

ASX ANNOUNCEMENT  
12 MARCH 2024

## AQC orders Long Lead Items and prepares to accelerate restart work program at Dartbrook, targeting production mid-2024

- AQC and partners developing an accelerated restart works program to enable increased production and sales volumes from the Dartbrook mine
- First coal production forecast in mid-2024
- Orders placed for critical equipment and Long Lead Items
- AQC has commenced draw-downs from the USD60 million debt facility
- JV cash balance of AUD29 million as at 8 March 2024

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) provides the following update regarding the progress of restart operations at the Dartbrook mine.

Following the execution of a 3-year USD60 million (~AUD90 million) debt facility in January with Vitol Asia Pte Ltd (“Vitol”), and the subsequent satisfaction of Conditions Precedent, AQC has commenced draw-downs from the debt facility in line with forecast restart expenditure. As at 8 March 2024, the JV has AUD29 million of available cash.

Firm orders have been placed with suppliers for critical equipment and Long Lead Items, including the remaining sections of the underground conveyor system and materials for the refurbishment of the above ground CHPP and train load out. Crews have been recruited and will initially complete the construction works and subsequently resource the first two production panels. Production equipment has been secured for the first panel and equipment for the second panel is now on site. AQC expects first coal to be produced by mid-year 2024.

AQC and its partners are currently evaluating a range of options to accelerate the restart work program and ramp-up period within forecast expenditure limits. The acceleration strategy that AQC will pursue with its partners is based on optimising the Mine Plan to allow for an additional Continuous Miner to operate in a second panel earlier than originally planned. The modifications are expected to result in increased production in Year 1 and subsequent year sales volumes. Further details on the impact of that work will be announced when complete.

Encouraged by earlier studies, AQC will also further examine the potential of Dartbrook mine to produce commercial quantities of semi-soft coking coal under the current Mine Plan. With met coal currently trading at a substantial premium to thermal coal, the ability to produce significant volumes of semi-soft coking coal would generate positive financial outcomes for AQC shareholders.

### **Australian Pacific Coal’s Interim CEO, Ms Ayten Saridas, said:**

“This is an exciting period for AQC and the Dartbrook mine which is a high quality asset that has been in care and maintenance since 2006. Since we announced the completion of the Dartbrook restart funding package in January, we have focused on moving the project forward on multiple fronts. With the funds now fully available for the development, orders have been placed for critical equipment and long lead items, and we have begun recruiting additional key personnel.

“We have embarked on an accelerated works program to keep the project on track for first coal in mid-2024, which will recover some of the time lost to finalise the funding package, and we aim to substantially enhance production and coal sales from day one.

“Our primary focus will be to bring forward certain ramp-up activities to allow us to commence mining operations in a second panel much earlier than originally planned. We remain confident that this will translate into an increase in production volumes in the project overall.

“While thermal coal prices have improved, met coal prices remain at substantially higher levels. With that in mind, we are accelerating the work to determine whether Dartbrook can produce significant volumes of semi-soft coking coal which is currently trading at a significant premium to NEWC spec coal prices.”

### **Working Capital Facility Update**

Dartbrook’s forecast restart capex remains unchanged and is fully funded by the Vitol debt facility of USD60 million. Additional working capital will be required but is not currently needed until coal sales commence in mid-2024. AQC is working with advisors on opportunities to arrange a working capital debt facility structure of approximately AUD30 million and outreach to various parties regarding the establishment of a working capital facility has commenced.

“We anticipate that sourcing a working capital facility will be relatively straightforward now that restart operations are fully funded. Vitol and our advisors have offered to assist us in this process which could open a number of doors to AQC that were previously unavailable,” Ms Saridas said.

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This announcement has been authorised for release to the ASX by the Board of Australian Pacific Coal Limited.

### **About Australian Pacific Coal Limited (ASX: AQC) and the Dartbrook Project**

Australian Pacific Coal Limited (ASX: AQC) is focused on developing, acquiring and value adding coal projects. AQC’s principal asset is the Dartbrook Coal Mine located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook. The Dartbrook site has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. Dartbrook mine produces a high-quality thermal coal (NEWC spec) that is typical of the Hunter Valley with the potential to produce some semi-soft metallurgical coal. The quality characteristics and the percentage of the overall volume of product coal that may have coking coal properties suitable for end-users are yet to be fully determined.

The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Resources Pty Ltd (20%, via subsidiaries). Vitol Asia Pte Ltd is the Sole Marketing Agent for Dartbrook coal.

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