



AmericanPacific

BORATES LIMITED

Presentation

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COMPETENT PERSON – FORT CADY

The information in this release that relates to Exploration Results and Mineral Resource Estimates is based on information prepared by Mr Louis Fourie, P.Geo of Terra Modelling Services. Mr Fourie is a licensed Professional Geoscientist registered with APEGS (Association of Professional Engineers and Geoscientists of Saskatchewan) in the Province of Saskatchewan, Canada and a Professional Natural Scientist (Geological Science) with SACNASP (South African Council for Natural Scientific Professions). APEGS and SACNASP are a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX. Mr Fourie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fourie consents to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.

The information in this release that relates to the conversion of Mineral Resources to Ore Reserves has been prepared by Tabetha A. Stirrett of RESPEC Consulting Inc. Mrs. Tabetha A. Stirrett, P. Geo of RESPEC Consulting Inc. is a member in good standing of the Association of Professional Engineers and Geoscientists of Saskatchewan (Member #10699) and a member of the American Institute of Professional Geologists (CPG) (#11581). APEGS and CPG are a Joint Ore Reserves Committee (JORC) 'Recognised Professional Organization' (RPO). Mrs. Stirrett has sufficient Experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a CP as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves. Mrs. Stirrett consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

COMPETENT PERSON – SALT WELLS

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information prepared by Richard Kern, Certified Professional Geologist (#11494). Richard Kern is a licensed Professional Geoscientist registered with AIPG (American Institute of Professional Geologists) in the United States. AIPG is a Joint Ore Reserves Committee (JORC) Code 'Recognized Professional Organization' (RPO). An RPO is an accredited organization to which the Competent Person (CP) under JORC Code Reporting Standards must belong in order to report Exploration Results, Mineral Resources, or Ore Reserves through the ASX.

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1. ASX ANNOUNCEMENT - 10 MAY 2021

1. Combining All Phase 1 Construction

- Timeline risk for SOP equipment due to global COVID-19 related issues and increased global HCl prices create risk around a stand-alone boric acid operation.
- Larger initial operation ensures all HCl output matches boric acid requirements.
- Larger initial operation expected to have stronger financial metrics and be more attractive for US market involvement.
- Critical test works looking to increase boric acid head grade to be completed via test production wells as opposed to Phase 1A production wells.

2. Targeting Increased Mine Life with Resource Upside Drilling

- We believe there is Resource upside to the South East of the deposit.
- Modest drilling with relatively low cost may unlock the upside and potentially increase mine life.
- A longer mine life adds value to the Mine which adds value to ABR.
- Drilling program does not impact production considerations and will be managed concurrently with other workstreams.

3. Increased Focus on Borates' Specialties' Production

- Focused on becoming more than just a producer of commodity products (ie. SOP and boric acid).
- Working on recruiting the right capability to create a business unit focussing on high value borate uses.
- Will look to establish further partnerships focusing on borates for use in global decarbonisation initiatives (Compass Minerals' partnership already in train with focus on borate specialties for crops and increasing yield).

4. Healthy Cash Position

- A\$59.2m cash at bank effective 31 March 2021.
- Cash position at 30 June 2021 expected to be meaningful.

2. KEY MESSAGES

1. Borate Specialty Demand: Growing Applications Supporting Global Decarbonisation

- Borates are essential for green energy generation, permanent magnets for electric vehicles and wind turbines, energy storage applications, energy efficiency applications and micro nutrients to increase yield to reduce deforestation.
- Targeting partnerships for SOP marketing and distribution. (Recent Compass Minerals MOU)

2. Borate Supply: A Rare Borate Project Helps Needed Supply Chain Diversification

- Very few known sources of borates globally.
- New supply welcome to de-risk global supply chain currently dependent on Turkey.

3. Targeting Significant Operational Profits from Ft Cady

- Targeting profitability in all phases of growth.
- Optimising SOP production and HCl needs to balance competitive cost, capital allocation and security of supply.

4. Continued Phased Approach Combined with Value Engineering to Optimise IRR and EBITDA

- Value engineering beginning with mine plan optimisation, then process plant design to include a focus on sustainable production.
- Timing of value engineering to coincide with global supply chain delays (i.e.: leveraging delays to make project better).
- Staged capex to be rightsized for efficient use of cash, equity and debt capital markets.

5. Increasing ABR Profile and Broadening Interest from Global (US), Impact, ESG and New Energy Investors.

- Remain committed to a strong and successful listing in the US (and supporting ASX listing).
- Broad decarbonisation applications expected to draw attention of ESG focused investors.

3. NEXT STEPS

Pre 30 June 2021

- Recruit executive management.
- Initiate engagement with US investment banks focused on US listing, equity and debt.

2H CY2021

- Resource upsizing effort.
- Mine optimisation focused on well head grade improvement.
- Commence process to upgrade existing studies with new mine plan options
 - Option 1: 90kstpa boric acid and 80kstpa SOP
 - Option 2: 270kstpa boric acid and 240kstpa SOP.
- Commence work on borate specialties' applications.
- Ongoing consideration of partners for project support with a focus on borate specialties.
- Ongoing interaction with US public markets preparing for strong US listing targeting CY2022.



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