

## Dartbrook project fully funded – Working Capital package secures path to full production

- Existing Senior Debt Facility increased from US\$60 million to US\$90 million to provide Working Capital for Dartbrook JV
- A new A\$20 million Junior Debt Facility of which AQC funds 50%
- AQC launches A\$20.0 million Equity Raising to fund its share of the Junior Debt Facility and provide additional working capital, comprising:
  - an institutional placement to raise up to approximately A\$9.6 million; and
  - a fully underwritten 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$10.4 million
- A\$6.0 million received from major shareholder Trepang Services Pty Ltd
- Restart of mining operations and production ramp-up period at Dartbrook now fully funded

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) is pleased to provide details of an enhanced funding package for the Dartbrook JV and announces the launch of a A\$20.0 million equity raising (“Equity Raising”).

### Funding Package

AQC and its JV partner Tetra Dartbrook Pty Ltd (“Tetra”) have agreed with Vitol Asia Pte Ltd (“Vitol”) to upsize the existing Senior Debt Facility from US\$60 million to US\$90 million on similar terms. The upsized Senior Debt Facility will:

- provide US\$30 million of additional funds for working capital for approved operating expenses during ramp-up; and
- continue to fund ongoing approved budgeted capital expenditure to enable the restart of mining operations and commercial production.

The Senior Debt Facility is contingent upon securing a A\$20 million Junior Debt Facility (“Subordinated Facility”), of which AQC will fund 50% (being A\$10 million), which may only be drawn once the Senior Facility is fully drawn down<sup>1</sup>.

The Dartbrook Project is expected to be fully funded and have access to both debt facilities upon confirmation of AQC providing A\$10 million for the Subordinated Facility and satisfaction of customary Conditions Precedent, including the AQC Equity Raising.

### AQC Equity Raising

AQC has today launched a A\$20.0 million Equity Raising comprising:

- An institutional placement to raise up to approximately A\$9.6 million; and
- A fully underwritten 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$10.4 million.

The Company’s largest shareholder Trepang Services Pty Ltd, together with its related parties (who collectively hold 35.96% of AQC’s ordinary shares), has committed to subscribe for A\$6 million in the Equity Raising, comprising a

<sup>1</sup> For key terms of the Senior Debt Facility and Subordinated Facility, refer to the appendix to this announcement.

subscription of ~A\$3.4 million under the Institutional Entitlement Offer and priority sub-underwriting the first ~A\$2.6 million of shortfall in the Retail Entitlement Offer.

Proceeds from the Equity Raising will be used:

- to satisfy AQC's 50% share of the A\$20 million Subordinated Facility (being A\$10 million);
- to meet general working capital requirements of the Company<sup>2</sup>; and
- to cover the fees associated with the Equity Raising.

**Australian Pacific Coal's Managing Director & CEO, Ms Ayten Saridas, said:**

"This funding package and the decision by Vitol to upsize the Senior Debt Facility by US\$30 million to encompass Dartbrook's working capital requirements is a huge vote of confidence in the Dartbrook project.

"We acknowledge and appreciate the strong support provided by our shareholders, particularly Trepang, and by Vitol, and will continue our efforts to bring Dartbrook back into commercial production before the end of the year.

"With this new funding package in place, the Dartbrook project is expected to be fully funded through to commercial production and ramp-up.

"The Dartbrook mine is an extraordinary asset with significant potential to generate value for the community, our shareholders and our workforce for years to come. The high-quality specs of the Dartbrook product remain in high demand globally and this is the right time to bring this mine back to life."

**Equity Raising Details**

The Equity Raising will comprise of:

- an institutional placement of up to approximately 80.0 million new fully paid ordinary shares ("New Shares") utilising the Company's available placement capacity under ASX Listing Rule 7.1, to raise up to approximately A\$9.6 million ("Placement"); and
- a fully underwritten 1-for-6.16 pro rata accelerated non-renounceable entitlement offer of 86.6 million New Shares to raise approximately A\$10.4 million ("Entitlement Offer").

Up to approximately 166.7 million New Shares are to be issued under the Equity Raising, representing approximately 31.2% of the existing shares on issue.

The Offer Price of A\$0.12 per New Share, represents a:

- 28.4% discount to the last closing price of A\$0.1675 per share on Tuesday 1 October 2024; and
- 23.2% discount to the TERP<sup>3</sup> of A\$0.156 per share on Tuesday 1 October 2024.

The Entitlement Offer provides eligible shareholders with the opportunity to subscribe for 1 New Share for every 6.16 existing shares held as at 7.00pm Sydney Time on Friday, 4 October 2024 ("Record Date").

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer ("Institutional Entitlement Offer"), which is being conducted today, Wednesday, 3 October 2024, along with the Placement. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the Institutional Entitlement Offer. Entitlements not taken up by eligible institutional shareholders and entitlements that would otherwise have been offered to ineligible shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

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<sup>2</sup> AQC's working capital requirements as distinct from the working capital requirements of the Dartbrook JV.

<sup>3</sup> Theoretical ex rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which AQC Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

The retail component of the Entitlement Offer (“Retail Entitlement Offer”) will be conducted at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will be open from Wednesday, 9 October 2024 to eligible retail shareholders in Australia and New Zealand, as at the Record Date and is expected to close at 5.00pm (Sydney time) on Thursday, 24 October 2024.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those entitlements not taken up.

New Shares issued under the Equity Raising will rank equally with the Company’s existing fully paid ordinary shares on issue.

Further details of the Equity Raising are set out in the Company’s investor presentation lodged with the ASX today and will be set out in the Retail Offer Booklet that will be provided to eligible retail shareholders.

#### Advisers

Canaccord Genuity (Australia) Limited is acting as lead manager, underwriter and bookrunner to the Equity Raising. Herbert Smith Freehills is acting as legal adviser to AQC in connection with the Equity Raising. Norton Rose Fulbright is acting as legal adviser to AQC in connection with the Debt Facilities.

#### Indicative Equity Raising Timetable

Event	Date
Announcement of the Equity Raising	Wednesday, 2 October 2024
Placement and Institutional Entitlement Offer closes	Wednesday, 2 October 2024
Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 4 October 2024
Record date for the Entitlement Offer	7:00pm on Friday, 4 October 2024
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet dispatched	Wednesday, 9 October 2024
Settlement of New Shares issued under the Placement and the Institutional Entitlement Offer	Thursday, 10 October 2024
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 11 October 2024
Retail Entitlement Offer closes	Thursday, 24 October 2024
Announce results of Retail Entitlement Offer	Monday, 28 October 2024
Settlement of New Shares issued under the Retail Entitlement Offer	Wednesday, 30 October 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 31 October 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 1 November 2024

Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer

Monday, 4 November 2024

*\* The above timetable is indicative only. The Company or Lead Manager may vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable law. All times reference to Sydney, Australia unless otherwise specified. Any changes in the timetable do not affect the rights or obligations an investor or shareholder has as a result of accepting an allocation in the Placement or the Entitlement Offer. The quotation of New Shares is subject to confirmation from ASX.*

#### **Additional information**

Additional information in relation to the Equity Raising and the Company can be found in the investor presentation released to the ASX simultaneously with this announcement, which contains important information, including a breakdown of sources and uses of funds, key risks and foreign selling restrictions with respect to the Equity Raising.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision. All amounts are in Australian dollars unless otherwise indicated.

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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 restarting underground mining operations at the Dartbrook Coal Mine. Located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook, Dartbrook has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. The Dartbrook mine has previously produced a high-quality thermal coal (NEWC spec) that is typical of the Hunter Valley.

The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Resources Pty Ltd (20%, via subsidiaries). M-Resources will receive a 10% indirect economic interest in the JV through AQC (reducing AQC's effective economic interest to 70%). Vitol Asia Pte Ltd is the Sole Marketing Agent for Dartbrook coal.

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#### **Forward looking statements disclaimer**

This announcement includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding the outcome and effects of the Equity Raising and the use of proceeds, expectations in respect to funding, indications of, and guidance or outlook on, future earnings or financial position or performance, plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, the ability to obtain debt finance on appropriate terms, obtaining environmental approvals and the time and conditions attached to the same, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits, diminishing quantities or grades of reserves and the ability to exploit successful discoveries), general mining and development operation risks, closure and rehabilitation risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant securities exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

**Advisers disclaimer**

No representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by Herbert Smith Freehills or Norton Rose Fulbright in relation to the accuracy or completeness of this announcement, or any materials or any further information supplied by the Company in connection with this announcement.

## Appendix 1: Key Terms – Senior Debt Facility

<b>Amount:</b>	Up to US\$90 million
<b>Guarantor:</b>	Australian Pacific Coal Limited.
<b>Borrowers:</b>	AQC Dartbrook Pty Ltd (80%), Tetra Dartbrook Pty Ltd (20%)
<b>Facility type:</b>	Loan note issuance facility.
<b>Security:</b>	Senior security over the assets of the Dartbrook Joint Venture.
<b>Final Repayment Date:</b>	31 December 2027.
<b>Interest:</b>	15% per annum
<b>Conditions precedent:</b>	Establishment of the Subordinated Facility and other CP's usual for facilities of this type.
<b>Conditions subsequent:</b>	First Coal test and any other Conditions Subsequent that may be agreed regarding matters that are unable to be satisfied before financial close
<b>Representations and warranties:</b>	Usual for facilities of this type, including specific assurance in relation to the Dartbrook Joint Venture and the mine.
<b>Undertakings:</b>	Usual for facilities of this type, including specific undertakings in relation to the Dartbrook Joint Venture and the mine.
<b>Repayment</b>	Repayment of the facility will be made by way of fixed \$/tonne deductions from the price of coal sold, subject to a minimum payment per quarter, commencing 31 October 2025
<b>Events of Default:</b>	Usual for facilities of this type, including specific events in relation to the Dartbrook Joint Venture and the mine, subject to agreed grace and remedy periods.

## Appendix 2: Key Terms – Subordinated Facility

<b>Amount:</b>	Up to A\$20 million
<b>Guarantor:</b>	Australian Pacific Coal Limited.
<b>Borrowers:</b>	AQC Dartbrook Pty Ltd (80%), Tetra Dartbrook Pty Ltd (20%)
<b>Security:</b>	Second ranking security over the Senior Prepayment Facility Security Package.
<b>Final Repayment Date:</b>	31 December 2027 which may be extended on receipt of MOD 8 approval.
<b>Interest:</b>	20% per annum (drawn amounts); 10% per annum (undrawn / commitment fee)
<b>Conditions precedent:</b>	Senior Prepayment Facility to be fully utilised and other CP's usual for facilities of this type.
<b>Conditions subsequent:</b>	TBC
<b>Representations and warranties:</b>	Usual for facilities of this type, including specific assurance in relation to the Dartbrook Joint Venture and the mine.
<b>Undertakings:</b>	Usual for facilities of this type, including specific undertakings in relation to the Dartbrook Joint Venture and the mine.
<b>Events of Default:</b>	Usual for facilities of this type, including specific events in relation to the Dartbrook Joint Venture and the mine, subject to agreed grace and remedy periods.