

Dartbrook Newsletter

MESSAGE FROM THE CEO John Robinson

"The results of the open cut Pre-Feasibility Study confirm Dartbrook as a highly attractive development asset aligned with our strategy to focus on delivering a low impact, open cut, mining operation whilst maintaining a first quartile ranking asset.

AQC is actively engaged with a range of stakeholders as the Project enters the next phase of assessment, including completion of the EIS for submission in early 2019. Dartbrook's development will deliver substantial benefits to the local and wider community. It will also significantly benefit various levels of government, including over AU\$2.0 Billion in estimated corporate tax and AU\$2.2 Billion in estimated NSW State royalties together with direct and indirect employment taxes generated over the nominal 24-year life-of-mine.



We look forward to providing further updates on the Project in our newsletters and ongoing engagement with the community in the near future."

John Robinson

EXPLORATION ACTIVITIES

AQC anticipates it will soon receive relevant approvals to install 13 groundwater monitoring piezometers and to conduct exploration drilling of 10 holes on AQC owned land. These works will commence in May and continue for approximately 4 months, supporting further baseline environmental studies.

Neighbours in proximity to the works will be notified by AQC prior to the works commencing.

UPDATE ON UNDERGROUND MINING

The NSW Department of Planning & Environment (DPE) has accepted an Application to modify Dartbrook Mine's Development Consent to facilitate some limited bord and pillar mining.

The recommencement of mining will involve the extraction of up to 10 Million tonnes (Mt) of Run-Of-Mine (ROM) coal at a maximum production rate of 1.5 Million tonnes per annum (Mtpa) and will extend the life of the existing underground mine's development consent by 5 years to 2027.

Mining will occur in an already approved mining area. The recommencement of limited "bord and pillar" mining will result in the employment of up to 26 people during construction and 99 during the proposed 10 year operating period.

The environmental assessment required for the modification application is well advanced. It is anticipated that this assessment will be placed on DPE's website for public comment in mid-2018.

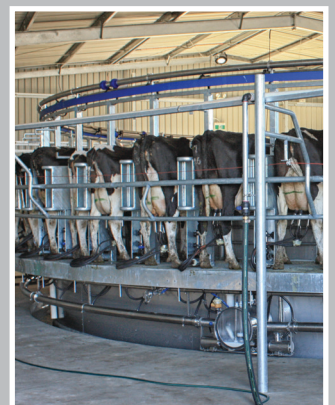
GAROKA DAIRY UPGRADE AT DARTBROOK COMPLETE

As we advised in our November 2017 Newsletter, Australian Pacific Coal (AQC) received planning approval to construct a new milking shed at Garoka Dairy to assist Robyne and Butch Smith with their dairy farm. Co-funding by AQC enabled construction to commence in November and continue into the new year.

AQC is pleased to provide an update and confirms that dairy operations commenced mid April in the new milking shed. A 50 cow rotary platform and modern milking equipment is now in place.

AQC looks forward to strengthening its relationship with the local community and demonstrate its commitment to long-term coexistence with adjacent industry.

AQC wishes Robyne and Butch all the very best in their newly expanded, state-of-the-art dairy operation and look forward to working together in the future.



DARTBROOK OPEN CUT PROJECT

The Dartbrook Open Cut Coal Project (the Project) proposes the development of an open-cut coal mine at the existing Dartbrook Mine. The Project will extract of up to 10 Mtpa ROM coal for up to 24 years, following a two year construction period.

The Project is located immediately north of the Mt Pleasant Coal Mine and immediately east of the West Muswellbrook Coal Project Area. The Project will produce high quality thermal coal suitable for use in High Efficiency Low Emission (HELE) plants.

AQC proposes to lodge a Gateway Application for the Project in May 2018. Notices were placed in local newspapers in April 2018 advising that AQC intends to lodge the Gateway Application, as required under relevant legislation.

AQC also proposes to lodge a Request for Secretary's Environmental Assessment Requirements (SEARs) for the Project with DPE in May 2018. A Scoping Report will be submitted in support. The SEARs will outline the required scope of the EIS to be prepared in support of a development application.

The Gateway Application and Request for SEARs are the first formal steps in the project approvals' process with the community having many opportunities to comment on the Project as shown in Figure 1.

Newsletter 7 will provide details on how to get involved.

Project Quick Facts

- The perimeter of the mining area is over 4.5 km to the south-west of Aberdeen and 10 km north of Muswellbrook.
- Employ 550 personnel at full production.
- AQC is committed to securing a local workforce and supporting locally based business throughout all phases of the Project.
- No coal mining will occur on the Hunter River floodplain. Mining will commence over 200m from the edge of the Hunter River alluvium and will be at least 1 km from the Hunter River.

Sponsorship Program

AQC is committed to assisting the local community in economic, educational, social and environmental areas. AQC has established a sponsorship program which attracts and assesses applications and distributes funding support in accordance with guidelines.

Application forms and the guidelines can be found on the AQC Website at <http://www.aqcltd.com/irm/content/sponsorships.aspx?RID=463>

As part of this program, AQC is proud to confirm sponsorships to the Upper Hunter Shire Council Young Endeavor Scheme and to Muswellbrook Kindy. The Muswellbrook Kindy sponsorship will involve upgrades to the play area with works due to commence in late April.

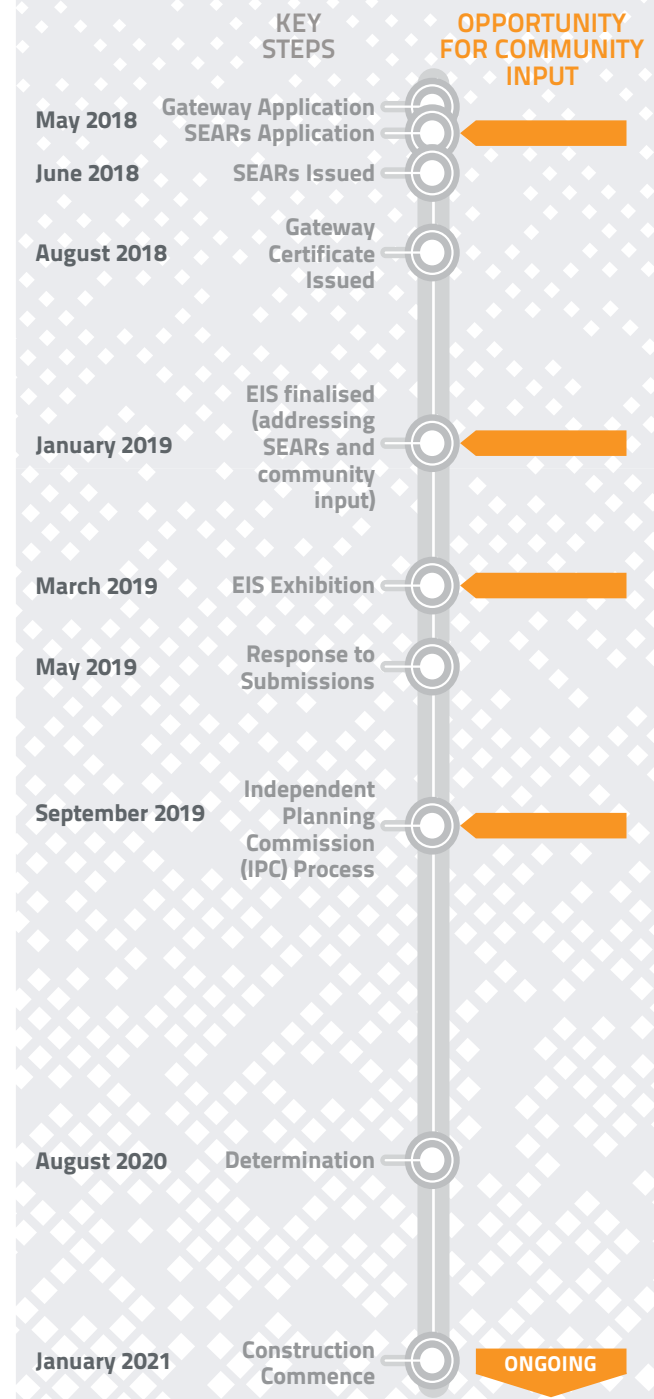


Figure 1 Anticipated Open Cut Development Approvals Process

FURTHER INFORMATION

If you would like further information in relation to Dartbrook Mine, or would like to meet with the project team, please contact:

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