

ASX ANNOUNCEMENT
5 SEPTEMBER 2024

Dartbrook enters commissioning phase with coal produced to the surface stockpile

- Dartbrook Mine has produced coal for the first time since the mine was placed into care and maintenance in 2006
- Coal from the Kayuga seam delivered to surface for stockpiling at approximately 18:15 hours on Wednesday 4 September 2024
- Commissioning period underway following the successful completion and testing of the new 4 km conveyor system
- The conveyor system will transport ROM coal from the underground storage bin to the surface, via the Hunter Tunnel, for processing at the CHPP

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) is pleased to announce that the Dartbrook Joint Venture (“JV”) has produced coal to surface at the Dartbrook Mine at approximately 18:15 hours on Wednesday 4 September 2024.

Run of Mine (“ROM”) coal was successfully produced to surface following the completion and testing of the newly installed 4 km conveyor system. The conveyor system is designed to transport ROM coal produced from the Kayuga seam to surface, via the Hunter Tunnel, where it will be processed at the Coal Handling and Preparation Plant (“CHPP”).

Continuous Miners have cut quantities of coal since taking the bulk sample for lab testing in mid-July 2024. Coal cut during this period has been stored in the underground storage bin in preparation for the completion and testing of the conveyor system. With the conveyor operational, the conveyor and mining systems will now enter a commissioning period before commercial production commences.

Initially, Dartbrook will only utilise the dry plant (stockpiling, crushing, train load-out facilities) and produce unwashed thermal coal for sale to domestic or export customers. Once refurbishment of the CHPP is completed in early CY2025, the wet plant will be fully operational allowing ROM coal to be washed and graded for export markets where Dartbrook anticipates selling high quality NEWC thermal coal and potentially have the optionality to produce quantities of semi-soft or PCI coal, subject to testing results.

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

“This is another major milestone for Dartbrook. For the first time since the mine entered care and maintenance in 2006, Dartbrook is once again producing high quality coal.

“Commissioning is underway and the team on the ground is working hard to bring the mine safely into commercial production in the coming weeks.

"By producing coal to surface, we have demonstrated the exciting potential of the Dartbrook mine. To do so in such a short period is an extraordinary achievement. In just 18 months, we have simplified the joint venture, secured USD60 million in restart capex, finalised land and water access agreements, dewatered and refurbished the Hunter Tunnel, sourced and commissioned mining equipment, and installed a brand-new 4 km conveyor system. I am proud of the dedication and efforts by everyone who has contributed to and supported the restart of Dartbrook.

"There is still work to be done to achieve commercial production and we remain focused on our goal of making Dartbrook a world-class underground mine. We are close to finalising Port and Rail agreements and a Working Capital facility; the results of the bulk sample testing for thermal quality and met coal potential are anticipated this quarter; and preparations for the CHPP refurbishment are well advanced.

"With no new coal mines being sanctioned, this is an exciting time for everyone involved in the Dartbrook restart project and we look forward to cementing our place as the Hunter Valley's newest coal producer."

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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. 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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