

American Pacific Borates Ltd

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American Pacific Borate & Lithium finalises DFS after updating resource

American Pacific Borate & Lithium Ltd (ASX:ABR) is finalising a definitive feasibility study (DFS) this month for its Fort Cady Borate Project in California after updating the project's large JORC-compliant mineral resource estimate last week.

The update moved indicated resources into the measured category, increasing confidence in the resources to the highest level.

READ: American Pacific Borate & Lithium raises over \$4 million to fund Fort Cady Borate Project

Fort Cady is the world's largest borate resource not owned by big miner Rio Tinto (ASX:RIO) or Turkish state-owned borate company Eti Mine Works.

Fort Cady was mined by Duval Corporation in the 1980s, with American Pacific saying an examination of Duval's production figures had showed "sustained production is possible from the deposit based on the cut-off grade utilised by the Duval."

The significant borate resource at Fort Cady is made up of 120.4 million tonnes grading 6.5% boron oxide (11.6% boric acid equivalent) and 340 ppm lithium at a 5% boron cut-off.

Contained resources sit at 7.8 million tonnes boron or 13.9 million tonnes boric acid equivalent.

READ: American Pacific Borate & Lithium completes magnetotelluric survey at Salt Wells Projects

Australian-listed American Pacific further confirmed this confidence through testing this calendar year which "confirmed the lateral consistency of the mineralisation, as previously shown by the geological modelling".

American Pacific managing director and CEO Michael Schlumpberger said on December 3: "The upgraded JORC-compliant mineral resource estimate moves approximately one-third of the Fort Cady Borate Project resource into a measured category - representing total contained boric acid of 4.63 million tonnes.

"This is a globally significant measured borate resource that will serve to underpin what we expect to be a very compelling DFS due to be completed and released shortly.

"This upgrade continues to reinforce our goal of becoming a globally significant producer of borates."

American Pacific subsidiary, Fort Cady California Corp (FCCC), holds 72% of the total mineral resource estimate within an operating permit region in which FCCC has sole rights for commercial-scale mining.

Price: 0.75

Market Cap: \$239.56 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: ABR

Listing: ASX

52 week	High	Low
	1.03	0.145

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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The estimated measured resources now sit at 38.87 million tonnes at 6.7% boron (11.91% boric acid equivalent) and 379 ppm lithium at a 5% boron cut-off grade for 2.61 million tonnes of contained boron (4.63 million tonnes boric acid equivalent).

Indicated resources in the estimate are 19.72 million tonnes grading 6.4% boron (11.36% boric acid equivalent) and 343 ppm lithium (5% boron cut-off grade) for 1.26 million tonnes contained boric acid equivalent (2.24 million tonnes boric acid equivalent).

The inferred resources in the estimate are 61.85 million tonnes grading 6.43% boron (11.42% boric acid equivalent) and 322 ppm lithium at a 5% boron cut-off for 3.98 million tonnes contained boron (7.07 million tonnes boric acid equivalent)

READ: American Pacific Borate & Lithium adds acreage to exploration projects in Nevada

Earlier this year, American Pacific raised \$4 million from sophisticated investors to support the Fort Cady project.

The company said in August 2018 it planned to use the funds to enable construction-related workstreams that would follow a final investment decision.

At the time Schlumberger said the placement would ensure the company could quickly move the Fort Cady project from studies to construction-ready activities following completion of the DFS.

He said: "We have a very unique project that combines low capex, high margin, low technical risk and an earnings before interest, tax, depreciation and amortisation (EBITDA) profile of more than US\$150 million per annum in full production into a borate market growing at 6% per annum, with limited visible supply.

"With borates non-substitutable in new world applications like electric vehicles, wind turbines, space shuttles and agriculture, we can only see our project becoming more valuable as the reality of a tight ongoing market with one dominant supplier continues."

American Pacific's Fort Cady DFS is due to be released this month.

The company also holds an exploration portfolio in Nevada, at the Salt Wells boron and lithium projects.

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