

# 2023 Annual General Meeting CEO Presentation: Ayten Saridas



30 November 2023



# Disclaimer

This presentation ('the presentation') has been prepared by Australian Pacific Coal Limited ACN 089 206 986 ('AQC' or 'the Company') and is not intended to, and doesn't constitute legal, tax or accounting advice or opinion of any particular party or person. You must read the following notices before reading or making any use of this presentation. By continuing to read, use or otherwise act on this presentation, you agree to be bound by the following terms and conditions, including any modifications to them.

## NO LIABILITY

Where any opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, thoroughness, currency or reliability of the content of the information presented. To the maximum extent permitted by law, each of the Company, its related bodies corporate, shareholders or affiliates, and their respective officers, directors, employees, affiliates, agents or advisers (the 'Limited Parties') disclaim and exclude all liability for losses, claims, damages, demands, costs and expenses of whatever nature and whensoever arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it. The Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events, or results or otherwise.

## THIS PRESENTATION IS NOT A DISCLOSURE DOCUMENT

The presentation is not a disclosure document for the purpose of the Corporations Act or a "prospectus" as defined under the US Securities Act of 1933 ('Securities Act'), and should be read in conjunction with the Company's other periodic and continuous disclosure announcements, available from the ASX at [www.asx.com.au](http://www.asx.com.au). This presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Company. Nor does it contain all the information which would be required in a disclosure document, or other applicable securities legislation, and should not be used in isolation as a basis to invest in the Company. In providing this presentation, the Company has not considered your objectives, financial position or needs and you should consult with your legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct your own due diligence and other enquiries in relation to such information and any investment in the Company and take into account your own objectives, financial position or needs.

## FORWARD LOOKING INFORMATION

The presentation contains certain "forward-looking information". Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, potential investments, the estimation of mineral reserves and mineral resources, realisation of mineral reserves and resource estimates, costs and timing of development of the Company's projects, costs and timing of future exploration, costs, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterised by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements or qualifications that certain events or conditions "may", "will", "should" or "could" occur.

Forward-looking information is not a guarantee of future performance and is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including without limitation risks

associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but is unavailable for the Company's day-to-day operations, ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property or other rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the stated assumptions, estimates, analysis and opinions of management of the Company and is made on the basis of information they have access to and in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. However, the basis for forward looking information may prove to be incorrect in whole or in part. No representation or warranty is made by or on behalf of the Company that any projection, forecast, calculation, forward-looking information, assumption or estimate contained in this presentation should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements or other information presented.

Assumptions have been made regarding, among other things: the Company's ability to carry on 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.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place reliance on forward-looking information and should undertake their own due diligence before making any decisions, investment or otherwise.

# Disclaimer

## LIMITED DISTRIBUTION

This presentation is not and should not be considered to form any offer or an invitation to acquire Company shares or any other financial products, and neither this presentation nor any of its contents will form the basis of any contract or commitment. In particular, this presentation does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any “US person” as defined in Regulation S under the Securities Act and may not be released or distributed to, or relied upon by, any person in the United States or to or by any U.S. person. Company shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration.

## PAST PERFORMANCE

Past performance information provided in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) a promise, representation, warranty or guarantee as to the past, present or future performance of AQC.

## JORC RESOURCE AND RESERVE STATEMENTS

In this presentation, references to mineral reserves and mineral resources (“Reserves and Resources”) are compliant with Chapter 5 of the ASX Listing rules and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (“JORC Code”) and are measured in accordance with the JORC Code. Refer to slide 15 for further information.

Resource information is reported as inclusive of Resources that have been converted into Reserves (i.e. Resources are not additional to Reserves). In addition, you should not assume that quantities reported as “resources” will be converted to reserves under the JORC Code or that AQC will be able to legally and economically extract them. Estimates of coal reserves, resources, recoveries and operating costs are largely dependent on the interpretation of geological data obtained from drill holes and other sampling techniques, actual production experience and feasibility studies which derive estimates of operating costs

based on anticipated tonnage, expected recovery rates, equipment operating costs, prevailing market prices and other factors, which are all subject to uncertainties. No assurance can be given that the Reserves and Resources presented in this presentation will be recovered at the quality or yield presented. Resources and Reserves are estimations, not precise calculations. This presentation also involves rounded tonnes and grade information and computational differences may be present in the totals. Assumptions in relation to commodity prices, exchange rates and operating costs impact on Reserve estimation and the estimates of Reserves may include areas where additional approvals are required.

## NON-IFRS FINANCIAL INFORMATION

You should be aware that certain financial measures included in this presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230: “Disclosing non-IFRS financial information” published by ASIC and are not recognised under the Australian Accounting Standards (‘AAS’). AQC believes the non-IFRS financial information provide useful information to users in measuring the financial performance and condition of the AQC group. However, you should note that the non-IFRS financial information do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS financial information are not measures of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this presentation.

Unless otherwise indicated, all references are to Australian dollars.

## AQC's management team set clear priorities for 2023

- 1. Safety, health and wellbeing of all employees and contractors**
- 2. Simplify JV structure and operating agreements to ensure the best outcome for stakeholders and provide a sound platform for future funding**
- 3. Continue de-risking the Dartbrook project by progressing remediation and rehabilitation works in the Hunter Tunnel and CHPP**
- 4. Secure restart capex funding and working capital, with minimal restrictions, to complete remediation and rehabilitation works and commence mining operations at Dartbrook**



## Positive outcomes for shareholders achieved in 2023

- **Significantly increased AQC shareholder's interest in Dartbrook Project**
  - Renegotiated Joint Venture terms and agreement with significant positive outcomes for AQC shareholders
  - Increased direct working interest in Dartbrook project to 80% and increased economic interest to 70%<sup>1</sup>
- **Achieved alignment between JV partners, and between JV and shareholders**
  - Simplified JV structure allows better alignment of JV interests with shareholder interests
  - Negotiation of land and water access arrangements with Trepang (a major shareholder of AQC) complete
- **AQC enabled substantial de-risking of project through continued funding of early works**
  - Provided ~A\$30m to date in loans to the Dartbrook JV, on a reimbursable basis, to continue restart operations and avoid unnecessary schedule slippage
  - Enabled successful completion of Hunter Tunnel dewatering, continued remediation works, and revised Mine Plan
- **Restart capex funding package secured in challenging market conditions**
  - AQC-led process substantially widened reach for potential debt providers, attracted multiple new parties, and enhanced competitive tension; continued de-risking of project a key factor to achieving improved terms
  - Agreed terms with Vitol for credit committee approved US\$60m (~A\$90m) facility to fund all remaining restart capex through to first coal, targeted in first quarter of 2024
  - Will commence negotiations with multiple parties for working capital requirements

1. Economic Interest of 10% provided by AQC to M Resources (ASX Announcement on Joint Venture 01-May-2023). Note that, also as announced on 01-May-2023, it is intended that Trepang Services Pty Ltd also receive an economic interest of 10% via land and water rights, but this obligation would be at the JV level and is captured in the FOB cost/t.

# Dartbrook Mine – a world class asset



Australian Pacific Coal

ABN : 49 089 206 986 ASX CODE: APC



# Dartbrook Mine – a world class asset



- Excellent Location, infrastructure network in-place
- High quality coal specifications (NEWC)
- High margin potential offers material free cash flow generation
- 5-year underground mining licence to December 2027, with potential for extension through to at least 2033 (MOD8)
- A JORC compliant underground mining Resource of 1.25 Bt with ROM Reserves of 470 Mt and Marketable Reserves of 370 Mt
- Coal clearance system through the de-watered Hunter Tunnel direct to the CHPP avoids any interaction between operations and the New England Highway
- Multi-seam reserve – underground seam access already developed to multiple seams

# Committed to Operate Sustainably



- No recordable injuries or incidents and no reportable environmental incidents in FY23
- Committed to co-exist with surface cattle grazing operations (landowner, Trepang, also AQC's largest shareholder)
- Committed to minimise water use under agreement with landowner
- Underground mining operations and technologies allows for improved utilisation of greenhouse gases for the potential reduction of scope 1 and 2 emissions
- Local employer with planned workforce of approximately 200+ people
- High quality coal product suitable for high efficiency, low emissions power stations



# Dartbrook Mine – restart status



- Mine tunnel dewatering safely completed (>70 ML removed)
- Re-established ventilation circuit
- On-going work to support roof and ribs and install new conveyer structure
- New mine plan established using Bord & Pillar mining
- Accomplished mine management team – recently appointed new GM to head Dartbrook operations
- Capital intensive works program to commence on receipt of funds
- Targeting first coal in first quarter of 2024

# Successful equity raising



**Australian Pacific Coal**

ABN : 49 089 206 986 ASX CODE: AQC

- Successfully completed a \$12m equity raising in Sept/Oct 2023 via a Placement and Accelerated Non-Renounceable Entitlement Offer (ANREO)
- The Placement and Institutional Component of the ANREO raised approximately \$10m in aggregate
- The Retail Component closed fully subscribed and raised \$2m
- Funds used for additional working capital and ongoing works at Dartbrook while AQC finalises financing negotiations for the mine restart
- Support of new and existing shareholders greatly appreciated



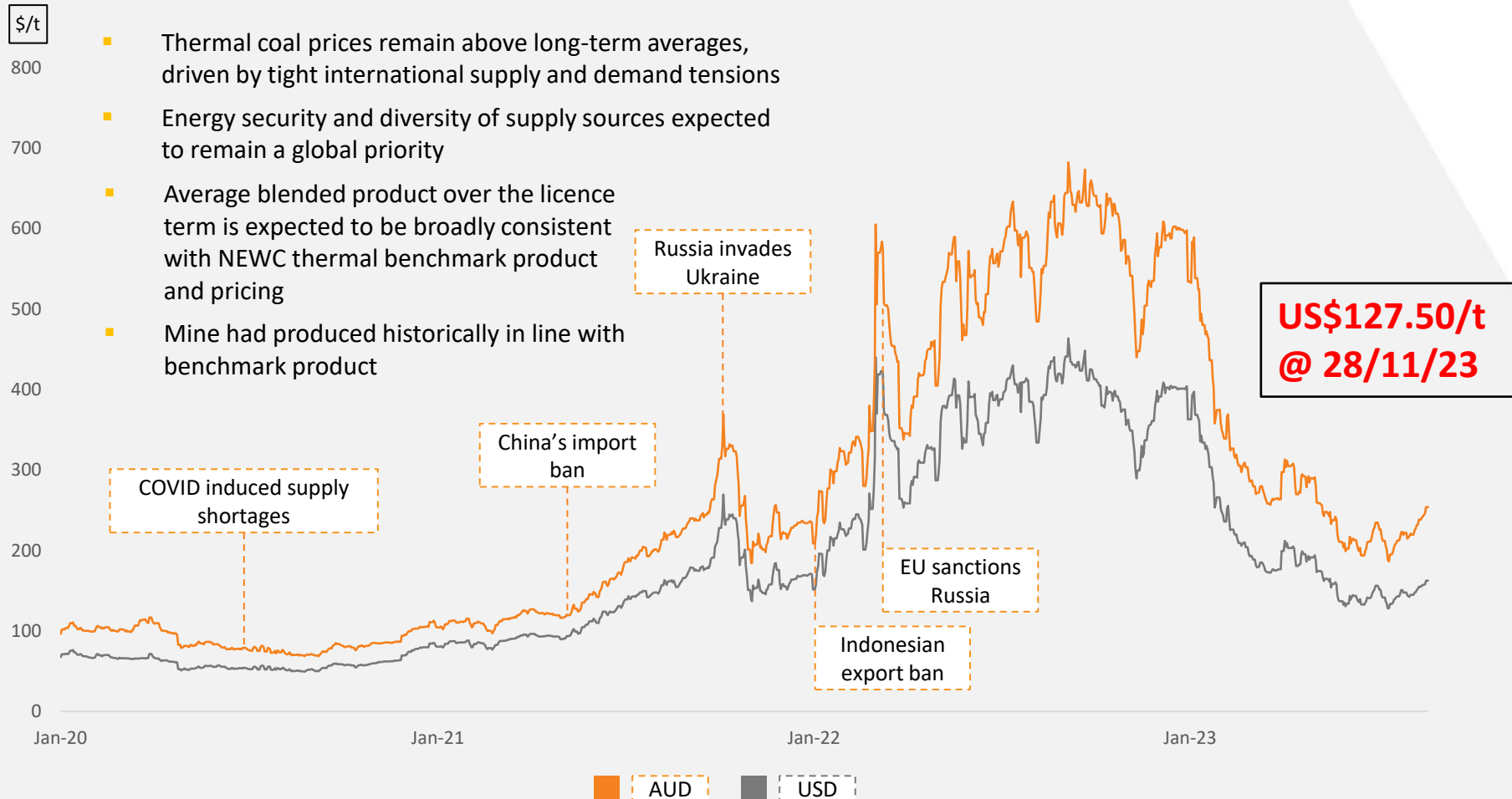
# Restart capex fully funded



- Agreed terms with Vitol for a credit committee approved US\$60m (~A\$90m) facility to fund all remaining restart capex through to first coal and the acquisition of additional mining systems during ramp-up
- Ability to draw down funds monthly from December 2023, subject to completion
- The facility will include the following key terms:
  - 3-year facility with repayments commencing after an initial grace period
  - Senior security over the JV assets and shares with AQC parent company guarantee
  - Subordination of Shareholder Loans; and
  - Subject to execution of legal documentation and satisfaction of conditions precedent, including completion of KYC and due diligence and no material adverse event.

# Thermal Coal markets remain robust

The demand for high quality seaborne traded thermal coal (NEWC – 6000kcal or better) remains robust from across Japan, South Korea, Taiwan and other SE Asia against a backdrop of little new supply and a weakening A\$



## Restart capex funding caps year of achievement

- Achieved all major priorities in increasingly challenging economic environment
- Significantly increased AQC shareholder's interest in Dartbrook Project
- AQC's decision to continue to de-risk Dartbrook enabled restart capex funding agreement
- Shareholder support of recent capital raising reflects growing confidence in project
- Capital intensive works program to commence on receipt of funds
- World class asset, targeting first coal in the first quarter of 2024

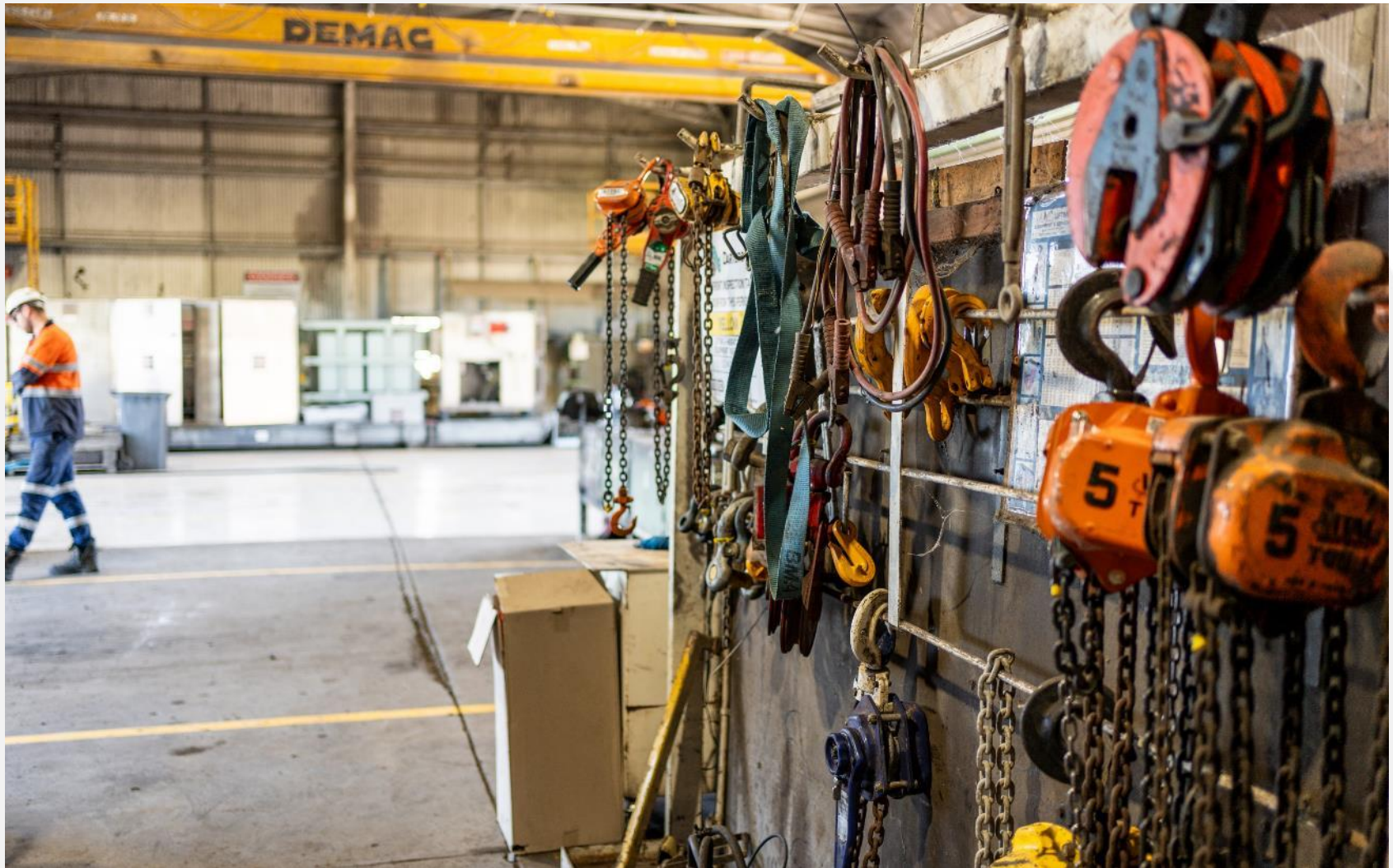


# Thank You



**Australian Pacific Coal**

ABN : 49 089 206 986 ASX CODE: AOC



# JORC Resource and Coal Quality

AQC has had the following technical reports conducted for Dartbrook:

- Coal Reserve Estimate for Dartbrook Project (2018)
- Mining Consultancy Services (2017), Underground Mine Feasibility Study
- Mining Consultancy Services (2017), Dartbrook Kayuga Seam Underground, JORC Reserves Statement, Coal Reserves as at Feb 2017
- JB Mining Services Pty Ltd (2016)

| JORC Resource Classification | Mt    |
|------------------------------|-------|
| <b>Ore Reserves</b>          |       |
| <b>Proven</b>                | -     |
| <b>Probable</b>              | 370   |
| <b>Total</b>                 | 370   |
| <b>Mineral Resources</b>     |       |
| <b>Measured</b>              | 588   |
| <b>Indicated</b>             | 850   |
| <b>Inferred</b>              | 1097  |
| <b>Total</b>                 | 2,534 |

## Marketable Reserves Note

The Dartbrook Marketable Coal Reserve of 370Mt is derived from a ROM Coal Reserve of 470 Mt estimated in accordance with the JORC Code 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).

## Listing Rule 5.23 and 5.19.2 Statements

The information in this presentation relating to Coal Resources for the Dartbrook Project was announced by AQC on 27 June 2017, titled “Dartbrook Kayuga Seam Underground JORC Reserves Statement”. 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.

The information in this presentation relating to Coal Reserves for the Dartbrook Project was announced by AQC on 28 March 2018, titled “Coal Reserve Estimate for the Dartbrook Project”. 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.

The Dartbrook Mine can produce two high energy coal products:

- “Premium” thermal coal (~12% ash)
- “Standard” thermal Coal (~19% ash)
- All coal has a low sulphur content (~0.4%) and properties consistent with neighbouring mines

Both “Premium” and “Standard” thermal coal are suitable for High Efficiency, Low Emissions power stations.