

ASX ANNOUNCEMENT
30 NOVEMBER 2023

AQC agrees terms for USD60 million (~AUD90 million) funding package for the Dartbrook Mine

- Australian Pacific Coal (ASX: AQC) and JV partner Tetra Resources have received a credit committee approved offer for a 3-year USD60 million debt facility from Vitol Asia Pte Ltd, a leading global energy and commodities company.
- Funds will cover all remaining restart capex through to first coal and the acquisition of additional mining systems during ramp-up.
- Dartbrook coal marketing rights will be assigned to Vitol under a Coal Supply and Marketing Agreement between the parties.

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) is pleased to announce that the Dartbrook Joint Venture (“JV”) has received a credit committee approved offer on agreed terms for a 3-year USD60 million (~AUD90 million) debt facility from Vitol Asia Pte Ltd (“Vitol”), a leading global energy and commodities company.

Subject to the execution of legal documentation and satisfaction of conditions precedent, including completion of Know Your Client (KYC), due diligence and no material adverse event, the facility will fully fund all remaining forecast restart expenditure through to first coal, including equipment acquisitions and completion of remediation works, and the acquisition of additional mining systems during ramp-up to achieve full capacity.

Australian Pacific Coal’s Interim CEO, Ms Ayten Saridas, said:

“After reviewing multiple funding proposals, and working under increasingly difficult global economic conditions, I am very pleased that we have received a credit committee approved offer from Vitol, a leading global energy and commodities company, based on mutually agreed terms.

“For the past 12-months, AQC has been focused on de-risking the Dartbrook project and obtaining a debt funding package that gives Dartbrook the best chance of succeeding and delivers the best outcome for shareholders and stakeholders. The Dartbrook Mine is a Tier 1 asset and this transaction is testament to the quality of the resource.

“Vitol was selected as our preferred funding partner for their ability to provide a comprehensive funding solution that covered all of our restart capex needs. This facility will allow us to complete all remediation and refurbishment works and acquire the critical equipment necessary to restart mining operations and ramp-up to full capacity.

“The loan agreement with Vitol is a significant milestone for AQC and the Dartbrook project. We have revised our schedule to align with the receipt of funding and we anticipate an intensive capital works program leading up to first coal, targeted in Q1 of 2024. During that period, AQC will be working towards finalising a working capital facility to underpin our commercial operations going forward.”

Dartbrook Funding Package

The debt facility will be structured as Loan Notes and includes the following terms:

- 3-year facility with repayments commencing after an initial grace period
- Senior security over the JV assets and shares with AQC parent company guarantee
- Subordination of Shareholder Loans; and
- Subject to execution of legal documentation and satisfaction of conditions precedent, including completion of KYC and due diligence and no material adverse event.

Coal Sales and Marketing Agreement

In parallel with the funding package, the Dartbrook JV has agreed to enter into a Coal Sales and Marketing Agreement with Vitol for all Dartbrook coal production, including assigning coal Marketing Rights to Vitol for the life of the mine (including any extensions).

“Thermal coal prices remain robust and we have received numerous inbound inquiries for Dartbrook’s NEWC spec product. We are confident in Vitol’s marketing capabilities and we look forward to working with them as we bring this world class asset back to full operational status,” said Ms Saridas.

“With the project’s critical funding in place, AQC and our JV partner, Tetra, are fully focused on restarting production at Dartbrook in the new year.”

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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 developing, acquiring and value adding coal projects. AQC’s principal asset is the Dartbrook Coal Mine located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook. The Dartbrook site has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. Dartbrook mine produces a high-quality thermal coal (NEWC spec) that is typical of the Hunter Valley with the potential to produce some semi-soft metallurgical coal. The quality characteristics and the percentage of the overall volume of product coal that may have coking coal properties suitable for end-users are yet to be fully determined.

The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Dartbrook Pty Ltd (20%).

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