

Australian Pacific Coal

Proposal to re-commission the scalable Dartbrook Thermal
Coal Mine, via a recapitalisation

Corporate Presentation
September 2022



Australian Pacific Coal

ABN : 49 089 206 986 ASX CODE: AQC

Not for release or distribution in the United States

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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.

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This announcement/presentation has been authorised for release by the Board

Important Information

Marketable Reserves Note

The Dartbrook Marketable Coal Reserve of 370Mt is derived from a run of mine Coal Reserve of 470 Mt estimated in accordance with JORC 2012 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.

Key Transaction Summary

Trepang in relation to the Entitlement Offer:

- Trepang Services Pty Ltd (Trepang) has terminated the purchase agreement¹ for Dartbrook
- AQC and Trepang have been investigating, and continue to investigate, a transaction structure which would see Trepang being provided an economic interest in Dartbrook by M Resources in consideration for Trepang extending the land access agreements and water rights to allow underground mining operations at Dartbrook to continue. At this stage no agreement has been reached but the Company, Trepang and M Resources have each agreed to continue discussions to see if a transaction can be structured, with the parties reserving all rights.
- Any amount subscribed by the Trepang Parties under the Entitlement Offer (which remains subject to confirmation by Trepang) will be set-off against an equivalent amount of the Trepang Debt, with any balance of the Trepang Debt repaid.
- Funds raised in the entitlement offer will go towards repaying the debt AQC owes to Trepang (Trepang Debt) and working capital, which will include the Company's proposal to enter into a 50/50 joint venture with M Resources Pty Ltd (M Resources) to assist with the re-commissioning of the Dartbrook Coal Project in the Hunter Valley, NSW (Dartbrook)

AQC & M Resources Joint Venture (50:50)²

- In conjunction with the Entitlement Offer the Company has agreed non-binding terms for a proposed joint venture arrangement between M Resources Group and AQC in relation to Dartbrook

Previous M Resources, Nakevo and PPC Non-Binding Alternative Proposals:

- Trepang has acknowledged that both the Nakevo Proposal and the previous M Resources Proposal are subject to a number of conditions, including the Trepang Parties agreeing to the terms set out in each of the proposals relating to their interests in the Company. Trepang has confirmed to the Company in writing that the Trepang Parties will not consider or enter into, any such agreements, meaning that critical pre-conditions to both the Nakevo Proposal and the M Resources Proposal cannot be satisfied. Accordingly, neither proposed will be progressed by the Board
- Due to a pre-condition attaching to the PPC Proposal, this proposal requires the support of the Trepang Parties to proceed. AQC has requested advice from Trepang on this matter. A response on this is awaited from Trepang

1. 21st February, ASX Announcement – “Offer for Purchase of Dartbrook Coal Project”

2. More details regarding Joint Venture on slide 13

Company Board and Management

Mr David Conry Executive Chairman

- David is a highly qualified and experienced business leader. David is Managing Director of Damarcon, the Chair of the Queensland Museum and non-executive director of the Australian Institute of Health and Welfare
- As founder of Youngcare, David was awarded the honour of Queensland's Australian of Year for his services to the community and the Entrepreneur of Year by EY in the social category

Mr Tony Lalor Non-Executive Director

- Mr Lalor is a partner at a leading Australian law firm with over 20 years legal experience
- Tony additionally practices in corporate advisory with particular experience in mergers and acquisitions and equity capital market transactions.

Mr Craig McPherson Non Executive Director & Company Secretary

- Mr McPherson graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia
- Craig has twenty years of commercial and financial management experience and has held various roles with ASX and TSX listed companies over the past ten years in Australia and overseas

- Following completion of the Entitlement Offer, M Resources will have the right to appoint 1 director to the Board of AQC, subject to compliance with all legal requirements with respect to that appointment and the continued appointment of that director

Dartbrook Overview

The Dartbrook coal mine is positioned in the NSW Hunter Valley region where previous Longwall underground mining operations commenced in 1994, under the previous ownership of Anglo, with production reaching over 5.5Mtpa in 2005. The mine was placed into care and maintenance in 2006 following volatile commodity prices.

Elements highlighting Dartbrook’s domestic significance:

Resource

Dartbrook possesses a JORC compliant resource of 2.5Bt¹

Production

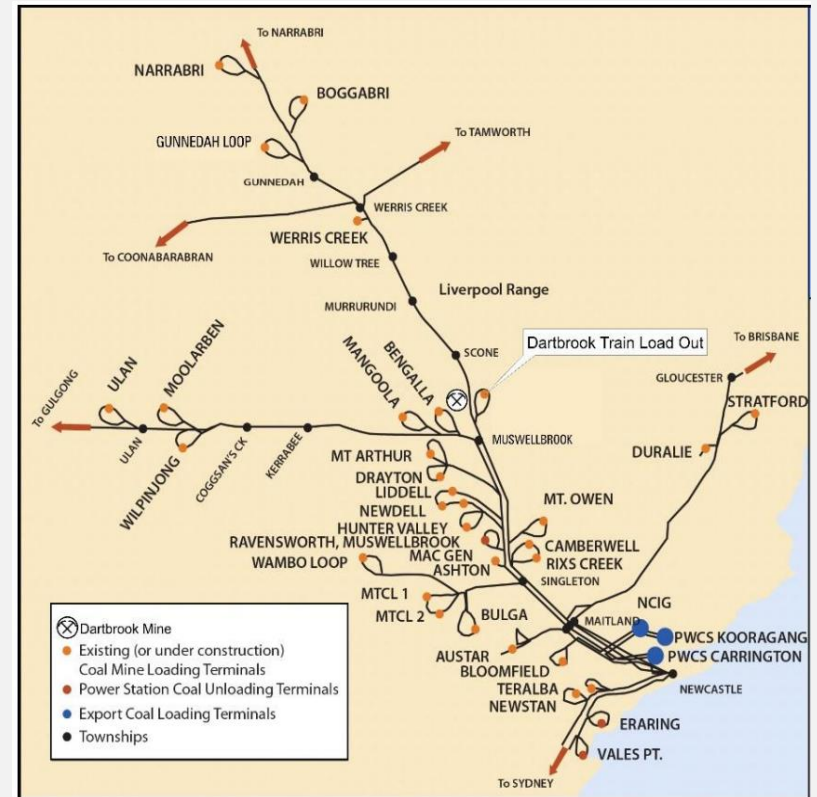
Dartbrook is forecasted to recommence production in 2H 2023 (INDICATIVE)

Conservative Ramp Up

The Company plans Dartbrook to produce 1.5Mtpa of an approved 6Mtpa in FY24

Proven Infrastructure

The asset’s CHPP, rail loop, conveyers and wash plant comprise part of a A\$300M replacement value (2016 Estimate)



1. Refer to slide 3

Investment Highlights

Value

- Currently permitted for a 6Mtpa underground operation
- Options exist for both Longwall and Board and Pillar mining
- The replacement value of infrastructure exceeds A\$300M (2016 Estimate)

Infrastructure

- Existing infrastructure will support a significant mining operation
- Existing Coal Handling and Processing Plant (CHPP) currently placed on care and maintenance, remains in a good condition
- Sufficient capacity within existing rail and port facilitates for export via Port of Newcastle

Product Quality

- High quality coal with calorific value and quality parameters suitable for high energy low emission (HELE) power generation
- Coal quality is typical of Hunter Valley specification from existing producers
- Low sulphur content enhances the marketability of the product

Jurisdiction

- Dartbrook is positioned in the NSW Hunter Valley region, approximately 130km from the Newcastle port
- Neighbouring assets include BHP's Mt Arthur and New Hope's Bengalla
- The existing royalty on underground coal operations is economically superior to Queensland's at 7.2%
- Approvals are in place from local authorities

Scale

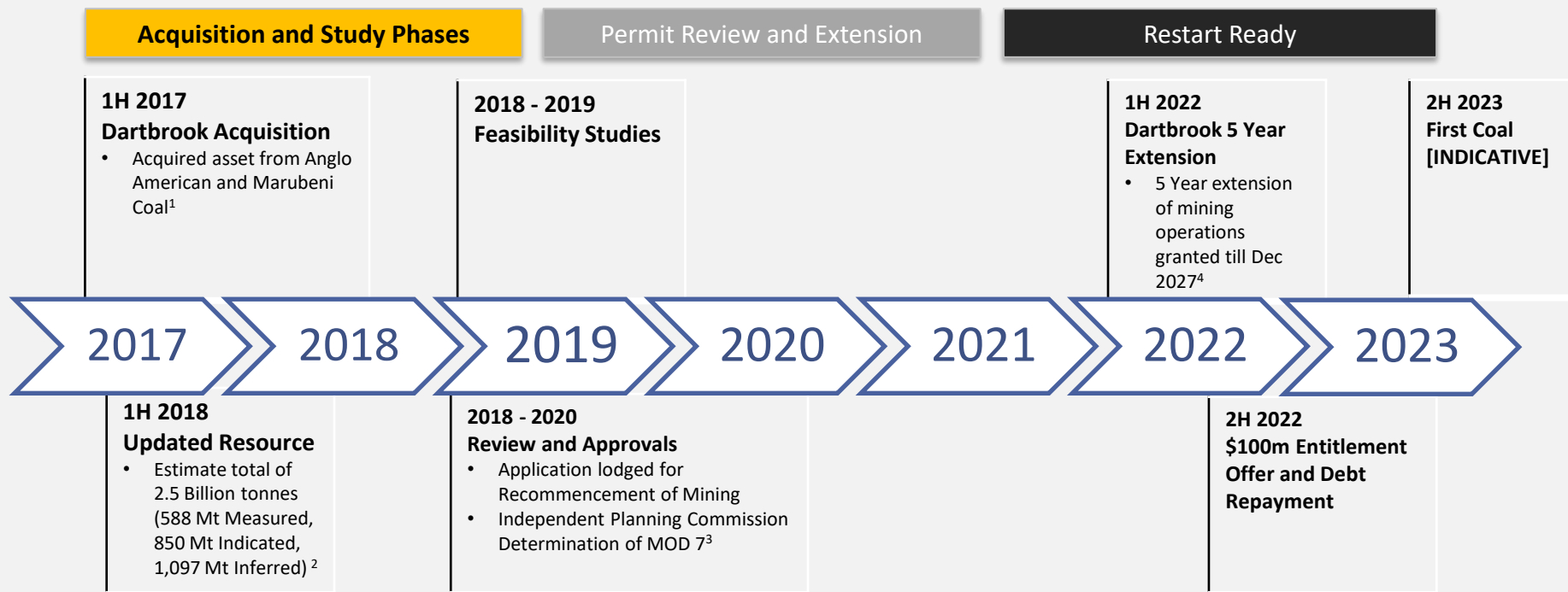
- Coal Resource 2,534Mt and Coal Reserve 370Mt¹
- Well understood geology and mining conditions, similar to neighboring mines
- Prior ~12-year operating history with high quality thermal coal exports to Asia
- Production was 5.5Mtpa ROM (2005), prior to care and maintenance in 2006

Current Climate

- Record coal prices have been driven by tight supply and demand tensions internationally
- Global industry production has improved alongside necessity for energy sources amidst the European crisis
- Reduced port inventories, tightening of approvals and scarcity of profitable assets are boosting coal fundamentals

1. Refer to slide 3

Company and Asset Timeline



1. 29th May 2017, ASX Announcement – “Dartbrook Acquisition”

2. 27th June 2017, ASX Announcement – “Dartbrook Coal Resource Estimate 2.5 Billion Tonnes”

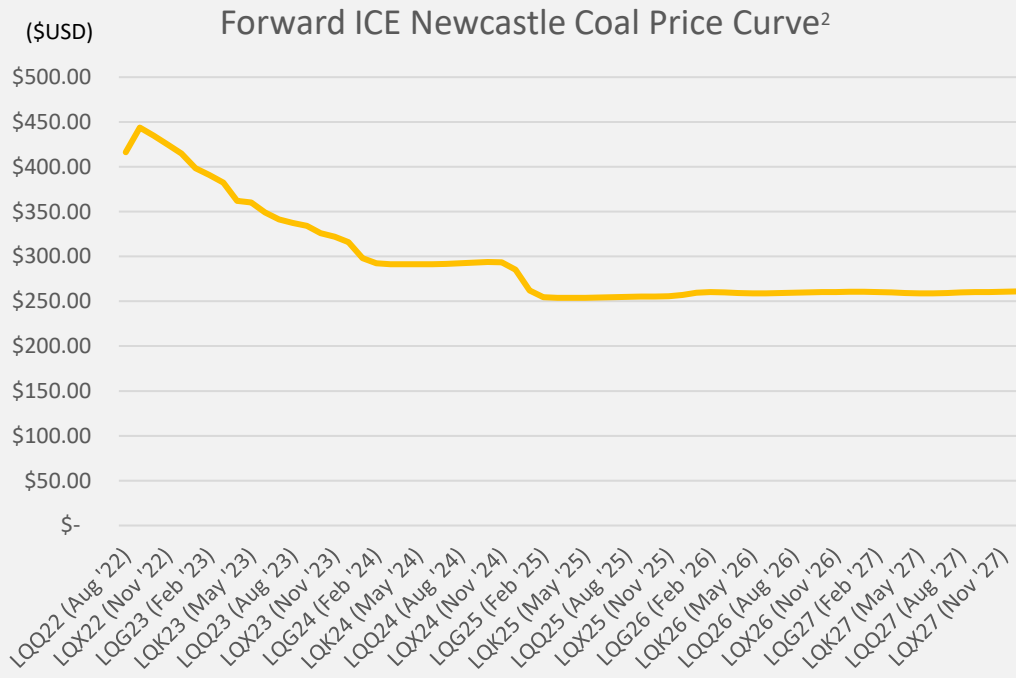
3. 1st March 2018, ASX Announcement – “Application Lodged for Recommencement of Mining

4. 15th March 2022, ASX Announcement – “Dartbrook – Modification 7 Update”

Robust Market Outlook

Previous underground mining at Dartbrook produced a coal product that was well-accepted in the international marketplace. Over a 10-year period, approximately 25Mt of high energy Dartbrook thermal coal product was sold into the Asian market¹.

- Significant seaborne thermal coal demand in SE Asia and India is currently expected to continue into 2030. This underpins a resilient, forward looking thermal coal price in Australia, further supported by Russian supply substitution and increases in demand for steel infrastructure
- SE Asia’s thermal coal demand is expected to grow to 161Mt in 2024 and 201Mt in 2035¹



1. Refer to AQC’s announcement on 28th March 2018, titled “Dartbrook Open Cut Study Completed”
2. https://www.barchart.com/futures/quotes/LQ*0/futures-prices As at 21/08/2022

Entitlement Offer & Deal Structure

Entitlement Offer

A\$100 million fully underwritten pro-rata renounceable entitlement offer ('Offer')

- Eligible shareholders have the opportunity to subscribe for 5.83 shares for every 1 share (5.83:1) held on the Record Date being 7:00pm on Friday, 9th September 2022
- The Underwriter (Evolution Capital) has confirmed to AQC that it has received sub-underwriting commitments from institutional investors in respect of the total amount of its underwriting commitment

Offer Price

A\$0.34 a share represents:

- A 6.8% discount to the last close before the announcement of the offer, being \$0.365¹
- A 1.2% discount to TERP of \$0.344¹
- A 0.9% discount to 5D VWAP of \$0.343¹

Offer Timeline

- Ex-date for Entitlement Offer and rights trading starts on ASX on a deferred settlement basis on Thursday, 8th September
- Entitlement Offer opens and release of Offer Booklet on Wednesday, 14th September
- Entitlement Offer closes (Closing Date) at 5.00pm on Friday, 23rd September

Ranking

New shares will rank equally with existing ordinary shares from their time of issue.

Lead Manager

Evolution Capital is acting as Sole Lead Arranger, Lead Manager and Underwriter to the Entitlement Offer. M Resources Pty Ltd has committed \$10m in sub-underwriting.

1. As at 25th August 2022 before the announcement of the underwriting offer

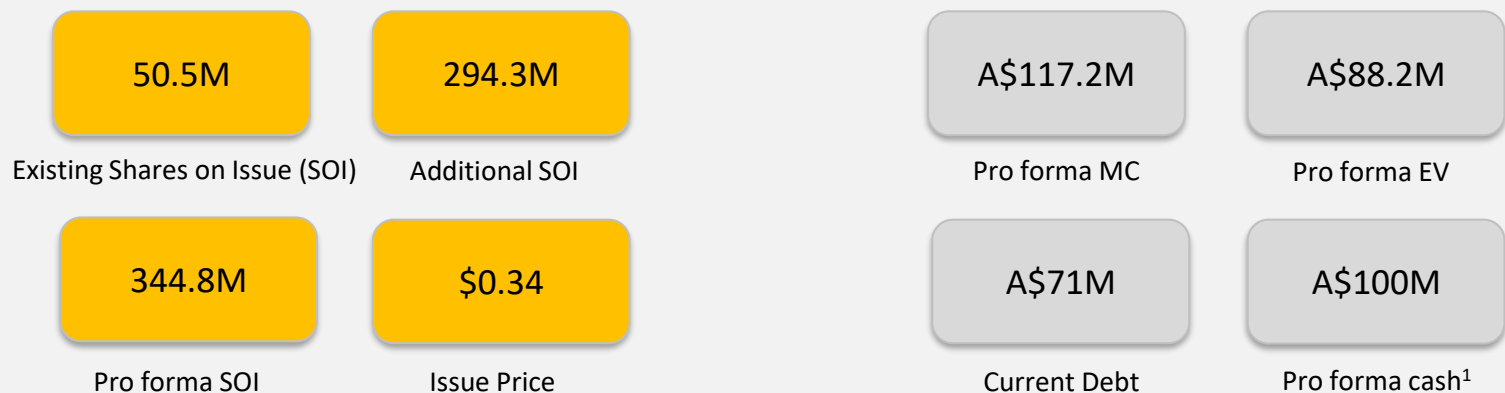
Indicative Entitlement Offer Timeline

| Event | Date* (2022) |
|--|--|
| Announcement of Entitlement Offer, Appendix 3B and 708AA notice | Friday, 2 nd September |
| Ex-date for Entitlement Offer and entitlement trading starts on ASX on a deferred settlement basis | Thursday, 8 th September |
| Record Date | 7:00pm on Friday, 9 th September |
| Entitlement Offer opens | Wednesday, 14 th September |
| Release of Offer Booklet | |
| Entitlement trading on ASX ends | Friday, 16 th September |
| New Shares under Entitlement Offer commence trading on ASX on deferred settlement basis | Monday, 19 th September |
| Entitlement Offer closes (Closing Date) | 5.00pm on Friday, 23 th September |
| Announcement of shortfall (if any) under the Entitlement Offer | Monday, 26 th September |
| Issue and allotment of shares under the Entitlement Offer; issue Appendix 2A | Friday, 30 th September |
| Commencement of trading of new shares | Monday, 3 rd October |
| Dispatch of holding statements | Tuesday, 4 th October |

Note: All dates and times above are indicative and the Company reserves the right to amend any or all of these events, dates and times, or to withdraw the entitlement offer subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Brisbane time. The commencement of quotation of new shares under the Entitlement Offer is subject to confirmation from ASX.

Transaction Overview

The capital structure components, both pre and post the transaction, are outlined below:



The outstanding debts owed are set out below and will be repaid with the proceeds from the entitlement offer

| Parties | | Amount |
|----------------------------------|---|----------|
| Robinson Convertible Note | Convertible loan deed between John Robinson and AQC | A\$10.5M |
| Paspaley Convertible Note | Convertible loan deed between Nicholas Paspaley and AQC | A\$10.5M |
| Trepang | Unsecured loan and vendor secured loan | A\$9.5M |
| Accrued Interest | Interest, as at October 2022, on the outstanding loans and convertibles mentioned above | A\$37.0M |
| Invoice Reimbursement | This has been utilised for recent funding and working capital | A\$3.7M |

1. Excluding fees and costs associated with the transaction and prior to repayment of any debt

Proposed Dartbrook Joint Venture

Joint Venture In conjunction with the Entitlement Offer the Company is working towards a binding agreement (current status non-binding) for a proposed joint venture arrangement between M Resources Group and AQC. The strategic partnership recognises the value that M Resources can bring to Dartbrook, AQC and AQC's shareholders through its expertise, brand and relationships.

Farm-in

Overview

JV Partner



M Resources Pty Ltd, is a member of a private group of companies controlled by Matthew Latimore. Affiliates of Mr Latimore comprise:

- The largest shareholder in Bowen Coking Coal Ltd;
- Second largest independent shareholder in Stanmore Resources Ltd; and
- 50% shareholder of MetRes Pty Ltd, the owner of the Millennium Mining Complex and 100% owner of M Mining, the operator of the Millennium Mining Complex

Break Fee

- If shareholder approval is required for any aspect of the strategic partnership and is not obtained and the Entitlement offer is completed, AQC must pay break fee to M resources \$1 Million

Key Terms

- M Resources, or its affiliate, will provide a sub-underwriting commitment for up to A\$10M of any shortfall from the offer
- M Resources, or its affiliate, will acquire a 50% direct project interest in Dartbrook in exchange for procuring an agreed amount of restart capex
- Management services agreements would also be entered into between AQC and M Resources' affiliates including M Resources Trading Pty Ltd (MRT) contemporaneously with the Joint Venture Agreement. These will cover marketing, logistics, mine management and technical services of Dartbrook¹

Term

The agreements will commence from satisfaction of the conditions precedent noted above and the term is for the term of the current mining licence for Dartbrook with an option to renew on the same conditions if the terms of the mining licence and access agreement for Dartbrook are extended.

1. See the Company's ASX announcement dated 8th September for further details

Asset Overview



Australian Pacific Coal

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Dartbrook: Hunter Valley Location



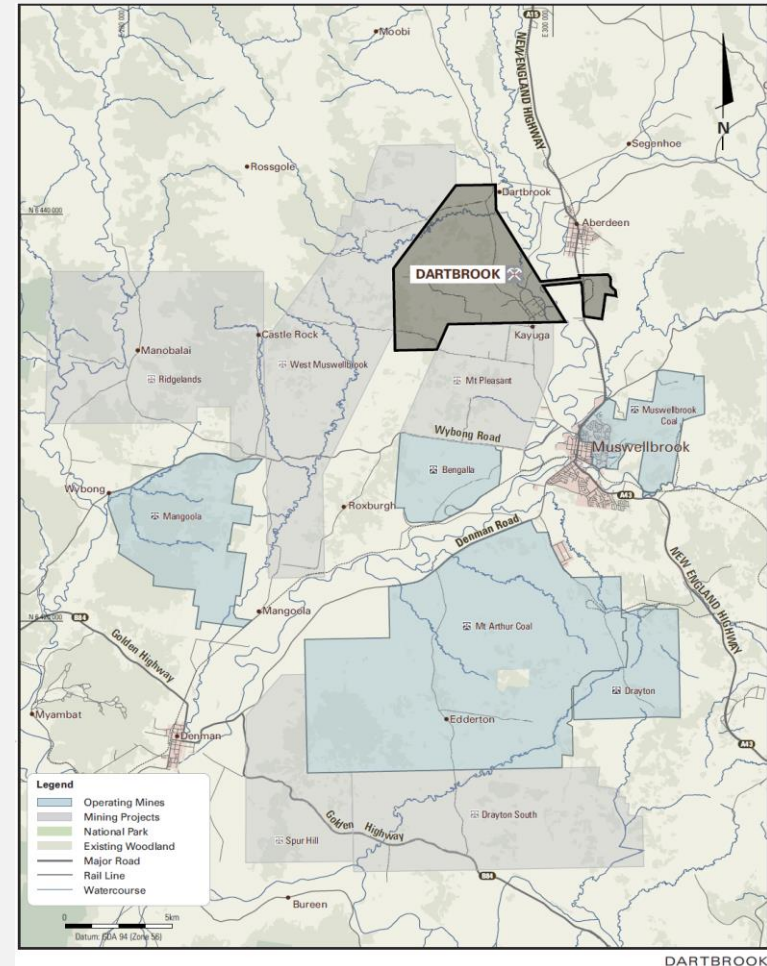
Australian Pacific Coal

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Dartbrook is located in the upper Hunter Valley in NSW, Australia. Muswellbrook is the closest major town, approximately 10 km to the southeast.

The Dartbrook coal is ideally placed with world-class infrastructure supporting mining operations in the immediate area surrounding the project, including the Bengalla Mine (New Hope Group), Mt Arthur Mine (BHP) and the Mt Pleasant Mine.

- Dartbrook is connected to port facilities in Newcastle (130 km southeast) via the Main Northern Railway and the New England Highway
- The Hunter Valley coal region is renowned for its large scale, low cost, high quality operating mines. Dartbrook is one of the most significant, restart ready coal assets in the region by virtue of its low strip ratio and project scale



Existing Infrastructure & Land/Water Access



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The Dartbrook mine has existing infrastructure with estimated replacement value of A\$300M to support mining operations and is evident in historic production, which include:

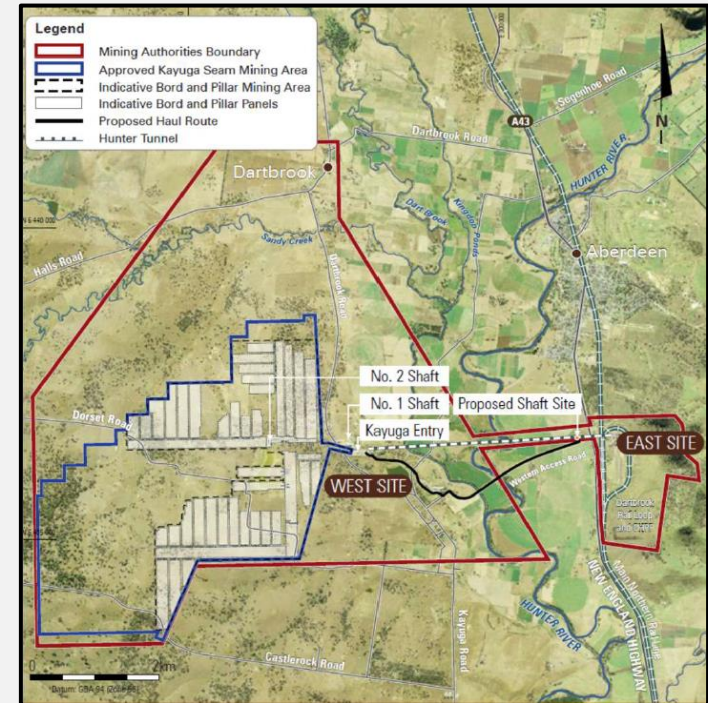
- A load out facility and rail loop that is connected to the Hunter Valley Coal Rail Network and provides direct transport of coal to the Port of Newcastle, the largest coal export operation in the world. This network services approximately 35 operating mines delivering over 160 million tonnes to the Port of Newcastle for export to a range of customers
- The CHPP has throughput capacity of 1,000 tonnes per hour (“tph”) of ROM coal prior to the mine being placed into care and maintenance.
- The CHPP comprises, a single-stage wash plant with bypass facility, medium cyclone spirals and flotation circuits however will need significant works to become operational
- The Hunter Tunnel, a 4km conveyor transporting ROM coal from the underground mine to the CHPP
- Surface infrastructure includes power, water and office facilities necessary to support underground mining operations



License To Operate

The orders of the Land and Environment Court of NSW in *AQC Dartbrook Management v Minister for Planning and Public Spaces (Modification 7 or MOD7)* will have a number of implications that will impact cost, capital expenditure and commencement of production of the Dartbrook Coal Project¹:

- a) Pursuant to MOD 7, the Dartbrook Mine is permitted to produce a maximum of 6Mtpa of ROM Coal which will consist of:
 - I. A production limit of 1.5Mtpa ROM from board and pillar mining
 - II. Potential for production of up to 4.5Mtpa of ROM Coal from longwall mining and board and pillar mining, or up to 6Mtpa of longwall mining in the event there is no board and pillar mining
- b) The ability to fully exploit recoverable ROM Coal will likely be constrained if the mining consents cannot be extended beyond 5 December 2027 (MOD 7 Closure Date)
- c) The Coal Handling and Processing Plant (CHPP) will need to be updated for noise mitigation measures



Conceptual Modification Layout

1. 22nd July 2022, ASX Announcement – “Notice of General Meeting”

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 ¹ | Mt |
|---|--------------|
| Ore Reserves | |
| Proven | - |
| Probable | 370 |
| Total | 370 |
| Mineral Resources | |
| Measured | 588 |
| Indicated | 850 |
| Inferred | 1097 |
| Total | 2,534 |

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.

| Product Coal Quality | Newcastle Benchmark | Dartbrook Premium Product ¹ | Dartbrook Standard Product ¹ |
|---|---------------------|--|---|
| Specific Energy (gross, kcal/kg) | 6,000 | 6,100 | 5,545 |
| Ash (%) | 14.0% max | 12.0 | 19.0 |
| Volatile Matter (%) | 27.0% | 29.5 | 26.9 |
| Moisture (%) | 15.0 max | 11.0 | 11.0 |
| Sulphur (%) | 0.75% max | 0.37 | 0.36 |

1. Refer to slide 3

Specific Risks

Operations risks

- (i) The Company may be unable to access the appropriate management, equipment, and capital to fund its business operations. The Dartbrook Coal Project was placed into care and maintenance since 2006 and has not been in operation for over 15 years. This has caused a number of its assets to deteriorate. The cost involved in re-starting, re-establishing and refurbishing the Dartbrook Mine is reasonably expected to have increased from the cost assessed initially in re-start studies carried out between 2016 and 2018
- (ii) The orders of the Land and Environment Court of New South Wales' in AQC Dartbrook Management Pty Ltd. v Minister for Planning and Public Spaces (referred to as Modification 7 or MOD 7) imposes the following risks on the future operations of Dartbrook:
 - (i) there will be an increase of costs associated with re-starting, re-establishing and refurbishing the Dartbrook;
 - (ii) pursuant to MOD 7, the Dartbrook is permitted to produce a maximum of 6 Mtpa of ROM Coal which will consist of:
 - (i) a maximum production cap of 1.5 Mtpa ROM from board and pillar mining which is expected to substantially lower production and subsequently the value of the Dartbrook Coal Project. The maximum production cap will result in additional annual fixed costs and labour which may have adverse impact on the value of a project;
 - (ii) production of up to 4.5 Mtpa of ROM Coal from longwall mining in the case of board and pillar mining, or up to 6 Mtpa of longwall mining in the event there is no board and pillar mining. Longwall mining will be subject to the regulatory approval of an updated longwall mining extraction plan;
 - (iii) The Hunter Tunnel (which needs to be de-watered) will need to be used for all ROM coal clearance and handling. Legislation also requires the mine to upgrade its Coal Handling and Processing Plant (CHPP) for noise mitigation measures. Both of these requirements impose a significant capex to return the existing infrastructure to adequate operational status
 - (iv) the ability to fully exploit recoverable ROM Coal will likely be constrained if the mining consents cannot be extended beyond 5 December 2027 (MOD 7 Closure Date) which has no certainty or guarantee of success;
- (iii) The Dartbrook Coal Project tends towards a medium to high spontaneous combustion risk particularly in the old longwall areas where the risk is much higher. The exposure of the old workings increases the risk of re-activation of dormant heating or the commencement of new heating
- (iv) The coal at the Dartbrook Coal Project can be classed as high volatile bituminous coal and will require beneficiation for export markets
- (v) The New South Wales Resources Regulator (NSWRR) has renewed its focus on the Dartbrook Coal Project and for this reason, will likely treat any resumption of mining at the Dartbrook Mine as a new operation and will require full compliance with all legislation prior to recommencement of the Dartbrook Coal Project including additional communication equipment, real-time environmental monitoring and full compliance with requirements to have current Principal Hazard Management Plans (PHMPs) updated every 3 years and all supporting subordinate documentation. Compliance with this requirement will incur a significant amount of time and suitable resourcing

Plant and Equipment risks

Prior to the Dartbrook Coal Project recommencing production, there are a number of issues relating to the current infrastructure and plant and equipment that will need to be rectified or remedied to allow production to commence. These include de-watering the critical Hunter Tunnel and replacing equipment that may have corroded since the mine was placed into care & maintenance in 2006.

Environmental risks

The Dartbrook Coal Project is subject to laws and regulations regarding environmental matters. As with all mining and exploration projects, the future operations of the Dartbrook Coal Project is expected to have an impact on the environment. The Company is unable to project the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the costs of doing business or its operations in the area, There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Dartbrook Coal Project to incur significant expenses and undertake significant investments which could have a material adverse effect on the performance of the Dartbrook Coal Project.

Management risk

The Dartbrook Mine's prospects depend, in part, on the Company's ability to attract and retain its executive officers, senior management and key consultants or partners and for these personnel to operate effectively.

Litigation risk

The Company may be subject to claims and litigation being brought against it, including with respect to its recent corporate and capital raising activities.

Force majeure events

Events that are beyond the direct control of the Company may occur that could impact on the economy, the Company's operations, investor sentiment and the price of shares. These events include, without limitation, acts of terrorism, international hostilities, pandemics, fires, floods, earthquakes, labour strikes, natural disasters, bush fires, or other natural or man-made events.

Dilution of existing shareholdings in the Company

Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the structure of the Entitlement Offer (5.83 new Offer Shares for every 1 existing Share held at the Record Date) as a fully underwritten deal will mean that the dilution to existing Shareholders who do not take up their Entitlements in full may be significant.

General Risks

Nature of investment

Any potential investor should be aware that subscribing for Offer Shares involves risks. The Offer Shares to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those Offer Shares. *Economic factors*

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of reducing, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

Insurance arrangements

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Operational risks and costs

The Company is exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however certain residual risk will remain with the Company.

Future capital needs

Further funding is likely to be required to advance the business objectives of the Company or for working capital purposes. There is a risk that despite efforts from the Company and its management, re-commissioning efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and consequently, the value of its shares.

Regulatory risk and government policy

Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

Share market conditions

The price of the Company's shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Foreign Selling Restrictions

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia and New Zealand. Participating in the Entitlement Offer shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed. The distribution of this document outside Australia may be restricted by law.

United States

This document must not be taken into, distributed or released in the United States or distributed to any person in the United States or to any person acting for the account or benefit of any person in the United States. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this document does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any person in the United States. Offer Shares may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not in the United States or acting for the account or benefit of persons in the United States.

New Zealand

This Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) ("FMC Act").

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand). The offer of Offer Shares is renounceable in favour of members of the public.

Other than in the Entitlement Offer, the Offer Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Foreign Selling Restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and Offer Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the Offer Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Entitlements and the Offer Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or Offer Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

People’s Republic of China

This document has not been approved by, nor registered with, any competent regulatory authority of the People’s Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the Offer Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for the Offer Shares be made from, within the People’s Republic of China. This document does not constitute an offer of Offer Shares within the People’s Republic of China.

The Offer Shares may not be offered to legal or natural persons in the People’s Republic of China other than to: (i) “qualified domestic institutional investors” as approved by a relevant People’s Republic of China regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorisation to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary People’s Republic of China governmental approvals, registrations and/or filings (whether statutorily or otherwise).

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this document may not be made available, nor may the Entitlements or the Offer Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and Offer Shares in Germany is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

Company Contact Information



Australian Pacific Coal

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