

ASX RELEASE

25 October 2022

Dartbrook Update: Underground Restart

Australian Pacific Coal Limited ('AQC' or 'Company') (ASX: AQC) refers to its recent market announcement and provides a further update in relation to its Dartbrook Project.

As highlighted in the earlier announcement, the NSW Government proposes to make legislative changes specific to open-cut mining at the Dartbrook Project. Notwithstanding this position, the Company has and continues to remain consistent in its position to development of an underground mining project at Dartbrook as its priority which remains supported by NSW Government in the media release and through approval of the MOD7 announced earlier this year.

The MOD7 approval facilitated recommencement of underground mining operations at the Dartbrook Project, which is acknowledged by NSW Government in their release. The Company considers the proposed recommencement of mining at Dartbrook next year provides benefits to employment in the local region and the local economy.

As shareholders are aware, AQC recently completed a \$100 million recapitalization of its balance sheet which provides a pathway for the restart of mining at the Dartbrook Project. In conjunction with the recapitalization process, AQC entered into a binding term sheet with M Resources Pty Ltd (M Resources) and Tetra Resources (Tetra) (the Joint Venture Managers) to jointly manage and operate the Dartbrook Project through the restart and production phases of the asset's life. The Joint Venture Managers are controlled by experienced mining professionals with a successful track record of mining operations.

The Joint Venture Managers plan to restart the mine within the next 12 months in accordance with the MOD7 approval for underground mining and the joint venture will invest considerable funds in the Dartbrook Project which in turn is expected to benefit the local communities of Upper Hunter and Muswellbrook councils.

The Company will provide further updates in relation to the development of the Dartbrook Project in due course and the Company remains focused on realising investment outcomes for all Shareholders.

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

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