



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

31 January 2022

DECEMBER 2021 QUARTERLY REPORT

HIGHLIGHTS

- ABR on-track to complete US Listing in Q1 CY2022 with 5E CDIs to commence trading on a deferred settlement basis the day after ABR shares cease trading resulting in uninterrupted trading during transition
- Market Maker commitments received from respected NASDAQ firms
- Commenced discussions with U.S. research analysts for potential equity coverage of 5E
- Overwhelming shareholder support secured for US listing with more than 99% voting in favour
- BofA Securities engaged as US capital markets advisor
- Procurement of equipment substantially complete for Small Scale Boron Facility with initial production on track for 2H CY2022
- Value engineering program in train targeting completion of updated Bankable Feasibility Study (BFS) in Q2 CY2022
- Resource increased due to addition of the ore body under the electricity corridor
- SEC compliant, S-K 1300 Mineral Resource Estimate (MRE) prepared to support US listing
- Initial in person meetings with banking partners, research analysts, and investors held in New York
- 5E rebranding complete with website and corporate presentation
- Balance sheet strengthened with A\$37m capital raised in placement to three global institutions
- Board and management appointments made to complete corporate structure into US listing
- Discussions ongoing with existing and potential LOI partners and U.S. government entities
- Cash at bank of A\$74.0m as of 31 December 2021

American Pacific Borates Limited (ASX:ABR) (**ABR** or the **Company**) is pleased to provide a summary of its activities for the December 2021 Quarter.

Important Note: An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

COMPANY DIRECTORS

David Salisbury – Non-Executive Chair

Anthony Hall – Executive Director

Stephen Hunt – Non-Executive Director

Jimmy Lim – Non-Executive Director

American Pacific Borates Limited to be renamed
“5E Advanced Materials, Inc.”



ISSUED CAPITAL

417.7 million shares

56.1 million options

REGISTERED OFFICE

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US Listing on Nasdaq

The focus of the Company remains on delivering an exceptional outcome for all shareholders predicated on the opinion that a primary US listing will result in greater access to capital, including a significantly larger pool of ESG, institutional, and retail investors, given the US based location of the Company's facilities and management team. BofA Securities has been engaged as capital markets advisor in connection with the US listing.

The Company has chosen to list via a Nasdaq direct listing.

A direct listing allows companies to list on Nasdaq without concurrently raising capital...[it] provides unrestricted liquidity to existing shareholders and the company does not concurrently issue securities to public investors to raise capital (source: www.nasdaq.com/solutions/direct-listings)

Scheme of Arrangement and NASDAQ Direct Listing

The NASDAQ direct listing will be affected by way of a Scheme, under which all shares held by ABR shareholders will be transferred to 5E Advanced Materials, Inc. (5E), a newly-formed US company incorporated in the State of Delaware, in exchange for the issue of 5E Shares or a 5E CHESS Depositary Interest (CDI) (the Transaction). The Scheme Booklet will include an independent expert report, which determines that the Scheme is in the best interest of ABR shareholders.

Following implementation of the Scheme, 5E will become the ultimate parent company of the ABR Group. It is intended that:

- 5E will maintain a primary listing on NASDAQ, with 5E Shares being listed for trading promptly following the implementation of the Scheme (subject to authorisation for listing being obtained from NASDAQ and official notice of issuance of 5E Shares from 5E); and
- 5E will maintain a secondary listing on the Australian Securities Exchange (ASX), with 5E CDIs being listed for trading promptly following the implementation of the Scheme (subject to necessary ASX approvals).

Fractional entitlements will be rounded up to the nearest whole number.

5E Shares and 5E CDIs will be transferable meaning it is possible to transfer holdings from 5E CDIs to 5E Shares and vice versa.

Trading in ABR shares will continue until close of trading on the Effective Date, at which time ABR will apply for its shares to be suspended from official quotation. Trading in 5EA CDIs is expected to commence, on a deferred settlement basis, on the trading day after the Effective Date. Accordingly, for those ABR shareholders who receive 5EA CDIs as their Scheme Consideration, there is not expected to be any interruption in trading as part of the transition from ABR shares to 5EA CDIs.

Effects of Proposed Transaction

The proposed effects of the Transaction are:

- ABR will re-domicile to the United States by way of a Scheme. Under the Scheme, ABR will be acquired by 5E and all of the ABR Shares will be transferred to 5E, with the result that ABR will become a wholly-owned subsidiary of 5E
- As consideration for transferring their ABR Shares to 5E under the Scheme, eligible ABR Shareholders will be entitled to receive either:



- 1 5E Share for every 10 ABR shares held by them on the record date for the Scheme (if they have elected to receive 5E shares); or
- 1 5E CDI for every ABR share held by them on the record date for the Scheme (if they have elected to receive 5E CDIs or if they have not made an election).
- Fractional entitlements will be rounded up to the nearest whole number
- Eligible ABR shareholders will hold an equivalent proportional interest in 5E as they held in the Company prior to the implementation of the Transaction (subject to rounding and the Sale Facility applying to ineligible foreign shareholders)
- Following implementation of the Scheme, 1 5E Share (which will be traded on NASDAQ under the code "FEAM") will be equivalent to 10 5E CDIs (which will be traded on ASX under the code "5EA")
- 5E Shares and 5E CDIs will be transferable - so that holders can convert their 5E Shares into 5E CDIs (and vice versa)
- Ineligible foreign shareholders will have the 5E CDIs, which would otherwise be issued to the Sale Agent and sold in accordance with the Sale Facility, and they will receive the relevant net proceeds of that sale
- 5E will be listed on NASDAQ (as its primary listing) and on the ASX (as its secondary listing) to effectively replace ABR's current listing on the ASX
- The existing Options issued by ABR will be cancelled in consideration of the grant of equivalent rights to acquire 5E Shares on the basis of 1 5E Option for every 10 existing ABR Options held
- Under the arrangement, 5E will no longer require Australian based directors and associated overhead costs that is expected to result in a reduction of overhead of around A\$1m per annum.

Reasons for Re-domiciling

- The Board believes that re-domiciling ABR to the United States will position the ABR Group in a more appropriate capital market, given that all of its assets are located in the United States, thereby enabling investors to more clearly evaluate the performance and future prospects of the Company, as compared to its peers.
- The Board believes that the proposed Transaction may increase the attractiveness of the ABR Group to a broader US investor pool that previously could not or are unlikely to invest in non-US securities, leading the ABR Group being more fully valued over time by a greater number of investors.
- The Board believes that the ABR Group may have increased access to lower-cost debt or equity capital in the US market, which is larger and more diverse than the Australian capital market. This increased access to US capital may enable future growth to be financed at a lower cost.
- The Board believes that the Scheme will allow the ABR Group to streamline its business operations, as the corporate structure would be aligned with the core of its business operations. Currently, substantially all of the ABR Group's assets and management are in the United States.
- Eligible Shareholders will retain their existing exposure to the ABR Group.

Scheme of Arrangement

The Scheme of Arrangement (**Scheme**) to facilitate the re-domiciliation of ABR and the US listing on NASDAQ was successfully registered with ASIC. The Company was also able to confirm that it received a draft class ruling from the ATO for the benefit of shareholders relating to the proposed share exchange under the Scheme. The draft class ruling is consistent with comments contained in section 10.2 of the Scheme Booklet, and is available to shareholders on the ATO website at www.ato.gov.au



Scheme Meeting

In accordance with ASX Listing Rule 3.13.2 and section 251AA of the Corporations Act 2001 (Cth), the Company confirmed that the resolution to approve the Scheme (**Scheme Resolution**), as set out in the Notice of Scheme Meeting attached to the Scheme Booklet dated 27 October 2021 (**Scheme Booklet**), was passed by the requisite majorities of ABR Shareholders at the meeting (**Scheme Meeting**) held on 3 December 2021 pursuant to order made on 27 October 2021 by the Federal Court of Australia.

In summary:

- 98.5% of ABR Shareholders present and voting (in person or by proxy, attorney or corporate representative) at the Scheme Meeting voted in favour of the Scheme Resolution; and
- 99.4% of the total number of votes cast by ABR Shareholders were in favour of the Scheme Resolution.

Although shareholder approval has been obtained, the Scheme remains subject to a number of conditions as set out in the Scheme Implementation Agreement (a full copy of which is disclosed within the Scheme Booklet, which is available on the ASX website at www.asx.com.au and on ABR's website at americanpacificborates.com). Subject to these remaining conditions being satisfied or waived, implementation of the Scheme is expected to occur in Q1 CY2022.

Likely timeline

A summary of the likely timeline is presented below.

Remaining Important Dates

Second Court Hearing To approve the Scheme	25 February 2022
Effective Date The date on which the Scheme comes into effect and is binding on Shareholders. The Court orders will be lodged with ASIC and announced to the ASX Shares will be suspended from trading at the close of trading on ASX	28 February 2022
Commencement of Trading of Holdco CDIs on a deferred settlement basis Trading in Holdco CDIs commences on a deferred settlement basis on ASX (subject to confirmation from ASX)	1 March 2022
Holdco Share Election Date Last date by which the Registry must receive an Election Form for Shareholders who wish to receive Holdco Shares, or withdraw an election previously made	5:00 pm (AEDT) on 2 March 2022
Record Date Shareholders who hold Shares on the Record Date will be entitled to receive the Scheme Consideration	7:00 pm (AEDT) on 2 March 2022
Scheme Implementation Date Issue of Holdco Securities to Scheme Shareholders	9 March 2022
Conversion of Holdco Securities Holders of Holdco Securities can request to convert their Holdco CDIs into Holdco Shares (and vice versa)	9 March 2022



Despatch of Holding Statements and Commencement of Trading of Holdco CDIs on a normal settlement basis

10 March 2022

Commencement of despatch to Scheme Shareholders of statements and confirmation notices confirming the issue of Holdco CDIs

Trading of Holdco CDIs commences on ASX on a normal settlement basis

Despatch of Direct Registration System Statement

14 March 2022

Commencement of despatch of Direct Registration System Statements to Scheme Shareholders who elected to receive Holdco Shares

NASDAQ Trading

15 March 2022

Trading of Holdco Shares commences on NASDAQ

This timetable is indicative only and, among other things, is subject to the satisfaction of or, where applicable, waiver of the Conditions Precedent, and to all necessary Court and regulatory approvals. Any variation to the timetable set out above will be announced to ASX and published on the ABR website at www.americanpacificborates.com.

All references to times in the timetable are references to AEDT unless otherwise stated. Any obligation to do an act by a specified time in an Australian time zone must be done at the corresponding time in any other jurisdiction.

Value Engineering Program (Fort Cady Integrated Boron Facility Development Plan)

Various value engineering work streams continue that are designed to enhance the development plan for the Facility. The initiatives include:

- Lithium production

Opportunity to use Direct Lithium Extraction (**DLE**) technologies is being considered to remove Lithium from the process liquid waste stream that is ultimately recycled.

- Production matched to equipment capacity

A resizing of initial production is being considered with a view to matching production to the capacity of off the shelf equipment. This is expected to optimise capex and production.

- Removal of solvent extraction in flow sheet

The Company and its consultants are working on enhancing the flow sheet to remove the process step of solvent extraction. This is expected to reduce capex, land take and water consumption which may enable increased scale to ultimately take advantage of limited new boron supply globally.

- ESG initiatives

An important consideration is ensuring ESG initiatives are positively incorporated into the design of the Facility. Work continues to be progressed with respect to environmental and sustainability initiatives designed to reduce life-cycle cost to make the facility more competitive long-term

The Company is currently targeting completion of an updated BFS in Q2, CY2022 after which time it is expected to move swiftly into construction related activities designed to deliver meaningful production from the orebody in order to benefit from a tightness in North American supply of boron. Very few potential new sources of boron are visible, further complicating the ongoing supply/demand dynamic for the growing boron market and its derivative products.

Small-Scale Boron Facility

Procurement of equipment for the Small-Scale Boron Facility was substantially completed over the Quarter.



Initial engineering including material and energy balances, along with process flow have been completed. Detailed engineering is ongoing for process instrumentation, control, and mechanical design. Long lead equipment items have already been ordered in order to meet the start-up production schedule.

Importantly the Company remains on track for initial production of boron specialty advanced materials in 2H CY2022 from its Small-Scale Boron Facility.

SEC Compliant, S-K 1300 Mineral Resource Estimate

Please Note: The S-K 1300 MRE (foreign estimate) is not reported in accordance with the JORC Code. The Qualified Person for the S-K 1300 used the JORC Code compliant MRE as the basis for the S-K 1300. A full reconciliation between the two estimates is provided below.

The SEC compliant, S-K 1300 Mineral Resource Estimate was prepared by Steven Kerr, CPG, Principal Geologist, Millcreek Mining Group (the Qualified Person). Mr Kerr is a Certified Professional Geologist with the American Institute of Professional Geologists (CPG-10352), a recognised professional organisation of the Committee for Mineral Reserves International Reporting Standards (CRIRSCO). Mr Kerr has over 36 years experience in exploration and resource evaluation.

Following a detailed review of the drilling and analytical data from the 2017 drilling campaign completed by ABR, the QP considers the 2017 drilling program adequately validated the historic drilling completed by Duval. In addition, changes to mineral tenure led to the QP preparing a new mineral resource estimate for the Fort Cady Deposit. The new MRE has used the same geologic model used in the previous 2018 JORC MRE. Further review of the drilling data, the validation of historic data coupled with changes mineral tenure have led to an increase in reported Measured and Indicated resources.

Reconciliation Between S-K 1300 MRE and JORC code compliant MRE

A full reconciliation between the S-K 1300 and JORC code compliant Mineral Resource Estimates is presented below.

Table 3: Reconciliation of S-K 1300 to JORC Code Compliant Mineral Resource Estimate

S-K 1300 compliant Mineral Resource Estimate						
Resources	MsT	B₂O₃ %	H₃BO₃ %	Li ppm	B₂O₃ MsT	H₃BO₃ MsT
- Measured	35.96	6.57	11.67	330	2.36	4.2
- Indicated	61.59	6.51	11.55	318	4.01	7.12
Total M&I	97.55	6.53	11.61	324	6.37	11.31
- Inferred	11.43	6.40	11.37	324	0.74	1.31
Total M,I&I	108.98	6.52	11.60	324	7.11	12.62

Uncontrolled Mineral Resource Estimate						
Resources	MsT	B₂O₃ %	H₃BO₃ %	Li ppm	B₂O₃ MsT	H₃BO₃ MsT
- Measured	3.34	6.19	11.01	344	0.21	0.37
- Indicated	18.52	7.00	12.46	371	1.30	2.31
Total M&I	21.86	6.88	11.61	367	1.51	2.69
- Inferred	1.34	5.75	10.23	345	0.07	0.12
Total M,I&I	23.18	6.82	12.10	366	1.58	2.81



Total S-K 1300 and Uncontrolled Mineral Resource Estimate						
Resources	MsT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MsT	H ₃ BO ₃ MsT
Total M,I&I	132.16	6.57	11.70	331	8.69	15.43

Convert Short Tons to Metric Tonnes						
Resources	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MMT	H ₃ BO ₃ MMT
- Measured	35.65	6.54	11.64	331	2.33	4.15
- Indicated	72.68	6.62	11.79	330	4.82	8.56
Total M&I	108.33	6.59	11.74	330	7.15	12.71
- Inferred	11.58	6.33	11.27	326	0.73	1.30
Total M,I&I	119.91	6.56	11.69	330	7.88	14.01

JORC Code Compliant Mineral Resource Estimate						
Resources	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MMT	H ₃ BO ₃ MMT
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

Difference - Global Mineral Resource Estimated JORC v S-K 1300 / Uncontrolled						
Resources	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MMT	H ₃ BO ₃ MMT
Total M,I&I	-0.53	0.05	0.12	-14	0.04	0.08

Difference - Confidence JORC v S-K 1300 / Uncontrolled						
Resources	MMT		% Increase			
Measured	-3.22		-8%			
- Indicated	52.96		269%			
Total M&I	49.74		85%			
- Inferred	-50.27		-81%			

Information Required Under ASX Listing Rule 5.12

- 5.12.1: The foreign MRE is dated 15 October 2021 and is based on the JORC Code compliant MRE that was dated December 2018 (refer to ASX Release dated 3 December 2018)
- 5.12.2: The foreign MRE uses the same categories as the JORC Code
- 5.12.3: The foreign MRE is necessary for any US listing under SEC guidelines

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- 5.12.4: The foreign MRE is based on the JORC Code compliant MRE with a full reconciliation provided above. Importantly the QP for the S-K 1300 considers ABR's 2017 drilling campaign adequately validated historical drilling completed by Duval to have sufficient confidence to move areas associated with this drilling into a Measured and Indicated category where possible. This was further strengthened by the Company's recent acquisition of land and mineral rights in this area.
- 5.12.5: Refer JORC Code compliant MRE ASX release dated 3 December 2018
- 5.12.6: No more recent information available
- 5.12.7: Refer 5.12.5
- 5.12.8: The Company expects to receive a report shortly that may enable a reduction in the cut-off grade to support a significantly larger MRE. The Company also expects to test a JORC Code compliant Exploration Target over the coming months. Refer below.
- 5.12.9: Please refer to the bold statement on the first page with respect to the foreign MRE not being reported consistent with the JORC Code.
- 5.12.10: Please refer to the Competent Person statement at the end of this release.

Grade / Tonnage Table

As part of S-K 1300 report, the Qualified Person prepared a grade / tonnage table to enable the Company to place some parameters around the potential upside associated with mining more of the ore body.

The cut-off grade assumed for the Company's existing Mineral Resource Estimate and associated mine plan is 5% B₂O₃ (8.9% H₃BO₃). Reducing the cut-off grade to 3% B₂O₃ results in a marginal decrease of average grade from 6.57% to 5.64%, but results in a significant increase in contained boric acid from 15.46msT to 24.36msT.

The grade / tonnage table presented.

Table 4: Grade / Tonnage for S-K 1300 Mineral Resource Estimate

Grade / Tonnage Table for S-K 1300 Controlled and Uncontrolled Areas							
Grade	MsT	B₂O₃ %	H₃BO₃ %	Li ppm	B₂O₃ MsT	H₃BO₃ MsT	Li₂CO₃ MsT
8%	6.15	9.00	16.03	339	0.55	0.99	0.01
7%	33.16	7.69	13.69	355	2.55	4.54	0.06
6%	98.61	6.87	12.23	332	6.77	12.06	0.17
5%	132.16	6.57	11.70	331	8.68	15.46	0.23
4%	175.17	6.04	10.76	333	10.58	18.83	0.31
3%	242.66	5.64	10.04	332	13.69	24.36	0.43
2%	326.55	4.62	8.22	323	15.09	26.85	0.56

Work streams are progressing to optimise mining recoveries and mining parameters.

US Pre Listing Marketing Activities

Various marketing activities are being planned to support the US listing. Key activities include:

- Initial in person meetings with banking partners, research analysts, and investors were held in New York during the week of 29 November 2021;
- New branding and corporate presentation released for 5E Advanced Materials, Inc;
- 5E website launched – www.5eadvancedmaterials.com;

- Large pre-listing marketing planned for key senior management to broadly introduce the Company to potential US shareholders;
- Discussions with U.S. research analysts commenced for potential equity coverage.

The Company remains focussed on executing a deliberate strategy with select banking partners to ensure its US listing is successful.



Balance sheet strengthened with A\$37m capital raised in Placement to three global institutions

The Company successfully completed a Placement of A\$37m at A\$2.10 per share to three global institutional investors (Placement).

The issue price of A\$2.10 per share represented:

- A 12.5% discount to the last closing price of ABR shares on 22 November 2021 of A\$2.40 per share;
- A 4.4% discount to the 10-day volume weighted average (VWAP) price of ABR shares;
- A 1.5% discount to the 15-day VWAP of ABR shares; and
- A 2.1% premium to the 20-day VWAP of ABR shares.

US Government Programs

Select US and State Government Agencies have various programs to support business ESG initiatives and US companies seeking to become producers of difficult to obtain future facing commodities as it looks to insource the production of these commodities where possible.

The Company is progressing well in targeting various opportunities to support the Fort Cady Integrated Boron Facility.

Fort Cady Resource Exploration Activities

With the addition of the boron resource under the electric corridor that saw a material increase in boron available for mining, the Company elected to focus on drilling production wells as opposed to drilling activities associated with the Exploration Target to the south and south east of the Fort Cady Project area.



Salt Wells Project

The Company remains committed to the Salt Wells Project in Nevada as a very prospective boron exploration project given the historical mining at the site of a conventional boron mineral – ulexite.

Work will continue on the Salt Wells Project in CY2022.

Corporate

The Company finalised two senior management appointments and confirmed the final Board for 5E Advanced Materials, Inc is in place ahead of expected Nasdaq listing in February 2022.

Management Appointments

Two key appointments made to complete US Management Team, with Mr Paul Weibel moving from acting US Chief Financial Officer to Chief Financial Officer, and Ms Chantel Jordan appointed as SVP General Counsel, Corporate Secretary and Chief People Officer.

Board Changes - 5E Advanced Materials, Inc Corporate Structure

The Company also announced a new board appointment and updates to finalise the 5E corporate structure ahead of the US listing:

Ms Palvi Mehta has been appointed as a Non-Executive Director to the 5E Board, and chair of the audit committee; Mr Stephen Hunt will remain a Non-Executive Director and move onto the 5E Board, taking on the responsibility as chair of the compensation committee;

Mr Aaron Bertolatti, ABR's existing Company Secretary, will no longer become a Director of 5E. Mr Bertolatti will continue to support the transition for the Company's primary listing from Australia to the US while Ms Chantel Jordan will serve as Corporate Secretary of 5E in order to enable a smooth transition;

Mr Anthony Hall will transition from his current role as Executive Director of ABR to the 5E Advisory Council, joining existing advisors, John Mitchell, Govind Arora, and Tim Johnston. Mr Hall will continue to support the Company with a focus on Australian and Asian capital markets and investor relations.

Initial directors that will form the board of 5E Advanced Materials, Inc to list on the Nasdaq under the ticker "FEAM", are:

5E Board

- David Salisbury – Non-Executive Chair
- Henri Tausch – CEO and Managing Director
- Stephen Hunt – Non-Executive Director
- Jimmy Lim – Non-Executive Director
- Palvi Mehta – Non-Executive Director

Management Team

- Henri Tausch – CEO and Managing Director
- Tyson Hall – Chief Operating Officer
- Paul Weibel - Chief Financial Officer
- Dr. Dinakar (Dino) Gnanamgari - Chief Commercial / Technical Officer



- Chantel Jordan - SVP, General Counsel, Corporate Secretary and Chief People Officer
- Chance Pipitone - SVP, Corporate Development & Investor Relations

Advisory Council

- John Mitchell – Lead
- Govind Arora – Member
- Anthony Hall – Member
- Tim Johnston – Member

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 December 2021 provides an overview of the Company's financial activities. The Company is in a strong financial position with A\$74.0 million in cash at the end of the quarter. This will be sufficient to fund corporate costs for the remainder of 2022, including the NASDAQ Direct Listing, and to also facilitate the acceleration of construction activities at the Small-Scale Boron Facility.

Payments to acquire property, plant and equipment during the reporting period amounted to A\$360k. In addition, the Company incurred development expenditure totalling A\$7.5m which included drilling costs (A\$2.0m), detailed engineering (A\$500k) and consulting costs.

Payments for administration and corporate costs amounted to A\$3.3m and related to costs for and associated with NASDAQ Direct Listing (A\$1.2m), corporate advisory services, ASX listing and compliance, investor relations and consulting fees. Staff costs for the period amounted to A\$1.1m and related to US office staff salaries. The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was A\$131k (refer to Table 5).

During the quarter the Company received funds totalling A\$2.6m in relation to the conversion of unlisted options and A\$37m via a placement to three global institutional investors.

Table 5: Payments to Related Parties of the Entity and their Associates

Item	Current Quarter (A\$)	Previous Quarter (A\$)
Directors' Remuneration		
Chairman's Fees	31,042	73,311
Executive Director Fees	84,000	169,378
Non-Executive Director Fees	16,000	28,000
Total payments to related parties of the entity and their associates	131,042	270,689

- ENDS -

Authorised for release by: Henri Tausch, Chief Executive Officer

For further information contact:

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Competent Person Statement

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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 the release of the matters based on their information in the form and context in which it appears.

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.

About American Pacific Borates Limited (to be renamed 5E Advanced Materials Inc.)

American Pacific Borates Limited is an ASX listed company focused on advancing its 100% owned Fort Cadby Integrated Boron Facility located in Southern California, USA.

The Company is seeking to become a fully integrated producer of Boron specialty products and advanced materials. As a result of major trends including global decarbonization, clean energy transition, proliferation of electric transportation and growing concerns over food security, we believe that there are significant opportunities for the Company to become a key domestic supplier enabling high-performance, high-tech and high-margin applications in the United States that address these trends and reduce our economy's reliance on foreign suppliers. It is targeting Boron applications in the field of clean energy transition, electric transportation and food security amongst other high-performance, high-tech and high-margin applications.

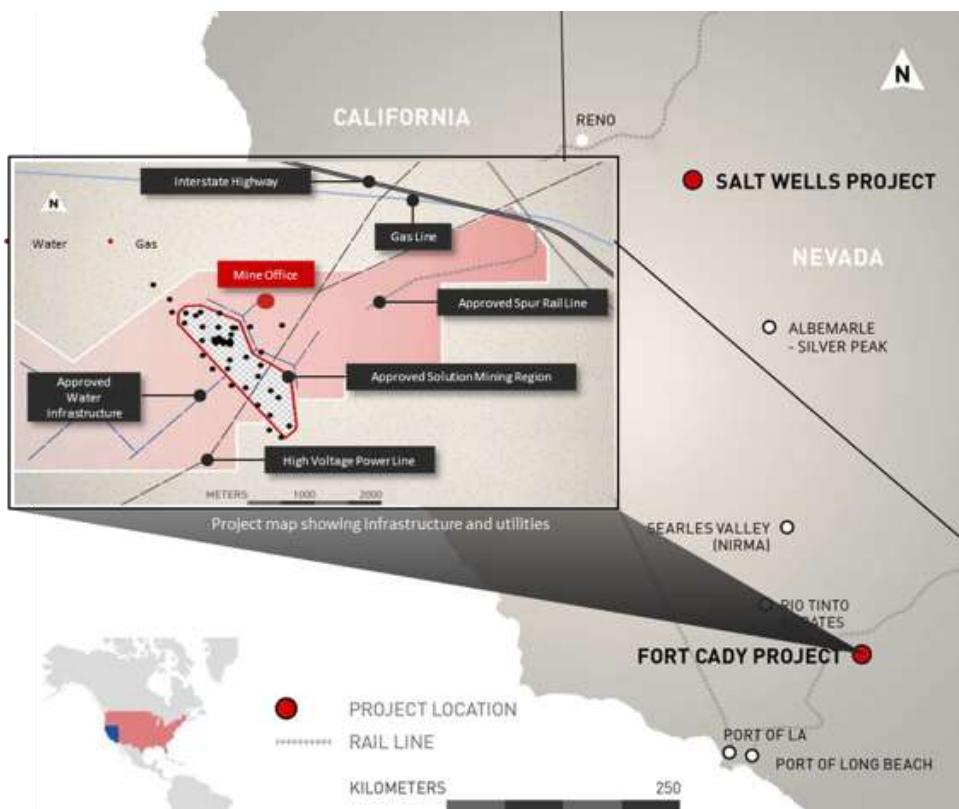


Figure 1: Location of the Fort Cady and Salt Wells Projects in the US

Appendix 1: Schedule of Tenements

Tenement Name	Country	Status	Grant Date	Expiry Date	Area km ²	Ownership Rights	
					Surface	Mineral	Lessee
Fort Cady Borate and Lithium Project							
Parcel 0529-251-01	USA	Granted	8/05/2010	N/A	0.65 0.32	FCCC	FCCC
Parcel 0529-251-03							N/A
Parcel 0529-251-04	USA	Granted	8/05/2010	N/A	1.09	FCCC	State of California
Company 1 Group			Various		0.65		
Litigation 1 Group			12/09/1991		0.65		
Litigation 4 Group			Various		0.65		
Litigation 5 Group			Various		0.65		
Litigation 2	USA	Granted	29/07/1937	N/A	0.65	Elementis	Elementis
Litigation 3			29/07/1937		0.65		
Litigation 6			29/07/1937		0.65		
Litigation 11			29/07/1937		0.65		
Geyser View 1			18/11/1934		0.28		
Company 4			15/12/1931		0.65		
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
HEC #19; HEC #21; HEC# 23; HEC#25; HEC #34 - #41; HEC #43 - #67; HEC #70 - #82; HEC #85 - #93;	USA	Granted	Various	N/A	9.63	FCCC	FCCC
							N/A



HEC #182; HEC #184; HEC #288; HEC #290; HEC #292; HEC #294; HEC #296 - #297; HEC #299 - #350								
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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
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Tenement Name	Country	Status	Grant Date	Expiry Date	Area km ²	Ownership Rights Surface	Tenement Name	Country
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Salt Wells North Borate and Lithium Project

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,	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
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PHONE

+61 8 6141 3145

WEBSITE

www.americanpacificborates.com

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

FCCC - Fort Cady (California) Corporation, Elementis - Elementis Specialties, Inc., km² – 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 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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development & construction	(7,503)	(11,404)
(c) production	-	-
(d) staff costs	(1,096)	(1,791)
(e) administration and corporate costs	(3,298) ¹	(5,411)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	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	21
1.9 Net cash from / (used in) operating activities	(11,893)	(18,583)

¹ Includes costs associated with 5E Advanced Materials, Inc Nasdaq listing including legal and exchange fees of approximately A\$1.2m.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(359)	(2,871)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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)	-	-
2.6 Net cash from / (used in) investing activities	(359)	(2,871)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	36,965	36,965
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	2,560	3,930
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(1,120)	(1,120)
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)	-	-
3.10 Net cash from / (used in) financing activities	38,405	39,775
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	48,129	54,371
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(11,893)	(18,583)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(359)	(2,871)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	38,405	39,775

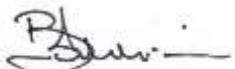
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4.5 Effect of movement in exchange rates on cash held	(267)	1,323
4.6 Cash and cash equivalents at end of period	74,015	74,015
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown 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	74,015	48,129
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	74,015	48,129
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		131
6.2 Aggregate amount of payments to related parties and their associates included in item 2		-
<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>		
- Payment of Directors Remuneration - \$131k		

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
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. Estimated cash available for future operating activities		\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)		(11,893)
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)		(11,893)
8.4 Cash and cash equivalents at quarter end (item 4.6)		74,015
8.5 Unused finance facilities available at quarter end (item 7.5)		-
8.6 Total available funding (item 8.4 + item 8.5)		74,015
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)		6.2
<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: 31 January 2022



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.