
- The company recently released initial findings from its scoping study, which is currently being finalised. The company plans to release the Scoping Study in full later this quarter.
- The Fort Cady project will require a contemplated low initial capex of US\$80M–\$90M, which includes a 25% contingency for Phase 1 operations; Phase 1 operations consists of an 90ktpa 99.9999% grade boric acid (H₃BO₃) plant.
- Further phases to increase production will be financed by project cash flow. Phase 2 will add a lithium circuit. Phase 3 will triple boric acid and lithium production to 270ktpa. Phase 4 will provide a Mannheim SOP plant. These details will be confirmed on release of the Scoping Study.
- The company have outlined a range for C1 operating costs of US\$345-383/t boric acid.
- The company has assumed a conservative acid input cost of US\$150/t sulphuric acid, and US\$250/t hydrochloric acid; the company is targeting modest acid consumption of 560kg acid per tonne of boric acid produced.



PROCESS DESIGN

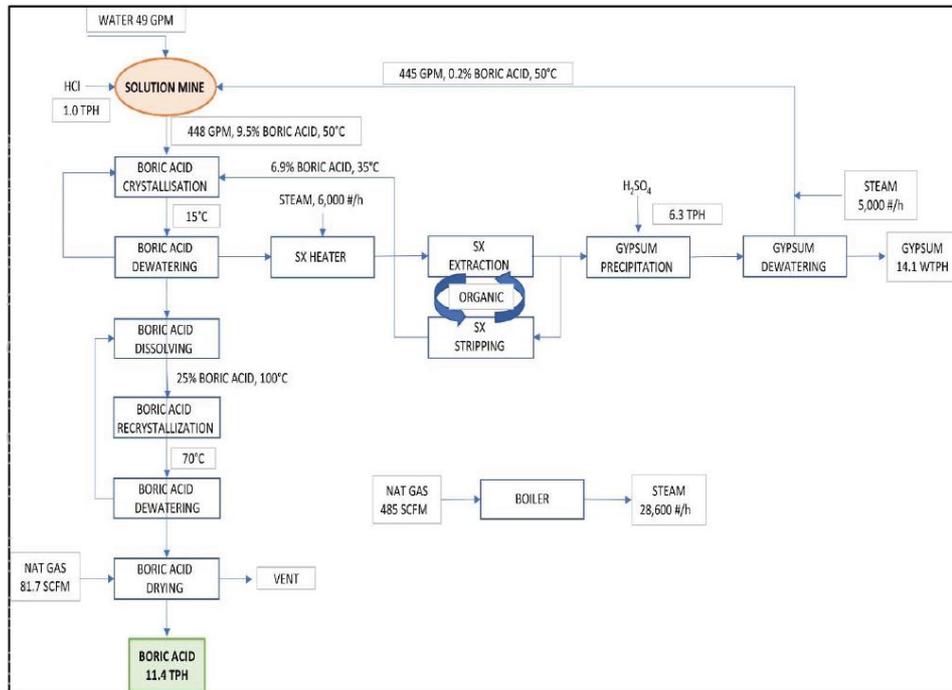
- Separation of boric acid from impurities will be via a two stage cooling crystallisation, either via cooling ponds (Option 1) or mechanical cooling (Option 2). The process flow sheets for both options are similar, and will consist the following steps:
 1. Acid in situ solution mining using heated (58°C) weak acid solution (4% HCl)
 2. Cooling to produce crude boric acid crystals;
 3. Collection, de-watering, and re-dissolution of the crude crystals to produce a concentrated boric acid solution;
 4. Cooling recrystallisation of pure boric acid;
 5. Crystal de-watering and drying;
 6. Solvent extraction (SX) to recover soluble boric acid from the crude crystallisation step;
 7. Regeneration of the injection solution by sulphuric acid acidification of the SX reject solution (raffinate);
 8. De-watering and disposal of the gypsum stream.
- While both cooling options are currently designed to produce the same boric acid output, the mechanical cooling option offers a number of advantages over the cooling pond method, including reduced temperature fluctuation, more reliable process, more uniform product, and smaller footprint.

Figure 4: Process flow sheet Option 1 cooling ponds



Source: Company, October 2017.

Figure 5: Process flow sheet, option 2: mechanical cooling



Source: Company, October 2017.



OPERATING COST STRUCTURE – HIGH OPERATING MARGIN

- ABR has provided a C1 operating cost range of US\$345-383/t of boric acid from its initial findings from the Scoping Study progress update.
- ABR are yet to finalise the process flowsheet, although the two options contemplated are very similar. The principal difference between the two proposed flowsheets are adopting cooling ponds in Option 1, or proceeding via mechanical cooling in Option 2.
- ABR expects a C1 cost of US\$345/t boric acid using cooling ponds in Option 1.
- ABR expects a C1 cost of US\$383/t boric acid using mechanical cooling in Option 2. Option 2 is higher cost per unit of product as it is a more energy and water intensive method than Option 1, although offers reduced temperature fluctuation, more reliable process, more uniform product, and a smaller surface footprint.

Figure 6: Key operating metrics and C1 operating costs for process design options

Operating Cost Item	Unit	Option 1: Cooling Ponds		Option 2: Mechanical Cooling	
		Quantity	US\$/t boric acid	Quantity	US\$/t boric acid
Natural gas	mscf	214,524	9.20	393,096	16.85
Electricity	MWh	31,755	46.68	52,560	77.25
Water	mgpa	42,600	4.18	49,459	4.85
SX solvent	gpa	4,761	0.59	—	—
Hydrochloric acid	tpa	6,807	20.85	6,683	20.47
Sulphuric acid	tpa	44,578	81.90	44,579	81.90
Gypsum/calcite to TSF	tpa	100,847	6.17	100,847	6.17
Maintenance materials			18.37		18.37
Product freight to port			15.00		15.00
All labour			121.71		121.71
Other			20.00		20.00
C1 Operating Cost/t			345		383

Source: Company, Foster Stockbroking estimates; mgpa, million gallons per year; gpa, gallons per year.

- ABR have also outlined its input assumptions, and note the input cost assumptions are conservative internal estimates based on retail prices.

Figure 7: ABR input assumptions

Operating Cost Input	Unit	US\$
Natural gas	mscf	3.50
Electricity	MWh	120
Water	mgpa	8
SX solvent	gpa	10
Hydrochloric acid	tpa	250
Sulphuric acid	tpa	150
Gypsum/calcite to TSF	tpa	5

Source: Company, Foster Stockbroking estimates; mgpa, million gallons per year; gpa, gallons per year.



FORECAST BORIC ACID PRICE

- Roskill estimates the price range for North American boric acid is in the range of US\$800-1,000/t of boric acid, 99.9999% grade. Assuming a US\$383/t C1 cost structure and the range of US boric acid forecasts, ABR could achieve high margins of US\$417-617/t boric acid, or a 52-62% operating margin.

INFRASTRUCTURE

- Existing infrastructure at the site is advanced as US\$50M expenditure has historically been invested at the site.
- Existing infrastructure at Fort Cady includes:
 - Interstate highway: Project access by graded road extending approximately 4km south from the Interstate 40 highway;
 - Rail line: BNSF main rail line runs parallel to the Interstate 40 highway and is 2km to the north of the Project;
 - Gas line: major gas pipeline alongside the Interstate 40 and rail line;
 - Grid electricity: major electricity trunk line (Southern California Edison) through the Project area;
 - Port access: direct access to the Port of Los Angeles; and
 - Existing pilot plant with associated permitting, which produced synthetic high grade colemanite concentrate from 1996 to 2001.

UPCOMING MILESTONES

- The company has a number of upcoming milestones:
 - ABR expects to announce a maiden JORC Resource in the December 2017 quarter.
 - ABR also expect to release a full Scoping Study in the current quarter, in addition to the Scoping Study progress update, released on 12 October.
 - During 1HCY18e, the company expects to release complete pilot plant & metallurgical studies, and a complete Definitive Feasibility Study (DFS). The company also plans to engage in global marketing in key markets including North America, UK and EU, and Asia, and commence discussions with sales and marketing partners for boric acid and LCE.
 - During 2HCY18e, ABR aims to be construction ready and have Air & Water Quality permits reinstated. ABR also aim to finalise EPC management and engage construction partners.
- ABR plan to release complete pilot plant and metallurgical studies and a complete Definitive Feasibility Study (DFS) in 1H CY18e, and be construction ready and have air and water quality permits reinstated by 2H CY18e.



PERMITTING

- Active permits are in place for commercial scale operations producing up to 90,000 tpa of boric acid. The company currently has two active permits, as follows:
 - Plan of Operations and combined Environmental Impact Statement (EIS) / Environmental Impact Report (EIR); and
 - Mining Conditional Use Permit and Reclamation Plan (94M-04) and combined EIS / EIR.
- Fort Cady previously had two other permits, which were rescinded at the request of the previous owner. The two permits, which currently remain rescinded, are:
 - Water Quality Management Permit (Water Discharge Requirements); and
 - Air Quality Permit – Authority to Construct and Permit to Operate.
- The company has commenced the reinstatement process for both of the rescinded permits, and expect finalisation of this process in 2H CY18e.
- The company is of the view that reapplication for the rescinded permits will be viewed favourably by respective agencies while the two active permits (Plan of Operations and Mining Conditional Use) are in effect.

FISCAL METRICS

- We have assumed a 35% tax rate, and 5% royalty rate on net proceeds.

FORT CADY RISKED NPV₁₀ OF A\$245M

- We have derived a risked post tax NPV₁₀ of A\$245M for the Fort Cady project.
- We have made the following assumptions:
 - US\$85M initial capex for initial 85ktpa 99.9999% boric acid production, to begin FY21e. Company has guided for US\$80-90M initial capex which includes a 25% contingency. We assume construction begins in FY20e, and construction time of 12 months.
 - Further US\$130M for Phase 3 production to triple boric acid production to 270ktpa starting from FY25e.
 - 69Mt of high grade Mineral Resource (69Mt at 16% H₃BO₃) is exploited first, then followed by the balance of the Mineral Resource (46Mt 8.8% H₃BO₃). We have applied a 50% risk factor to account for the non JORC Resource Estimate.
 - We have assumed a US\$800/t boric acid price. Roskill estimates a range of US\$800-1,000/t for 99.9999% grade boric acid product.
 - C1 operating cost per tonne of US\$383/t, which assumes the higher cost cooling option method. We estimate AISC to be A\$600/t.
 - We have not modelled Stage 2 of the project at this stage, which contemplates a lithium production facility, nor Stage 4 of the project, which envisages a SOP facility.



- WACC of 10%, nominal basis, post tax assuming 35% tax rate and 5% royalty rate.
- We have applied a further risk factor of 75% to account for the project at the Scoping Study stage.

Sensitivity and Scenario Analysis

- We estimate an increase of A\$85M in Fort Cady risked NPV₁₀ for every US\$100/t increase in boric acid.

Figure 8: Fort Cady Sensitivity Analysis Summary

For a US\$100/t increase in	ΔNPV, risked, A\$M
Boric acid (H ₃ BO ₃), 99.9999%	85

Source: Foster Stockbroking estimates.

- We estimate Fort Cady risked NPV₁₀ of A\$330M assuming US\$900/t boric acid forecast, and similarly A\$415M, assuming US\$1,000/t boric acid, noting Roskill estimates US boric acid prices to be between US\$800-1,000/t boric acid.

Figure 9: Fort Cady Scenario Analysis

Boric acid (H ₃ BO ₃), 99.9999%, US\$/t	Risked NPV ₁₀ , A\$M
800 (base)	245
900	330
1,000	415

Source: Foster Stockbroking estimates.

Fort Cady Unrisked NPV₁₀ of A\$613M

- We have derived an unrisked NPV₁₀ of A\$613M for the Fort Cady project, using the assumptions above, except for the risking for the Resource and development stage.



ABR COMPANY VALUATION OF \$260M

- We have derived a risked company valuation of \$260M, or \$0.62 per ABR share.
- We have assumed the company will finance the initial capex amount as all equity, at a 10% discount to the last share price of \$0.48.
- We have derived an unrisked valuation of \$638M, or \$1.52 per share.

Figure 10: Company Valuation

Company Valuation	Unrisked A\$M	Unrisked, A\$/sh	Risked, A\$M	Risked, A\$/sh	1-Risk Factor
Fort Cady	\$613	\$1.46	\$245	\$0.59	40%
Corporate	-\$85	-\$0.20	-\$34	-\$0.08	40%
Cash	\$5	\$0.01	\$5	\$0.01	100%
Cash from equity raise	\$101	\$0.24	\$40	\$0.10	40%
Cash from options, ITM at valuation	\$4	\$0.01	\$3	\$0.01	90%
Valuation DCF, WACC 10%, nominal	\$638	\$1.52	\$260	\$0.62	41%
Ordinary shares, M	170				
Options, M	15				
Shares from equity raise, M	234				
Fully diluted shares, M	419				

Source: Company, Foster Stockbroking estimates.

**RECOMMENDATION – SPECULATIVE BUY, PT \$0.62**

- We recommend ABR as a Speculative Buy given its strategic location, low capex and high margin project supported by a long life high grade asset and strong Board, coupled with an infrastructure head start.
- We have a price target of \$0.62, in line with our risked company valuation.
- We consider a number of key catalysts for a rerate of the ABR share price, including:
 - Further drill results;
 - Formal exploration target;
 - Defining a maiden JORC Resource;
 - Scoping and Feasibility studies;
 - Metallurgical test results;
 - Permitting; and
 - Financing and offtake agreements.
- Upcoming catalysts for ABR share price include: 1) further drilling results in the current half; 2) maiden Resource and announcement in Q4 CY17e; 3) Scoping Study announcement in Q4 CY17e; 4) Definitive Feasibility Study in CY18e.



MANAGEMENT

Board

- Michael X. Schlumpberger, Managing Director and CEO, BEng (Mining), MBA. Qualified mining engineer with over 30 years' experience in industrial minerals. His background includes management operations and maintenance in all aspects of mining, processing, reclamation and permitting. Prior senior roles include Potash Corporation of Saskatchewan, Passport Potash, Highfield Resources, and has experience across a number of jurisdictions including the US, Canada, and Europe.
- Harold (Roy) Shipes, Non-Executive Chairman, BSc. More than 50 years' commercial experience in metals and mining – primarily engineering and project development around the world including the USA, Canada, Peru, Australia, PNG, Venezuela, and Mexico. Previously CEO and General Manager of OK Tedi Mining Ltd, GM Operations for the Southern Peru Copper Corp, and Phelps Dodge Corp. Currently the CEO and President of Altair Resources.
- Anthony Hall, Executive Director, LLB (Hons), BBus, AGIA. Qualified lawyer with 20 years' commercial experience in venture capital, risk management, strategy, and business development. He was MD of Highfield Resources Ltd from 2011 to 2016.
- Stephen Hunt, Non-Executive Director, BBus, MAICD. More than 25 years' experience in marketing mineral products worldwide. His career includes 15 years at BHP Billiton where he spent 5 years in the London office marketing minerals to a global customer base. Stephen has built his own minerals trading company, which has a strong Chinese focus. He brings 15 years of cumulative board experience with four ASX listed companies, two of which transitioned from development to production.
- John McKinney, Non-Executive Director, BSc, BA. Has held senior management positions in the mining industry for 25 years in corporate, management, and business development roles. Co-founded a number of mining companies. His responsibility have included overseeing operations in the US, Mexico, and Bolivia.



RISKS

- The following are risks to the ABR share price:
- **Resource risk:** ABR might not be able to determine a JROC Resource or Reserve, or not be economically feasible, which could negatively impact valuation and ability to generate earnings.
- **Permitting risk:** ABR are currently in the process of reinstating a Water Quality Management Permit and an Air Quality Permit. There is a risk the company might not be able to secure requisite permits to enable operations.
- **Sovereign risk:** changes in government, legislation, or fiscal regimes of the United States at federal, state or local government levels have the ability to impact the ownership, financing, permitting, or economics of the Fort Cady project.
- **Commodity price risk:** declines in lithium and borate prices could negatively impact the revenues and profitability of the Fort Cady project.
- **Currency risk:** ABR is exposed to currency risk as its proposed commodities are denominated in USD, while its share price is denominated in AUD. Increases in the AUD against the USD will have negative translational impacts on the AUD denominated business.
- **Operating risk:** problems may occur during the mining, processing, transporting and selling of lithium and borates, which may negatively impact revenues, costs, profits.
- **Financing risk:** ABR does not currently generate earnings, and will require funds to advance and develop its project. The company may require an equity raise, which could potentially dilute shareholders, or the company borrowing debt, increasing its solvency risk.
- **Economic and market risk:** volatility in global economic growth and share markets has the potential to reduce the appetite for ABR's commodity exposure and shares, negatively impacting the share price.

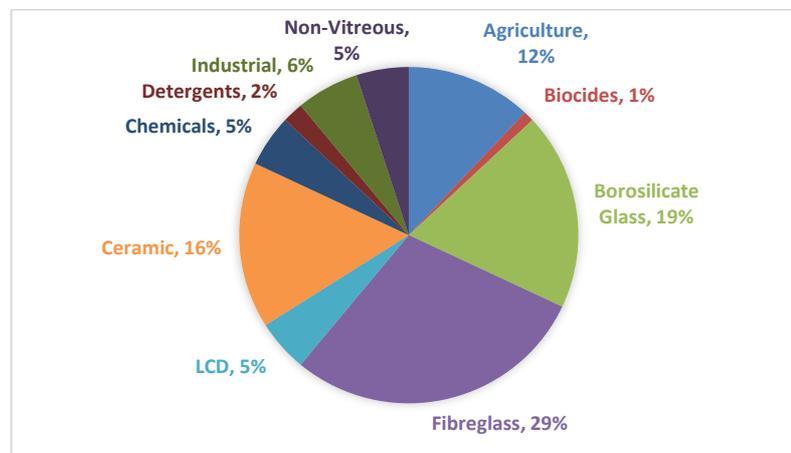
APPENDIX

BORATES

Industry Background

- Borates are a group of boron-bearing minerals containing boric oxide (B_2O_3). Borates are sold on the basis of their boric oxide contents, varying by ore and compound and by the absence or presence of calcium and sodium.
- The four borate minerals – colemanite, kernite, tincal, and ulexite – make up to 90% of borate minerals used by industry.
- Deposits of borates are associated with volcanic activity and arid climates, with the largest economically viable deposits located in the Mojave Desert of the US, the Alpid Belt in southern Asia, and the Andean belt of South America. Borates often occur in associated with materials including halite, potash, soda ash, and lithium.
- Borates are used in more than 300 applications with 75% of world consumption going into ceramics, detergents, fertilisers, and glass. The company expects demand to be driven by fibreglass applications and agriculture.
- The market for borates is a mature and stable industry, and with growth estimates of 4-5% CAGR in demand for boric acid.

Figure A1: Borates Applications

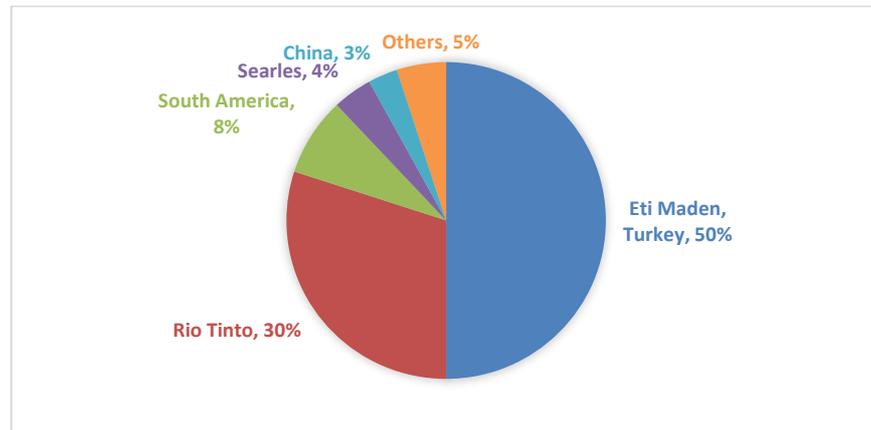


Source: Foster Stockbroking estimates, Rio Tinto announcement.

- Canada, China, India, Malaysia, and the Netherlands are the countries that imported the largest quantities of refined borates from the United States in 2016. China has low-grade boron reserves and consequently demand for boron is anticipated to rise in that country, with the Asia Pacific region expected to drive the increased demand.
- Borates are produced largely in Turkey, the USA, Argentina, Chile, Bolivia, Peru, Russia and China. The world’s two largest producers of borate are Eti Maden (Turkey) and Rio Tinto Minerals via the Boron mine (previously US Borax), in California, USA. These two producers provided 70-75% of

global borate supply in 2015. This is a market where supply is tightly controlled, the main barrier to entry being the scarcity of large, economic borate deposits around the world.

Figure A2: Borates Supply



Source: Foster Stockbroking estimates, Rio Tinto presentation.

- Turkey holds the largest known resources of borate and is the world’s largest producer, via the government-owned Eti Maden mining company.
- The United States is the world’s second largest producing country. Rio Tinto Minerals (previously US Borax), part of Rio Tinto plc, is responsible for the vast majority of US borate production from its mine in Boron, California. This mine is located less than 100km from the Fort Cady deposit and has been in operation for over 140 years. Rio produces borate ores containing the minerals kernite, tincal, and ulexite by open pit methods and operated associated processing plants. Kernite is used to produce boric acid, tincal is used to produce sodium borate, and ulexite is used as a primary ingredient in the manufacture of a variety of specialty glasses and ceramics.
- The Searles Valley mine, also in California, has been producing borate and soda ash from brines since 1926. In 1962 the mine switched from conventional mining to lower cost solution mining, followed by solvent extraction, to produce the boric acid product. This is the same mining and processing technique proposed for the Fort Cady project. The Searles Valley mine was acquired in 2008 by Nirma, a large industrial conglomerate based in India that is one of the world’s largest manufacturers of soaps and detergents.



FOSTER STOCKBROKING DIRECTORY

Name	Department	Phone	Email
Stuart Foster	Chief Executive Officer	+61 2 9993 8131	stuart.foster@fostock.com.au
Chris Francis	Executive Director	+61 2 9998 8167	chris.francis@fostock.com.au
Haris Khaliqi	Executive Director	+61 2 9993 8152	haris.khaliqi@fostock.com.au
Martin Carolan	Executive Director	+61 2 9993 8168	martin.carolan@fostock.com.au
Mark Fichera	Executive Director	+61 2 9993 8162	mark.fichera@fostock.com.au
Mark Hinsley	Executive Director	+61 2 9993 8166	mark.hinsley@fostock.com.au
Darren Odell	Research	+61 2 9993 8121	darren.odell@fostock.com.au
Matthew Chen	Research	+61 2 9993 8130	matthew.chen@fostock.com.au
George Mourtzouhos	Execution & Dealing	+61 2 9993 8136	george.mourtzouhos@fostock.com.au

Foster Stockbroking Pty Ltd
A.B.N. 15 088 747 148 AFSL No. 223687
Level 25, 52 Martin Place, Sydney, NSW 2000 Australia
General: +612 9993 8111 Equities: +612 9993 8100 Fax: +612 9993 8181
Email: contact@fostock.com.au
PARTICIPANT OF ASX GROUP

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