



American Pacific

—
BORATES LIMITED

Corporate Presentation

121 Mining Conference – Hong Kong
22 October 2019



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COMPETENT PERSON – FORT CADY

The information in this release that relates to Exploration Results and Mineral Resource Estimates 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 this presentation of the matters based on their information in the form and context in which it appears.

The information in this release 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) 'Recognized 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.

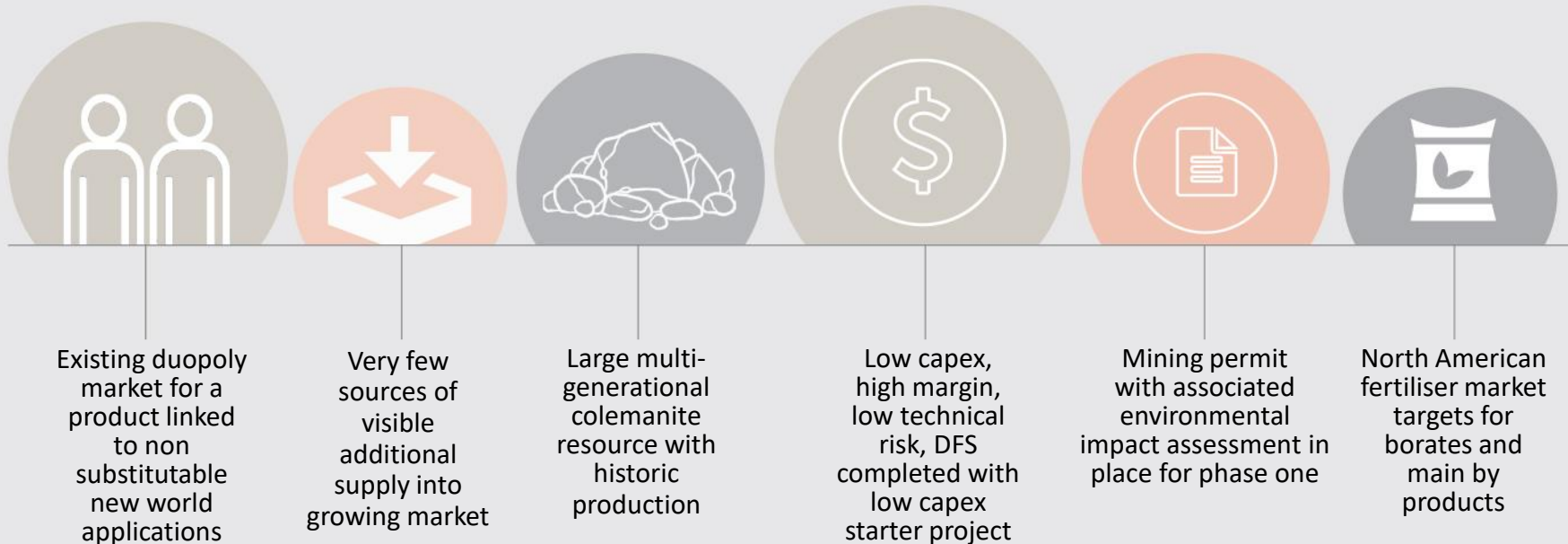
COMPETENT PERSON – SALT WELLS

The information in this release that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information prepared by Richard Kern, Certified Professional Geologist (#11494). Richard 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. Richard Kern consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

American Pacific Borates Limited is an ASX listed Borate developer

The Company is developing its flagship Fort Cady Borate Project in California, which has many strengths including:



The Company has a compressed development timeline that takes advantage of prior production, in place permits and the US\$60m spent on the project to date. Focus is on being construction ready quickly.

1. American Pacific Borates Limited

Focused on becoming a globally significant producer of borates

- Developing the advantaged Fort Cady Borate Project located in Southern California
- Experienced team of professionals based in Apple Valley, California
- Compressed timeline to construction readiness taking advantage of historic production, in-place permits and over US\$60m spent on the project to date
- DFS completed in December 2018 demonstrates exceptional financial metrics and includes a very low capex starter project (US\$36.8m inclusive of 13% contingency)
- Pathway from starter project to an EBITDA in first year of full production of over US\$340m
- By product credits for SOP and gypsum



Map showing the location of the Company's projects in North America

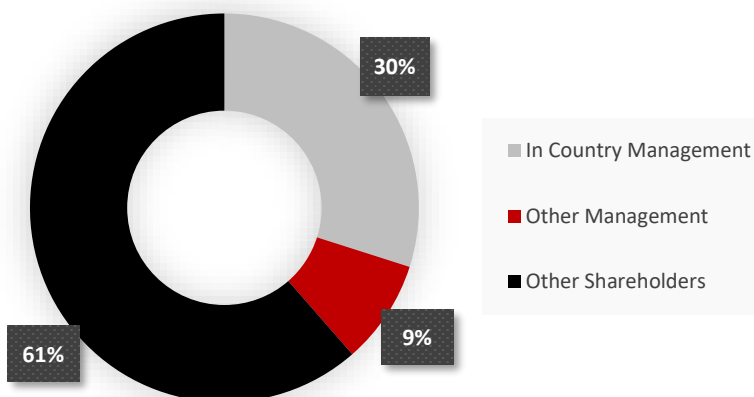


1. American Pacific Borates Limited

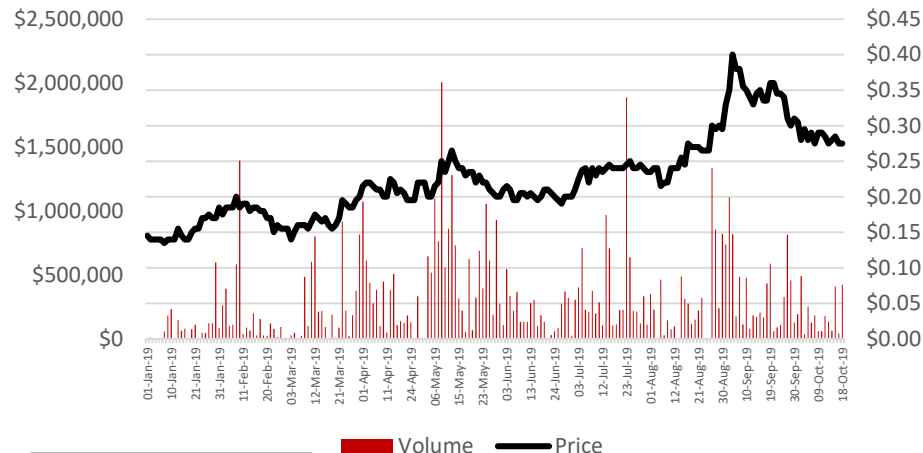
Corporate Information

ASX Ticker	ABR
Share Price at 18 October 2019	A\$0.275
Shares on Issue	208.5m
Options (20c, 25c, 30c, 40c, 50c & 60c strike)	51.9m
Fully Diluted Shares	260.4m
Undiluted Market Cap.	A\$57.3m
Diluted Market Cap.	A\$71.6m
Cash at Bank – 30 September 2019	~A\$3.4m
Major shareholder: Atlas Precious Metals	24%

Fully Diluted Shares



Share Price



Key Executives

Michael X. Schlumpberger

Managing Director and CEO, BEng (Mining), MBA

Mike 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. He has held senior roles with Potash Corporation of Saskatchewan, Passport Potash, and Highfield Resources, and has worked in the United States, Canada, and Europe.

Anthony Hall

Executive Director, LLB(Hons), BBus, AGIA

Anthony is a qualified lawyer with 20 years' commercial experience in venture capital, risk management, strategy and business development. He was Managing Director of ASX listed Highfield Resources Ltd from 2011 to 2016. During his tenure the company's market cap grew from \$10m to \$500m and over \$140m was raised to progress potash projects in Spain



2. Why ABR?

Low Up Front Capital, Low Peak Capital and Brilliant Financial Metrics

A\$54M

Up front capital

A\$162M

Peak capital

40.5%

Project IRR

A\$2.21BN

Project NPV₈

Fort Cady Borate Project Financial Metrics

Phase 1A Only

NPV ₁₀	US\$224.7 million
IRR	58.3%
EBITDA in first full year of production	US\$26.7 million

Phase 1A & 1B Only

NPV ₁₀	US\$385.3 million
IRR	36.4%
EBITDA in first full year of production	US\$60.3 million

Phase 1 & 2 Only

NPV ₁₀	US\$853.5 million
IRR	40.0%
EBITDA in first full year of production	US\$192.3 million

Full Project (Phases 1, 2, & 3)

NPV ₁₀	US\$1.083 billion
IRR	40.5%
EBITDA in first full year of production	US\$345.4 million



2. Why ABR?

Very High Margin Supported with By-Product Credits

	Phase 1A	Phase 1B	Phase 2	Phase 3
Primary Product	SOP	Boric acid	Boric acid	Boric acid
Main By-Product	HCl	SOP	SOP	SOP
C1 Costs	US\$86 / t	US\$113 / t	US\$163 / t	US\$149 /t
C3 Costs	US\$144 / t	US\$217 / t	US\$250 / t	US\$231 / t
Selling Price	US\$725 / t	US\$800 / t	US\$800 / t	US\$800 / t
C1 Margin	88%	86%	80%	81%
C3 Margin	80%	73%	69%	71%

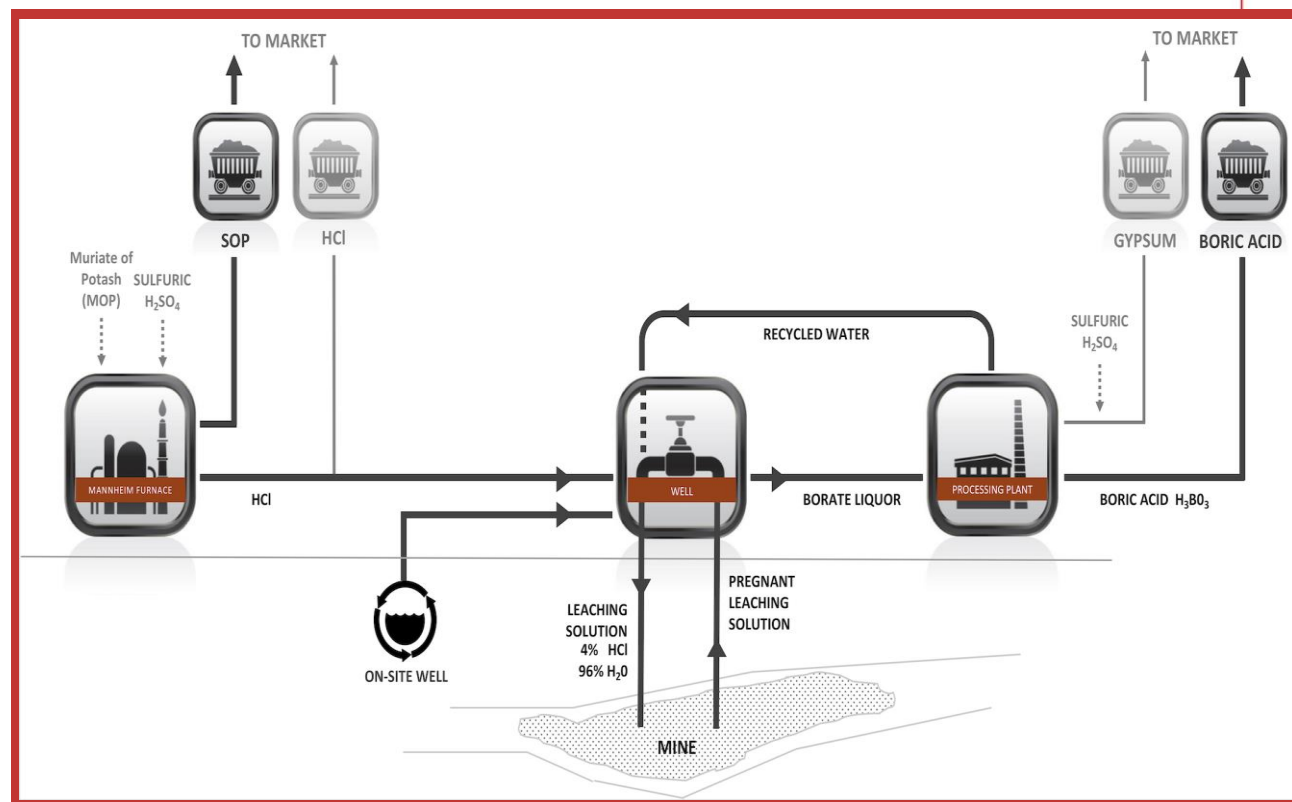
2. Why ABR?



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Proven Processing of Ore Body at Commercial Scale

- Project operated at small scale commercial production of c. 300t per month from 1995 to 2001.
- Mannheim process / furnaces currently produce around 50% of global SOP supply



Diagrammatic representation of high level flow sheet



2. Why ABR?

**Substantial EBITDA target, Multiple Revenue Streams,
Targeting Less than 10% of Global Market**

A\$507M

EBITDA Target (Full Production)

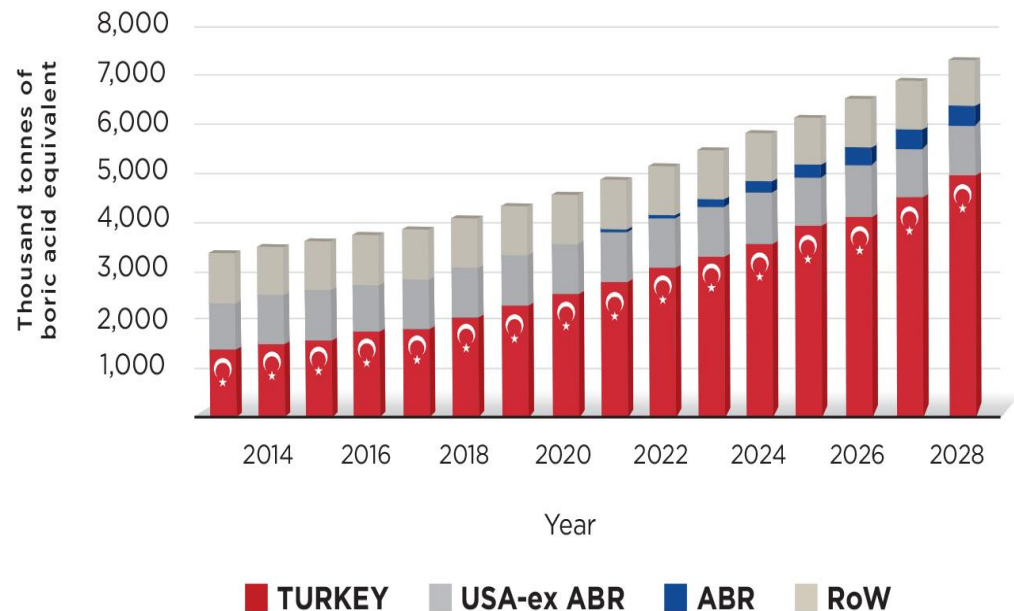
**Boric
Acid**

SOP

Gypsum

Revenue streams in full production

BORATE SUPPLY CURVE



Graph showing predicted global supply curve based on Roskill, Eti Maden and Rio Tinto analysis

3. Why Borates?

Duopoly market with very few global sources of borates

- Boric Acid equivalent demand in 2017 was 3.9m tonnes which represents a 3% CAGR on Roskill's 2013 forecast supply
- Turkish Government owned Eti Maden controls the marginal unit of supply and will continue to meet demand
- Eti Maden appears to be the only borate producer with meaningful additional capacity capable of meeting additional supply requirements
- Rio Tinto Borates (majority of US production) appears to be operating at full capacity
- There appears to be minimal nett additional global operating capacity, if any



Map Showing Current Sources of Global Supply

3. Why Borates?

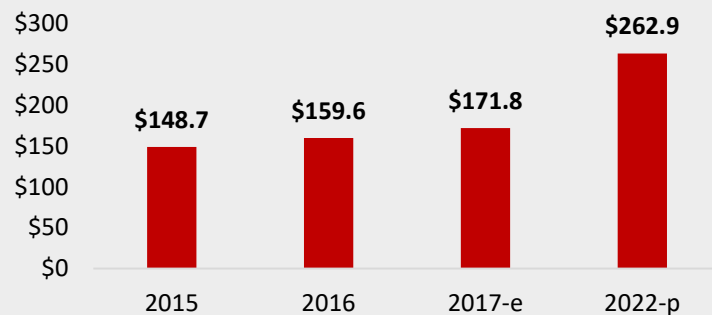
Borates, SOP and Gypsum all play into North American fertiliser market

- Borates, gypsum and SOP are all used in local agricultural applications
- Borate demand for agricultural purposes is predicted to grow at 9% CAGR from 2017 and 2022
- Fort Cady is ideally placed in California

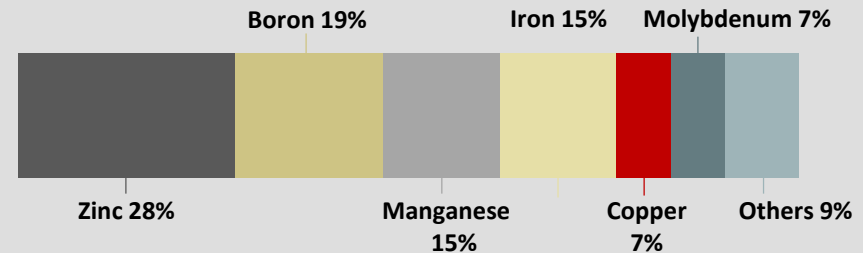
Product	Target Market
Borates	<ul style="list-style-type: none"> • Californian specialty fertilisers • North American fibre glass and ceramics • Chinese electric vehicle and clean technologies
Gypsum	<ul style="list-style-type: none"> • Local Californian soil enhancement market to mitigate effect of high sodium (Na) content soils (will attract a premium given boron content)
SOP	<ul style="list-style-type: none"> • Local Californian specialty fertiliser market targeting nut and specialty fruit producers

Table showing targeted products and markets

US Boron Market Value (\$M)



US Market Value by Micronutrient



- The US boron agricultural micronutrient market is projected to grow at ~9% CAGR from 2017 to 2022



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3. Why Borates?

Fiberglass & Specialty Glass

Making glass resistant to heat and chemicals

Detergents

Used as a cleaning and bleaching agent to increase the performance of products

Nuclear Reactors

Absorbs neutrons increasing nuclear reactor safety

Permanent Magnets

Boron laden permanent magnets are used in hundreds of different end-uses and applications

Other Uses

Borates are used across an wide range of other applications including, Abrasives, Cellulose Insulation, Charcoal Briquettes, Corrosion Inhibitors, Dyestuffs, Electrolytic Capacitors and Condensers, and a wide range of consumer electronics



Ceramic Frits, Enamels & Glazes

Enhances the chemical and mechanical strength, and helps to form smooth surfaces

Flame Retardant

Used in all dry powder fire extinguishers and fire retardant paints

Wood Treatment

Used in wood as a preservative preventing decay, and slows the spread of flames if burning occurs

Wind Turbines

Cannot operate without the help of boron laden permanent magnets

Electric vehicles & clean technologies

Borates are uniquely applied in permanent magnets, the most commonly used magnets in EV's

Agriculture

An essential micro nutrient for growth and used to increase yields

Summary

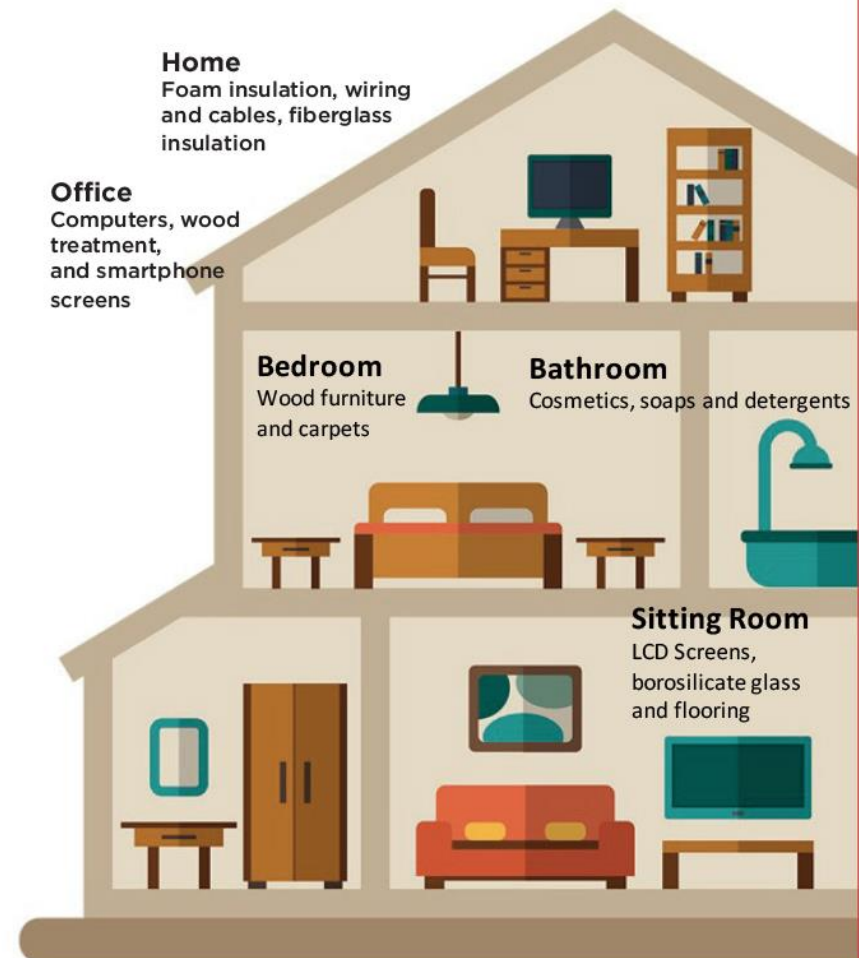


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American Pacific Borates is developing the Fort Cady Borate Project in California. The flagship Fort Cady Borate Project has many strengths including:

- Low up front capital and low peak capital
- Brilliant financial metrics
- Very high margin
- Proven processing route on site
- Substantial EBTIDA target
- Multiple revenue streams
- Targeting less than 10% of global market
- Growing global borate market
- Minimal new sources of borate supply
- Multiple uses for borates including fertilisers
- Brilliant location in California

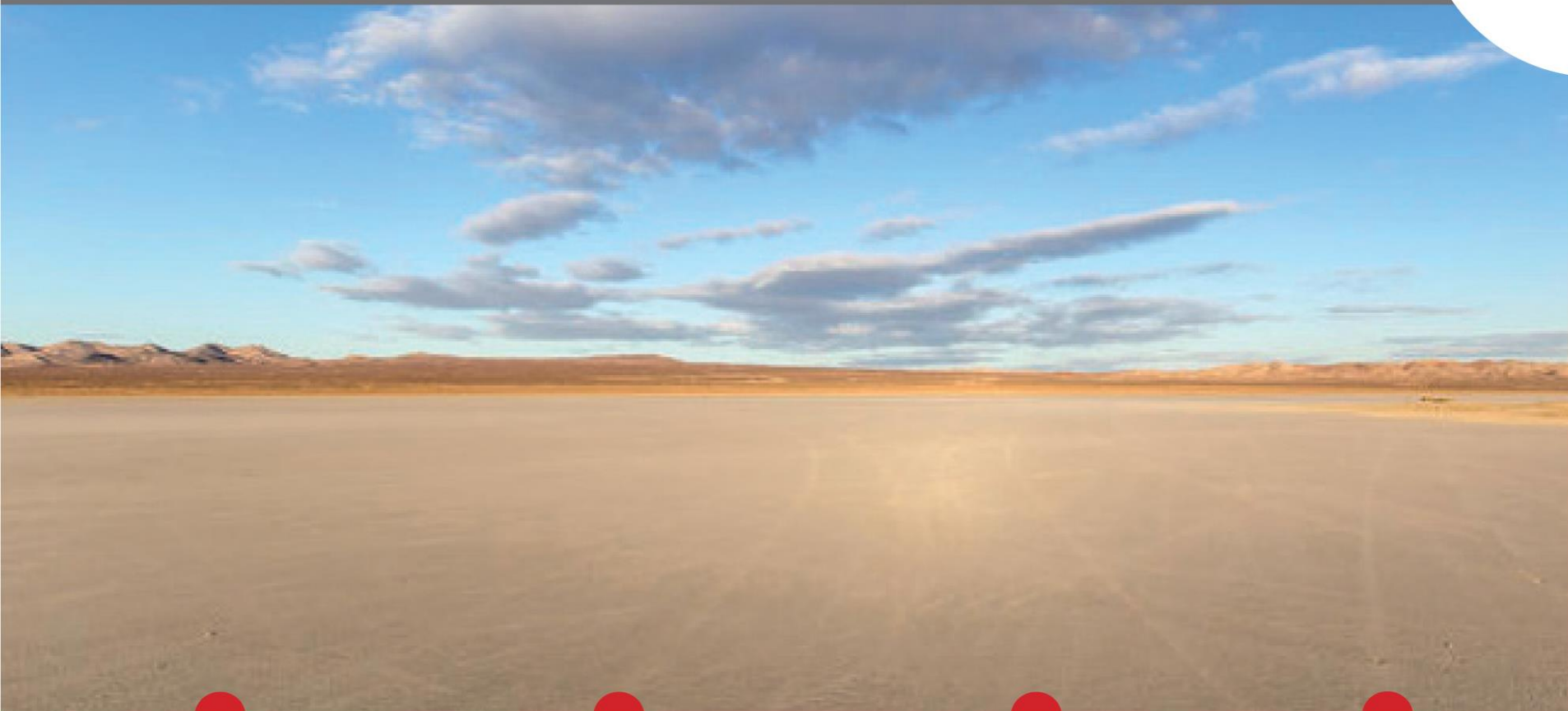
Borates Appear All Around Us



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