

Australian Pacific Coal

Corporate Presentation

April 2018



Australian Pacific Coal

ABN : 49 089 206 986 ASX CODE: AQC

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Assumptions have been made regarding, among other things: the Company's ability to carry on its future exploration, development and production activities, the timely receipt of required approvals, the price of coal, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may affect the Company's financial and operational viability.

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Competent Persons Statement

Marketable Reserves Note

The Dartbrook Marketable Coal Reserve of 370Mt is derived from a run of mine Coal Reserve of 470 Mt estimated in accordance with JORC 2012 with a predicted overall yield of 78%. The 370Mt Marketable Coal Reserve is included in the 2,534 Mt Coal Resource (588Mt Measured, 850 Mt Indicated, 1,097Mt Inferred).

Competent Persons Statement - Resources

The information in this report relating to Coal Resources for the Dartbrook Project was announced on 27 June 2017, titled “Dartbrook Coal Resource Estimate 2.5 Billion Tonnes” and is based on information compiled by Lynne Banwell, a Principal Consultant of Collective Experience Pty Limited and Associate Consultant of GPPH & Associates. Structure modelling was carried out by Rebecca Jackson and Monica Davis of Palaris; coal quality modelling, structure model audit and resource estimations were carried out by Lynne Banwell. Lynne Banwell is a qualified geologist (BSc (Hons) University of Sydney, 1980) with 30 years’ experience in coal geology and over 20 years’ experience in resource evaluation. Lynne is a Member of the Australasian Institute of Mining and Metallurgy and has experience in this style of mineralisation and qualifies as a Competent Person under the JORC code. This Resource Statement has been prepared under the guidelines of the December 2012 edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code). Neither Lynne Banwell nor GPPH & Associates has any material interest or entitlement, direct or indirect, in the securities of Australian Pacific Coal or any companies associated with Australian Pacific Coal Limited.

Competent Persons Statement - Reserves

The information in this report relating to Coal Reserves for the Dartbrook Project was announced on 28 March 2018, titled “Dartbrook Coal Reserve Estimate” and is based on information compiled by Ernst Brian Baumhammer, a Principal Consultant of GPPH & Associates. The Reserve estimations were carried out under the supervision and review of Brian Baumhammer. Brian Baumhammer is a qualified mining engineer (BE (Hons) University of Sydney, 1984) with 33 years’ experience in mining, 24 years’ experience in coal mining and over 15 years’ experience in reserve estimation. Brian Baumhammer is a Member of the Australasian Institute of Mining and Metallurgy and has experience in this style of mineralisation and qualifies as a Competent Person under the JORC code. This Reserve Statement has been prepared under the guidelines of the December 2012 edition of the Australian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code). Neither Brian Baumhammer nor GPPH & Associates has any material interest or entitlement, direct or indirect, in the securities of Australian Pacific Coal Ltd or any companies associated with Australian Pacific Coal Limited.

The information is extracted from the report entitled “Dartbrook Coal Reserve Estimate” created on 28 March 2018 and is available to view on www.aqc.ltd.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Company Overview

- Australian Pacific Coal (ASX:AQC) owns coal assets in Queensland and New South Wales, with the key asset being the Dartbrook Coal Mine (Dartbrook) located in the well renowned Hunter Valley of New South Wales. The acquisition of Dartbrook was completed in May 2017.
- AQC completed a Pre- Feasibility Study on potential open cut mining in March 2018.
- Also submitted an application in February 2018 to recommence mining at Dartbrook via limited bord & pillar method.

Dartbrook Coal Resource¹ (Mt)

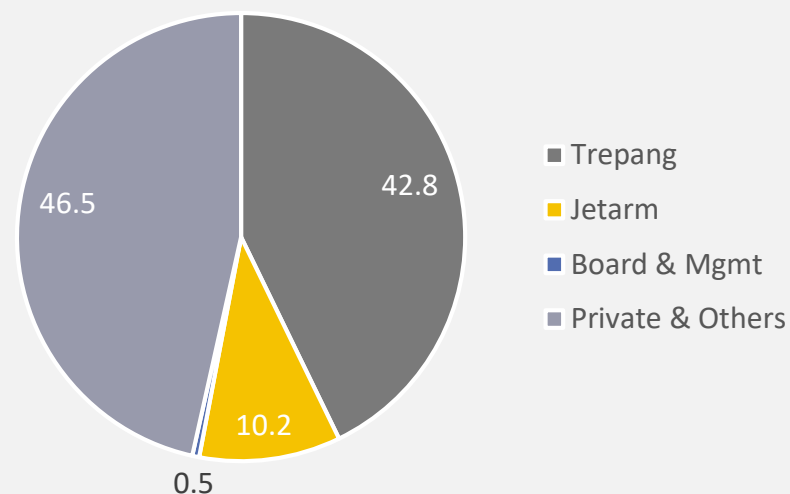
Measured	Indicated	Inferred	Total
588	850	1,097	2,534

Dartbrook Coal Reserve¹ (Mt)

Proven	Probable	Total
-	370	370

ASX code	AQC
Share price ³	AUD \$1.00
Shares on Issue ²	49,234,810
Market Capitalisation	AUD 49.2 M
Cash at Bank ³	AUD 6.2 M

Shareholding Summary² %



- Refer Competent Persons disclosure, page 3
- Trepang holds convertible notes with face value AUD \$35 million. At 31 March 2018, these notes provide Trepang the right to convert to a further ~28.4 million ordinary shares of AQC
- As at 27 March 2018

Management



John Robinson
Chief Executive officer & Managing Director

Mr Robinson has led numerous public and private equity acquisitions in the mining, property and retail sectors. He has been intimately involved in mergers and acquisitions and the undertaking of sophisticated financing arrangements pertaining to these asset classes. He also has extensive experience with the support services that the mining, oil and gas sectors require at their Australian operations.



Mr Andrew Roach
Chief Financial Officer & Company Secretary

Mr Roach has over 10 years' experience in the resource and financial service sectors. Andrew was the Chief Financial Officer for Stanmore Coal Limited and played a key role delivering the acquisition and financing of the Isaac Plains Coal Mine through to and including recommencement of production. Prior to his 5 years with Stanmore Coal, Andrew worked within the corporate finance and assurance divisions of PwC and is a Chartered Accountant.

Board of Directors



Mr Peter Ziegler
Non-executive Chairman

BCom (Hons), LLB (Hons), MFM (Queensland), FCPA, ACA, FTIA, CTA

Mr Ziegler is an experienced company director. He was a partner of one of the major international accounting firms, specialising in taxation and corporate structuring. Mr Ziegler is a solicitor of the Supreme Court of Victoria and a chartered accountant.



The Hon. Shane Stone
Non-executive Director

AC QC, PGDK, B.A (ANU), LL.B (Melbourne), Grad Dip Ed Admin (Adelaide), Dip Teaching (Sturt), TPTC (Vic), FACE, FAIM, FAICD, F Fin

The Hon. Stone has a strong commercial and legal background and considerable experience in dealing with Commonwealth and State governments. Mr Stone has at various times acted as an independent director to various public and private companies. Former Chief Minister of the Northern Territory and Federal President of the Liberal Party of Australia.



Mr Bruce Munro
Non-executive Director

BEng (Hons)

Mr Munro has a strong management and operational background and considerable experience in dealing with matters pertaining to the mining industry. Mr Munro has more than 40 years' experience as an engineer and manager with major construction and mining contractors in a number of countries including Australia, Asia, India and southern Africa. From 2011 until his retirement in 2015 he was the Managing Director of Thiess Pty Ltd.

1

Size and quality of the Dartbrook Mine

- Coal Resource 2,534 Mt and Coal Reserve 370 Mt
- Well understood geology and mining conditions, similar to neighbouring mines
- Prior ~12 year operating history with high quality thermal coal exports to Asia

2

Significant Development Optionality

- Currently permitted as 6 Mtpa longwall underground mine
- Open Cut Pre Feasibility Study shows robust technical and financial investment case, delivering a first quartile cost, long life operation
- Also near term opportunity to recommence via small scale bord & pillar operations within existing approved coal seams
- Ongoing evaluation of various available underground options

3

High quality coal

- High quality coal with calorific value and quality parameters suitable for high energy low emission (HELE) power generation
- Coal quality is typical of Hunter Valley specification from existing producers
- Low sulfur content enhances the marketability of the product

4

Existing infrastructure

- Dartbrook has infrastructure to support a significant mining operation
- Existing Coal Handling and Processing Plant (CHPP) currently placed on care and maintenance, remains in a good condition
- Sufficient capacity within existing rail and port facilitates for export via Port of Newcastle

Location of QLD Assets

Mt Hillalong¹

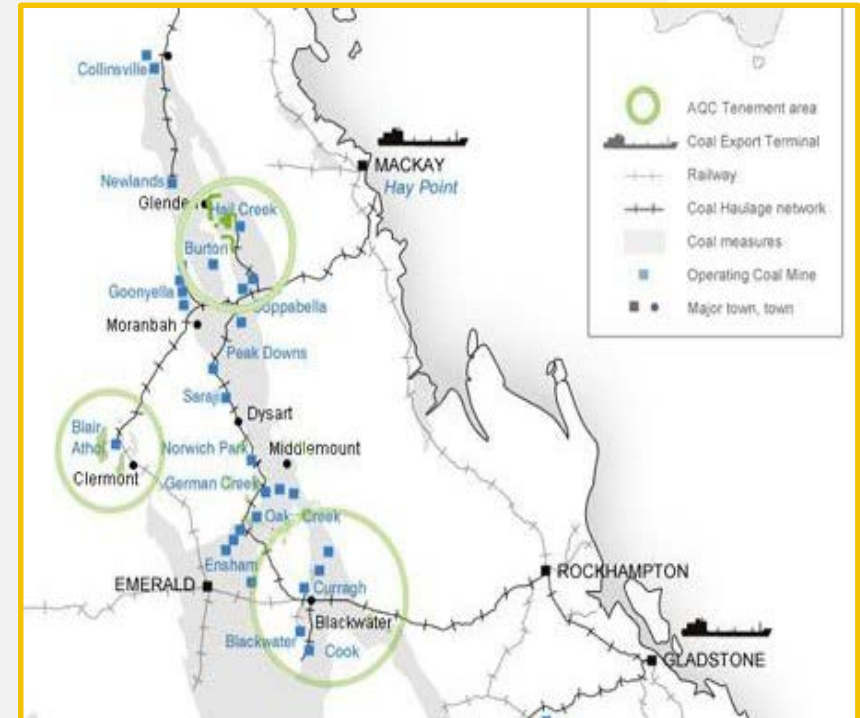
The Mount Hillalong project targets the Rangal and Fort Cooper coal measures in the northern Bowen Basin. The project offers prospectivity for proving underground resources of metallurgical coal in the Rangals and open cut coal in the Fort Coopers.

Blair Athol

The Blair Athol project comprises one granted EPC over an area to the south of Blair Athol, one of the Bowen basin's largest open cut coal operations. The application area targets extensions to the Blair Athol basin looking for further shallow thermal coal truncated from the main deposit.

Blackwater¹

The Blackwater projects comprises two tenements, Cooroorah and Dingo, targeting Rangal and Burngrove coal within a 50 km radius of Blackwater.



Further information on the exploration assets is available on the AQC website
www.aqcltd.com.au

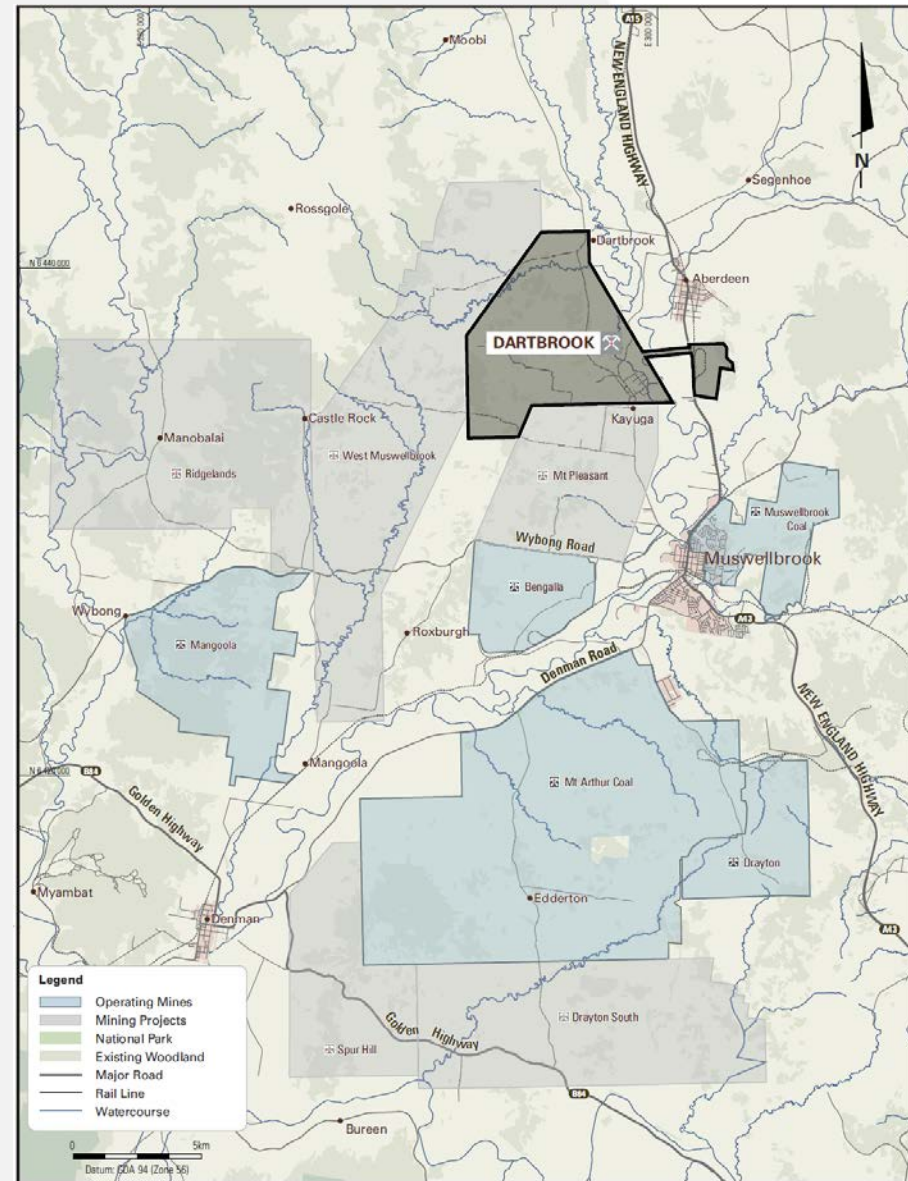
Dartbrook: Hunter Valley Location



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- Dartbrook is located in the upper Hunter Valley in New South Wales, Australia. Muswellbrook is the closest major town, approximately 10 km to the southeast. The town of Aberdeen lies approximately 4.5 km northeast of Dartbrook.
- Dartbrook is connected to port facilities in Newcastle (130 km southeast) via the Main Northern Railway and the New England Highway.
- The Hunter Valley coal region is renowned for its large scale, low cost, high quality operating mines. Dartbrook is one of the most significant, under-developed coal assets in the region by virtue of its low strip ratio and project scale.



DARTBROOK

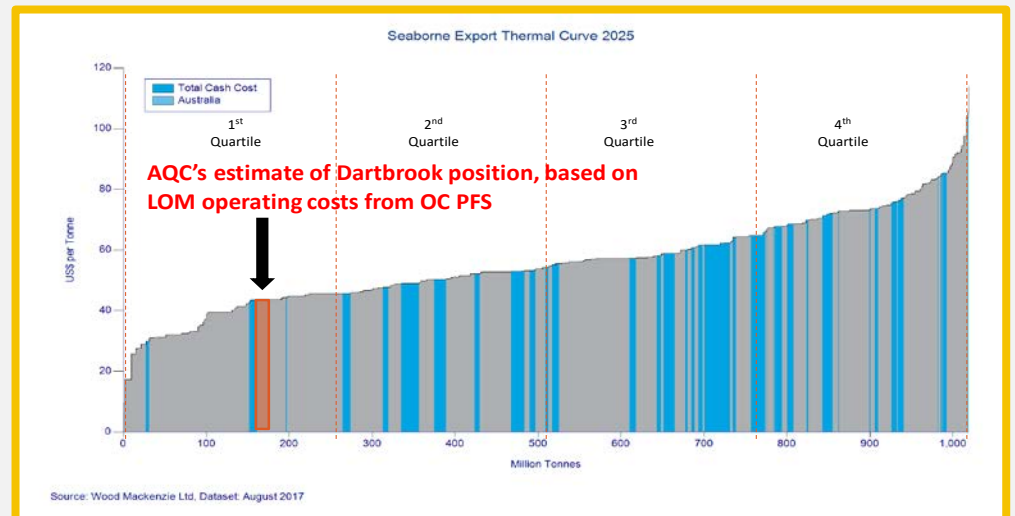
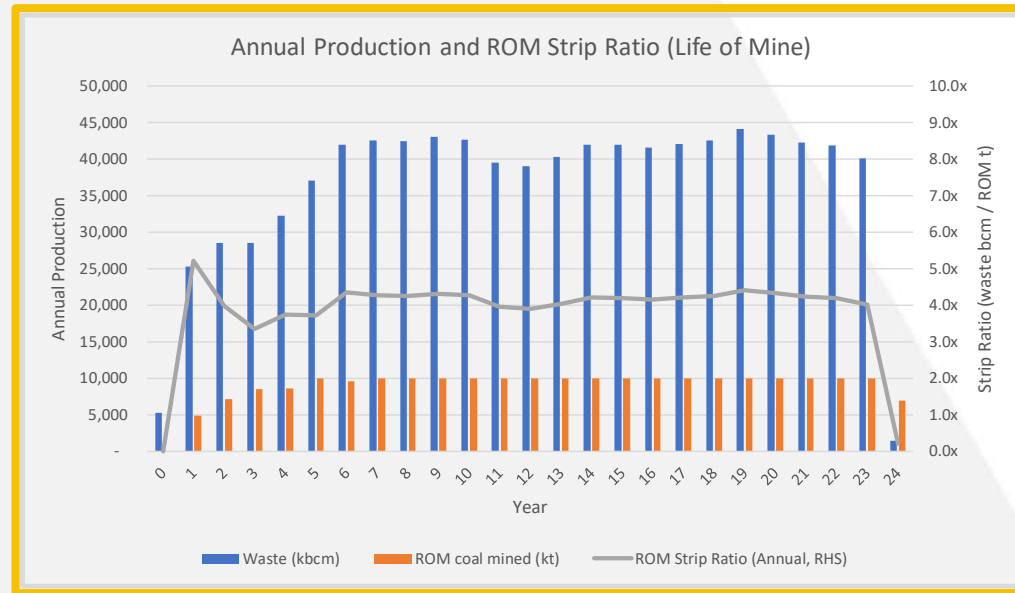
Pre-Feasibility Study Completed

- The Open Cut Prefeasibility Study (**OC PFS**), completed by AQC in March 2018¹, confirms the technical and financial capability as a nominally 10 Mtpa run of mine operation for 25 years.
- The Owner-Operator and Contractor cases both deliver an NPV of approximately AUD 1.3 billion with strong internal rates of return, 23.2% and 24.6% respectively.
- Consistently low run of mine coal strip ratio delivers very competitive, 1st quartile low operating cost throughout the mine life.
- Modelling of key environmental parameters indicates the project meets or exceeds stringent environmental requirements.

Study Snapshot ¹	Unit	Owner Operator Case	Contractor Case
Project Net Present Value ₁₀	AUD million, as at 1 July 2017	1,341	1,292
Project Internal rate of return	%, as at 1 July 2017	23.2	24.6
AUD Free on Board (FOB) operating cost	LoM, all-in, excluding state royalties, 2017 AUD	42.1	47.8
US\$ FOB	LoM, all-in, excluding state royalties, 2017 USD	31.6	35.8
Payback period	Year of production	5	5
Development Capex	2017 AUD to first coal	937	699
Average EBITDA Margin	Steady State Earnings before interest, tax, depreciation and amortization, as a % of revenue	52%	46%
Total RoM tonnes	LoM	226	226
Total Product tonnes	LoM	172	172

Stable, Low Cost of Production

- Production profile shows ramp-up achieved by year 4 of coal mining
- ROM coal production sustained around 10 Mtpa over life of mine
- Strip ratio¹ is low and stable over the life of the mine at 4.0 – attractive relative to other producing mines and potential development assets
- Low strip ratio and throughput of operation deliver low operating cost, within the 1st quartile for global seaborne thermal coal producers.



High Quality Thermal Coal

- The Dartbrook Mine can produce two high energy coal products:
 - “Premium” thermal coal (~12% ash)
 - “Standard” thermal Coal (~19% ash)
- Both “Premium” and “Standard” thermal coal are suitable for HELE power stations
- All coal has a low sulphur content (~0.4%) and properties consistent with neighbouring mines.

As Received Basis (unless stated otherwise)	Dartbrook Premium Product	Dartbrook Standard Product
Specific Energy (gross, kcal/kg)	6,100	5,545
Ash (%)	12.0	19.0
Volatile Matter (%)	29.5	26.9
Moisture (%)	11.0	11.0
Fixed Carbon (%)	47.5	43.1
Sulfur (%)	0.37	0.36
Chlorine (%)	0.02	0.02
Hardgrove Grindability Index (air dried basis)	52	53

Marketability & Logistics



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- Dartbrook previously exported 25 Mt of coal primarily to Japanese and Korean markets
- The demand for coal with similar qualities to Dartbrook's high energy coal continues to play a major role in the global energy markets
- Close proximity to the Port of Newcastle (130km) provides a competitive, low cost path to market



Existing Infrastructure

- CHPP has been well maintained and is in good condition since Dartbrook was placed on a care and maintenance basis in 2006/2007.
- Surface infrastructure includes power, water and office facilities.
- Existing on-site Train Load Out facility and rail loop connect to the Hunter Valley Coal Rail Network for coal transportation to the Port of Newcastle, the largest coal export operation in the world.
- Ideally placed with world-class infrastructure supporting mining operations in the immediate area surrounding the project, including the Bengalla Mine (New Hope and Wesfarmers), Mt Arthur Mine (BHP Billiton) and the adjacent Mt Pleasant approved development project (MACH Energy).

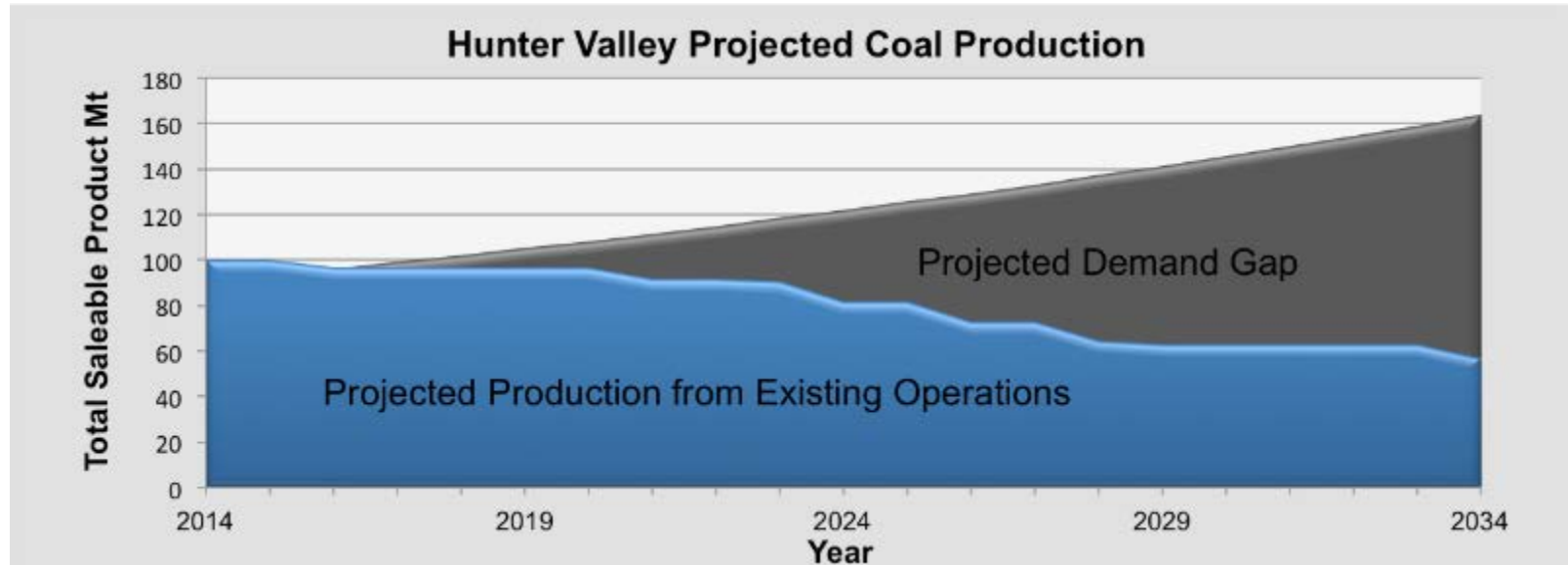


- Dartbrook's development will deliver substantial benefits to the local and wider community, including over 550 direct full time jobs during its 25 year operational life.
- It will also significantly benefit various levels of government, including an estimated AU\$2.0 billion in corporate tax and AU\$2.2 billion in NSW State royalties.
- In addition, there will be direct and indirect employment taxes generated over the nominal 25-year life-of-mine.



Outlook for the Hunter Valley

- Dartbrook coal is typical of other high quality Hunter Valley coals which are currently sold into the global seaborne export market. Demand for this high quality product is projected to steadily increase steadily as markets focus on High Energy Low Emission (HELE) solutions.
- A number of existing Hunter Valley mines will exhaust their remaining economic reserves over the next 15 years. Replacement of approximately 35% of existing production is required to maintain current output of high quality Hunter Valley coal.
- Dartbrook is ideally positioned to fill a portion of the demand gap created by the natural decline in production from existing mines.



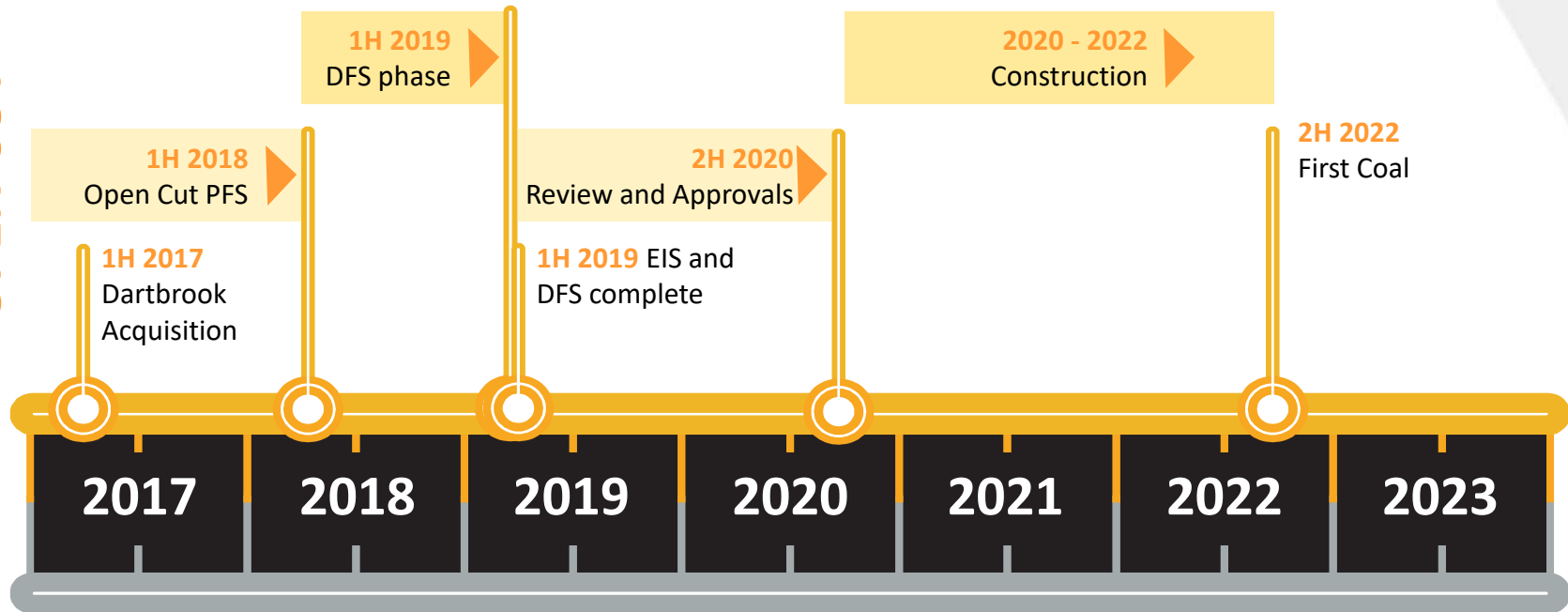
Indicative Dartbrook Open Cut Timeline



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OPEN CUT



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