



AmericanPacific

American Pacific Borates Ltd

Annual Report

30 June 2021

ABN 68 615 606 114

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CORPORATE DIRECTORY	
Directors David Salisbury (Non-Executive Chairman) Anthony Hall (Executive Director) Stephen Hunt (Non-Executive Director) Jimmy Lim (Non-Executive Director) Company Secretary Aaron Bertolatti Registered Office & Principal Place of Business Level 12, 197 St Georges Terrace, PERTH WA 6000 Telephone: + 61 6141 3145 Website: americanpacificborate.com	Share Registry Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Auditors BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Stock Exchange Australian Securities Exchange (Home Exchange: Perth, Western Australia) ASX Code: ABR



Directors' Report

The Directors present their report for American Pacific Borates Limited ("American Pacific" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2021.

DIRECTORS

The names of the Directors of American Pacific during the financial year and to the date of this report are:

- David Salisbury – appointed 1 August 2020
- Anthony Hall – appointed 28 October 2016
- Stephen Hunt – appointed 2 May 2017
- Jimmy Lim – appointed 4 February 2021
- Harold (Roy) Shipes – resigned 31 July 2020
- Michael Schlumpberger – resigned 28 April 2021
- John McKinney – resigned 4 February 2021

David Salisbury – appointed 1 August 2020

Non-Executive Chairman, BSc (Electrical Engineering), MBA

David Salisbury is a qualified electrical engineer with over 40 years' experience in the global mining industry. David resides in the USA and is a former Rio Tinto executive who was President and CEO of Resolution Copper Company, Kennecott Minerals Company and Rössing Uranium Limited. David has been directly responsible for the development, construction and production of four mines.

Anthony Hall – appointed 28 October 2016

Executive Director, BBus, LLB(Hons), ACG

Anthony Hall is a qualified lawyer with 20 years' commercial experience in venture capital, risk management, strategy and business development. Anthony was a founding director of the Company and managed its listing process on the ASX in 2017. Prior to his role with the Company he spent five years as the initial Managing Director of ASX listed Highfield Resources Ltd (ASX: HFR) from a \$10m IPO valuation to an ASX300 company. Mr Hall holds a Bachelor of Laws (Hons), Bachelor of Business and a Graduate Diploma of Applied Finance and Investment.

Stephen Hunt – appointed 2 May 2017

Non-Executive Director, BBus, MAICD

Stephen is currently Executive Chairman of Sparc Technologies Ltd. (ASX: SPN). Previous Directorships include, Executive Chairman and a Non Executive Director of ASX listed company, Volt Resources Ltd, (ASX: VRC), Non Executive Director Magnis Energy Technologies Ltd. (ASX: MNS), IMX Resources Ltd and Australian Zircon Ltd. Cumulatively, over 20 years as a Director of ASX listed companies. Earlier experience includes various marketing roles including over 15 years with BHP. Stephen is a member of ARC Research Hub for Graphene Enabled Industry Transformation (the Hub) Industry Advisory Committee (IAC) and also a Director of the charity, Count Me In.

Jimmy Lim – appointed 4 February 2021

Non-Executive Director, BSc, BEng (Hons), MBA

Jimmy is the Managing Director and Founder of Virtova Capital Management, a natural resources industry advisory firm providing corporate advisory services encompassing M&A and structured financings in relation to assets in the sector. In this role, he advised several ASX listed mining companies with respect to mergers, acquisitions and structured finance. Jimmy has worked for global investment banks in Australia (JPMorgan) and Hong Kong (Morgan Stanley and Goldman Sachs).

Harold (Roy) Shipes – resigned 31 July 2020

Non-Executive Chairman, BSc

Harold (Roy) Shipes served as CEO and General Manager of OK Tedi Mining Ltd, GM Operations for the Southern Peru Copper Corporation and previously for Phelps Dodge Corp. Mr. Shipes was the Founder and President of a number of North American focused mining companies, including American Pacific Mining, Western States Engineering and Atlas Precious Metals Inc (the owner of the Fort Cady assets).



Directors' Report

Michael Schlumpberger – resigned 28 April 2021

Managing Director, BEng (Mining), MBA

Michael Schlumpberger is a qualified mining engineer with over 30 years' experience in industrial minerals. His background includes management, operations and maintenance in all aspects of mining, processing, reclamation, and permitting. Mr Schlumpberger has held senior roles with Potash Corporation of Saskatchewan, Passport Potash and ASX listed Highfield Resources, and has worked in the United States, Canada, and Europe. Mr Schlumpberger holds an MBA from East Carolina University.

John McKinney – resigned 4 February 2021

Non-Executive Director, BSc, BA

John McKinney, has co-founded a number of mining companies, including Western Gold Resources, American International Trading Company and Western States Engineering, an engineering company specializing in mining related engineering projects. His responsibilities have included overseeing operations in the U.S., Mexico and Bolivia, including Arisur, AITCO and Atlas Precious Metals in Bolivia.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by current directors in the 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship
Anthony Hall	High Grade Metals Ltd (ASX: HGM)	Director since February 2019
Stephen Hunt	Volt Resources Ltd (ASX: VRC)	Director from December 2015 to May 2020
	Sparc Technologies Limited (ASX: SPN)	Director since November 2020
Jimmy Lim	Stanmore Resources Limited (ASX: SRL)	Director since October 2019

COMPANY SECRETARY

Aaron Bertolatti

B.Com, CA, ACG

Aaron Bertolatti is a qualified Chartered Accountant and Company Secretary with over 15 years' experience in the mining industry and accounting profession. Mr. Bertolatti has both local and international experience and provides assistance to a number of resource companies with financial accounting and stock exchange compliance. Mr. Bertolatti has significant experience in the administration of ASX listed companies, corporate governance and corporate finance.

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of American Pacific are:

Director	Ordinary Shares	Options – \$0.20 each on or before 30-Nov-2021	Options – \$0.30 each on or before 31-May-2022	Options – \$0.50 each on or before 5-Nov-2022	Options – \$0.50 each on or before 30-Jul-2024	Options – \$0.90 each on or before 6-Jul-2024
David Salisbury	-	-	-	-	-	2,000,000
Anthony Hall	5,728,335	1,500,000	1,000,000	2,000,000	2,500,000	2,400,000
Stephen Hunt	623,335	500,000	-	250,000	-	-
Jimmy Lim	51,282,051	-	-	-	-	-
Total	57,633,721	2,000,000	1,000,000	2,250,000	2,500,000	4,400,000

RESULTS OF OPERATIONS

The Company's net loss after taxation attributable to the members of American Pacific for the year to 30 June 2021 was \$15,589,313 (2020: \$5,191,489).



DIVIDENDS

No dividends were paid or declared. The directors do not recommend the payment of a dividend.

CORPORATE STRUCTURE

American Pacific is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

American Pacific Borates Limited is an ASX listed company focused on advancing its 100% owned Fort Cady 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. 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.

The global shift from fossil based systems of energy production to renewable energy is increasingly important to investors, consumers and governments. The emergence of renewable energy, the onset of electrification and improvements in energy storage are all key drivers of clean energy transition. Boron is a key component in energy transition because it is highly versatile in chemical reactions and can be applied in processes for storing chemical and electrical energy, amongst other applications.

Global access to mined boron is rare and the Company's production is underpinned by an even more rare and large colemanite deposit. Colemanite is a conventional boron mineral that has been used to commercially produce boron for broad applications for centuries. The Fort Cady colemanite ore deposit is the largest known contained traditional 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 comprises 13.93Mt of contained boric acid.

As part of the commercialisation strategy, the Company will produce boric acid, boron specialty products and advanced materials (and SOP as a by-product credit) from Mannheim furnaces. SOP is a high value specialty fertiliser prized for its low chloride potassium and sulfur content. Large target markets exist on ABR's doorstep in California and Arizona (collectively known as the bread basket of the United States). The Company is currently working through a process to ensure a strong listing on a recognised New York exchange having appointed a US Advisory Board and completing various activities including strengthening its executive management team, focusing on a larger initial mining operation to deliver stronger earlier EBITDA and progressing discussions with US based investment banks, potential US partners and debt capital markets advisors.

**Table 1 | JORC compliant Mineral Resource Estimate and Reserve
(ASX release dated 3 December 2018¹)**

Reserves	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MT	H ₃ BO ₃ MT
Proven	27.21	6.70	11.91	379	1.82	3.24
Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources						
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

¹ ABR confirms all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed as per Listing Rule 5.23.2



Directors' Report

In addition to the flagship Fort Cady Integrated Boron Facility, the Company also has an earn in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South Projects in Nevada, USA on the incurrence of US\$3m of Project expenditures.

The Projects cover an area of 36km² and are considered prospective for borates and lithium in the sediments and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron with several results of over 500ppm lithium and over 1% boron.

Rapid Progress by American Pacific Borates

The following are key accomplishments reflecting the rapid progress made since 1 July 2020.

July 2020	Defers spending commitments at Salt Wells Borate Project
August 2020	Appoints Former US Based Rio Tinto Executive David J Salisbury as Chairman
August 2020	Announces an update on construction activities at the Fort Cady Mine
August 2020	Confirms that all substantive operational permits are in place
September 2020	Releases product branding strategy
October 2020	Declares that the Boron enriched SOP crop trial delivers positive results
November 2020	Announces an update on construction activities at the Fort Cady Mine
December 2020	Initiates drawdown of the renegotiated US\$30m financing
February 2021	Confirms receipt of US\$30m for the Cady Borate Mine
February 2021	Updates enhanced Fort Cady Borate mine DFS
February 2021	Update to the board of directors
February 2021	Appoints construction company for the Fort Cady Borate Mine
March 2021	Updates the Company's US Listing Strategy
April 2021	Appoints US advisory board to drive US listing
May 2021	Executes LOI with Compass Minerals for SOP sales
May 2021	Defers Phase 1A of Fort Cady Mine to Enhance US Listing
May 2021	Announces senior management appointment
June 2021	Announces the appointment of a new Chief Executive Officer
June 2021	Provides an update on corporate strategy



REVIEW OF OPERATIONS

On 30 July 2020, the Company reported that it had renegotiated the earn-in agreement expenditure requirements at the Salt Wells Borate Project. Year 3 (FY21) will now become Year 1 in the revised agreement and see an expenditure commitment of US\$100k (inclusive of annual lease payments). The existing Year 4 (FY2022) will now become Year 2 with a revised expenditure commitment of US\$300k and so on. The Company went on to state that it remains committed to the Project and still believes it is a very prospective exploration opportunity for borates.

On 3 August 2020, the Company announced the appointment of ex Rio Tinto executive Mr David J Salisbury as the Company's new Non-Executive Chairman.

On 7 August 2020, the Company provided an update on its Fort Cady Borate Mine as construction activities increased. These activities included the arrival of significant equipment at site; Sales and marketing activities developing; Final operational permit expected to be awarded; and ongoing Crop trials of "boron-enriched SOP" fertiliser.

On 17 August 2020, the Company announced it had been awarded the Underground Injection Control permit by the US EPA on 14 August 2020. With the award of this permit, the Company now has all substantive operational permits for production of borates and SOP at the Fort Cady Borate Mine.

On 24 September 2020, the Company provided an update on its Fort Cady Borate Mine brand creation work to establish a US presence for the Company's intended products. The Company proposed that it would sell its premium speciality fertiliser products through its newly created sales and marketing company, "Fort Cady". This business will focus on developing premium speciality fertiliser products aimed at the American agricultural market.

On 1 October 2020, the Company provided an update on its independently conducted crop trials of its boron enriched SOP specialty fertiliser. The broccoli trials demonstrated significant benefits from the use of the boron-enriched SOP. The trials revealed a notable uptake of boron in the crops resulting in dramatic yield improvements. Also, the application of Proprietary Blend B of the SOP delivered the highest yield compared to the grower's standard SOP fertiliser.

On 18 November 2020, the Company provided an update on activities at the Fort Cady Borate Mine. These included:

- Concrete poured for Materials Warehouse and that construction was progressing
- Second Round of SOP+B crop trials in train to focus on greenhouse crops
- Continued progress on targeted secondary listing on a New York exchange
- Borate educational marketing initiatives developed and being rolled out
- A Mine Plant Superintendent appointed
- The inclusion in the MSCI Global Micro Cap Index from 30 November 2020
- The award for Best Technical Study of 2020 by Mining Journal for its Fort Cady Borate Mine eDFS

On 29 December 2020, the Company provided an update on its financing activities for the Fort Cady Borate Mine, in Southern California. It advised it had renegotiated the Convertible Note to be 100% equity. The Company also renegotiated the time period for the drawdown with 100% of the US\$30m due on or about 31 January 2021. Under the revised arrangement, the Company did not need to provide any security for the funds meaning all assets will remain unencumbered and available to support debt facilities as part of the ongoing financing strategy. The Company confirmed receipt of US\$30M from Virtova Capital Management Limited on 1 February 2021.



Directors' Report

On 4 February 2021, the Company announced the appointment of Mr Jimmy Lim of Virtova Capital Management Limited as a Non-Executive Director. At the same time Mr John McKinney retired as a Non-Executive Director.

On 21 April 2021, the Company announces it had created a US Advisory Board to drive the Company's US listing process. The creation of the Advisory Board was a deliberate strategy to enable the Company to access a team of professionals with deep public markets and industrial minerals' operating experience that can support and drive the Company's aspirations to successfully list its shares on a recognised US exchange. The Advisory Board consists of three members, John Mitchell, Tim Johnston and Govind Arora.

On 28 April 2021, the Company announced that Mr Michael Schlumpberger had tendered his resignation as Managing Director and CEO of the Company.

On 7 May 2021, the Company announced it had signed a Letter of Intent ("LOI") with Compass Minerals America Inc. ("Compass Minerals"), a subsidiary of NYSE-listed Compass Minerals International, Inc., to progress negotiations with respect to Compass Minerals taking responsibility for the sales and marketing of SOP from the Company's Fort Cady Borate Mine.

On 10 May 2021, the Company announced that it had completed an initial strategic business plan and would now defer the construction of Phase 1A of the Fort Cady Borate Mine to focus on a larger initial operation. The Company was also considering completing additional drilling with a view to expanding the footprint and scale of the JORC Code Compliant Mineral Resource Estimate.

On 19 May 2021, the Company advised that it had appointed Dr. Dinakar (Dino) Gnanamgari as the Company's new Chief Commercial Officer / Chief Technical Officer, commencing 31 May 2021. This was followed by the appointment of Mr Henri Tausch on 11 June 2021 as the Company's new Chief Executive Officer, effective 9 August 2021.

On 16 June 2021 the Company announced it had decided to focus on establishing specialty boron products that leverage a rare boron resource and integrated production facility that includes a solution mine, SOP plant, boric acid plant and specialty production. This integrated approach will focus on low-cost production of high value products.

On 4 August 2021, the Company announced a substantial Exploration Target to support proposed Resource expansion drilling activities scheduled for later this year. In parallel with the preparation of the Exploration Target and drill hole targets, the Company has been progressing the acquisition of land in the South Eastern section of the deposit at the Fort Cady Mine. The Company reported it had recently acquired three parcels of land and associated mineral rights.

Table 2 | Exploration Target for the Fort Cady Boron Project (ASX release dated 4 August 2021)

Area	Thickness metres	Tonnage Range Mmt	Grade Range		Boric Acid Range Mmt
			B ₂ O ₃ %	H ₃ BO ₃ %	
Land Parcel A	20.39 – 28.91	5.97 – 35.39	5.53 – 7.15	9.84 – 12.73	0.59 – 4.50
Land Parcel A	29.05 – 38.08	3.32 – 13.06	5.08 – 7.15	9.04 – 12.73	0.30 – 1.66
Land Parcel A	27.94 – 31.48	6.41 – 21.66	4.93 – 7.15	8.78 – 12.73	0.56 – 2.76
Land Parcel A	24.00 – 30.57	4.94 – 18.88	5.72 – 7.22	10.18 – 12.85	0.50 – 2.43
Total		20.64 – 78.99	5.32 – 7.17	9.47 – 12.76	1.95 – 10.08

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.



Directors' Report

The Company confirmed a complimentary listing of its securities in the US remains a priority and working with all stakeholders to get the Fort Cady Project into production.

Planned Activities

The Company is planning on conducting the following major activities over the remainder of second half of 2021:

1. Commence Resource upgrade drilling in Q4 2021.
2. consolidating the positive project initiatives that have been progressed over recent months; and
3. Progressing the Company's complimentary US listing.

ANNUAL REVIEW OF ORE RESERVES AND MINERAL RESOURCES

In accordance with ASX Listing Rule 5, the Company has performed an annual review of all JORC-compliant ore reserves and mineral resources as at 30 June 2021.

Fort Cady Borate Project

American Pacific Borates has not released an updated Mineral Resource Estimate during the year ending 30 June 2021.

Table 4 | Fort Cady Mineral Resources Summary

	30 June 2021						30 June 2020					
	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃
	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)
Measured	38.9	6.7%	11.9%	379	2.6	4.6	38.9	6.7%	11.9%	379	2.6	4.6
Indicated	19.7	6.4%	11.4%	343	1.3	2.2	19.7	6.4%	11.4%	343	1.3	2.2
Total Measured & Indicated	58.6	6.6%	11.7%	367	3.9	6.9	58.6	6.6%	11.7%	367	3.9	6.9
Inferred	61.9	6.4%	11.4%	322	4.0	7.1	61.9	6.4%	11.4%	322	4.0	7.1
Total	120.5	6.5%	11.6%	344	7.8	13.9	120.5	6.5%	11.6%	344	7.8	13.9

The Company released a maiden JORC compliant Ore Reserve on 17 December 2018. This Ore Reserve was converted from the existing MRE as part of the Company's initial DFS, which was also released on 17 December 2018.

Table 5 | Fort Cady Ore Reserves Summary

	30 June 2021						30 June 2020					
	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃
	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)
Proven	27.2	6.7%	11.9%	379	1.8	3.2	27.2	6.7%	11.9%	379	1.8	3.2
Probable	13.8	6.4%	11.4%	343	0.9	1.6	13.8	6.4%	11.4%	343	0.9	1.6
Total Reserves	41.0	6.6%	11.7%	367	2.7	4.8	41.0	6.6%	11.7%	367	2.7	4.8



Directors' Report

Salt Wells Project

The Salt Wells Project has not reported either an MRE or Ore Reserves.

Summary

A summary of American Pacific Borates total Mineral Resources is shown below.

Table 6 | American Pacific Borates Total Mineral Resources Summary (all projects)

	30 June 2021						30 June 2020					
	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃
	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)
Measured	38.9	6.7%	11.9%	379	2.6	4.6	38.9	6.7%	11.9%	379	2.6	4.6
Indicated	19.7	6.4%	11.4%	343	1.3	2.2	19.7	6.4%	11.4%	343	1.3	2.2
Total Measured & Indicated	58.6	6.6%	11.7%	367	3.9	6.9	58.6	6.6%	11.7%	367	3.9	6.9
Inferred	61.9	6.4%	11.4%	322	4.0	7.1	61.9	6.4%	11.4%	322	4.0	7.1
Total	120.5	6.5%	11.6%	344	7.8	13.9	120.5	6.5%	11.6%	344	7.8	13.9

Table 7 | American Pacific Borates Total Ore Reserves Summary (all projects)

	30 June 2021						30 June 2020					
	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃	Tonnes	B ₂ O ₃	H ₃ BO ₃	Li	B ₂ O ₃	H ₃ BO ₃
	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)	(million)	(wt %)	(wt %)	ppm	(Mt)	(Mt)
Proven	27.2	6.7%	11.9%	379	1.8	3.2	27.2	6.7%	11.9%	379	1.8	3.2
Probable	13.8	6.4%	11.4%	343	0.9	1.6	13.8	6.4%	11.4%	343	0.9	1.6
Total Reserves	41.0	6.6%	11.7%	367	2.7	4.8	41.0	6.6%	11.7%	367	2.7	4.8

Corporate Governance – Resources and Reserve Calculations

Due to the nature, stage and size of the Company's existing operations, the Company believes there would be no efficiencies or additional governance benefits gained by establishing a separate mineral resources and reserves committee responsible for reviewing and monitoring the Company's processes for calculating mineral resources and reserves and for ensuring that the appropriate internal controls are applied to such calculations. However, the Company ensures that all Mineral Resource calculations are prepared by a competent, senior geologist and are reviewed and verified independently by a qualified person.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The following options were converted into ordinary fully paid shares after the reporting date;

Date shares issued	\$0.30 each on or before 31-May-2022	\$0.75 each on or before 1-Jul-2021
2-Jul-21	-	5,068,333
28-Jul-21	1,000,000	-
14-Sep-21	1,000,000	-
TOTAL	2,000,000	5,068,333



Directors' Report

On 2 July 2021, the Company issued 1,000,000 unlisted options to a consultant as consideration for sales and marketing services provided. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025.

On 12 July 2021, the Company issued 1,500,000 shares to Blue Horizon Advisors LLC, pursuant to the terms of the Advisory Agreement dated 16 April 2021 and as consideration for Advisory Board services provided.

On 20 August 2021, the Company issued 2,100,000 options to a consultant, pursuant to the terms of an Independent Contractor Agreement dated 19 August 2021. The unlisted options are exercisable at \$2.50 each on or before 31 July 2022.

On 24 August 2021, the Company issued 5,000,000 options as part of the recently appointed CEO's long term incentive package. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025. The options vest over three (3) years in three (3) equal annual instalments commencing on the start date of employment.

On 14 September, the Company announced two senior management appointments effective in the second half of September 2021. Mr Tyson Hall was appointed Chief Operating Officer, with Mr Chance Pipitone appointed Head of Corporate Development and Investor Relations.

On 14 September, the Company issued 5,900,000 unlisted options to employees pursuant to the terms of the Company's Incentive Option Plan. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other significant events subsequent to the end of the financial year to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The operations of the Group are presently subject to environmental regulation under the laws of the United States. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licences.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.



INDEMNIFICATION OF THE AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

SHARE OPTIONS

As at the date of this report there were 61,750,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
6,500,000	\$0.20	30-Nov-2021
3,000,000	\$0.30	31-May-2022
100,000	\$0.60	30-June-2022
10,000,000	\$0.50	5-Nov-2022
8,250,000	\$0.50	30-Jul-2024
2,050,000	\$0.60	1-Feb-2023
1,550,000	\$0.80	1-Feb-2023
9,500,000	\$0.90	6-Jul-2024
1,200,000	\$1.10	31-Dec-2023
600,000	\$1.35	30-Jun-2024
1,500,000	\$1.60	31-Dec-2022
14,400,000	\$2.00	1-Jun-2025
1,000,000	\$2.50	7-Apr-2025
2,100,000	\$2.50	31-Jul-2022
61,750,000		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. 700,000 options lapsed unexercised and 196,945 expired unexercised during the financial year. 23,941,849 options were exercised during the year ended 30 June 2021.

DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
David Salisbury	7	7
Anthony Hall	7	7
Stephen Hunt	7	7
Jimmy Lim	3	3
Harold (Roy) Shipes	-	-
Michael Schlumpberger	5	5
John McKinney	4	4

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.



CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of American Pacific support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that American Pacific complies to the extent possible with those guidelines, which are of importance and add value to the commercial operation of an ASX listed resources company.

The Company has established a set of corporate governance policies and procedures and these can be found on the Company's website: americanpacificborate.com.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of American Pacific with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within the annual report. There were no non-audit services provided by the Company's auditor.

Officers of the company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the company who are former partners of BDO Audit (WA) Pty Ltd.

Auditor

BDO Audit (WA) Pty Ltd continue in office in accordance with section 327 of the Corporations Act 2001.

AUDITED REMUNERATION REPORT

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel of American Pacific for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Details of Directors and Key Management Personnel

- David Salisbury – appointed 1 August 2020
- Anthony Hall – appointed 28 October 2016
- Stephen Hunt – appointed 2 May 2017
- Jimmy Lim – appointed 4 February 2021
- Harold (Roy) Shipes – resigned 31 July 2020
- Michael Schlumpberger – resigned 28 April 2021
- John McKinney – resigned 4 February 2021

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the board has adopted a formal Remuneration Committee Charter and Remuneration Policy. The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.



Directors' Report

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. Non-executive directors do not receive performance-based pay. Remuneration in the current reporting period was determined based on general market rates.

Level	FY2021		
	Cash Remuneration	Short Term Incentive ^{2,3}	Long Term Incentive
Non-Executive Chairman	US\$72,000 ¹	Nil	2.0m share options
Managing Director	US\$280,000	Up to 60% of cash remuneration	3.0m share options
Executive Director	Up to US\$224,000	Up to 60% of cash remuneration	2.4m share options
Non-Executive Director	A\$48,000	Nil	Nil

¹ From 1 May through to 30 June 2021, the Company's Non-Executive Chairman, Mr David Salisbury, assumed the role of Executive Chairman and was paid US\$20,000 per month (an increase of US\$14,000 per month).

² 100% of the STI award is paid in cash. STI was calculated based on the short term incentive limit as noted above being 60% of cash remuneration.

³ The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI award.

Additional Fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director of the Group for the year ended 30 June 2021 are as follows:

2021	Base Salary \$	Directors' Fees \$	Consulting Fees \$	Incentive Award \$	Options Share-Based Payments \$	Other benefits \$	Total \$	Performance related %
David Salisbury ¹	-	125,860 ⁶	-	-	1,156,724	-	1,282,587	-
Harold (Roy) Shipes ²	-	6,015	-	-	-	-	6,015	-
Michael Schlumberger ³	346,736	-	-	201,680	1,735,087	177,278 ⁷	2,460,780	8.2
Anthony Hall	-	-	336,000	159,360	1,388,069	-	1,883,429	8.5
Stephen Hunt	-	48,000	-	-	-	-	48,000	-
John McKinney ⁴	-	28,570	-	-	-	-	28,570	-
Jimmy Lim ⁵	-	19,571	-	-	-	-	19,571	-
	346,736	228,020	336,000	361,040	4,279,880	177,278	5,728,953	6.3

¹ David Salisbury was appointed 1 August 2020.

² Harold (Roy) Shipes resigned on 31 July 2020.



Directors' Report

³ Michael Schlumpberger resigned on 28 April 2021.

⁴ John McKinney resigned on 4 February 2021.

⁵ Jimmy Lim was appointed 4 February 2021.

⁶ From 1 May through to 30 June 2021, Mr David Salisbury, assumed the role of Executive Chairman and was paid US\$20,000 per month (an increase of US\$14,000 per month).

⁷ Michael Schlumpberger received paid private accommodation from 1 July 2020 to 28 April 2021 and received termination benefits totalling \$153,408 following his resignation in April 2021.

There were no other executive officers of the Company during the financial year ended 30 June 2021.

Details of the nature and amount of each element of the remuneration of each Director of the Group for the year ended 30 June 2020 are as follows:

2020	Base Salary \$	Short term Directors' Fees \$	Consulting Fees \$	Incentive Award	Options Share-Based Payments \$	Other benefits	Total \$	Performance related %
Harold (Roy) Shipes	-	74,484	-	-	-	-	74,484	-
Michael Schlumpberger	366,320	-	-	55,535	498,227	31,208 ¹	951,290	5.8
Anthony Hall	-	-	256,000	16,000	339,278	-	611,278	2.6
Stephen Hunt	-	39,000	-	-	-	-	39,000	-
John McKinney	-	39,000	-	-	-	-	39,000	-
	366,320	152,484	256,000	71,535	837,505	31,208	1,715,052	4.2

¹ Michael Schlumpberger received paid private accommodation for the entire year.

Shareholdings of Directors

The number of shares in the Company held during the financial year by Directors of the Group, including their personally related parties, is set out below. There were no shares granted during the reporting year as compensation.

	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
David Salisbury	-	-	-	-	-
Anthony Hall	5,575,557	-	152,778	-	5,728,335
Stephen Hunt	553,890	-	69,445	-	623,335
Jimmy Lim	-	-	-	51,282,051 ¹	51,282,051
Michael Schlumpberger	675,000	-	-	(675,000) ²	-
Harold (Roy) Shipes	49,220,000	-	-	(49,220,000) ³	-
John McKinney	-	-	-	-	-

¹ Jimmy Lim was appointed 4 February 2021.

² Michael Schlumpberger resigned on 28 April 2021.

³ Harold (Roy) Shipes resigned on 31 July 2020.

The value of options exercised by Anthony Hall and Stephen hunt was nil given they were free attaching options. Cash consideration of \$222,223 was paid on exercise of the options.

All equity transactions with Directors other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.



Directors' Report

Option Holdings of Directors

The numbers of options over ordinary shares in the Company held during the financial year by each Director of American Pacific, including their personally related parties, are set out below:

	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Exercisable	Un-exercisable
David Salisbury ¹	-	2,000,000	-	-	2,000,000	2,000,000	-
Anthony Hall	7,152,778	2,400,000	(152,778)	-	9,400,000	9,400,000	-
Stephen Hunt	819,445	-	(69,445)	-	750,000	750,000	-
Jimmy Lim ²	-	-	-	-	-	-	-
Michael Schlumpberger ³	11,500,000	3,000,000	-	(14,500,000)	-	-	-
Harold (Roy) Shipes ⁴	1,500,000	-	-	(1,500,000)	-	-	-
John McKinney ⁵	750,000	-	-	(750,000)	-	-	-

¹ David Salisbury was appointed 1 August 2020.

² Jimmy Lim was appointed 4 February 2021.

³ Michael Schlumpberger resigned on 28 April 2021.

⁴ Harold (Roy) Shipes resigned on 31 July 2020.

⁵ John McKinney resigned on 4 February 2021.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. Options granted as part of remuneration have been valued using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share and the risk-free interest rate for the term of the option. Options granted under the plan carry no dividend or voting rights. For details on the valuation of options, including models and assumptions used, please refer to note 21.

Options Affecting Remuneration

The terms and conditions of options affecting remuneration in the current or future reporting years are as follows:

	Grant Date	Grant Number	Expiry date/last exercise date	Exercise price per option	Value of options at grant date ¹	Number of options vested	Vested	Max value yet to vest
Michael Schlumpberger	03/12/20	3,000,000	6/07/2024	\$0.90	\$1,735,087	3,000,000	100%	-
David Salisbury	03/12/20	2,000,000	6/07/2024	\$0.90	\$1,156,724	2,000,000	100%	-
Anthony Hall	03/12/20	2,400,000	6/07/2024	\$0.90	\$1,388,069	2,400,000	100%	-
		7,400,000			\$4,279,880	7,400,000		-

¹ The value at grant date has been calculated in accordance with AASB 2 *Share-based payments*. Fair value per option is \$0.578 and the first exercise date is the grant date. No service condition is attached to the options on the basis that the directors will not gain a benefit without an increase in share price.



Directors' Report

Service Agreements

Anthony Hall is employed under the terms of an Executive Employment Agreement executed on 1 March 2017. Since this time the Board has unanimously resolved to increase Mr. Hall's remuneration on an annual basis. On 29 June 2020 the Board approved an annual consulting fee of US\$224,00, effective 1 July 2020.

Non-Executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the Director. The aggregate remuneration for Non-Executive Directors has been set at an amount not to exceed \$500,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

Loans to Directors and Executives

There were no loans to Directors and key management personnel during the financial year ended 30 June 2021.

Additional Information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 ¹ \$
Other income	66,298	196,851	112,161	-	-
EBITDA	(15,467,336)	(5,163,416)	(3,006,224)	(2,795,016)	(848,511)
EBIT	(15,589,313)	(5,191,489)	(3,020,343)	(2,800,802)	(848,511)
Profit after income tax	(15,589,313)	(5,191,489)	(3,020,343)	(2,800,802)	(848,511)

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

	2021	2020	2019	2018	2017 ¹
Share price at financial year end (\$)	1.14	0.50	0.20	0.29	-
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(4.56)	(2.92)	(1.58)	(1.70)	(3.00)

¹ American Pacific was incorporated in Australia on 28 October 2016 and commenced trading on the Australian Securities Exchange on 28 July 2017.

Voting and comments made at the company's 2020 Annual General Meeting

American Pacific received 93% of "yes" votes on its remuneration report for the 2020 financial year. The Group did not receive specific feedback on its remuneration report at the AGM.

END OF AUDITED REMUNERATION REPORT



Directors' Report

Signed on behalf of the Board in accordance with a resolution of the Directors.

David Salisbury
Non-Executive Chairman

California, USA
17 September 2021



Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
Continuing Operations			
Interest income		4,672	11,470
Other income		66,298	196,851
Expenses			
Professional and consulting fees	3	(2,713,227)	(918,505)
Director and employee costs		(684,868)	(272,293)
Other expenses		(727,157)	(354,624)
Interest expense		(2,824)	(349,390)
Loss on foreign exchange		(2,205,366)	(145,991)
Borrowing costs		-	(337,051)
Marketing and promotional expenses		(376,338)	(145,602)
Share-based payments expense	21	(8,659,959)	(2,596,450)
Impairment expense	10(b)	(218,490)	-
Travel and accommodation		(72,054)	(279,904)
Loss before income tax		(15,589,313)	(5,191,489)
Income tax expense	4	-	-
Net loss for the year		(15,589,313)	(5,191,489)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		(2,307,638)	206,668
Other comprehensive income for the year, net of tax		(2,307,638)	206,668
Total comprehensive loss for the year		(17,896,951)	(4,984,821)
Loss per share			
Basic loss per share (cents)	19	(4.56)	(2.34)
Diluted loss per share (cents)	19	(4.56)	(2.34)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.


Consolidated Statement of Financial Position as at 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
Current Assets			
Cash and cash equivalents	5	54,369,319	38,742,907
Other assets		-	1,694
Receivables	6	729,035	131,785
Total Current Assets		55,098,354	38,876,386
Non-Current Assets			
Receivables	7	1,452,700	536,247
Right of Use Assets	8(a)	258,715	-
Property, plant and equipment	9	17,293,264	4,505,103
Deferred exploration and evaluation expenditure	10	38,108,372	29,483,185
Total Non-Current Assets		57,113,051	34,524,535
Total Assets		112,211,405	73,400,921
Current Liabilities			
Trade and other payables	11	1,762,709	3,815,995
Lease Liabilities	8(b)	95,789	-
Total Current Liabilities		1,858,498	3,815,995
Non-Current Liabilities			
Lease Liabilities	8(b)	166,131	-
Total Non-Current Liabilities		166,131	-
Total Liabilities		2,024,629	3,815,995
Net Assets		110,186,776	69,584,926
Equity			
Issued capital	13	123,701,282	73,862,440
Reserves	14	13,935,952	7,583,631
Accumulated losses	15	(27,450,458)	(11,861,145)
Total Equity		110,186,776	69,584,926

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity for the year ended 30 June 2021

	Issued capital \$	Accumulated losses \$	Foreign exchange translation reserve \$	Share option reserve \$	Total \$
Balance at 1 July 2019	31,961,550	(6,669,656)	1,129,206	2,367,562	28,788,662
Total comprehensive loss for the year					
Loss for the year	-	(5,191,489)	-	-	(6,475,234)
Foreign currency translation	-	-	206,668	-	206,668
Total comprehensive loss for the year	-	(5,191,489)	206,668	-	(4,984,821)
Transactions with owners in their capacity as owners					
Shares issued by placement	41,650,000	-	-	-	41,650,000
Shares issued on exercise of unlisted options	3,559,329	-	-	-	3,559,329
Shares issued on conversion of convertible note	499,523	-	-	-	499,523
Cost of issue	(3,807,962)	-	-	-	(3,807,962)
Share-based payments (note 21)	-	-	-	3,880,195	3,880,195
Balance at 30 June 2020	73,862,440	(11,861,145)	1,335,874	6,247,757	69,584,926
Balance at 1 July 2020	73,862,440	(11,861,145)	1,335,874	6,247,757	69,584,926
Total comprehensive loss for the year					
Loss for the year	-	(15,589,313)	-	-	(15,589,313)
Foreign currency translation	-	-	(2,307,638)	-	(2,307,638)
Total comprehensive loss for the year	-	(15,589,313)	(2,307,638)	-	(17,896,951)
Transactions with owners in their capacity as owners					
Shares issued by placement	39,487,179	-	-	-	39,487,179
Shares issued on exercise of unlisted options	9,342,962	-	-	-	9,342,962
Unissued share capital	3,031,250	-	-	-	3,031,250
Cost of issue	(2,068,549)	-	-	-	(2,068,549)
Share-based payments (note 21)	46,000	-	-	8,659,959	8,705,959
Balance at 30 June 2021	123,701,282	(27,450,458)	(971,764)	14,907,716	110,186,776

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.


Consolidated Statement of Cash Flows for the year ended 30 June 2021

	Note	30-Jun-21 \$	30-Jun-20 \$
Cash flows from operating activities			
Payments to suppliers and employees		(4,154,684)	(2,006,204)
Other receipts		58,305	196,851
Interest received		4,672	11,470
Interest paid		-	(349,390)
Net cash used in operating activities	5	(4,091,707)	(2,147,273)
Cash flows from investing activities			
Purchase of property, plant and equipment		(15,187,041)	(1,558,585)
Payment for EPA reclamation bond		(1,087,803)	-
Payments for exploration expenditure		(10,362,318)	(4,522,142)
Net cash used in investing activities		(26,637,162)	(6,080,727)
Cash flows from financing activities			
Proceeds from issue of shares		39,487,179	41,650,000
Proceeds from issue of Convertible Note		-	2,934,655
Proceeds from the conversion of unlisted options		12,255,346	3,678,196
Borrowing costs		-	(192,834)
Repayment of convertible note		-	(2,471,413)
Payments for share issue costs		(3,182,258)	(1,410,508)
Net cash provided by financing activities		48,560,267	44,188,096
Net increase in cash and cash equivalents		17,831,398	35,960,096
Cash and cash equivalents at the beginning of the year		38,742,907	2,893,663
Effect of exchange rate fluctuations on cash		(2,204,986)	(110,852)
Cash and cash equivalents at the end of the year	5	54,369,319	38,742,907

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

1. Corporate Information

The financial report of American Pacific Borates Limited ("American Pacific" or "the Company") for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 17 September 2021. American Pacific is a company limited by shares incorporated in Australia whose shares commenced public trading on the Australian Securities Exchange on 28 July 2017. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared on a historical cost basis unless otherwise noted in accounting policies. The presentation currency is Australian dollars.

Going concern

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID19 pandemic on the position of the Group at 30 June 2021 and its operations in future periods.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

(b) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of American Pacific Borates Limited ('the Company') and its subsidiaries as at 30 June each year ('the Group'). Subsidiaries are those entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a Company controls another entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Unrealised losses are also eliminated unless costs cannot be recovered. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position respectively.

(d) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's controlled entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of American Pacific Borates Limited is Australian dollars. The functional currency of the US subsidiary is the US Dollar.



(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable.

(e) Segment Reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the annual financial report have been included.

(f) Changes in accounting policies and disclosures

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for future reporting periods. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and therefore, no change will be necessary to Company accounting policies.

(g) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.



Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development. Where an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

(h) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date. Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

- the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except when:



- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be recognised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is recognised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Government. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Government is included as part of receivables or payables in the statement of financial position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the Government, are disclosed as operating cash flows.

(j) Impairment of non-financial assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(l) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.



Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for future operating losses. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(p) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(q) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.



Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Motor Vehicles	5 years
Plant and equipment	3-10 years

(r) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right of use asset and corresponding lease liability for short term leases with terms of twelve months or less and leases of low value assets. Lease payments on these assets are expensed to the profit or loss as incurred.

(s) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(t) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.



A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(u) Revenue

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(v) Earnings per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Share-based payment transactions

(i) Equity settled transactions:

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share-based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions'). There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 21. The expected price volatility is based on the historic volatility of the Company's share price on the ASX.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of American Pacific Borates Limited ('market conditions'). The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.



No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 19).

(x) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Share-based payment transactions:

The Company measures the cost of equity-settled transactions and cash-settled share-based payments with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in note 21.

Deferred Exploration and evaluation Expenditure

Deferred exploration and evaluation expenditure has been capitalised on the basis that the company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the year in which this determination is made.



Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(y) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

3. Expenses

Professional and consulting fees

	2021 \$	2020 \$
Corporate Advisory fees	(1,224,713)	(88,000)
Consulting fees	(794,939)	(720,171)
Legal Fees	(560,746)	(30,228)
Other	(132,829)	(80,106)
	(2,713,227)	(918,505)

4. Income Tax

(a) Income tax expense

Major component of tax expense for the year:

Current tax	-	-
Deferred tax	-	-
	-	-

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of profit or loss and other comprehensive income and tax expense calculated per the statutory income tax rate.

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

Loss from continuing operations before income tax expense	(15,589,313)	(5,191,489)
Tax at the Australian rate of 30%	(4,676,794)	(1,557,447)
Share-based payments	2,597,988	778,935
Non-deductible legal expenses	(266,717)	288,899
Income tax benefit not brought to account	2,345,524	489,613
Income tax expense	-	-



(c) Deferred tax

The following deferred tax balances have not been brought to account:

Liabilities

Unrealised foreign exchange	-	(455,844)
Offset by deferred tax assets	-	455,844
Deferred tax liability recognised	-	-

Assets

Losses available to offset against future taxable income	2,993,383	1,921,104
Accrued expenses	5,850	5,475
Section 40-880 costs	254,398	443,773
	882,912	
Deferred tax assets offset against deferred tax liabilities	-	(455,844)
Net deferred tax asset not recognised	4,136,543	1,914,508

(d) Unused tax losses

Unused tax losses	9,977,944	6,403,679
Potential tax benefit not recognised at 30%	2,993,383	1,921,104

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

5. Cash and cash equivalents

Cash comprises of:

Cash at bank	54,369,319	38,742,907
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Reconciliation of operating loss after tax to net cash flow from operations

Loss after tax	(15,589,313)	(5,191,489)
<i>Non-cash and non-operating items</i>		
Share-based payments	8,659,959	2,596,450
Interest expense	2,824	-
Borrowing costs	-	337,051
Foreign exchange (gain)/loss	2,205,366	36,281
Depreciation	121,977	28,073
<i>Change in assets and liabilities</i>		
Decrease / (increase) in trade and other receivables	(15,015)	(14,068)
Increase / (decrease) in trade and other payables	522,495	60,429
Net cash flow used in operating activities	(4,091,707)	(2,147,273)



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

6. Receivables - Current

	2021 \$	2020 \$
Other receivables	109,599	-
GST receivable	30,902	131,785
Prepayment for electricity	588,534	-
	729,035	131,785

Debtors, other debtors and GST receivable are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

7. Receivables - Non-Current

Bonds and guarantees	1,452,700	536,247
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The Bonds are pledged to the Bureau of Land Management (San Bernardino County) for the Fort Cady Project's water permits and to the Environmental Protection Authority for site reclamation.

8. a) Right of Use Assets

Office lease

Opening balance	-	-
Additions - office lease	291,014	-
Accumulated amortisation	(32,299)	-
Closing balance	258,715	-

b) Lease Liabilities

Opening balance	-	-
Additional liability recognised for new lease	291,014	-
Repayment	(31,918)	-
Interest	2,824	-
Closing balance	261,920	-
Current	95,789	-
Non- Current	166,131	-
	261,920	-

9. Property, plant and equipment

Land and Buildings, net	1,880,095	937,572
Plant and Equipment, net	1,969,944	419,343
Motor Vehicles, net	68,020	31,942
Construction Work in Progress	13,375,205	3,116,246
	17,293,264	4,505,103

Movements in property, plant and equipment:

a) Land and Buildings

Opening balance	937,572	708,454
Additions	1,021,210	214,780
Net exchange differences on translation	(78,687)	14,338
Closing balance	1,880,095	937,572



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	2021 \$	2020 \$
b) Plant and Equipment		
Opening balance	419,343	21,071
Additions	1,662,663	418,479
Net exchange differences on translation	(35,194)	426
Depreciation for the year	(76,868)	(20,633)
Closing balance	1,969,944	419,343

c) Motor Vehicles		
Opening balance	31,942	38,652
Additions	52,130	-
Net exchange differences on translation	(2,681)	730
Depreciation for the year	(13,371)	(7,440)
Closing balance	68,020	31,942

d) Construction Work in Progress		
Opening balance	3,116,246	-
Additions	10,477,449	3,116,246
Impairment expense	(218,490) ¹	-
Closing balance	13,375,205	3,116,246

¹ Following completion of the initial strategic business plan in May 2021, the Company decided to defer the construction of Phase 1A. As a result, some items of prepaid equipment were required to be cancelled.

Construction work in progress represents the equipment which has been acquired and is not in use and prepayments for construction services in relation to the development of the Fort Cady Borate Project.

10. Deferred Exploration and Evaluation Expenditure

Exploration and Evaluation phase - at cost

Opening balance	29,483,185	24,692,541
Foreign exchange translation difference	(1,527,112)	272,726
Exploration and evaluation expenditure incurred during the year	10,152,299	4,517,918
Closing balance	38,108,372	29,483,185

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

11. Trade and Other Payables

Trade payables	1,387,101	3,550,491
Other payables	21,108	133,254
Accruals	354,500	132,250
	1,762,709	3,815,995

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

12. Borrowings

Convertible note

	2021 \$	2020 \$
Issued during the year	7,897,435	2,934,655
Foreign exchange loss	-	36,281
Repaid during the year	7,897,435	(2,970,936)
Closing balance	-	-

On 27 August 2019, the Company announced that it had agreed to issue a US\$2m convertible note to Amvest Capital Mining Opportunities, LLC ("Amvest"). The borrowings were unsecured and were scheduled to mature in September 2021.

On 14 February 2020 the Company paid Amvest US\$1.4m, which represented the return of the outstanding balance of the US\$2.0m convertible note. Refer to note 13(b) for details of shares issued upon conversion of convertible notes prior to repayment.

13. Issued Capital

(a) Issued and paid up capital

Issued and fully paid	123,701,282	73,862,440
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(b) Movements in ordinary shares on issue

	2021		2020	
	Number of shares	\$	Number of shares	\$
Opening Balance	304,560,670	73,862,440	208,442,224	31,961,550
Shares issued via \$0.25 placement	-	-	11,000,000	2,750,000
Shares issued via \$0.40 placement	-	-	17,750,000	7,100,000
Shares issued via \$0.60 placement	-	-	53,000,000	31,800,000
Shares issued via \$0.77 placement	41,025,642	31,589,744	-	-
Conversion of Convertible Notes	10,256,409	7,897,435	2,064,462	499,523
Conversion of Unlisted Options - \$0.20	500,000	100,000	-	-
Conversion of Unlisted Options - \$0.25	12,776,849	3,194,212	2,637,317	659,329
Conversion of Unlisted Options - \$0.30	2,500,000	750,000	9,666,667	2,900,000
Conversion of Unlisted Options - \$0.40	1,750,000	700,000	-	-
Conversion of Unlisted Options - \$0.50	250,000	125,000	-	-
Conversion of Unlisted Options - \$0.60	1,000,000	600,000	-	-
Conversion of Unlisted Options - \$0.75	5,165,000	3,873,750	-	-
Shares issued to consultants ¹	80,000	46,000	-	-
Unissued ordinary share capital ²	-	3,031,250	-	-
Transaction costs on share issue	-	(2,068,549)	-	(3,807,962)
	379,864,570	123,701,282	304,560,670	73,862,440

¹ On 6 July 2020, 80,000 shares were issued under the terms of a consulting agreement dated 3 July 2020 for research and valuation services provided to the Company. The deemed issue price was \$0.575 per share.

² During the financial year the Company received funds totalling \$3,031,250 for the conversion of 2,273,438 unlisted options into ordinary fully paid shares. Shares however were not allotted until 2 July 2021.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Company's capital comprises share capital, reserves less accumulated losses amounting to a net equity of \$110,186,776 at 30 June 2021. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders.

The Company was ungeared at year end and not subject to any externally imposed capital requirements. Refer to note 20 for further information on the Company's financial risk management policies.

(e) Share Options

As at 30 June 2021 there were 59,585,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
6,500,000	\$0.20	30-Nov-2021
5,000,000	\$0.30	31-May-2022
100,000	\$0.60	30-June-2022
10,000,000	\$0.50	5-Nov-2022
8,250,000	\$0.50	30-Jul-2024
2,050,000	\$0.60	1-Feb-2023
9,835,000	\$0.75	1-Jul-2021
1,550,000	\$0.80	1-Feb-2023
9,500,000	\$0.90	6-Jul-2024
1,200,000	\$1.10	31-Dec-2023
600,000	\$1.35	30-Jun-2024
1,500,000	\$1.60	31-Dec-2022
2,500,000	\$2.00	1-Jun-2025
1,000,000	\$2.50	7-Apr-2025
59,585,000		

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. 700,000 options lapsed unexercised and 196,945 expired unexercised during the financial year. 23,941,849 options were exercised during the year ended 30 June 2021.

14. Reserves

	2021 \$	2020 \$
Foreign exchange translation reserve	(971,764)	1,335,874
Share option reserve	14,907,716	6,247,757
	13,935,952	7,583,631



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

	2021 \$	2020 \$
Movements in Reserves		
<i>Foreign exchange translation reserve</i>		
Opening balance	1,335,874	1,129,206
Foreign exchange translation difference	(2,307,638)	206,668
Closing balance	(971,764)	1,335,874

The foreign exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

<i>Share option reserve</i>		
Opening balance	6,247,757	2,367,562
Share-based payments	8,659,959	3,880,195
Closing balance	14,907,716	6,247,757

The share option reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services. Refer to note 21 for further details of the securities issued during the financial year ended 30 June 2020.

15. Accumulated Losses

Movements in accumulated losses were as follows:

Opening balance	(11,861,145)	(6,669,656)
Loss for the year	(15,589,313)	(5,191,489)
Closing balance	(27,450,458)	(11,861,145)

16. Auditor's Remuneration

The auditor of American Pacific Borates Limited is BDO Audit (WA) Pty Ltd

Amounts received or due and receivable by the parent auditor for:

- an audit or review of the financial report	41,000	32,050
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17. Directors and Key Management Personnel Disclosures

(a) Remuneration of Directors and Key Management Personnel (KMP)

Details of the nature and amount of each element of the emolument of each Director and KMP of the Company for the financial year are as follows:

Short term employee benefits	1,271,795	846,339
Share-based payments	4,279,880	837,505
Other benefits	177,278	31,208
Total remuneration	5,728,953	1,715,052

Virtova Capital Management is a related party of Jimmy Lim. During the year, the group raised US\$30,000,000 from the related entity by issue of ordinary share capital.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

(b) KMP Incentive Options

During the year ended 30 June 2021, the Company issued 7,400,000 KMP incentive options as detailed below;

Name	Grant Date	Expiry date	Exercise price per option	Number Issued	Grant date fair value	Vested
David Salisbury	30/11/2020	06/07/2024	\$0.90	2,000,000	\$0.578	100%
Michael Schlumpberger	30/11/2020	06/07/2024	\$0.90	3,000,000	\$0.578	100%
Anthony Hall	30/11/2020	06/07/2024	\$0.90	2,400,000	\$0.578	100%

Refer to note 21 for further details of the incentive options issued during the financial year ended 30 June 2021.

18. Related Party Disclosures

(a) Key management personnel

For Director related party transactions please refer to Note 17 "Director and Key Management Personnel Disclosures".

(b) Subsidiaries

The consolidated financial statements include the financial statements of American Pacific Borates Limited and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding
Fort Cady Holdings Pty Ltd	Australia	100%
Fort Cady (California) Corporation	USA	100%

	2021 \$	2020 \$
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19. Loss per Share

Loss used in calculating basic and dilutive EPS	(15,589,313)	(5,191,489)
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	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share:	341,848,562	222,099,290
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share:	341,848,562	222,099,290

There is no impact from 59,585,000 options outstanding at 30 June 2021 on the earnings per share calculation because they are anti-dilutive. These options could potentially dilute basic EPS in the future.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.



20. Financial Risk Management

Exposure to foreign currency risk, credit risk, liquidity risk and interest rate risk arises in the normal course of the Company's business. The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The responsibility for liquidity risk management rests with the Board of Directors. Alternatives for sourcing our future capital needs include our cash position and the issue of equity instruments. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs. The Directors expect that present levels of liquidity along with future capital raising will be adequate to meet expected capital needs.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits. The Company manages the risk by investing in short term deposits.

	2021 \$	2020 \$
Cash and cash equivalents	54,369,319	38,742,907

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's statement of profit or loss and other comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	2021		2020	
	Effect on Post Tax Loss (\$)	Effect on equity including retained earnings (\$) Increase/(Decrease)	Effect on Post Tax Loss (\$)	Effect on equity including retained earnings (\$) Increase/(Decrease)
Increase 75 basis points	407,770	407,770	290,572	290,572
Decrease 75 basis points	(407,770)	(407,770)	(290,572)	(290,572)

A sensitivity of 75 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's maximum credit exposure is the carrying amounts on the statement of financial position. The Company holds financial instruments with credit worthy third parties. At 30 June 2021, the Company held cash at bank. 100% of the Company's cash was held in financial institutions with a rating from Standard & Poors of AA or above (long term). The Company has no past due or impaired debtors as at 30 June 2021.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

(d) Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities \$	Assets \$
2021		
US Dollar	1,197,216	2,137,645
2020		
US Dollar	2,416,083	1,251,525

21. Share-Based Payments

(a) Recognised share-based payment transactions

Share-based payment transactions during the year were as follows:

	2021 \$	2020 \$
Options issued to employees and Directors (note 21 (b))	6,351,526	1,300,803
Options issued to suppliers (note 21 (c))	2,308,433	2,579,392
Movement in share option reserve	8,659,959	3,880,195
Shares issued to consultants	46,000 ¹	-
Share-based payments recognised	8,705,959	3,880,195

¹ On 6 July 2020, 80,000 shares were issued to a consultant for nil consideration for research and valuation services provided.

Share-based payment transactions have been recognised within the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial positions as follows:

Share-based payment expense	8,659,959	2,596,450
Deferred exploration & evaluation expenditure	46,000	-
Issued capital – transaction costs on share issue	-	1,283,745
	8,705,959	3,880,195

(b) Options issued to employees and Directors

The Company has established an employee share option plan (ESOP). The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees and contractors of American Pacific Borates Limited. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, employees and eligible contractors of American Pacific Borates Limited.

The fair value at grant date of options granted during the reporting year was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

The table below summarises options granted to employees and Directors during the year ended 30 June 2021:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed/ Expired during the year	Balance at end of the year	Exercisable at end of the year
06/07/2020	06/07/2024	\$0.90	-	2,100,000	-	-	2,100,000	2,100,000
30/11/2020	06/07/2024	\$0.90	-	7,400,000	-	-	7,400,000	7,400,000
03/12/2020	30/06/2024	\$1.35	-	400,000	-	(200,000) ¹	200,000	200,000
07/04/2021	07/04/2025	\$2.50	-	750,000	-	-	750,000	750,000
18/05/2021	01/06/2025	\$2.00	-	2,500,000	-	-	2,500,000	- ²
			-	13,150,000	-	-	12,950,000	10,650,000

¹ 200,000 options were forfeited during the financial period as a result of vesting conditions not being met.

² Options vest over three (3) years in three (3) equal annual instalments commencing on the start date of employment.

The expense recognised in respect of the above options granted during the year was \$6,062,717. The expense recognised during the year on options granted in prior periods was \$288,809.

The model inputs, not included in the table above, for options granted during the year ended 30 June 2021 included:

- a) options were granted for no consideration;
- b) expected lives of the options range from 3.6 to 4 years;
- c) share price at grant date ranged from \$0.575 to \$2.02;
- d) expected volatility ranged from 73% to 110%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 0.75%

The table below summarises options granted to employees and Directors during the year ended 30 June 2020:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed/ Expired during the year	Balance at end of the year	Exercisable at end of the year
30/07/2019	30/07/2024	\$0.50	-	2,500,000	-	-	2,500,000	2,500,000
17/10/2019	30/07/2024	\$0.50	-	6,000,000	-	-	6,000,000	6,000,000
18/02/2020	01/02/2023	\$0.60	-	1,050,000	-	-	1,050,000	1,050,000
18/02/2020	01/02/2023	\$0.80	-	550,000	-	-	550,000	550,000
			-	10,100,000	-	-	10,100,000	10,100,000

The model inputs, not included in the table above, for options granted during the year ended 30 June 2020 included:

- a) options were granted for no consideration;
- b) expected lives of the options range from 3 to 4 years;
- c) share price at grant date ranged from \$0.135 to \$0.43;
- d) expected volatility ranged from 74% to 101%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate ranged from 1.25% to 2.23%

**(c) Options issued to suppliers**

During the financial year ended 30 June 2021, the Company issued options to brokers and corporate advisors for services rendered during the year. These options have been valued using the Black-Scholes option pricing model.

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed/ Expired during the year	Balance at end of the year	Exercisable at end of the year
27/08/2020	31/12/2023	\$1.10	-	700,000	-	(500,000) ¹	200,000	200,000
02/11/2020	31/12/2023	\$1.10	-	1,000,000	-	-	1,000,000	1,000,000
03/12/2020	30/06/2024	\$1.35	-	400,000	-	-	400,000	400,000
01/02/2021	31/12/2023	\$1.60	-	1,500,000	-	-	1,500,000	- ²
04/05/2021	07/04/2025	\$2.50	-	250,000	-	-	250,000	250,000
			-	3,850,000	-	(500,000)	3,350,000	1,850,000

¹ 500,000 options were forfeited during the financial period as a result of vesting conditions not being met.

² Options vest on 1 July 2021 if the contractor is still engaged by the Company on that date.

The expense recognised in respect of the above options granted during the year was \$2,308,433. The model inputs, not included in the table above, for options granted during the year ended 30 June 2021 included:

- a) options were granted for no consideration;
- b) expected life of the options ranged from 1.9 to 3.9 years;
- c) share price at grant date ranged from \$0.835 to \$1.97;
- d) expected volatility ranged from 73% to 110%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 0.75%

The weighted average fair value of options issued to employees, Directors and suppliers during the year was \$0.6233.

The table below summarises options granted to suppliers during the year ended 30 June 2020:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed/ Expired during the year	Balance at end of the year	Exercisable at end of the year
18/02/2020	01/02/2023	\$0.60	-	1,000,000	-	-	1,000,000	1,000,000
18/02/2020	01/02/2023	\$0.80	-	1,000,000	-	-	1,000,000	1,000,000
29/06/2020	01/07/2021	\$0.75	-	15,000,000	-	-	15,000,000	15,000,000
			-	17,000,000	-	-	17,000,000	17,000,000

The model inputs, not included in the table above, for options granted during the year ended 30 June 2020 included:

- a) options were granted for no consideration;
- b) expected lives of the options range from 1 to 3 years;
- c) share price at grant date ranged from \$0.43 to \$0.51;
- d) expected volatility of 101%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 1.25%



22. Commitments

a) Preliminary closure and Post-Closure Maintenance Plan

The Group is required to submit to the California Regional Water Quality Control Board a financial assurance mechanism for the Fort Cady Project for clean closure of the surface impoundments and decommissioning of associated infrastructure. The amount of this financial assurance mechanism is approximately A\$429,943 (US\$322,718).

b) Mineral Lease Agreement

The Group has a mineral lease agreement for the purposes of obtaining exclusive rights to exploration at the Fort Cady Project. The mineral lease agreement requires the Group to make a minimum royalty payment of US\$75,000 per annum until expiry on 1 October 2021. The minimum lease commitments as at 30 June 2021 are as follows:

	2021 \$	2020 \$
Within one year	-	109,011
Later than one year but not later than five years	-	-
	-	109,011

	2021 \$	2020 \$
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c) Capital Commitments

The property, plant and equipment commitments as at 30 June 2021 are as follows:

Within one year	3,597,950	-
Later than one year but not later than five years	-	-
	3,597,950	-

23. Contingent Assets and Liabilities

There are no known contingent assets or liabilities as at 30 June 2021.

24. Dividends

No dividend was paid or declared by the Company in the year ended 30 June 2021 or the period since the end of the financial year and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial year ended 30 June 2021.

25. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the chief operating decision maker (which, for the Group, is the board of directors) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group operates predominately in one industry, being the exploration for Borates and Lithium. The main geographic areas that the entity operates in are Australia and the United States of America ("USA"). The parent entity is registered in Australia. The Group's exploration assets are located in the US.



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

The following table present revenue, expenditure and certain asset and liability information regarding geographical segments for the year ended 30 June 2021:

	Australia \$	US \$	Total
Year ended 30 June 2021			
Other income	269	66,029	66,298
Interest income	743	3,928	4,671
Segment revenue	1,012	69,957	70,969
Result			
Loss before tax	(14,822,613)	(766,700)	(15,589,313)
Income tax expense	-	-	-
Loss for the year	(14,822,613)	(766,700)	(15,589,313)
Asset and liabilities			
Segment assets	53,824,875	58,386,530	112,211,405
Segment liabilities	565,493	1,459,136	2,024,629
Year ended 30 June 2020			
Other income	-	196,851	196,851
Interest income	2,133	9,338	11,471
Segment revenue	2,133	206,189	208,322
Result			
Loss before tax	(5,151,707)	(39,782)	(5,191,489)
Income tax expense	-	-	-
Loss for the year	(5,151,707)	(39,782)	(5,191,489)
Asset and liabilities			
Segment assets	38,161,108	35,239,813	73,400,921
Segment liabilities	1,399,912	2,416,083	3,815,995

26. Parent Entity Information

The following details information related to the parent entity, American Pacific Borates Limited, at 30 June 2021. The information presented here has been prepared using consistent accounting policies with those presented in note 2.

	2021 \$	2020 \$
Current assets	53,824,775	38,161,008
Total assets	111,485,945	70,901,331
Current liabilities	(565,493)	(1,399,911)
Total liabilities	(565,493)	(1,399,911)
Net assets	110,920,452	69,501,420
Issued capital	123,701,282	73,862,440
Reserves	14,907,717	6,247,758
Accumulated losses	(27,688,547)	(10,608,779)
	110,920,452	69,501,419
Loss of the parent entity	(17,079,768)	(5,051,069)
Total comprehensive loss of the parent entity	(17,079,768)	(5,051,069)



American Pacific Borates Ltd

Notes to the Consolidated Financial Statements for the year ended 30 June 2021

Other Commitments and Contingent Liabilities

The Company had no commitments and no contingent liabilities as at 30 June 2021.

27. Significant Events after the Reporting Date

The following options were converted into ordinary fully paid shares after the reporting date;

Date shares issued	\$0.30 each on or before 31-May-2022	\$0.75 each on or before 1-Jul-2021
2-Jul-21	-	5,068,333
28-Jul-21	1,000,000	-
14-Sep-21	1,000,000	-
TOTAL	2,000,000	5,068,333

On 2 July 2021, the Company issued 1,000,000 unlisted options to a consultant as consideration for sales and marketing services provided. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025.

On 12 July 2021, the Company issued 1,500,000 shares to Blue Horizon Advisors LLC, pursuant to the terms of the Advisory Agreement dated 16 April 2021 and as consideration for Advisory Board services provided.

On 20 August 2021, the Company issued 2,100,000 options to a consultant, pursuant to the terms of an Independent Contractor Agreement dated 19 August 2021. The unlisted options are exercisable at \$2.50 each on or before 31 July 2022.

On 24 August 2021, the Company issued 5,000,000 options as part of the recently appointed CEO's long term incentive package. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025. The options vest over three (3) years in three (3) equal annual instalments commencing on the start date of employment.

On 14 September, the Company announced two senior management appointments effective in the second half of September 2021. Mr Tyson Hall was appointed Chief Operating Officer, with Mr Chance Pipitone appointed Head of Corporate Development and Investor Relations.

On 14 September, the Company issued 5,900,000 unlisted options to employees pursuant to the terms of the Company's Incentive Option Plan. The unlisted options are exercisable at \$2.00 each on or before 1 June 2025.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There have been no other significant events subsequent to the end of the financial year to the date of this report.



Directors' Declaration

In accordance with a resolution of the Directors of American Pacific Borates Limited, I state that:

1. In the opinion of the Directors:

- a) the financial statements and notes of American Pacific Borates Limited for the year ended 30 June 2021 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

On behalf of the Board

David Salisbury
Non-Executive Chairman

California, USA
17 September 2021

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF AMERICAN PACIFIC BORATES LIMITED

As lead auditor of American Pacific Borates Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of American Pacific Borates Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 17 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of American Pacific Borates Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of American Pacific Borates Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Exploration & Evaluation Asset

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of capitalised exploration and evaluation assets as at 30 June 2021 is disclosed in Note 10 of the financial report.</p> <p>As the carrying value of exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. <p>As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 10 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of American Pacific Borates Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 17 September 2021



ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current at 16 September 2021.

Distribution of Share Holders

Ordinary Shares			
	Number of Holders	Number of Shares	%
1 - 1,000	532	295,190	0.08
1,001 - 5,000	987	2,710,942	0.7
5,001 - 10,000	496	3,853,034	0.99
10,001 - 100,000	1,017	35,141,490	9.05
100,001 - and over	351	346,432,247	89.19
TOTAL	3,334	388,432,903	100.00

There were 100 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Shares	%
VIRTOVA CAPITAL MANAGEMENT LIMITED	51,282,051	13.20
ATLAS PRECIOUS METALS INC	45,920,000	11.82
MAYFAIR VENTURES PTE LTD	38,339,532	9.87
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	15,114,560	3.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,186,598	3.65
CITICORP NOMINEES PTY LIMITED	7,961,317	2.05
MR DANIEL EDDINGTON + MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	6,650,000	1.71
BRING ON RETIREMENT LTD	6,540,000	1.68
BASS FAMILY FOUNDATION PTY LTD <BASS FAMILY FOUNDATION A/C>	5,400,000	1.39
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,152,383	1.33
JAWAF ENTERPRISES PTY LTD <HALL FAMILY A/C>	4,568,334	1.18
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,448,816	1.15
ISLV PARTNERS LLC	4,448,000	1.15
METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	4,400,000	1.13
MR ZACHARY PURTON	3,230,001	0.83
SCOR GO LUATH LIMITED	2,827,809	0.73
ALLEN GROUP HOLDINGS PTY LTD	2,500,000	0.64
BPM CAPITAL LIMITED	2,400,000	0.62
E & E HALL PTY LTD <E & E HALL P/L S/F A/C>	2,249,999	0.58
METECH SUPER PTY LTD <METECH NO2 SUPER A/C>	2,008,334	0.52
Total	229,627,734	0.59

Substantial Shareholders

Name	Shares	%
VIRTOVA CAPITAL MANAGEMENT LIMITED	51,282,051	13.20
ATLAS PRECIOUS METALS INC	45,920,000	11.82
MAYFAIR VENTURES PTE LTD	38,339,532	9.87

On-Market Buy Back

There is no current on-market buy back.



ASX Additional Information

Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Use of Proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial year ended 30 June 2021.

Unlisted Options

Class	Number	Holders with more than 20%
Options over ordinary shares exercisable at \$0.20 on or before 30 November 2021.	6,500,000	- JAWAF Enterprises Pty Ltd <Hall Family A/C> 1,500,000 Options
Options over ordinary shares exercisable at \$0.30 on or before 31 May 2022.	3,000,000	- Michael X. Schlumpberger 1,000,000 options - JAWAF Enterprises Pty Ltd <Hall Family A/C> 1,000,000 Options
Options over ordinary shares exercisable at \$0.60 on or before 30 June 2022.	100,000	- John Siembab 100,000 options
Options over ordinary shares exercisable at \$0.50 on or before 5 November 2022.	10,000,000	- Michael X. Schlumpberger 4,000,000 options - JAWAF Enterprises Pty Ltd <Hall Family A/C> 2,500,000 Options
Options over ordinary shares exercisable at \$0.50 on or before 30 July 2024.	8,250,000	- Michael X. Schlumpberger 3,500,000 Options - JAWAF Enterprises Pty Ltd <Hall Family A/C> 2,500,000 Options
Options over ordinary shares exercisable at \$0.60 on or before 1 February 2023.	2,050,000	- BJS Robb Pty Ltd 750,000 Options - Bob Hayes 500,000 options
Options over ordinary shares exercisable at \$0.80 on or before 1 February 2023.	1,550,000	- BJS Robb Pty Ltd 750,000 Options
Options over ordinary shares exercisable at \$0.90 on or before 6 July 2024.	9,500,000	- Michael X. Schlumpberger 3,000,000 options - JAWAF Enterprises Pty Ltd <Hall Family A/C> 2,400,000 Options - David Salisbury 2,000,000 options
Options over ordinary shares exercisable at \$1.10 on or before 31 December 2023.	1,200,000	- Veritas Securities Limited 1,000,000 Options
Options over ordinary shares exercisable at \$1.35 on or before 30 June 2024.	600,000	- Praxis Path Pty Ltd <ATF the Praxis Path Trust> 400,000 Options - Rob Salisbury 200,000 options
Options over ordinary shares exercisable at \$1.60 on or before 31 December 2022.	1,500,000	- Circumference Capital CT Pty Ltd <Circumference Capital A/C> 1,500,000 Options
Options over ordinary shares exercisable at \$2.50 on or before 7 April 2025.	1,000,000	- Chester Bate 250,000 Options - MTNASH Pty Ltd <MTNASH Investment Trust> 250,000 options
Options over ordinary shares exercisable at \$2.00 on or before 1 June 2025.	14,400,000	- Henri Tausch 5,000,000 Options - Tyson Hall 3,000,000 options
Options over ordinary shares exercisable at \$2.50 on or before 11 July 2022.	2,100,000	- Smoothweb Technologies Limited 2,100,000 Options



Schedule of Tenements

USA Project Locations

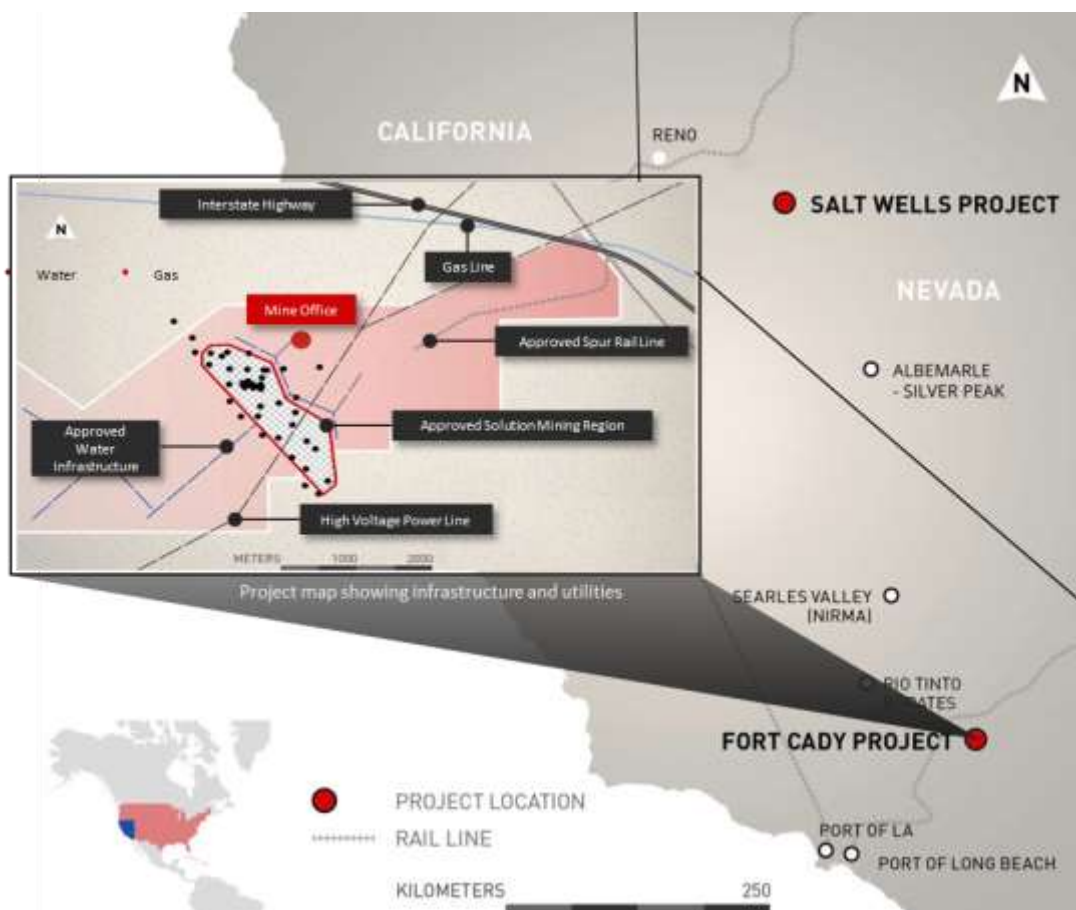


Figure 1: Location of the Fort Cady Project, California USA and Salt Wells Project, Nevada USA

USA Tenement Listing

Tenement Name	Country	Status	Grant Date	Expiry	Area	Ownership Rights		
				Date	km ²	Surface	Mineral	Lessee
Fort Cady Project								
Parcel 0529-251-01 Parcel 0529-251-03	USA	Granted	8/05/2010	N/A	0.65 0.32	FCCC	FCCC	N/A
Parcel 0529-251-04	USA	Granted	8/05/2010	N/A	1.09	FCCC	State of California	N/A
Company 1 Group Litigation 1 Group Litigation 4 Group Litigation 5 Group Litigation 2 Litigation 3 Litigation 6 Litigation 11 Geyser View 1 Company 4	USA	Granted	Various 12/09/1991 Various Various 29/07/1937 29/07/1937 29/07/1937 29/07/1937 18/11/1934 15/12/1931	N/A	0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.65 0.28 0.65	Elementis	Elementis	FCCC
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	FCCC
HEC #19; HEC #21; HEC# 23; HEC#25; HEC #34 - #41; HEC #43 - #67; HEC #70 - #82; HEC #85 - #93; HEC #182; HEC #184; HEC #288; HEC #290; HEC #292; HEC #294; HEC #296 - #297; HEC #299 - #350	USA	Granted	Various	N/A	9.63	FCCC	FCCC	N/A



Schedule of Tenements

Tenement Name	Country	Status	Grant Date	Expiry Date	Area km ²	Ownership Rights Surface	Tenement Name	Country
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, 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	USA	Earn in to acquire a 100% interest	23 May 2018	N/A	13.8	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc
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 May 2018	N/A	8.5	Great Basin Resources Inc	Great Basin Resources Inc	Great Basin Resources Inc

FCCC - Fort Cady (California) Corporation
Elementis - Elementis Specialties, Inc.



Important Information and Disclaimers

Competent Person – Fort Cady Project

The information in this report that relates to Exploration Targets, Exploration Results and Mineral Resources 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.

The information in this report that relates to the conversion of Mineral Resources to Ore Reserves has been prepared by Tabettha A. Stirrett of RESPEC Consulting Inc. Mrs Tabettha 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.

This report contains historical exploration results from exploration activities conducted by Duval Corp ("historical estimates"). The historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code. The Company confirms it is not in possession of any new information or data relating to the historical estimates that materially impacts on the reliability of the historical estimates or the Company's ability to verify the historical estimates.

Competent Person Statement – Salt Wells South Project and Salt Wells North Project

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information prepared by Richard Kern, Certified Professional Geologist (#11494). Mr 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.

Richard Kern 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 Kern consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

This release contains historical exploration results from exploration activities conducted by Great Basin Resources Inc. ("historical estimates"). The historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources or ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code. The Company confirms it is not in possession of any new information or data relating to the historical estimates that materially impacts on the reliability of the historical estimates or the Company's ability to verify the historical estimates.



Important Information and Disclaimers

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.