



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

30 April 2021

## MARCH 2021 QUARTERLY REPORT

### HIGHLIGHTS

- Construction activities progressing for Fort Cady Borate Mine
- Enhanced DFS updated with the addition of a new phase 1C to bring forward SOP production and deliver meaningful EBITDA in CY2023. Updated Project metrics include (US\$1.00:A\$0.75):
  - NPV<sub>8</sub> of US\$2.02 bn / A\$2.69 bn (previously US\$1.97 bn);
  - IRR of 40.6% (previously 39.4%); and
  - EBITDA of US\$453m / A\$604m (previously US\$438m) in first year of full production
- US Advisory Board established to drive US listing process, with John Mitchell appointed Chairman, Tim Johnston and Govind Arora to make up balance of the three-member Advisory Board
- Advisory Board process already well advanced with respect to potential senior executive appointments
- Discussions with potential sales and marketing partners advancing
- US\$30m equity financing completed to fully finance Phase 1A capex
- NASDAQ listed Matrix Service Company (NASDAQ:MTRX) appointed to complete construction of Phase 1A
- Construction activities continue, with first production as part of the commissioning process on track for Q3 CY2021
- Continued corporate focus on borate educational marketing associated with key decarbonisation technologies
- A\$59.2m cash at bank as at 31 March 2021

#### COMPANY DIRECTORS

David Salisbury – Executive Chairman

Anthony Hall - Executive Director

Stephen Hunt - Non-Executive Director

Jimmy Lim – Non-Executive Director



#### ISSUED CAPITAL

377.1 million shares

59.6 million options

#### REGISTERED OFFICE

Level 12, 197 St Georges Terrace, Perth  
WA, 6000, Australia

#### US OFFICE

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American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to provide an update on activities at its projects in Southern California and Nevada for the period ending 31 March 2021.

### Fort Cady Borate Mine Construction Activities

Construction activities are progressing for the Fort Cady Borate Mine with important equipment due on site over the coming two months. Difficulties associated with COVID-19 and global shipping have made timelines more complicated. Notwithstanding this, the Company still expects first production associated with initial commissioning to occur in September 2021, with meaningful production in Q4 CY2021.



Figure 1 | Photo of Site Infrastructure



Figure 2 | Photo of Site Infrastructure

### ABR Updates Fort Cady Borate Mine Enhanced DFS

On 4 February 2021, the Company released its updated enhanced DFS.

Key highlights were:

- Targeted EBITDA in CY2023 increased from US\$20.2m to US\$45.9m
- The addition of a new Phase 1C designed to:
  - Decouple SOP and Boric Acid construction to bring forward SOP production
  - Significantly reduce capital required in CY2022 for Phase 1B (reducing capex from US\$156m to US\$34.6m)
  - Deliver meaningful EBITDA in CY2023 to support debt and cashflow financing for subsequent phases
- Updated Project metrics at a US\$1.00:A\$0.75 exchange rate are:
  - NPV<sub>8</sub> of US\$2.02 bn / A\$2.69 bn (previously US\$1.97 bn);
  - IRR of 40.6% (previously 39.4%); and
  - EBITDA of US\$453m / A\$604m (previously US\$438m) in first year of full production

The initial DFS was completed in December 2018 (refer ASX announcement dated 17 December 2018). In January 2019, the initial DFS was then modified to include a low capex starter project (refer ASX announcement dated 31 January 2019). In April 2020, an enhanced DFS was completed to increase SOP production to 400ktpa (refer ASX announcements dated 16 and 24 April 2020).



The updated eDFS released in February 2021, brings forward early SOP production and make other updates to strengthen the eDFS including:

- Increasing SOP equipment capex to reflect the change in procurement strategy to European suppliers away from Chinese suppliers (expected to increase reliability and reduce risks around US / China trade);
- The addition of compaction equipment for up to 80kstp/a to cover all Phase 1 SOP production to enable the onsite production of the Company's specialty SOP+B fertiliser following feedback from potential partners;
- Increasing MOP input prices by 12.5% to reflect current market pricing with a corresponding increase in SOP sales price assumptions; and
- Increasing opex estimate in early phases to reflect higher fixed costs.

Key metrics for the new phases are presented in the table below.

**Table 1 | Key Financial Metrics for the Fort Cady Borate Mine on a Phase-by-Phase Basis**

<b>Fort Cady Project (Boric Acid and SOP Production)</b> (refer ASX announcement dated 4 February 2021)	
<b>Phase 1A Only</b>	
Capex	US\$54.2 million
NPV <sub>8</sub>	US\$138.5 million
IRR	24.4%
EBITDA in first full year of production	US\$12.6 million
<b>Phase 1A &amp; 1B Only</b>	
Capex (Phase 1B only)	US\$34.6 million
NPV <sub>8</sub>	US\$597.9 million
IRR	46.1%
EBITDA in first full year of production	US\$49.6 million
<b>Phase 1A, 1B &amp; 1C Only</b>	
Capex (Phase 1C only)	US\$122.0 million
NPV <sub>8</sub>	US\$885.2 million
IRR	36.4%
EBITDA in first full year of production	US\$81.1 million
<b>Phase 1 &amp; 2 Only</b>	
Capex (Phase 2 only)	US\$313.0 million
NPV <sub>8</sub>	US\$1.889 billion
IRR	40.2%
EBITDA in first full year of production	US\$257.3 million
<b>Full Project (Phases 1, 2, &amp; 3)</b>	
<b>Capex (Phase 3 only)</b>	<b>US\$318.7 million</b>
<b>NPV<sub>8</sub></b>	<b>US\$2.021 billion</b>
<b>IRR</b>	<b>40.6%</b>
<b>EBITDA in first full year of production</b>	<b>US\$452.7 million</b>



Key changes are the addition of a new Phase 1C which enables the decoupling of SOP and boric acid from the previous Phase 1B. This has the effect of delivering a very low capex for the new Phase 1B and a stronger CY2023 EBITDA given the ability to bring forward SOP production.

## **Transformational Appointments to Drive US Listing Process**

### US Advisory Board Established

In April 2021, the Company announced the creation of an Advisory Board to help progress a strong listing of the Company's securities in the US.

The creation of the 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 has 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 is currently being acquired by a 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.

**Senior Executive Recruitment**

Consistent with the Advisory Board's mandate a process to secure new senior executive talent is well advanced. The Company expects to be in a position to advise the market of new appointments over the coming months.

**Partner Discussions for Sales and Marketing Activities**

The Company continues to progress discussions with potential partners.

**US\$30M Financing Completed**

In February 2021, the Company confirmed receipt of US\$30M from Virtova Capital Management Limited, following the renegotiated convertible note financing announced on 29 December 2020. Funds are being used for the ongoing construction of Phase 1A of the Fort Cady Borate Mine.

**Matrix Service Company Appointed to Complete Construction**

On 9 February 2021, the Company announced that Matrix (Nasdaq: MTRX) had been appointed prime contractor to complete the construction of Phase 1A of the Fort Cady Borate Mine. Matrix through its subsidiaries, is a leading North American industrial engineering and construction contractor headquartered in Tulsa, Okla with offices located throughout the United States and Canada, as well as Sydney, Australia and Seoul, South Korea. The company has a focus on sustainability, building strong Environment and Social and Governance (ESG) practices.



Matrix ranks among the Top 100 Contractors by Engineering-News Record, was recognised for its Board diversification by 2020 Women on Boards, is an active signatory to CEO Action for Diversity and Inclusion, and is consistently recognised as a Great Place to Work®. Matrix has begun integration with ABR's Fort Cady Borate Mine office and engineering consultants to ensure completion of the initial borate operation in Q3, CY2021. ABR's current intention is to retain Matrix for the balance of the three production phases of the Fort Cady Borate Mine

## **Corporate**

### ABR Board Changes

#### *Resignation of Michael Schlumpberger*

On 28 April 2021, the Company announced that Mr Michael Schlumpberger had tendered his resignation as Managing Director and CEO. Mr Schlumpberger joined the organisation in June 2017 and has been integral to the development of the Company and the Fort Cady Borate Mine. Mr Schlumpberger will continue with the Company for a transitional period working with the US Advisory Board to ensure a smooth handover.

#### *David Salisbury appointed Executive Chairman*

During a transitional period with Mr Schlumpberger and through the on boarding process for the new CEO, Mr Salisbury will act in an executive capacity. Mr Salisbury's experience spans a period of over 40 years with significant involvement in underground and surface coal, open pit gold, uranium mining and copper mine development. Over that period he has held senior executive positions at The Coteau Properties Company, Energy Resources Company, Al Hamilton Contracting Company, Cordero Mining Company, Kennecott Ridgeway Mining Company, Rössing Uranium Limit, Kennecott Minerals Company, Resolution Copper Mining, LLC (Rio Tinto), and PetroDome International LLC. Whilst working for Rio Tinto, Mr Salisbury was President and CEO of Resolution Copper Company, President and CEO of Kennecott Minerals Company and Managing Director and CEO of Rössing Uranium Limited.

#### *Appointment and Resignation of Non-Executive Director.*

On 4 February 2021, the Company announced the appointment of Mr Jimmy Lim as a Non-Executive Director and the resignation of Mr John McKinney as a Non-Executive Director.

### Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2021 provides an overview of the Company's financial activities. The Company is in a strong financial position with A\$59.2 million in cash at the end of the quarter. This will be sufficient to fund corporate costs well into 2021 and also facilitate the acceleration of construction activities at the Fort Cady Borate Mine including essential site infrastructure and final engineering.

Payments to acquire plant and equipment during the reporting period amounted to A\$1.5m, and included instalments paid for items such as the boric acid crystallization system, filtration and ZLD system. In addition, the Company incurred engineering costs totalling A\$442k during the period.

Payments for administration and corporate costs amounted to \$694K and related to costs for and associated with corporate advisory services, listing and compliance, investor relations and legal and consulting fees. Staff costs for the period amounted to \$417k and related to US office staff salaries and Managing Director fees. The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$378.2k (refer to Appendix 2).

During the quarter 6,150,000 options were exercised with total funds received of approximately A\$2.01m.

**- 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 2021<sup>1</sup>). 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 NPV<sub>8</sub> 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 2018<sup>2</sup>)**

<b>JORC compliant Mineral Resource Estimate and Reserve</b>						
<b>Reserves</b>	<b>MMT</b>	<b>B<sub>2</sub>O<sub>3</sub> %</b>	<b>H<sub>3</sub>BO<sub>3</sub> %</b>	<b>Li ppm</b>	<b>B<sub>2</sub>O<sub>3</sub> MT</b>	<b>H<sub>3</sub>BO<sub>3</sub> MT</b>
- <b>Proven</b>	27.21	6.70	11.91	379	1.82	3.24
- <b>Probable</b>	13.80	6.40	11.36	343	0.88	1.57
<b>Total Reserves</b>	<b>41.01</b>	<b>6.60</b>	<b>11.72</b>	<b>367</b>	<b>2.71</b>	<b>4.81</b>
<b>Resources</b>						
- <b>Measured</b>	38.87	6.70	11.91	379	2.61	4.63
- <b>Indicated</b>	19.72	6.40	11.36	343	1.26	2.24
<b>Total M&amp;I</b>	<b>58.59</b>	<b>6.60</b>	<b>11.72</b>	<b>367</b>	<b>3.87</b>	<b>6.87</b>
- <b>Inferred</b>	61.85	6.43	11.42	322	3.98	7.07
<b>Total M,I&amp;I</b>	<b>120.44</b>	<b>6.51</b>	<b>11.57</b>	<b>344</b>	<b>7.84</b>	<b>13.93</b>

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 36km<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> 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 3 | 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.





## Appendix 1: Schedule of Tenements

Tenement Name	Country	Status	Grant Date	Expiry	Area	Ownership Rights		
				Date	km <sup>2</sup>	Surface	Mineral	Lessee
Fort Cady Borate and Lithium Project								
Parcel 0529-251-01 Parcel 0529-251-03	USA	Granted	8/05/2010	N/A	0.65 0.32	FCCC	FCCC	N/A
Parcel 0529-251-04	USA	Granted	8/05/2010	N/A	1.09	FCCC	State of California	N/A
Company 1 Group Litigation 1 Group Litigation 4 Group Litigation 5 Group Litigation 2 Litigation 3 Litigation 6 Litigation 11 Geyser View 1 Company 4	USA	Granted	Various 12/09/1991 Various Various 29/07/1937 29/07/1937 29/07/1937 29/07/1937 18/11/1934 15/12/1931	N/A	0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.28 0.65	Elementis	Elementis	FCCC
HEC #124 - #127, HEC #129, HEC #131, HEC #343, HEC #344, HEC #365, HEC #369, HEC #371, HEC #372, HEC #374 - #376	USA	Granted	Various	N/A	1.21	Elementis	Elementis	FCCC
HEC #19; HEC #21; HEC# 23; HEC#25; HEC #34 - #41; HEC #43 - #67; HEC #70 - #82; HEC #85 - #93; HEC #182; HEC #184; HEC #288; HEC #290; HEC #292; HEC #294; HEC #296 - #297; HEC #299 - #350	USA	Granted	Various	N/A	9.63	FCCC	FCCC	N/A
Salt Wells South Borate and Lithium Project								
The Salt Wells South includes the following claims: SW 165, 167, 169, 171, 173, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 251, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 299, 300, 301, 302, 303, 304	USA	Earn in to acquire a 100% interest	23/05/18	N/A	8.5	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc



Tenement Name	Country	Status	Grant Date	Expiry Date	Area km <sup>2</sup>	Ownership Rights Surface	Tenement Name	Country
<b>Salt Wells North Borate and Lithium Project</b>								
The Salt Wells North includes the following claims: SW 1, 2, 3, 4, 5, 6, 27, 29, 31, 32, 33, 34, 35, 36, 54, 56, 58, 59, 60, 61, 62, 63, 78, 81, 82, 84, 85, 86, 87, 88, 89, 104, 106, 108, 109, 110, 111, 112, 113, 114, 115, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 147, 149, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, , 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555	USA	Earn in to acquire a 100% interest	23/05/2018	N/A	13.8	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc

FCCC - Fort Cady (California) Corporation, Elementis - Elementis Specialties, Inc., km<sup>2</sup> – Square Kilometres

**Mining Tenements disposed:** Nil

**Beneficial percentage interests held in farm-in or farm-out agreements:** Nil

**Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed:** Nil

## Appendix 2: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter (A\$)	Previous Quarter (A\$)
<b>Directors' Remuneration</b>		
Managing Director's Fees and Superannuation	155,715	95,859
Non-Executive Chairman's Fees	31,350	19,306
Executive Director Fees	179,200	29,333
Non-Executive Director Fees	12,000	19,500
<b>Total payments to related parties of the entity and their associates</b>	<b>378,265</b>	<b>163,998</b>

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AMERICAN PACIFIC BORATES LIMITED

ABN

68 615 606 114

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development & construction	(3,236)	(7,764)
	(c) production	-	-
	(d) staff costs	(417)	(1,241)
	(e) administration and corporate costs	(694)	(2,248)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	3
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(4,347)</b>	<b>(11,248)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(1,459)	(8,348)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- reclamation bond	-	(1,088)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,459)</b>	<b>(9,436)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	39,487	39,487
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	3,763	7,675
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,010)	(3,182)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Repayment of convertible debt securities	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>41,240</b>	<b>43,980</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	23,820	38,743
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,347)	(11,248)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,459)	(9,436)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	41,240	43,980
4.5	Effect of movement in exchange rates on cash held	(1)	(2,786)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>59,253</b>	<b>59,253</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	59,253	23,820
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>59,253</b>	<b>23,820</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	378
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <ul style="list-style-type: none"> <li>- Payment of Directors Fees and Remuneration - \$239k</li> <li>- Executive Director's STI Award - \$139k</li> </ul>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,347)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4,347)
8.4	Cash and cash equivalents at quarter end (item 4.6)	59,253
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	59,253
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	13.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021



Authorised by: Aaron Bertolatti – Company Secretary

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.