



AmericanPacific

BORATE & LITHIUM  
LIMITED

ASX Announcement

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## ABR to Welcome Major Chinese State Owned Enterprise, Sinomach to Visit Fort Cady Project in California to Continue Strategic Cooperation Discussions

- **ABR to welcome representatives from Chinese State Owned Enterprise (SOE), Sinomach, to Fort Cady project in February to progress strategic cooperation discussions**
- **ABR senior management visiting China in January to explore equipment and financing options for mine construction**

American Pacific Borate and Lithium Limited (ASX:ABR) ("ABR" or the "Company"), is pleased to announce the upcoming arrival of representatives of Sinomach Group to the Company's Fort Cady project in California.

In 2018 the Company entered into a non-binding strategic cooperation agreement with China National Chemical Fiber Corp., a wholly owned subsidiary of Chinese state-owned enterprise China National Machinery Industry Corporation ("Sinomach").

Sinomach Group, a Global Fortune 500 company, is an international, diversified, comprehensive equipment industrial group. The group's primary businesses include four main areas of R&D and manufacturing: mechanical equipment, project contracting, trade and services, as well as finance and investment. Its service scope covers critical national economic fields including machinery, electric power, metallurgy, agriculture and forestry, transportation, construction, automobiles, ship building, light industry, electronics energy, environmental engineering, aeronautics and astronautics. The group has a market presence in over 170 countries and regions around the world and is one of China's largest consumers of borates.

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

"The release of the Definitive Feasibility Study at the end of 2018 has presented ABR with a strong platform to commence strategic negotiations with large consumers of borates. As announced on 17 December 2018, we are targeting a staggering US\$321m EBITDA in our first full year of production which makes our Fort Cady Borate project a substantial mining prospect in a low risk, supportive jurisdiction.

#### COMPANY DIRECTORS

Harold (Roy) Shipes – Non-Executive Chairman  
Michael X. Schlumpberger - Managing Director & CEO  
Anthony Hall - Executive Director  
Stephen Hunt - Non-Executive Director  
John McKinney – Non-Executive Director



#### ISSUED CAPITAL

190.1 million shares  
30.9 million options

#### REGISTERED OFFICE

Level 24, Allendale Square  
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The Company signed an agreement last year with the Chinese SOE Sinomach that has businesses covering a wide array of industries where boric acid is used. Bringing representatives to site in California and a reciprocal visit in China are important steps in exploring options for mine construction.”

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**About American Pacific Borate and Lithium Limited**

American Pacific Borate and Lithium Limited is focused on advancing its 100% owned Fort Cady Borate Project located in Southern California, USA. Fort Cady is a highly rare and large colemanite deposit and is the largest known contained borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid.

In excess of US\$60m 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.

A Definitive Feasibility Study (“DFS”) was completed in December 2018 delivering compelling financial metrics including steady state production target of 410ktpa of boric acid and 110ktpa of SOP, pre production capex including a 13% contingency of US\$138m, unlevered post tax NPV<sub>10</sub> of US\$1.25bn (NPV<sub>8</sub> of US\$1.59bn) and an unlevered post tax IRR of 41%.

In 1994 the Plan of Operations (mining permit) was authorised along with the Mining and Land Reclamation Plan. These permits are in good standing and contain a full Environmental Impact Report and water rights for initial operations of 82ktpa of boric acid. The Company is currently working through a permitting process to gain three additional permits required to commence operations.



*Location of the Fort Cady Project, California and the Salt Wells Projects, Nevada, USA*

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