



AmericanPacific

BORATES LIMITED

Corporate Presentation

April 2020



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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 Tabetha A. Stirrett of RESPEC Consulting Inc. Mrs. Tabetha 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.

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.

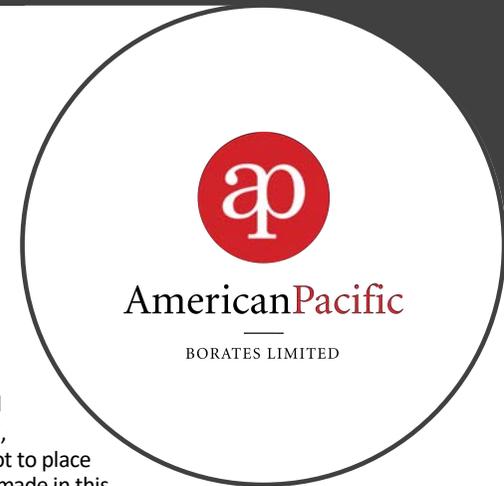


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1. Investment Highlights

American Pacific Borates Limited is an ASX listed company focused on becoming a globally significant specialty fertiliser producer.

Exceptional Project Metrics*

Post-tax, unlevered NPV₈ **US\$1.97bn**

Post-tax, unlevered IRR **39%**

EBITDA **US\$438M**

Low Upfront Capex

Phase 1A requires only US\$50m in capex to generate EBITDA of US\$20m per annum

Low Technical Risk

Ore body previously mined and proven off the shelf process route

Very High Margin

Underpinned with by-product credits, logistics and high priced markets on door step

Multi Revenue Streams

Two major revenue streams reduces reliance on one product

Visible Revenues

Production targeted for CY21 with construction activities commenced

Significant Strategic Value

Very few sources of additional supply into growing markets

Multi generational

Life of mine at over 20 years with additional Resource upside

Globally Significant

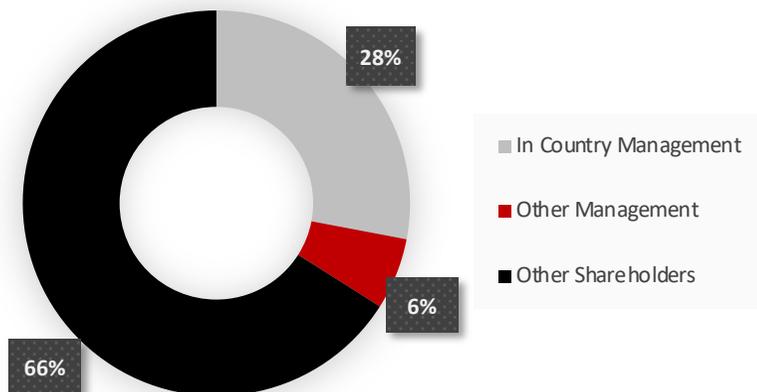
Targeted EBITDA in full production of US\$438m per annum

2. American Pacific Borates Limited

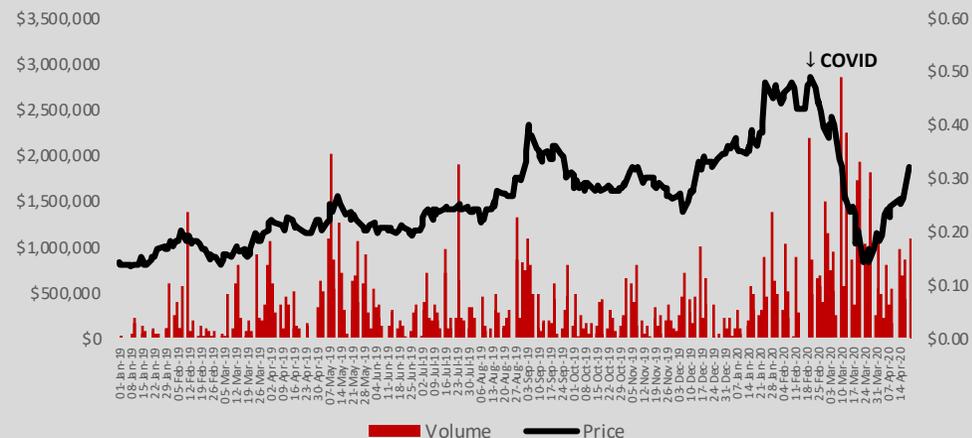
Corporate Information

ASX Ticker	ABR
Share Price at 20 April 2020	A\$0.32
Shares on Issue	241m
Options (20c, 25c, 30c, 40c, 50c & 60c strike)	63m
Fully Diluted Shares	304m
Undiluted Market Cap.	A\$77m
Cash at Bank – 31 March 2020	~A\$6.7m
Major shareholder: Atlas Precious Metals	20%

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 & over \$140m was raised to progress potash projects in Spain.

3. Borates

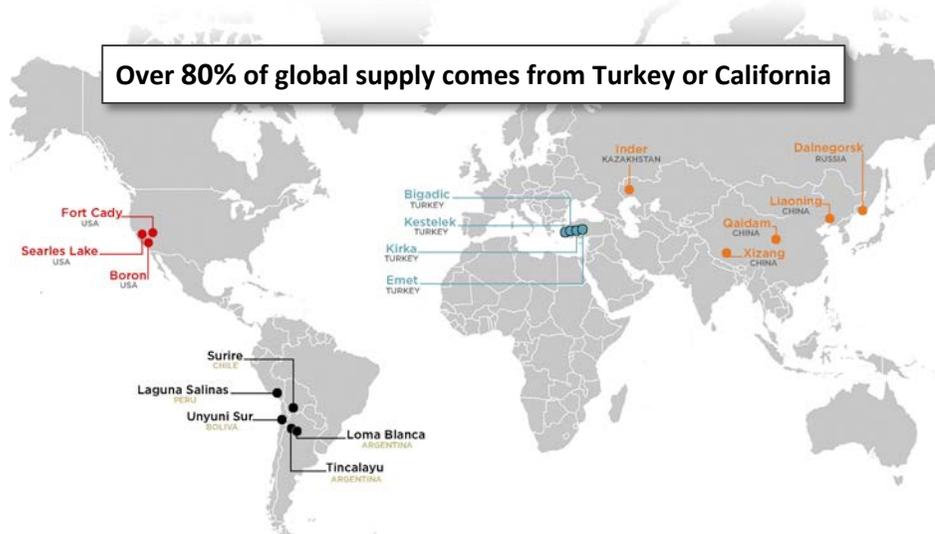
Borates are essential for everyday living

- Borates are naturally-occurring minerals containing boron, the fifth element on the Periodic Table. Boron exists all around us, plants need boron to grow. People need borates too, in our diet as well as in many products necessary as part of our daily lives.
- Boron is classed as a strategic commodity in many countries including the US.

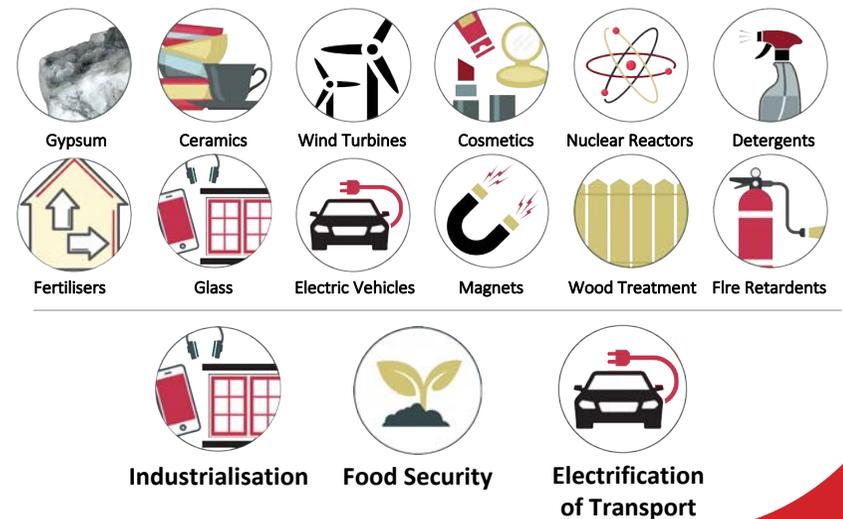
Uses of Boron

- Most global production of borates comes from mining and processing colemanite, borax or kernite ores.
- Some production comes from borate rich brines.
- **Fort Cady is a colemanite ore body.**

Sources of Boron



Demand for Boron



4. SOP

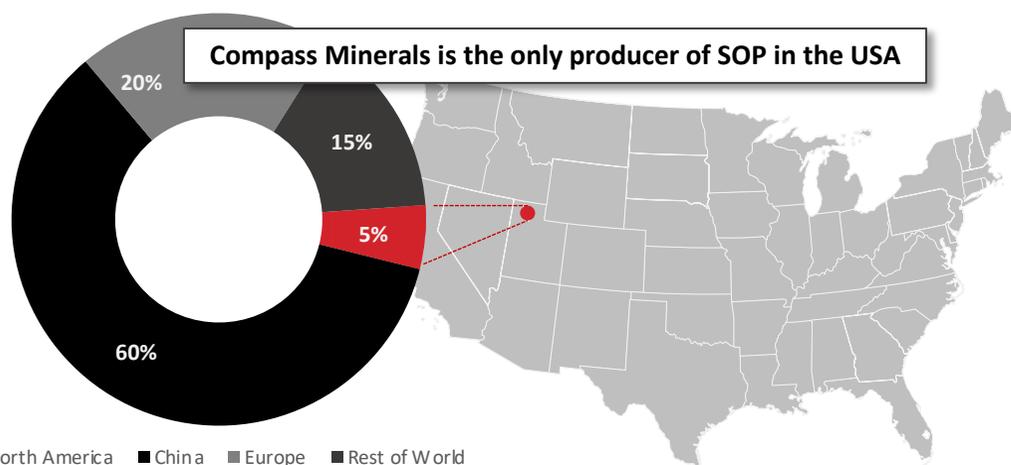
SOP is primarily used as a specialty fertiliser

- SOP, potassium sulfate or K_2SO_4 is a high value specialty fertiliser that combines both potash and sulfur.
- It is applied to crops that are either sensitive to chlorides making MOP or KCl problematic, or in areas where there is minimal rainfall and the build-up of chlorides in the soil is problematic.

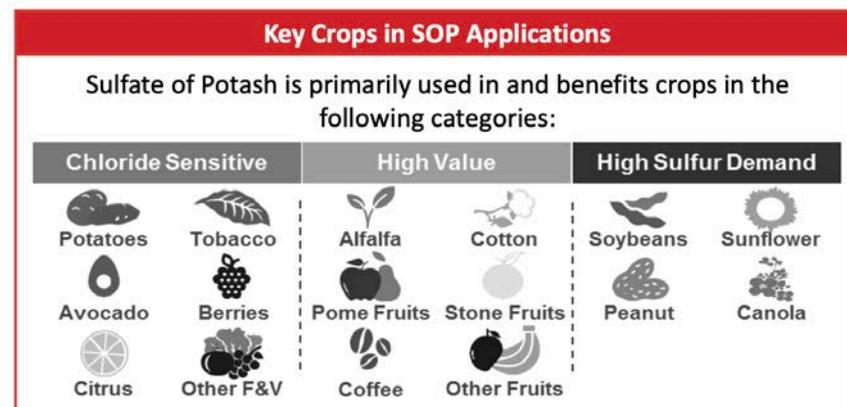
Production of SOP

- SOP is generally produced from Mannheim process that converts MOP and Sulfuric Acid into SOP and HCl, or from near surface aquifer units that contain potassium salts.
- Fort Cady is using the Mannheim process as it requires the HCl for its borate processing.

Global SOP Capacity*



Demand for SOP in the USA*



* Compass Minerals 2019 Annual Report (March 2020)

5. Customer Markets

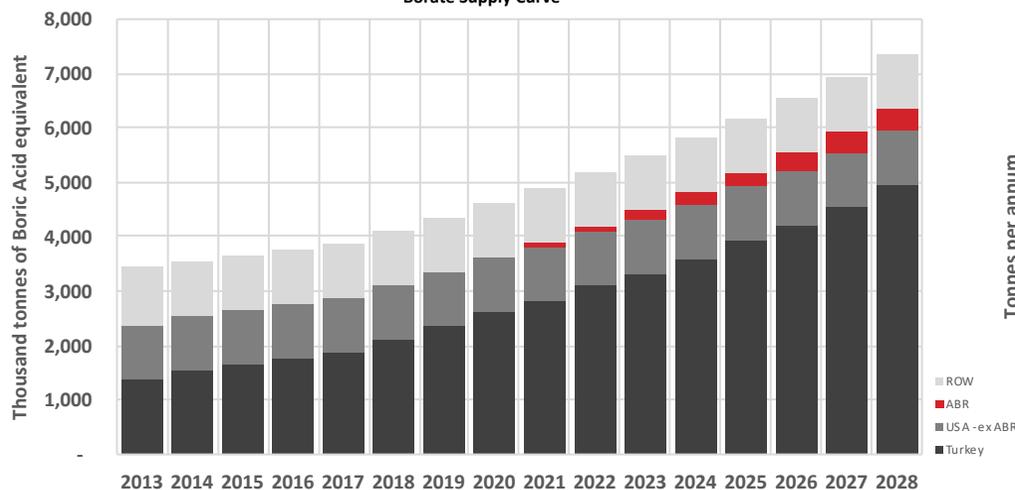
BORATES – Duopoly market with very few global sources of borates

- The global boric acid equivalent market is around 4.5m tonnes per annum. Around 20% of this market is for fertiliser application with boron being the second most consumed micro nutrient in North America by value.
- 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 with flat supply for over eight years.

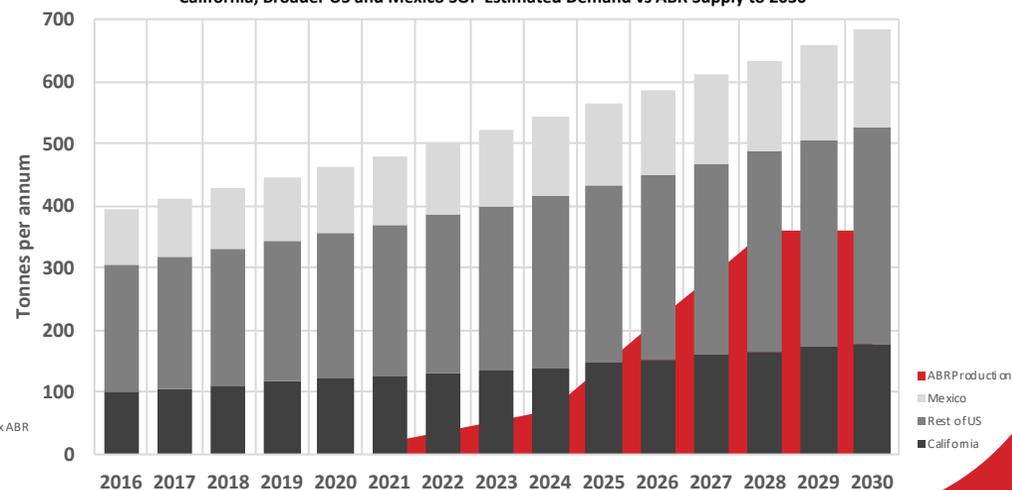
SOP – Growing demand in the North America specialty fertiliser market

- The global SOP market is around 7m tonnes per annum – all of which is used in the specialty fertiliser market.
- The US is a net importer of SOP with the market growing at around 5% CAGR. The Californian market is over 120ktpa.
- Compass Minerals is the only US producer of SOP and is one of the highest cost producers in the world, with average operating costs of past five years over US\$630 / tonne.
- There is sufficient increase in demand forecasted to enable ABR and Compass to jointly supply the North American market with ABR's production profile.

Borate Supply Curve *



California, Broader US and Mexico SOP Estimated Demand vs ABR Supply to 2030 ^

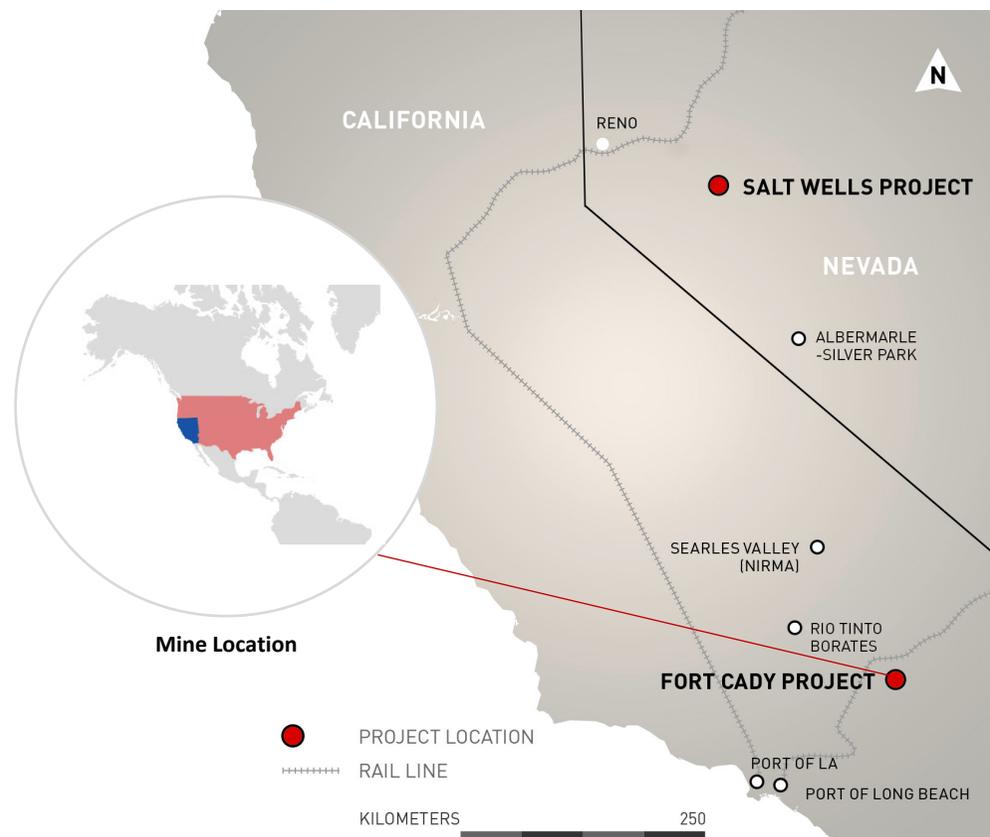


* ABR analysis based on Roskill, Rio Tinto and Eti Maden Presentations. ^ US Based fertiliser market consultant, Context

6. Fort Cady Borate Mine Overview

Focused on becoming a globally significant specialty fertiliser producer

- Developing the Fort Cady Borate Mine favourably located in Southern California with over US\$60m spent on the project to date.
- The mine was previously producing via the Company's proposed solution mining process between 1997 and 2003 producing 300t per month. 18 production wells were in operation.
- Enhanced DFS completed in April 2020 demonstrates exceptional financial metrics and includes a very low capex starter project (US\$50m) for a very profitable small initial operation that takes advantage of high priced North American SOP markets.
- Logistics advantages with rail, road, power, water with quick access to all important customer markets.
- Pathway from starter project to an EBITDA in first year of full production of over US\$438m.



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

6. Fort Cady Borate Mine Overview

Site location, and proposed plant operations

- The Fort Cady Borate Mine is fully permitted for construction.
- Awaiting one final operational permit (Federal).



Photo of process plant site looking North West



Photo of small scale commercial operation 1997-2003

6. Fort Cady Borate Mine Overview

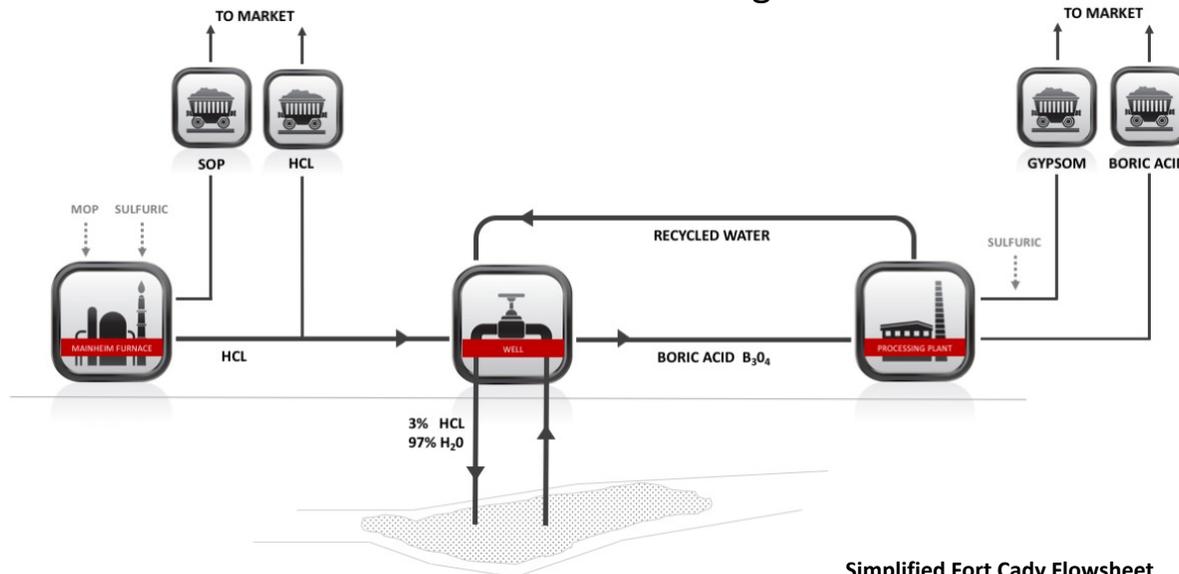
All Products Generated From Well-Established Processing Methods

Boric Acid production:

- High purity product (99.9%).
- Standard industrial chemical processing methods including solvent extraction and crystallization.
- Zero liquid discharge circuit = no tailings.
- Process optimisation works completed April 2019.

SoP production:

- Mannheim Process (used globally in over 50% of SOP production).
- Well understood, widely used process facility.
- “Off the shelf” equipment.
- Production of hydrochloric acid for use in Boric Acid mining.



Simplified Fort Cady Flowsheet

7. Enhanced DFS

American Pacific Borates Limited released its enhanced DFS in April 2020, with exceptional project metrics:

	<u>DFS (January 2019)</u>	<u>Enhanced DFS</u>
Post-tax, unlevered NPV_g	US\$1.43bn	US\$1.97bn*
Post-tax, unlevered IRR	40.5%	39.4%
EBITDA	US\$345m	US\$438m
PHASE 1A CAPEX	US\$37m	US\$50m
PEAK CAPITAL ^	US\$211m	US\$318m
TOTAL CAPEX	US\$526m	US\$737
SOP Production	108,862 t/year	362,874 t/year
SOP Pricing	US\$725	US\$675
BA Production	408,233 t/year	408,233 t/year
BA Pricing	US\$800	US\$750

7. Enhanced DFS

Sensitivity analysis based on US peer operating costs

- Project still has a Post-tax, unlevered NPV₈ of over US\$1.36bn if operating costs of US peers are used as selling price assumptions.

Fort Cady	
BA Received Price Assumption <i>(based on Rio Tinto 5 year average operating costs)</i>	US\$569/metric tonne
SOP Received Price Assumption <i>(based on Compass 5 year average operating costs)</i>	US\$633/metric tonne
Base Case Enhanced DFS	
NPV ₈	US\$1.368 billion
IRR	31.7%
Accelerated Case DFS	
NPV ₈	US\$1.454 billion
IRR	31.9%

RioTinto

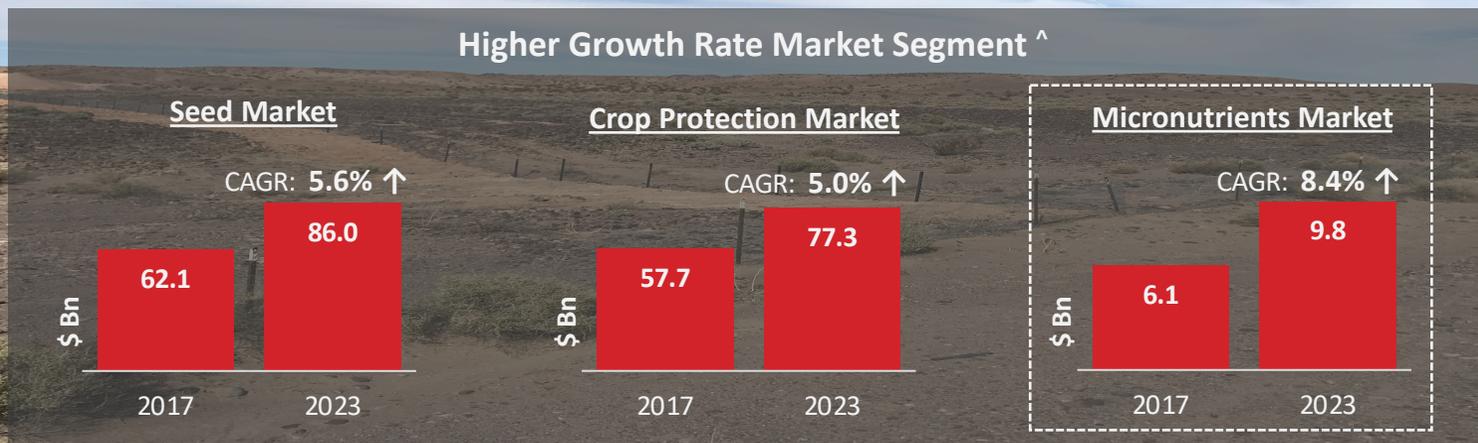
Compass
Minerals

	2015	2016	2017	2018	2019	AVERAGE
	(US\$/tonne)					
Rio Tinto Borates						
Operating Cost/tonne BA equiv	634	568	565	551	526	569
Annual Production/tonne BA equiv	822	886	893	884	898	877
<i>(source: Rio Tinto Annual Reports)</i>						
Compass Minerals						
Operating Cost/tonne SOP*	638	640	614	634	639	633
Annual Production/tonne SOP	282	284	297	328	288	296
<i>(source: Compass Annual Reports)</i>						

* Compass Minerals reports operating costs for all North American fertilisers. The significant majority of specialty fertiliser production is SOP. As a result, it is assumed that the reported operating costs are a reasonable proxy for SOP production.

7. Enhanced DFS

Additional new drivers of value to the Project



An **accelerated phase option included**, where Phases 1B & 2 would be built concurrently. This scenario would lift financial metrics to:

- NPV₈ to US\$2.1bn*;
and
- IRR to 39.6%.

Targeted **opex in full production of negative US\$19.96 per tonne** of boric acid after by-product credits.

Multiple revenue streams with revenue split in full production estimated to be:

- 54.0% boric acid;
- 43.2% SOP; and
- 2.8% gypsum.

Potential **upside with focus on high value specialty fertiliser mix** of boron and SOP.

8. Market Entry Strategy

Right sized, structured and phased project

Modest Initial BA

Initial production of boric acid only 8ktpa to be used as an enabler for larger contracts.

Phased Approach

Growth plan with a pathway to over 408ktpa of boric acid and 363ktpa of SOP.

Partners established

Globally significant partnerships established with Chinese Majors with US markets now be prioritised.

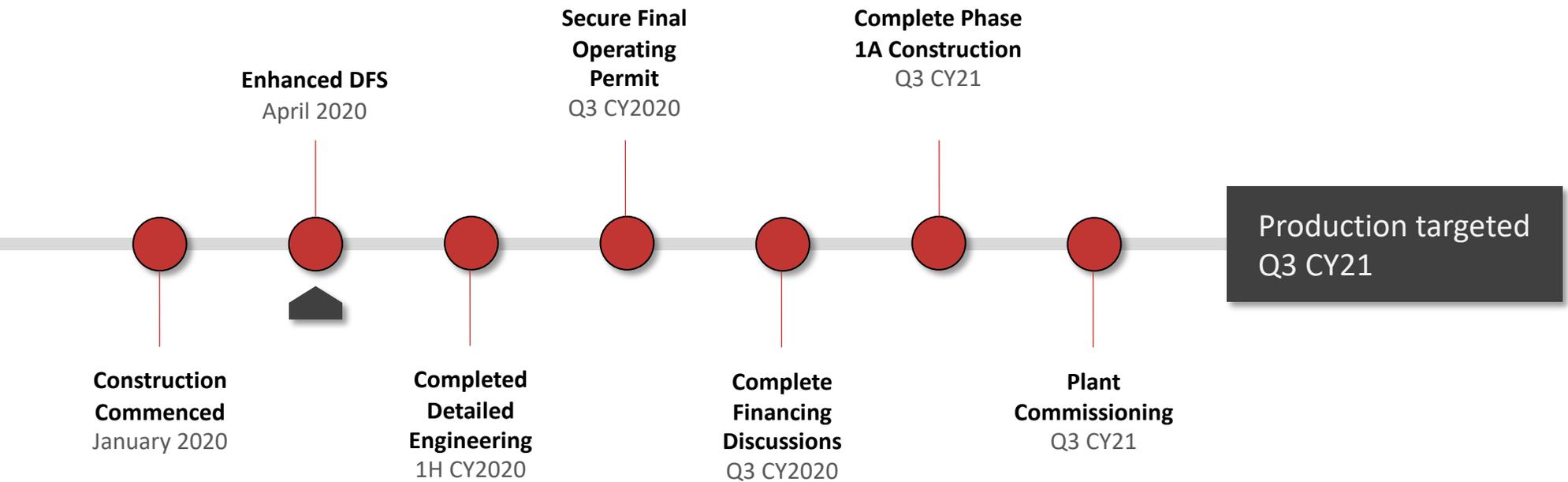
Product Mix

Complimentary product mix which delivers a diversified revenue stream.



9. Next Steps

First production targeted for Q3 CY2021



10. Summary

American Pacific Borates Limited is an ASX listed company focused on becoming a globally significant specialty fertiliser producer.

Exceptional Project Metrics*

Post-tax, unlevered NPV₈ **US\$1.97bn**

Post-tax, unlevered IRR **39%**

EBITDA **US\$438M**

Low Upfront Capex

Phase 1A requires only US\$50m in capex to generate EBITDA of US\$20m per annum

Low Technical Risk

Ore body previously mined and proven off the shelf process route

Very High Margin

Underpinned with by-product credits, logistics and high priced markets on door step

Multi Revenue Streams

Two major revenue streams reduces reliance on one product

Visible Revenues

Production targeted for CY21 with construction activities commenced

Significant Strategic Value

Very few sources of additional supply into growing markets

Multi generational

Life of mine at over 20 years with additional Resource upside

Globally Significant

Targeted EBITDA in full production of US\$438m per annum



APPENDICES



1. Resource and Reserve Table

JORC compliant Mineral Resource Estimate and Reserve						
Reserves	MMT	B₂O₃ %	H₃BO₃ %	Li ppm	B₂O₃ MT	H₃BO₃ 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. Refer ASX Release of 3 December and 17 December 2018.

2. 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

2. Environmental Impact Statement Proposed Action

Final Environmental Impact Statement / Environmental Impact Report

The purpose of the proposed action to establish a commercial “in-situ” mine to recover boric acid for domestic and foreign use.

The proposed action is on a 343-acre site and would extract boric acid through the injection and extraction of a weak hydrochloric acid and/ or sulphuric acid solution in the alkaline ore body. The extracted solution would be processed to precipitate boric acid crystals, and the crystals would be packaged for shipment or loaded for bulk delivery. The acid would be removed from the ground through an in-situ mining process, which in simplified terms, involves (1) the pumping of a weak acid solution into the ore body 1,400 feet below the surface; (2) a chemical reaction between the acid and the alkaline elements in the ore body which forms boric acid in the solution; and (3) an extraction of the solution by a reverse-pumping process.

The mining operation would produce gypsum as a by-product, which would be potentially be sold to the local cement industry or to producers of drywall or soil conditioners.

In addition to the wells and piping located on the ore body, a variety of other facilities would be constructed as part of the project, including:

- a series of water wells and waterlines used to produce and route process water;
- a 10 acre beneficiation plant (435,600 square feet) consisting of equipment to extract the boric acid from the injected solution, purify and crystallize the boric acid, regenerate the acids used in the injection/extraction process, load and ship the boric acid crystals, generate electricity (natural gas cogeneration unit) and process/store chemicals and products;
- ancillary facilities, including a natural gas pipeline to serve the cogeneration power facility; and an electrical transmission line to link the plant with outside utility systems;
- a deposition area to store gypsum;
- a railroad spur to provide bulk shipment capability; and
- a system of access roads to connect site facilities providing access to local road and highway corridors.

The project would employ approximately 80 full-time employees, who would work in alternating shifts 24 hours per day. Based on the size and the accessibility of the ore body, the project is expected to be in operation for approximately 130 years.

3. Enhanced DFS (Key Metrics)*

Key Financial Metrics for the Fort Cady Borate Mine by Phase

Fort Cady Project (Boric Acid and SOP Production)	
Phase 1A Only	
Capex	US\$50.3 million
NPV ₈	US\$224.3 million
IRR	35.9%
EBITDA in first full year of production	US\$19.6 million
Phase 1A & 1B Only	
Capex (Phase 1B only)	US\$156.0 million
NPV ₈	US\$773.8 million
IRR	32.4%
EBITDA in first full year of production	US\$73.2 million
Phase 1 & 2 Only	
Capex (Phase 2 only)	US\$268.3 million
NPV ₈	US\$1.709 billion
IRR	37.8%
EBITDA in first full year of production	US\$242.2 million
Full Project (Phases 1, 2, & 3)	
Capex (Phase 3 only)	US\$263.2 million
NPV₈	US\$1.965 billion
IRR	39.4%
EBITDA in first full year of production	US\$438.4 million

Summary of Production by Phase for the Fort Cady Borate Mine

	Enhanced DFS (April 2020)			Modified DFS (January 2019)		
	Capex (US\$m)	Boric Acid (metric tonnes)	SOP (metric tonnes)	Capex (US\$m)	Boric Acid (metric tonnes)	SOP (metric tonnes)
Phase 1A	50.3	8,165	36,287	36.8	5,443	36,287
Phase 1B	156.0	73,482	36,287	111.4	76,204	-
Phase 2	268.3	163,293	145,150	191.4	163,293	36,287
Phase 3	263.2	163,293	145,150	186.6	163,293	36,287
Total (3 Phases)	737.9	408,233	362,874	526.2	408,233	108,862

Operating Cost Estimates BA

Phase 3	
US\$ per metric tonne of BA	
C1 Costs	
Utilities	56.49
Consumables	349.57
Labour	59.64
Equipment Lease	2.11
Maintenance	13.10
Sustaining Capex	15.68
Wellfield Development	11.02
(SOP by-product credit)	-600.00
(HCl by-product credit)	-0.55
(Gypsum by-product credit)	-38.98
Total C1 Costs	-131.93
C2 Costs	
Licensing and Royalties	6.90
Depreciation	90.37
Total C2 Costs	97.27
C3 Costs	
G&A	14.70
Total C3 Costs	14.70
Total Opex	-19.96

Operating Cost Estimates SOP

Phase 3	
US\$ per metric tonne of SOP	
C1 Costs	
Utilities	63.55
Consumables	393.27
Labour	67.09
Equipment Lease	2.37
Maintenance	14.73
Sustaining Capex	17.64
Wellfield Development	12.40
(BA by-product credit)	-843.75
(HCl by-product credit)	-0.62
(Gypsum by-product credit)	-43.86
Total C1 Costs	-317.17
C2 Costs	
Licensing and Royalties	7.76
Depreciation	101.67
Total C2 Costs	109.43
C3 Costs	
G&A	16.54
Total C3 Costs	16.54
Total Opex	-191.21



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