

9 October 2024



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Dear Shareholder

Australian Pacific Coal Limited Entitlement Offer – Notification to Ineligible Retail Shareholders

On 2 October 2024, Australian Pacific Coal Limited ACN 089 206 986 (ASX: AQC) (**AQC** or **Company**) announced that it was conducting a capital raising by way of:

- (a) a placement to institutional investors of new fully paid ordinary shares in AQC (**New Shares**) (**Placement**) to raise approximately A\$9.6 million; and
- (b) an accelerated non-renounceable pro rata entitlement offer to eligible shareholders to subscribe for 1 New Share for every 6.16 existing fully paid ordinary shares in AQC (**Shares**) held as at 7.00pm (Sydney, Australia time) on 4 October 2024) (**Record Date**) (**Entitlement**) at an issue price of A\$0.12 (**Offer Price**) per New Share (**Entitlement Offer**).

The Entitlement Offer and the Placement are together the **Offer**, as the context requires. The net proceeds from the Offer will be used:

- to satisfy the Company's 50% share of the A\$20 million subordinated debt facility (being A\$10 million), which was announced to the ASX together with the Entitlement Offer;
- to meet general working capital requirements of the Company; and
- to cover the fees associated with the Entitlement Offer.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to invest in New Shares at the same Offer Price as the institutional investors who participated in the Institutional Entitlement Offer (**Retail Entitlement Offer**).

The Institutional Entitlement Offer and the Placement have already closed and the Company announced to the Australian Securities Exchange (**ASX**) on 4 October 2024 that it had successfully raised approximately A\$6.9 million under the Institutional Entitlement Offer and approximately A\$9.6 million under the Placement.

The Entitlement Offer is being made by AQC without a prospectus or other disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73. The Institutional Entitlement Offer and the Retail Entitlement Offer together will raise A\$10.4 million.

The Company has today lodged a retail offer booklet with ASX and other documents relating to the Retail Entitlement Offer, which set out further details in respect of the Retail Entitlement Offer.

Purpose of this letter

This letter has been sent to you to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This letter is not an offer to issue Entitlements or New Shares to you, nor an invitation for you to apply for Entitlements or New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of 1 New Share for every 6.16 existing Shares held at 7.00pm (Sydney, Australia time) on the Record Date, being 4 October 2024.

Eligibility criteria

AQC has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), that it would be unreasonable to make offers to AQC shareholders in all countries in connection with the Retail Entitlement Offer. This decision was made after taking into account the legal and regulatory requirements in

certain countries, the relatively small number of AQC shareholders in certain countries, the number and value of New Shares those AQC shareholders would otherwise be entitled to and the cost of complying with the applicable laws and the requirements of any regulatory authority in jurisdictions outside Australia and New Zealand.

Accordingly, in compliance with section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(b), AQC wishes to inform you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those shareholders of AQC on the Record Date who:

- (a) are registered as a holder of Shares;
- (b) have a registered address on AQC's share register that is in Australia or New Zealand (each, an **Offer Jurisdiction**) or are a shareholder that AQC has otherwise determined is eligible to participate;
- (c) are not in the United States and are not a person (including nominees and custodians) acting for the account or benefit of a person in the United States (to the extent such shareholders hold securities in AQC for the account or benefit of such persons in the United States);
- (d) are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer; and
- (e) AQC determines in its absolute discretion were not invited to participate, (other than as nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders or eligible or ineligible institutional shareholders are ineligible retail shareholders and are consequently unable to participate in the Retail Entitlement Offer. AQC may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

Non-renounceable offer

As the Retail Entitlement Offer is non-renounceable, Entitlements in respect of the New Shares you would otherwise be entitled to subscribe for under the Retail Entitlement Offer will lapse and you will not receive any payment or value for your Entitlements in respect of any New Shares that would have been offered to you if you had been eligible. New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Retail Shareholder may be allocated to other Eligible Retail Shareholders who subscribe for New Shares in excess of their entitlement under the Retail Entitlement Offer.

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of ASX (www.asx.com.au).

Further information

If you have any questions in relation to any of the above matters, please contact the AQC Entitlement Offer Information Line on 1300 794 935 (local call from within Australia) or +61 1300 794 935 (from outside Australia) from 8.30am to 5.30pm (Sydney, Australia time) Monday to Friday during the offer period for the Retail Entitlement Offer. For other questions, you should consult your stockbroker, solicitor, accountant or other independent professional adviser.

On behalf of the board of directors and management of Australian Pacific Coal Limited, thank you for your continued support.

Yours sincerely



John Robinson
Chairman
Australian Pacific Coal Limited

DISCLAIMER

This letter is to inform you about the Retail Entitlement Offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any securities in AQC in any jurisdiction.

The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements or the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. In particular, neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”). Accordingly, the Entitlements under the Retail Entitlement Offer may not be taken up or exercised by, and the New Shares in the Retail Entitlement Offer may not be offered or sold to any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Entitlements and New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold to persons that are not in the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Canaccord Genuity (Australia) Limited as lead manager for the Offer and underwriter for the Entitlement Offer (**Lead Manager**) has not authorised or caused the issue of this letter or made or authorised the making of any statement that is included in this letter or any statement on which a statement in this letter is based. To the maximum extent permitted by law, the Lead Manager, and its respective related bodies corporate and affiliates and the directors, officers, employees or advisers and representatives of any of them expressly disclaim and take no responsibility for any statements in or omissions from this letter.