

American Pacific Borates Ltd

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American Pacific Borate & Lithium's DFS values Fort Cady Borate Project at \$1.7 billion

American Pacific Borate & Lithium Ltd (ASX:ABR) has delivered an exceptional definitive feasibility study (DFS) for its flagship Fort Cady Borate Project in California, US.

The DFS has evaluated mining of the Fort Cady borate deposit to produce a high purity (99.99%) boric acid (H3BO3) product along with sulphate of potash (SOP).

Importantly, the DFS forecasts an unlevered, post tax net present value of US\$1.25 billion (\$1.7 billion) and an internal rate of return (IRR) of 41%.

ABR is proposing to produce about 408,000 metric tonnes per annum of boric acid in multiple phases:

- Phase 1: 81,600 tonnes per annum (tpa) of boric acid with 36,000 tpa of SOP;
- Phase 2: Additional 163,000 tpa of boric acid with 36,000 tpa of SOP;
- Phase 3: Additional 163,000 tpa of boric acid with 36,000 tpa of SOP;
- End of phase 3 total production: 408,000 tpa of boric acid with 108,000 tpa of SOP.

The Fort Cady Borate Project had previously attained key mining permits for phase 1, including the environmental approvals for commercial-scale operations, which remain active and in good standing.

To capitalise on its large-scale borate ore reserve and mineral resource, ABR also plans on gaining the necessary approvals to expand the processing infrastructure and mine wellfield to accommodate phase 2 and phase 3 productions.

Price: 0.33

Market Cap: \$69.05 m

1 Year Share Price Graph



Share Information

Code: ABR

Listing: ASX

52 week High Low
0.4 0.135

Sector: Battery Metals

Website: americanpacificborate.com

Company Synopsis:

American Pacific Borates' (ASX:ABR) Fort Cady Project in California hosts a multi-generational borate resource where boric acid, gypsum and potassium sulphate will be produced for the large North American specialty fertiliser market and new high-end technologies like electric vehicles and space shuttles.

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Boric acid and SOP, along with the by-products of gypsum and hydrochloric acid (HCl) will be transported in bulk by road and/or railroad to domestic consumers or to the ports in Los Angeles for export.

Mine gate to Port of Los Angeles

Operating both boric acid and SOP facilities enables the company to expand its sales markets, as boron is used as a micronutrient, and optimise boric acid operations by saving on input HCl requirements.

Alternatives for optimising boric acid production, additional boric acid related product stream and future lithium production are also planned.

Process alternatives have been evaluated for lithium future production, which will be based on utilising waste streams associated with boric acid production.

READ: American Pacific Borate & Lithium finalises DFS after updating resource

ABR chief executive officer and managing director Michael Schlumpberger said: "We believe the Fort Cady DFS demonstrates an outstanding boric acid and SOP project driven by low upfront capex, high margins and low technical risk.

"We are targeting a staggering US\$321 million EBITDA in our first full year of production which makes our Fort Cady Borate Project a substantial mining project in a low risk, supportive jurisdiction.

"We intend to move quickly into a detailed engineering phase with a current target to commence construction in Q4 CY2019 subject to finance and permitting.

"The DFS certainly supports our ambition to become a globally significant producer of borates."

Next steps

ABR aims to focus on the following over the coming months with a view to being ready to commence construction in Q4 CY2019:

- Commencement of detailed engineering for phase 1;
- Progressing financing discussions with a view to financing phase one before Q4 CY2019;
- Gaining necessary additional permits to enable production activities to commence that are likely to be necessary for the drawdown of construction

finance;

- Working on a strategy to decouple the SOP operation from the broader operation that should provide additional financing options.

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