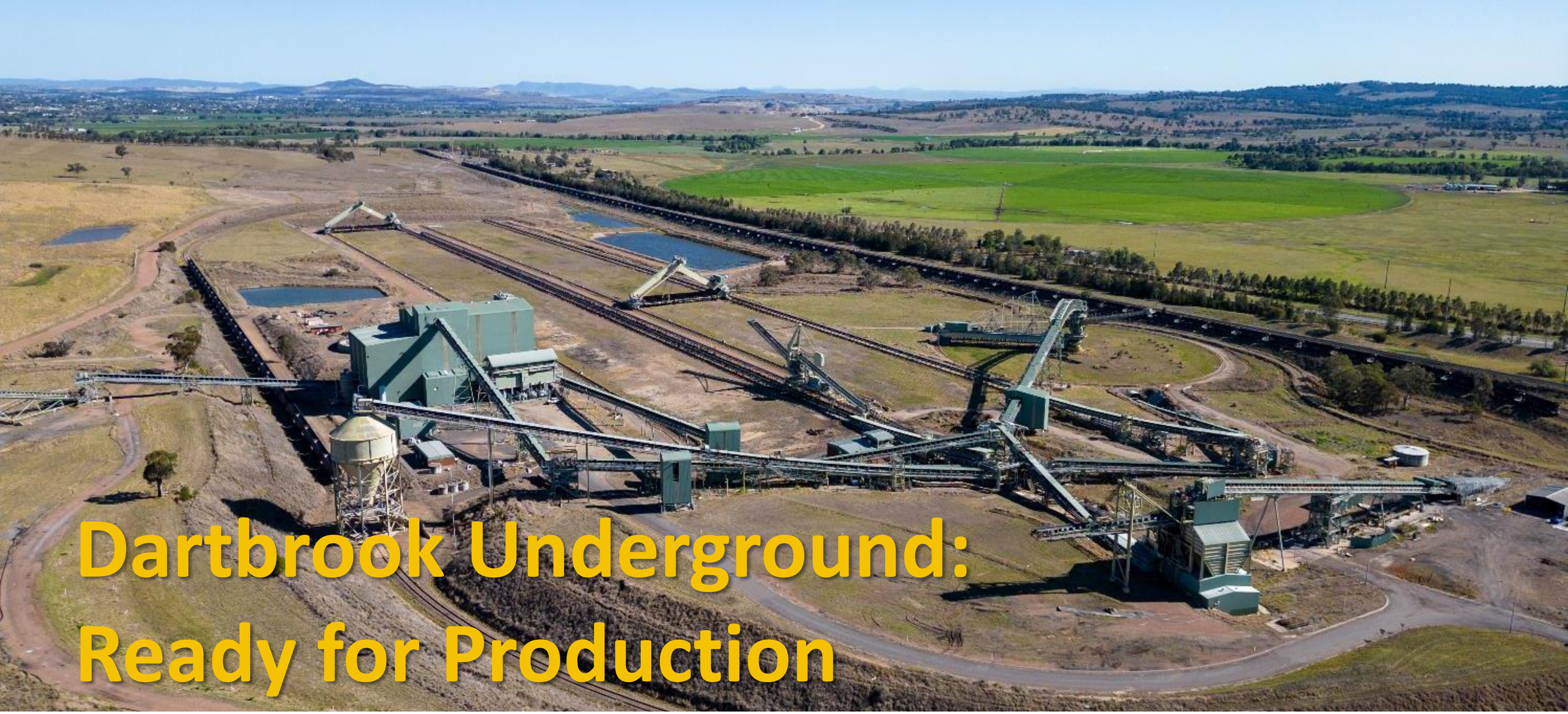

Dartbrook Underground: Ready for Production

Ayten Saridas, Managing Director & CEO

Equity Raising Presentation

2 October 2024

Australian Pacific Coal

ASX: AQC

Not for release or distribution in the United States

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Australian Pacific Coal

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In this presentation, references to ore reserves and mineral resources ('Reserves and Resources') are compliant with Chapter 5 of the ASX Listing rules and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC Code') and are measured in accordance with the JORC Code. Refer to slide 25 for further information.

Resource information is reported as inclusive of Resources that have been converted into Reserves (i.e. Resources are not additional to Reserves). In addition, you should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or that AQC will be able to legally and economically extract them. Estimates of coal reserves, resources, recoveries and operating costs are largely dependent on the interpretation of geological data obtained from drill holes and other sampling techniques, actual production experience and feasibility studies which derive estimates of operating costs based on anticipated tonnage, expected recovery rates, equipment operating costs, prevailing market prices and other factors, which are all subject to uncertainties. No assurance can be given that the Reserves and Resources presented in this presentation will be recovered at the quality or yield presented Resources and Reserves are estimations, not precise calculations. This presentation also involves rounded tonnes and grade information and computational differences may be present in the totals. Assumptions in relation to commodity prices, exchange rates and operating costs impact on Reserve estimation and the estimates of Reserves may include areas where additional approvals are required.

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Unless otherwise indicated, all references are to Australian dollars.

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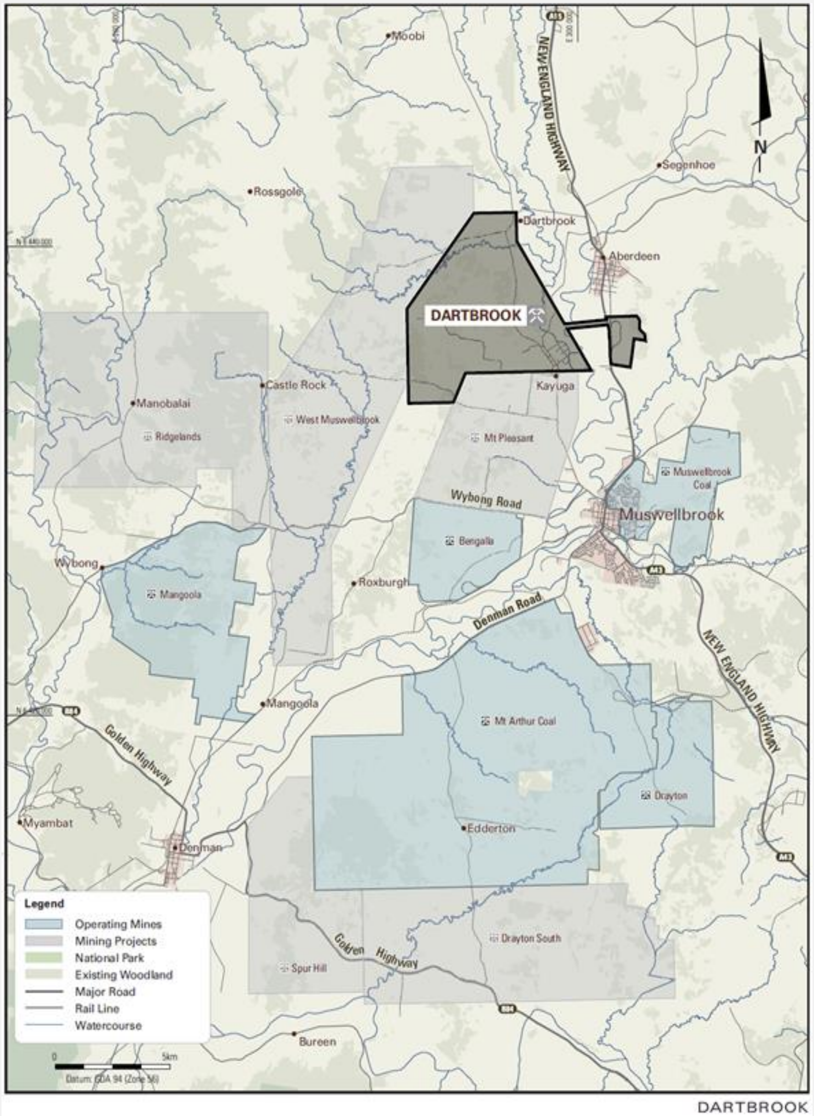
Section 1. Dartbrook Overview

Australian Pacific Coal

Dartbrook – Revival of a quality coal asset

Australian Pacific Coal



- **Acquisition of Dartbrook Underground Mine**: Acquired in May 2017 by Australian Pacific Coal (from Anglo American)
- **Commercial Production Imminent**: Re-start program to fully remediate underground operations substantially complete with coal successfully produced to surface
- **Prime Location**: Situated in Hunter Valley, approximately 100 km from Newcastle export terminals, with excellent access to productive seams and high-quality coal
- **Comprehensive Infrastructure in Place**: Includes the Hunter Tunnel, rail loop and CHPP with up to 6 Mtpa ROM nameplate capacity, leveraging significant pre-investment by Shell and Anglo American
- **Potential Long-Life Asset:** Current development consent to December 2027 with potential to extend to 2033 and beyond with minimal capex

Investment Highlights

Australian Pacific Coal

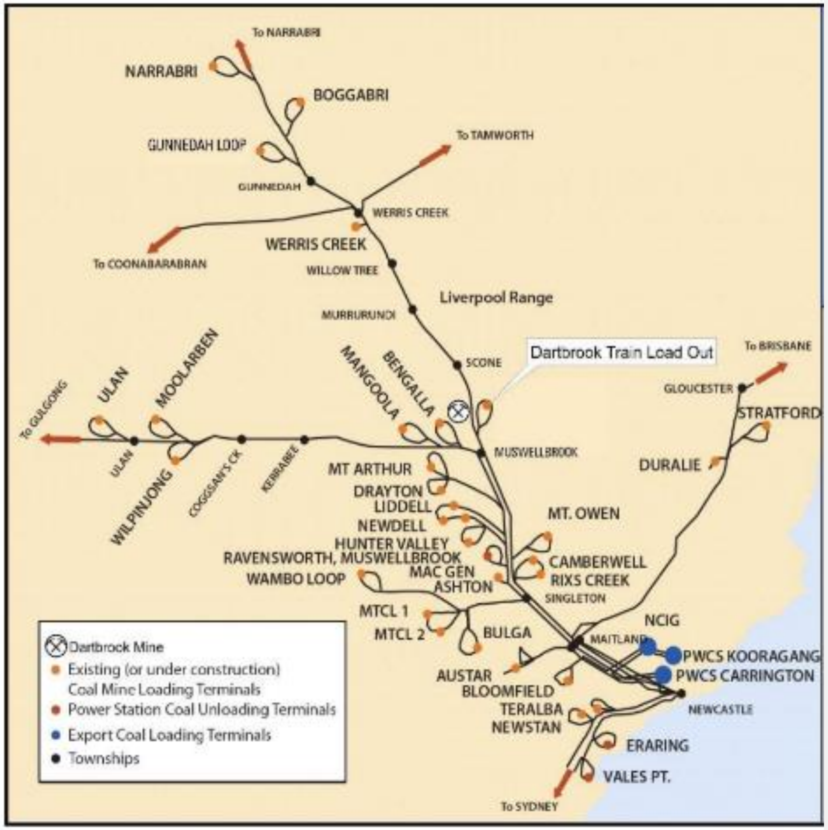
AQC has an 80% JV interest (70% economic interest[1]) in the Dartbrook coal project, offering ASX exposure to a successfully recommissioned, fully funded production asset in Australia's Hunter Valley

New supply of low cost, export quality coal	**Substantially de-risked – Coal successfully produced to surface**	**Fully Funded – Restart capex and working capital[2]**
High margin potential – material free cash flow generation	**Fully permitted with MOD8 extension potential[3]**	**World class infrastructure in place and well maintained[4]**
High quality (NEWC spec) thermal coal with met coal potential	**Proximity to world class port and rail infrastructure**	**Committed to Safety, the Community, and the Environment**

1. AQC has provided a 10% indirect economic interest to M-Resources, effectively reducing AQC's net economic interest in the project to 70%.
2. Initial US$60m senior secured restart capex facility in-place. Executed Loan Note Subscription Agreements to upsize senior facility to a US$90m facility to include working capital, and a further back-stop A$20m subordinated facility to be provided to Dartbrook by Vitol and AQC as lenders (on 50/50 basis), contingent on AQC providing A$10m of the subordinated facility. See Slides 26, 27.
3. Preparations for MOD8 development extension to 2033 are underway. See slide 15
4. Declared insurance value currently A$470m

High Quality Asset, Extensive Reserves

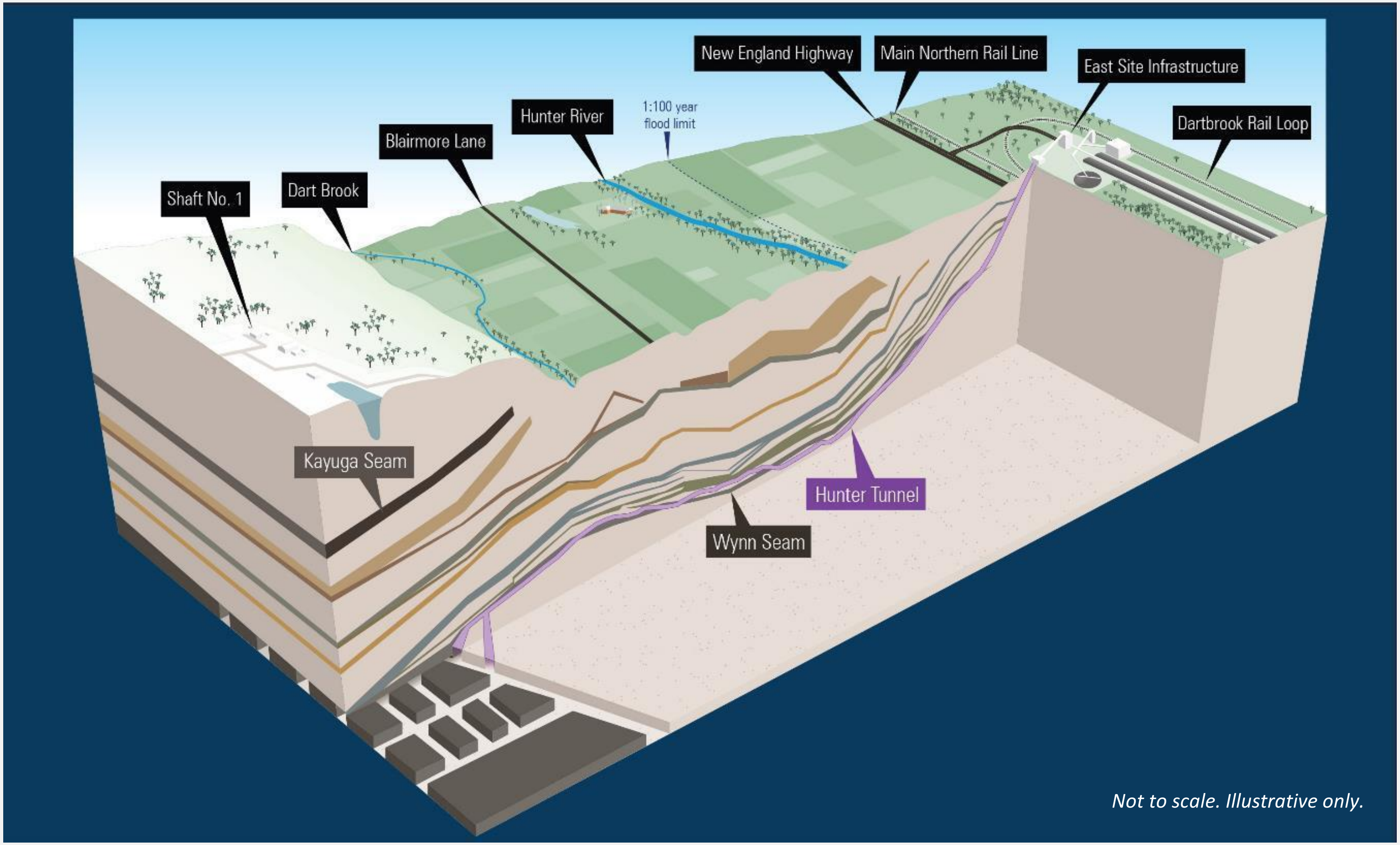
Australian Pacific Coal



- AQC has an 80% working interest in the Dartbrook JV and a 70% economic interest[1]
- Substantial Reserves and Resources:
  - JORC compliant Resource: **2.5 Bt**[2]
  - ROM Reserves: **470 Mt**[2]
  - Marketable Reserves: **370 Mt**[2]
- Hunter Tunnel dewatered; underground remediation, refurbishment and commissioning complete; ramp-up underway
- Above ground infrastructure well maintained; wet plant refurbishment targeting completion in early CY2025
- Targeted peak production: ~2.4 Mtpa ROM coal in Year 3 (~2 Mt sales)[2]
- Preparing submission for MOD8 development extension to 2033[3]

1. AQC has provided a 10% indirect economic interest to M-Resources, effectively reducing AQC's net economic interest in the project to 70%.
2. See AQC ASX announcement 28-Mar-2018 and 27-Jun-2017. Refer to JORC information on Resources and Reserves in the Disclaimer and on Slide 25.
3. See slide 15.

World Class Underground Operation



- **Multi-seam reserve –** underground seam access already developed to multiple seams
- **Coal clearance system –** through the existing Hunter Tunnel direct to the prep plant (CHPP)

Section 2. Restart Ready

Production Ramp-up Underway

Australian Pacific Coal

- Coal from the Kayuga seam produced to surface stockpile
- 4 km conveyor system operational
- Production ramp-up underway, targeting commercial production in Q4 CY2024
- Commissioned first Continuous Mining Unit (CMU), with second and third CMUs secured
- Rail loadout facility refit nearing completion
- Preparations for CHPP wet plant refurbishment well advanced
- Sales of initial production are in advanced stages with international and domestic customers

Operations Overview

- JV partner Tetra Dartbrook Pty Ltd is the Operator and Mine Manager (via affiliates)
- Phased commissioning of 4 CMUs planned within first 18 months in the Kayuga seam.
- Initial production (~3-6 months) of unwashed thermal coal (ROM bypass) while CHPP refurbished. Wet plant refurbishment targeting completion in early CY2025
- Evaluating potential to produce marketable quantities of met coal (semi-soft and/or PCI), in addition to NEWC spec thermal coal. Lab testing underway.
- Mine plan to be optimised once operations commence with potential to access additional seams

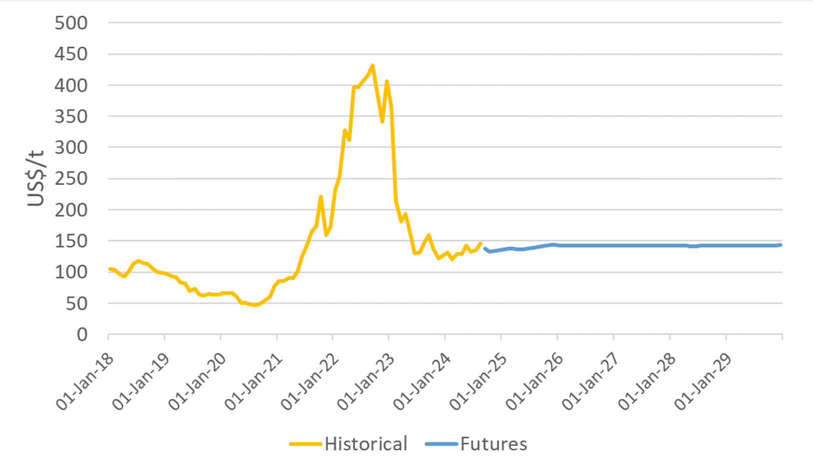
Strategically Positioned for Export Market

Australian Pacific Coal

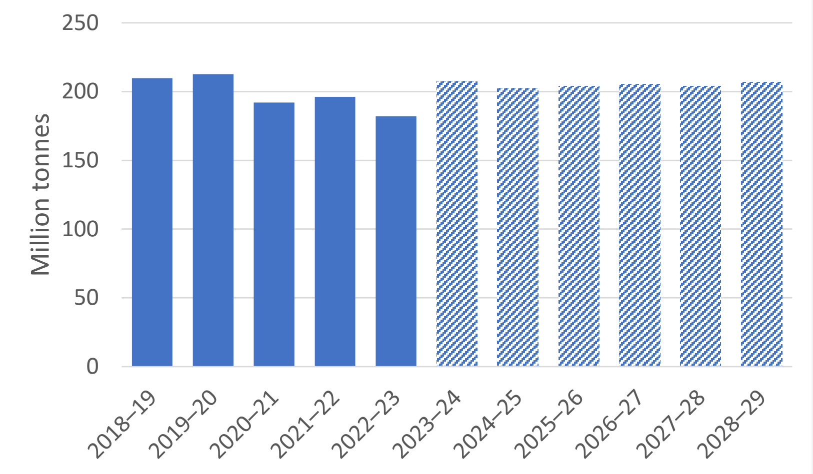
Dartbrook represents a rare opportunity to access Asian export markets when limited new projects are being sanctioned

- Dartbrook stepping in at the right time - limited new supply growth despite higher global prices
- Well positioned to offset decline from larger mines
- Dartbrook is not resource constrained, is fully permitted and ready to go
- High Efficiency Low Emissions (HELE) technology is perfect match for Australian thermal coal
- South-east Asia: a key market for Australian coal
- Premium coal quality provides Australia with an edge over low CV Indonesian coal

Newcastle 6000 CV price[1]



Australia's Thermal Coal Exports[2]



1. Futures Curve as at 17-Sep-24 (Source: Barchart)
2. Source: Department of Industry, Science and Resources (2024)

Key Operating Metrics for Dartbrook

Australian Pacific Coal

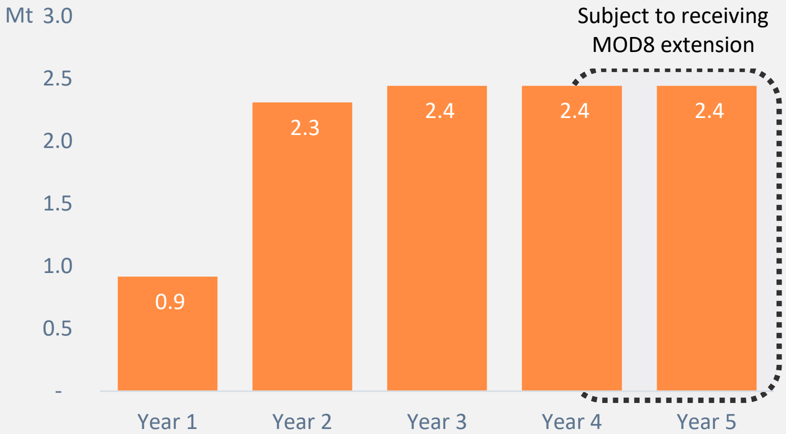
Asset Summary

ROM Production	Ramp up to ~2.4 Mtpa (annualised) within 2 years planned
Product	High quality NEWC spec coal with potential to produce commercial quantities of semi soft met coal and PCI[1]
Schedule	Coal produced to surface in Q3 CY2024; ramp-up underway; targeting commercial production in Q4 2024
Restart capital	US$60m senior debt facility in place to fully fund capex restart. Upsizing to US$90m, along with A$20m subordinated facility, to provide working capital to fully fund project
Forecast Avg FOB costs	Below US$100/t[2]
Yield	Saleable yield ~80+%[3]

1. Sampling and testing for semi soft and PCI potential currently underway
2. Estimated average FOB operating costs over term to Dec-27. Includes estimates of all fees / royalties, lease rent, logistics (rail/port), marketing costs and royalties based on NEWC coal prices US$125/t and take into account NSW royalty rate increase. See also footnote 2 on next slide.
3. Higher yield from initial sales of unwashed product (ROM tonnes) minimises discount to benchmark.

Compelling Financial Metrics

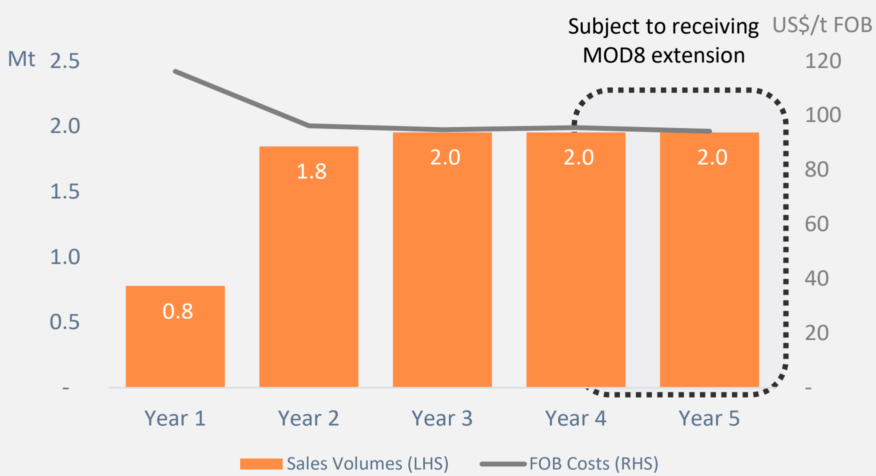
Forecast ROM Production[1]



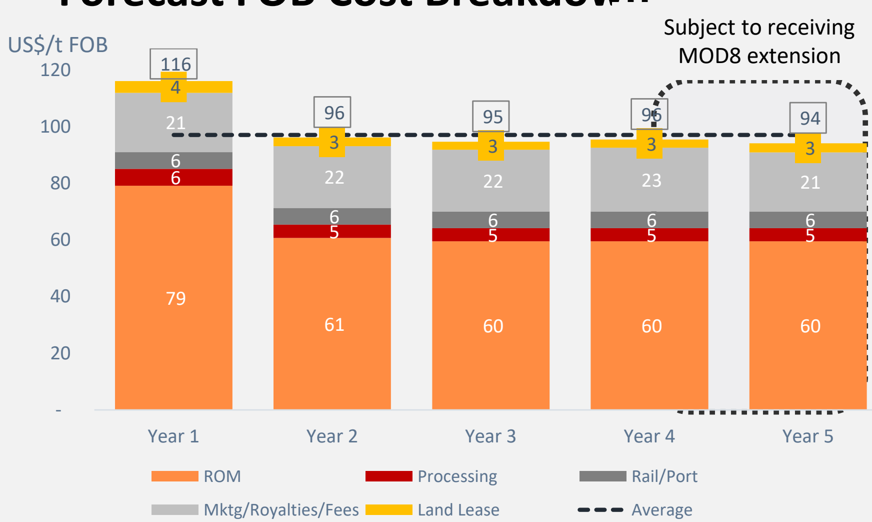
Revenue

- NEWC thermal benchmark product and pricing anticipated

Forecast Sales Volumes and FOB Costs[2]



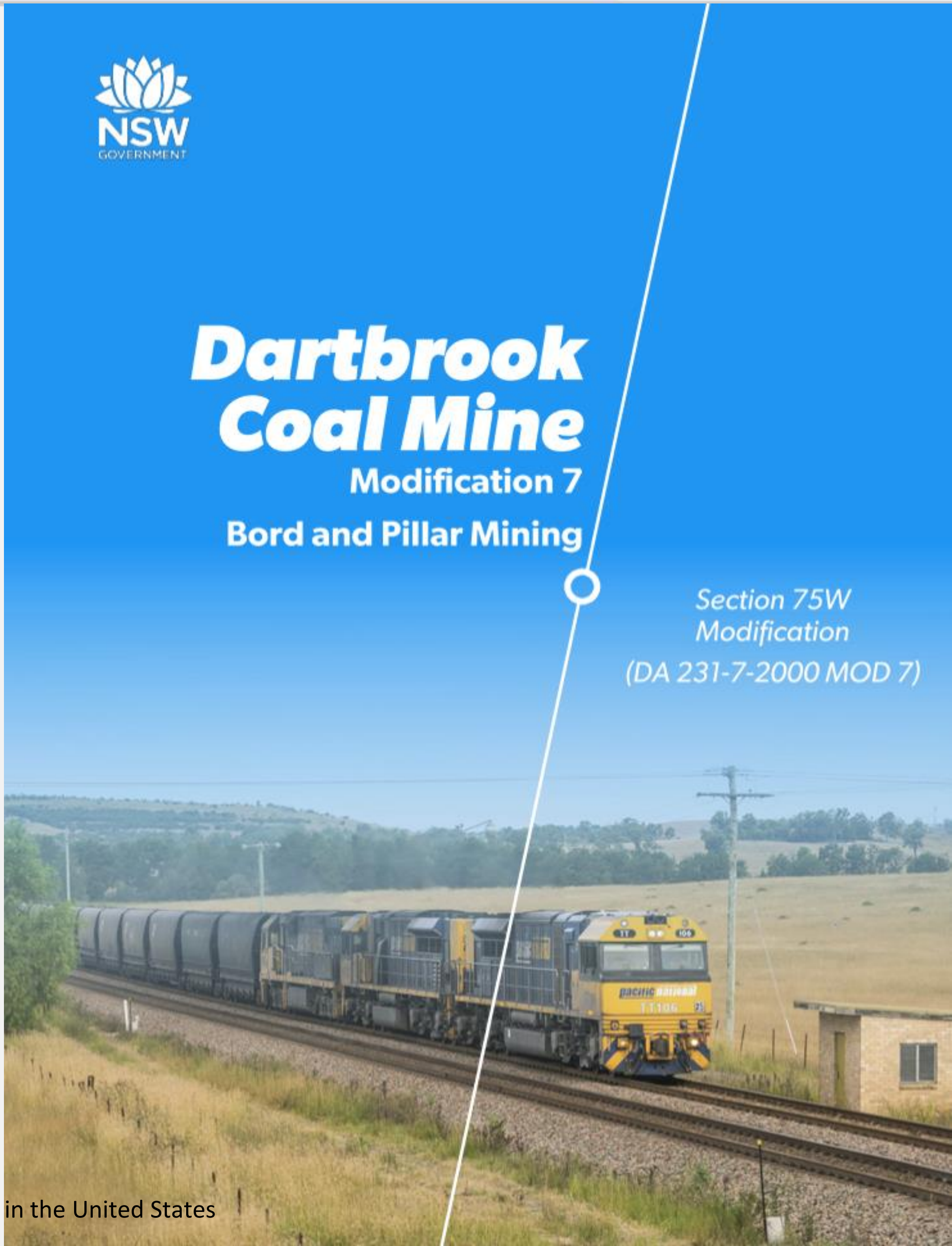
Forecast FOB Cost Breakdown[2]



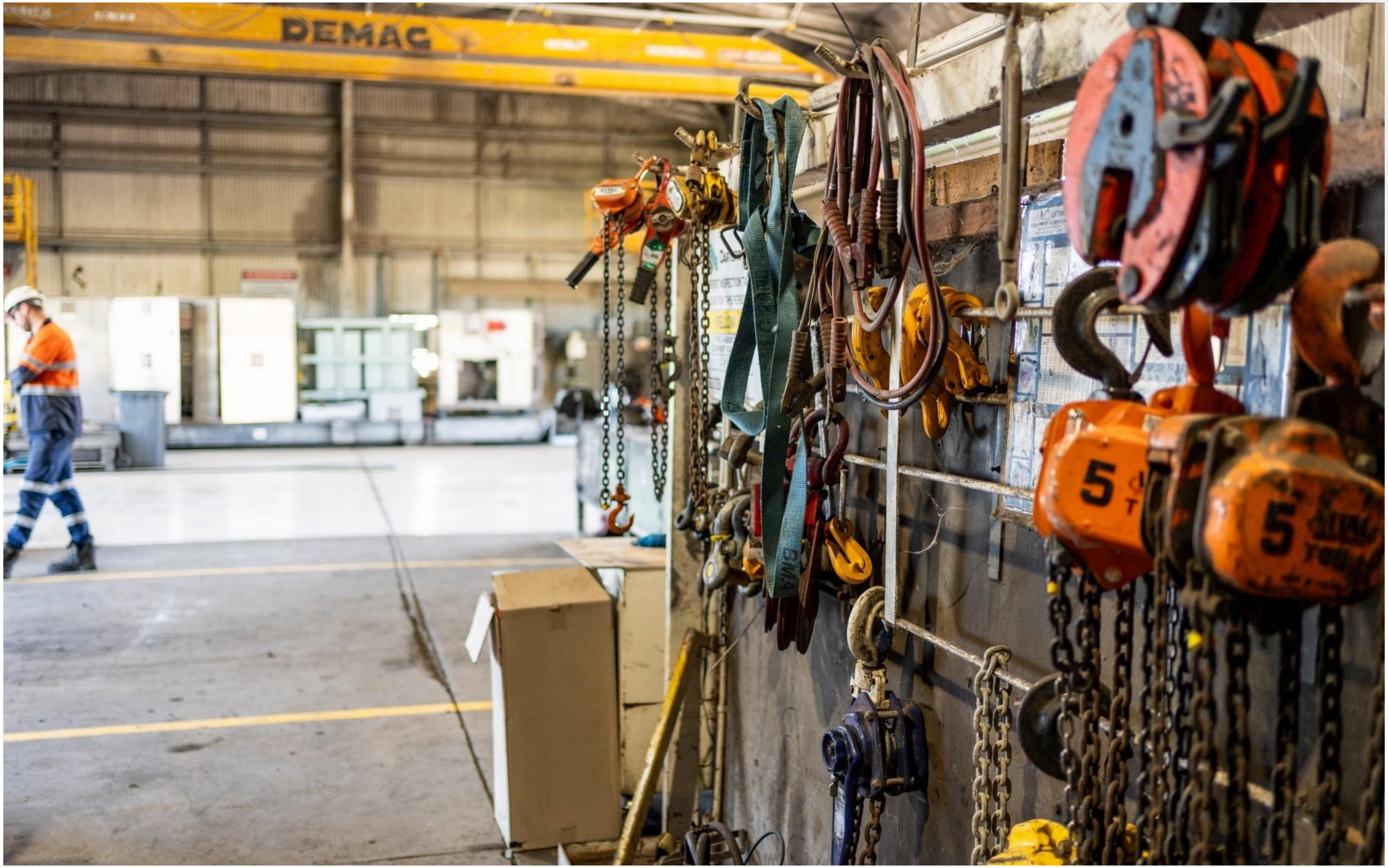
1. Forecast based on current Dartbrook mine plan and JV approved budget and does not represent formal guidance.
2. US$/t of sales. A$/US$ of 0.65 assumed for conversion. Assumes sales volumes per chart above. Includes estimates of all marketing fees / royalties (including NSW underground coal royalty increase to 9.80% effective from 1-Jul-24), logistics (rail/port). Coal price of US$125/t flat assumed for purposes of calculating royalties and lease rental. All figures are in real terms. Forecast based on current Dartbrook mine plan and JV approved budget and does not represent formal guidance.

MOD8 Extension Potential

- MOD8 extension would allow mining to continue beyond Dec 2027 to Dec 2033 with no material capital investment required
- Work on MOD8 submission is underway and targeting lodgement before the end of CY2024
- No changes to current Development Approval requested except for time
- Mandatory public consultation period, but no EIS required
- Anticipate outcome after period of commercial operation



Section 3. The Offer



Equity Raising Overview

Equity Raising size and structure	• Australian Pacific Coal ("**AQC**" or the "**Company**") is announcing an equity raising of A$20m (**"Equity Raising"**) comprising: – Up to approximately A$9.6m placement ("**Placement**") utilising the company's placement capacity under ASX Listing Rule 7.1 – Fully underwritten A$10.4m 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer (**"Entitlement Offer"**) to existing shareholders • New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer. • The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
Offer price	• The Equity Raising will be conducted at a price of $0.12 per new share ("**Offer Price**"), which represents a: – 28.4% discount to the last traded price of $0.1675 on 1 Oct 2024; – 23.2% discount to the Theoretical Ex-Rights Price (**"TERP"**)[1] of $0.156
Use of funds	• A$10m AQC loan to Dartbrook for project working capital during production ramp-up (as part of A$20m subordinated facility which is a condition for upsizing the existing US$60m senior secured facility to US$90m)[2] • A$10m for AQC Corporate Working Capital purposes
Ranking	• New Shares issued under the Equity Raising will rank equally with existing AQC shares on issue on the relevant issue date
Lead Manager and Underwriter	• Canaccord Genuity (Australia) Limited is lead managing the Placement and Entitlement Offer and will underwrite the Entitlement Offer
Major shareholder commitment	• 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 $6 million in the Equity Raising, comprising a subscription of ~$3.4 million under the Entitlement Offer and priority sub-underwriting the first ~$2.6 million of shortfall in the Retail Entitlement Offer

1. 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.
2. Executed Loan Note Subscription Agreements (Senior and Subordinated facilities) to enable Dartbrook to be fully funded through planned production ramp-up. Subordinated Facility (A$20m consisting of A$10m from AQC) is a back-stop which will only be drawn, if required, once the upsized Senior facility is fully drawn. See slides 26, 27

Indicative Equity Raising Timetable

Event	Date
Announcement of the Equity Raising	Wednesday, 2 October 2024
Placement and Institutional Entitlement Offer closes	Thursday, 3 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. The quotation of New Shares is subject to confirmation from ASX.

Sources and Uses of Funds

Australian Pacific Coal

Equity Raising, alongside upsized debt funding package, to fully fund ramp-up of the Dartbrook mine

SOURCES OF FUNDS (A$M)	
Placement[1]	9.6
Entitlement Offer	10.4
Total	**20.0**

USES OF FUNDS (A$M)	
Establishment of Subordinated Facility[2]	10.0
General Working Capital and Offer costs[3]	10.0
Total	**20.0**

- Existing US$60m Senior Debt facility to be upsized to US$90m ("Senior Debt Facility") to:
  - Fully fund capital program including CHPP recommissioning work and 3rd/4th mining units
  - Provide additional working capital for approved Operating Expenses during ramp-up
- The Senior Debt Facility is contingent upon securing a A$20m junior debt facility ("Subordinated Facility") of which AQC will fund 50% (being A$10m) which may only be drawn once the Senior Facility is fully drawn down[4]
- The Dartbrook Project is expected to be fully funded and have access to both debt facilities upon confirmation of AQC providing $10m for the Subordinated Facility and satisfaction of customary CPs through the AQC Equity Raising
- Remaining Proceeds from the Equity Raising to be applied to general working capital requirements of the Company and Offer costs

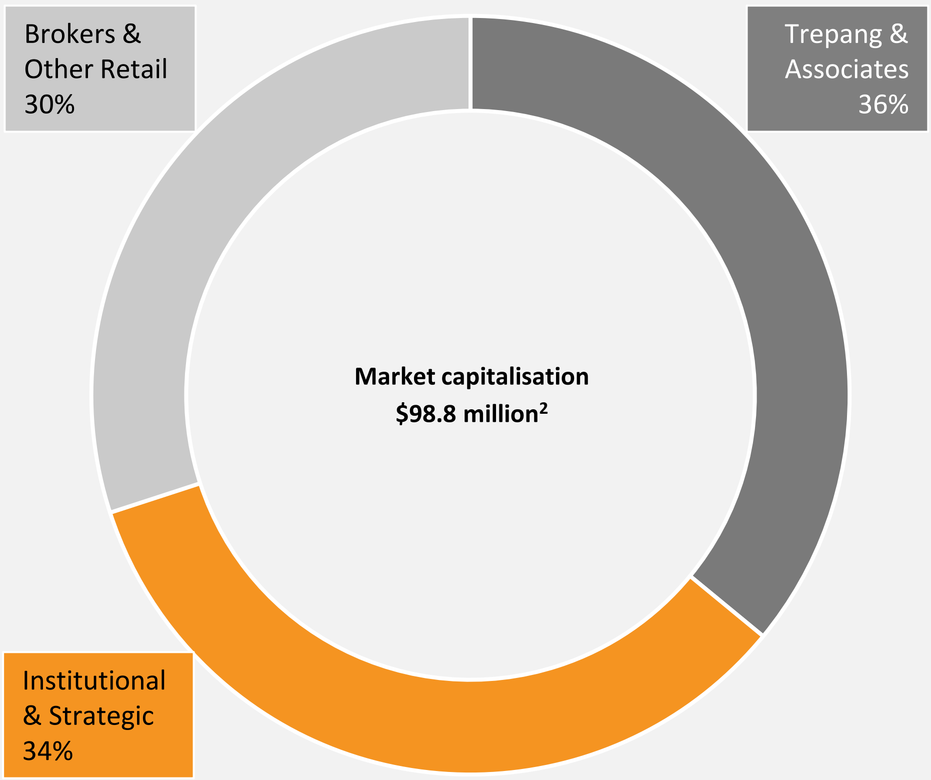
1. The Placement is to raise up to $9.6 million, but is not underwritten
2. $10m from the Equity Raising will satisfy AQC's share of the Subordinated Facility commitment
3. Includes Equity transaction fees expenses
4. For key terms of the Senior Debt Facility and Subordinated Facility, refer to slides 26, 27

Section 4. Corporate

AQC Corporate Overview

Australian Pacific Coal

Shareholder Register[1]



Capital Structure (Pre-Equity Raise)

Share price[2]	$0.1675
Shares on issue[2]	533.8m
Market capitalisation[2]	$89.4m
Cash (30 June 2024)[3]	$17.8m
Debt (30 June 2024)	$75m
Options[4]	13.8m @$0.34

AQC Board

John Robinson
Chairman

Ayten Saridas
Managing Director & CEO

Nick Johansen
Non-Executive Director

Jeff Gerard
Non-Executive Director

Craig McPherson
Company Secretary

1. As at 20 September 2024.
2. As at 1 October 2024.
3. Comprises $1.5m cash held at AQC Group level and $16.3m held at JV level (AQC share).
4. Expiry 5 April 2027.

Expected Upcoming Catalysts

- Targeting commercial production in Q4 CY2024
- Implementation of full funding package including Senior Secured Facility and establishment of Subordinated Facility and satisfaction of CPs
- Port & Rail access agreement
- First coal sales (unwashed / ROM by-pass)
- Assessment of potential to supply Met coal market
- MOD8 submission for 6-year extension
- CHPP wet plant refurbishment and recommissioning

AQC is focused on delivering positive and sustainable outcomes for our stakeholders:

- The safety and wellbeing of our people
- The community and environment
- Our shareholders and partners

Enquiries

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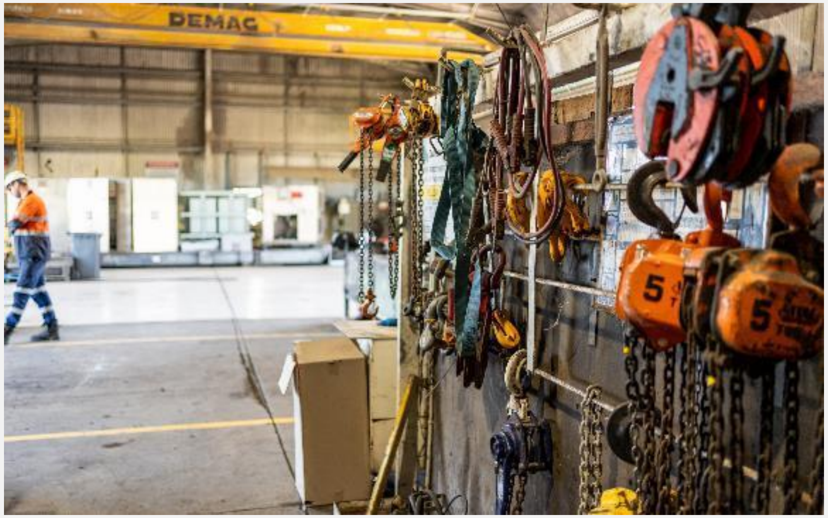
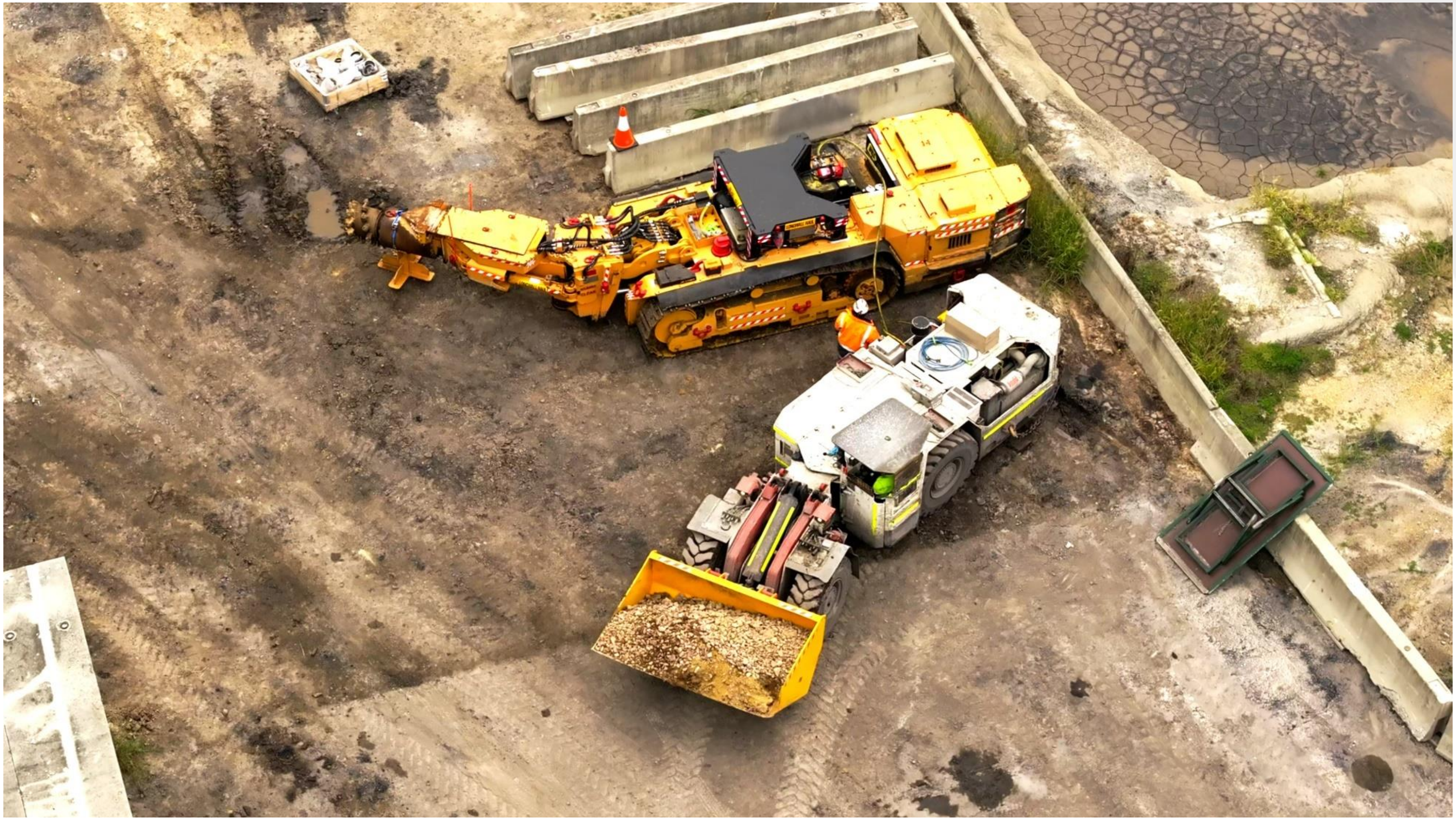


Not for release or distribution in the United States

Section 5. Appendix



Dartbrook Reserves and Resources

Australian Pacific Coal

AQC has had the following technical reports conducted for Dartbrook:

- Coal Reserve Estimate for Dartbrook Project (2018)
- Mining Consultancy Services (2017), Underground Mine Feasibility Study
- Mining Consultancy Services (2017), Dartbrook Kayuga Seam Underground, JORC Reserves Statement, Coal Reserves as at Feb 2017
- JB Mining Services Pty Ltd (2016)

JORC Resource Classification	Mt
Ore Reserves	
Proven	-
Probable	370
Total	370
Mineral Resources	
Measured	588
Indicated	850
Inferred	1,097
Total	2,534[1]

The Dartbrook Mine can produce two high energy, low sulphur content (~0.4%) coal products: (i) "Premium" thermal coal (~12% ash) and (ii) "Standard" thermal Coal (~19% ash). Both "Premium" and "Standard" thermal coal are suitable for High Efficiency, Low Emissions power stations.

Note: (1) Of this amount, 1,803 Mt are designated as open cut Coal Resources (noting that AQC does not have development approval to undertake open cut mining operations) and 731Mt are designated as underground Coal Resources.

Marketable Reserves Note

The Dartbrook Marketable Coal Reserve of 370Mt is derived from a ROM Coal Reserve of 470 Mt estimated in accordance with the JORC Code with a predicted overall yield of 78%. The 370Mt Marketable Coal Reserve is included in the 2,534 Mt Coal Resource (588Mt Measured, 850 Mt Indicated, 1,097Mt Inferred).

Listing Rule 5.23 and 5.19.2 Statements

The information in this Presentation relating to Coal Resources for the Dartbrook Project was announced by AQC on 27 June 2017, titled "Dartbrook Kayuga Seam Underground JORC Reserves Statement". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this Presentation relating to Coal Reserves for the Dartbrook Project was announced by AQC on 28 March 2018, titled "Coal Reserve Estimate for the Dartbrook Project". The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Key Terms – Senior Debt Facility

Australian Pacific Coal

Amount:	Up to US$90 million
Guarantor:	Australian Pacific Coal Limited.
Borrowers:	AQC Dartbrook Pty Ltd (80%), Tetra Dartbrook Pty Ltd (20%)
Facility type:	Loan note issuance facility.
Security:	Senior security over the assets of the Dartbrook Joint Venture.
Final Repayment Date:	31 December 2027.
Interest:	15% per annum
Conditions precedent:	Establishment of the Subordinated Facility and other CP's usual for facilities of this type.
Conditions subsequent:	First Coal test (being an aggregate 10,000 tonnes of coal having been produced, processed and loaded onto rail for transportation to Newcastle by 31 October 2024) and any other Conditions Subsequent that may be agreed regarding matters that are unable to be satisfied before financial close
Representations and warranties:	Usual for facilities of this type, including specific assurance in relation to the Dartbrook Joint Venture and the mine.
Undertakings:	Usual for facilities of this type, including specific undertakings in relation to the Dartbrook Joint Venture and the mine.
Repayment	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
Events of Default:	Usual for facilities of this type, including specific events in relation to the Dartbrook Joint Venture and the mine (including the coal requirement mentioned above), subject to agreed grace and remedy periods.
Observer status	Vitol entitled to observer status on JV committee and AQC board

Key Terms – Subordinated Facility

Australian Pacific Coal

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

International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

China

Neither this document nor any other document relating to the New Shares may be distributed to the public in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). This document has not been approved by, nor registered with, any competent regulatory authority of the PRC. Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC unless permitted under the laws of the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union (excluding Austria)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International Offer Restrictions

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Key Risks

Australian Pacific Coal

This section discusses some of the key risks associated with any investment in AQC, which may affect the value of AQC's securities. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in AQC. Before investing in AQC, you should be aware that an investment in AQC has a number of risks, some of which are specific to AQC and the Dartbrook Project and some of which relate to listed securities generally, and many of which are beyond the control of AQC. The risks detailed below may change after the date of this presentation and other risks relevant to AQC and the New Shares may emerge (or may become, or may be identified as being, more material than was appreciated at the time of this presentation) which may have an adverse impact on AQC and the price of the New Shares.

Operations risks

Restart, funding and production risk

The Company may be unable to access the appropriate management, equipment and capital to fund its business operations. The Dartbrook Project was placed into care and maintenance in 2007 and has not been in operation for over 15 years. This has caused a number of its assets to deteriorate. There is the risk that actual costs may be greater than the cost anticipated in this presentation due to greater than expected inflationary impacts, potential scope changes and wage cost increases.

The Company is in the process of commissioning its operations, which will be subject to the production risk for an ongoing coal mine operation. There can be no assurance that the Company will achieve its production targets or cost estimates. The Company's operations and mining productivity rates may be curtailed, or delayed as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of key supplies and input including diesel, electricity, consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

Debt Funding risk

Both the uplift in the Senior Debt Facility from US$60 million to US$90 million, and the availability of the Subordinated Facility, are subject to a range of conditions precedent and conditions subsequent. Not all of those conditions are within the control of the Borrowers or Guarantor. Some of them depend on the co-operation and participation of third parties, and some require the Lenders (or a majority of them) to be satisfied as to certain matters. While we have no reason to believe that those conditions will not be satisfied in a timely manner, the possibility must be acknowledged that one or more of them may be delayed or even not satisfied, requiring an approach to the Lenders for an extension or waiver (and in the event an extension or waiver was not granted, could result in an event of default). The Borrowers and the Guarantor have implemented processes and procedures to minimise the risk of that occurring.

Mining risks

(i) The orders of the Land and Environment Court of New South Wales' in AQC Dartbrook Management Pty Ltd. v Minister for Planning and Public Spaces (referred to as Modification 7 or MOD 7) impose conditions on mining at Dartbrook, including as to maximum production limits and requirements associated with re-starting, re-establishing and refurbishing the Dartbrook Mine and mining into the future.

(ii) The Dartbrook Project tends towards a medium to high spontaneous combustion risk particularly in the old longwall areas where the risk is much higher. While the current mine plan does not anticipate mining in the old longwall areas, if mining were to recommence in these areas there would be increased risk of re-activation of dormant heating or the commencement of new heating.

(iii) The New South Wales Resources Regulator ('NSWRR') requires full compliance with all legislation prior to recommencement of the Dartbrook Project, including additional communication equipment, real-time environmental monitoring and full compliance with requirements to have current Principal Hazard Management Plans ('PHMPs') updated every 3 years and all supporting subordinate documentation. There is a risk that the Dartbrook Project does not meet the compliance requirements and accordingly, the NSWRR imposes a requirement for the Dartbrook Project to temporarily or permanently cease or imposes additional costs to ensure compliance or fines in the instance of noncompliance.

Joint venture risk

AQC's material asset is its 80% interest (70% economic interest) in the unincorporated joint venture for the Dartbrook underground coal mine. While AQC holds the majority interest in the Dartbrook underground coal mine, the mine manager / operator (who is affiliated with the minority joint venture partner) has significant control over its operations. The joint venture arrangement is subject to the risks associated with the conduct of joint ventures. Such risks include inability to exert sufficient influence over certain strategic decisions made in respect of Dartbrook, disagreement with joint venture partners on how to develop or operate Dartbrook, inability of joint venture partners to meet their obligations to the joint venture or third parties and litigation participants regarding joint venture matters. Areas of disagreement have included disagreements between AQC and the mine manager / operator in relation to practices in relation to engagement of contractors and adequacy of reporting and record keeping.

If any of these risks were to materialise or where a disagreement is unable to be resolved, this could potentially jeopardise the ability of the Dartbrook mine to efficiently and effectively proceed to first commercial coal. Such an impact would have a near term adverse effect on AQC's ability to commence generating revenue and/or maximise the financial benefit it draws from its material asset into the future.

Plant and Equipment risks

Prior to the Dartbrook Project recommencing commercial production and ramp up to targeted levels, there are a number of issues relating to the current infrastructure and plant and equipment that will need to be rectified, remedied, or procured to allow production to commence. Although most of the remediation works have been completed or are in progress, there remains the risk that it will not be completed in time or effectively to enable the ramp up of commercial production to targeted levels

Environmental risks

The Dartbrook Project is subject to laws and regulations regarding environmental matters. As with all mining and exploration projects, the future operations of the Dartbrook Project are expected to have an impact on the environment, and it is possible that regulatory issues could arise in relation to such operations, either under current laws and regulations or under any future laws or regulations. The Company is unable to project the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the costs of doing business or of its operations in the area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Dartbrook Project to incur significant expenses and undertake significant investments which could have a material adverse effect on the performance of the Dartbrook Project.

Key Risks

Force majeure events

Events that are beyond the direct control of the Company may occur that could impact on the economy, the Company's operations, investor sentiment and the price of shares. These events include, without limitation, acts of terrorism, international hostilities, pandemics, fires, floods, earthquakes, labour strikes, natural disasters, damage to or unavailability of infrastructure, bush fires or other natural or man-made events.

Dilution of existing shareholdings in the Company

Shareholders who do not take up their entitlements under the Entitlement Offer in full will have their percentage interest in the Company reduced. In addition, Shareholders who do not participate on at least a pro rata basis in the Placement will also have their percentage interest in the Company reduced. Shareholders will also have their shareholding diluted by the Broker Options (see slide 34), if approved by Shareholders.

The dispute with ZKR Holdings Limited (ZKR) mentioned in the following risk also has the potential to lead to dilution inf options are required to be issued to ZKR.

Dispute with adviser

ZKR an advisory firm previously engaged to assist the Company obtain debt funding, has claimed it is entitled to 6,946,219 unlisted options with an exercise price of $0.1402. In addition, ZKR has claimed that it is entitled to a cash payment of US$1,800,000 and also a royalty of 0.5% of all coal sales. AQC disputes ZKR's entitlement to receive these options (as well as the coal royalty and quantum of the cash amount), having regard to a number of matters. There is a risk that ZKR will ultimately seek to require the Company to issue some or all of the options or provide the cash payment or royalties claimed (or monetary compensation for any of those claims not being satisfied) and may also seek to recover its costs for pursuing its claims in this regard. If ZKR pursues this course, there is a risk it could be successful, and also that, even if it is not, the Company may incur legal and other costs in defending its position and that management time may be diverted.

Shortage of skilled labour

Efficient coal mining using modern techniques and equipment requires skilled labourers, preferably with a reasonable level of experience and proficiency in multiple mining tasks. Any reduced availability or future shortage of skilled labour in Australia could result in AQC having insufficient personnel to operate its business, or commence or expand production, which could adversely affect AQC's financial condition and results of operations.

Resource and Reserve estimates

Mineral Resources and Ore Reserves are estimates only. Mineral Resources which are not Ore Reserves may not have demonstrated economic viability. These estimates are prepared in accordance with the JORC Code 2012 and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Company's mining plans and ultimately its financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. In addition, coal price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render Reserves and Resources uneconomic and so may materially affect the estimates.

Interest rate risk

AQC is exposed to interest rate risk in relation to variable rate bank balances and variable rate borrowings. The interest rates applicable to AQC's borrowings may increase in the future as a result of factors beyond its control and may result in an adverse effect on its financial condition and results of operations.

Foreign exchange risks

Loss sustained from adverse movements in currency exchange rates could impact AQC's financial performance and financial position and the level of additional funding required to support its businesses. For example, the existing (and proposed refinance of) Senior secured facility is denominated in USD, whilst most operating costs are denominated in AUD. The proposed Subordinated Facility and AQC Shareholder Loan are denominated in AUD. Export coal sales contracts will be denominated in USD and any Domestic sales may be denominated in AUD. ~~.~~AQC entered into an FX swap arrangement for the purposes of locking in an FX rate for the drawdowns of the existing US$60mi Senior facility. The Company may consider undertaking foreign exchange hedging against exchange rate fluctuations going forward. AQC's USD exposures will be at risk of any adverse movement in exchange rates, which may affect AQC's operating results, cash flows and financial condition.

Management risk

Dartbrook's prospects depend, in part, on the Company's ability to attract and retain its executive officers, senior management and key consultants or partners and on these personnel being able to operate effectively.

Compliance with health and safety laws and regulations

AQC is subject to extensive laws and regulations governing health and safety at coal mines in Australia. As a result of increased stakeholder focus on health and safety issues (such as black lung disease or coal workers' pneumoconiosis), there is a risk of legislation and regulatory change that may increase AQC's exposure to claims arising out of current or former activities or result in increased compliance costs. Regulatory agencies also have the authority, following significant health and safety incidents, such as fatalities, to order a facility be temporarily or permanently closed. If serious safety incidents were to occur at any of AQC's mining facilities in the future, it is possible that a regulator might impose a range of conditions on re-opening of a facility, including requiring capital expenditures, which could have an adverse effect on AQC's reputation, financial condition and results of operations.

Water shortages

In a situation of a drought and constrained supply of water, AQC's ability to source water for the Dartbrook Project may be reduced. If this occurred, this may impact AQC's ability to maintain production levels without incurring additional costs, which could adversely impact its operations and production.

Royalties

There is currently a Royalty Deed with the previous owners Anglo American (since assigned to Taurus Mining Royalty Fund L.P) and Marubeni Coal Pty Ltd for A$3.00/t (subject to escalation) of grantor's coal sold and an additional A$0.25/t of third-party coal processed or loaded through Dartbrook facilities. The royalty has a cap of A$30,000,000 (subject to escalation. The NSW Government currently imposes a 9.8% royalty on underground coal (effective 1-Jul-24). There is always a risk that the Government will review and potentially change the royalty regime, and any change could adversely impact AQC.

Key Risks

Increasing regulation of coal mining and related financing and other matters

Global concerns about climate change continue to attract considerable attention, particularly in relation to the coal industry. Emissions from coal consumption, both directly and indirectly, and emissions from coal mining itself are subject to pending and proposed regulation as part of initiatives to address global climate change. A number of countries, including Australia, have already introduced, or are contemplating the introduction of, regulatory responses to greenhouse gasses, including from the extraction and combustion of fossil fuels, to address the impacts of climate change. The absence of regulatory certainty, global policy inconsistencies and direct regulatory impacts (such as carbon taxes or other charges) each have the potential to adversely affect AQC's operations – either directly or indirectly, through suppliers and customers. Collectively, these initiatives and developments could result in lower demand for coal used in electricity generation (such as that which AQC will produce), reduced willingness of financiers, insurers and other suppliers to provide their services to AQC, higher electricity and other input costs to AQC 's operations, new regulatory constraints or requirements applicable to AQC's operations and other adverse effects, which could in turn adversely impact AQC's business and its financial condition and results of operations.

Native title

In Australia, mineral exploration and mining tenure (and many other forms of tenure or interests in land) may cover land that is subject to a claim for native title or land where native title has already been determined to exist. Native title is the communal, group or individual rights and interests of Aboriginal or Torres Strait Islander people in relation to their traditional land or waters. The existence of native title in Australia is recognised and protected in accordance with the Native Title Act 1993 (Cth) ('Native Title Act') and legislation in each State and Territory. The common law of Australia recognises a form of native title that, in circumstances where it has not been extinguished, reflects the entitlement of the appropriate traditional owners to their lands, in accordance with their traditional law and custom.

If native title is either determined to exist or there are registered, but undetermined, native title claims over any part of its tenements and native title has not otherwise been extinguished with respect to that part, AQC may be required to negotiate with, and pay compensation to, the native title holders for impairment, loss or diminution or other effect of the proposed activities on their native title rights and interests. Compensation obligations may also arise pursuant to agreements with native title claimants or native title holders in relation to any tenements AQC acquires. The existence of native title or a registered native title claim may preclude or delay the granting of exploration and mining licences pending resolution of the statutory procedures imposed by the Native Title Act and considerable expense may be incurred in negotiating and resolving native title issues.

Changes in and compliance with government policy, regulation or legislation

The coal mining industry is subject to regulation by federal, state and local authorities in each relevant jurisdiction with respect to a range of industry specific and general matters. Any future legislation and regulatory change imposing more constraints or more stringent requirements may affect the coal mining industry and may adversely affect AQC's financial condition and results of operations. Examples of such changes are future laws or regulations that may limit the emission of greenhouse gases or the use of thermal coal in power generation, more stringent workplace health and safety laws, more rigorous environmental laws, and changes to existing taxation and royalty legislation.

Volatility of coal prices

AQC anticipates generating its primary revenue from the sale of coal. Accordingly, its financial results will be materially impacted by the prices it receives for that coal. As a result, and depending on the terms of any arrangements it enters into with buyers, a significant portion of AQC's revenue may be exposed to movements in coal prices and any weakening in coal prices is likely to have an adverse impact on its financial condition and results of operations. Future prices for coal depend upon many factors beyond AQC's control, including the current market price of coal, overall domestic and global economic conditions, the consumption patterns of industrial consumers, electricity generators and residential users, weather conditions in AQC's markets that affect the ability to produce coal or affect the demand for coal, competition from other coal suppliers, technological advances affecting energy consumption and/or the steel production process, the costs, availability and capacity of transportation infrastructure and the impact of domestic and foreign governmental policy, laws and regulations, including the imposition of tariffs, environmental and climate change regulations and other regulations affecting the coal mining industry.

Litigation risk

The Company may be subject to claims or litigation being brought against it, including with respect to corporate and capital raising activities or from service providers, including for fees alleged to be owing. There is a risk that such disputes may result in adverse consequences, including requirements for to pay the claimants and/or pay legal expenses incurred in defending such claims.

Key Risks

Australian Pacific Coal

General Risks

Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks, particularly given the prospective nature of the Company, the lack of current revenues and the need to lock in certain contractual arrangements including additional funding. The New Shares to be issued pursuant to the Equity Raising carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares.

Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any of the above factors may have a material adverse impact on the Company's business and financial performance and in particular, they may prevent the Company from obtaining the necessary funding to progress the restart of the Dartbrook Project.

Insurance arrangements

The Company and Dartbrook Project maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, no assurance can be given that such coverage will be adequate and available to cover any claims that may be made against the Company or its directors or any losses the Company may suffer. Further, there is a risk that the Company will not be able to obtain adequate coverage in the future, either at reasonable rates or at all.

Operational risks and costs

The Company is exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however certain residual risk will remain with the Company.

Future capital needs

There is a risk that despite efforts from the Company and its management, re-commissioning efforts will fail, cost more than anticipated or that attempts to raise required funding will fail, all of which would adversely affect the Company's growth and profitability. There can be no assurance that additional funding will be available on satisfactory terms or at all. If insufficient capital is raised by the Equity Raising, there is a risk that AQC will no longer be able to continue to lend the Dartbrook JV and accordingly, the Dartbrook mine will need to return to care and maintenance until alternative sources of funding are raised.

Underwriting Risks

The Company has entered into an Underwriting Agreement under which the Lead Manager has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Lead Manager may terminate the Underwriting Agreement (for further information, see the Summary of the Underwriting Agreement). The ability of the Lead Manager to terminate the Underwriting Agreement in respect of certain events will depend on whether, in the reasonable opinion of the Lead Manager, the event has, or is likely to have, a material adverse effect on the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or Company group, success or outcome of the Entitlement Offer, the ability of the Lead Manager to market, promote or effect settlement of, the Entitlement Offer, the market price of Shares on ASX, a decision of any investor to invest in Shares, or could reasonably be expected to give rise to a liability for that Lead Manager under the Corporations Act or any other applicable law.

Regulatory risk and government policy

Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. In particular, as noted on slide 5, the NSW royalty regime (where the Dartbrook Project is located) is more favourable than that applying in Queensland. There is a risk that the regime is amended to raise royalties further, which would cause a significant increase in operating costs and reduce profitability.

Cost and production assumptions

The Company uses a range of factors and estimates to determine its expected costs and expected production and sales, many of which are outside its control. In particular, actual operating and other costs may exceed expected costs (including as a result of wage rises, rises in the price of materials and general inflationary pressures, inability to source materials or services, including port and rail services, at the costs anticipated and other factors) and actual production and sales may be less than expected production and sales (including because of mining and operational issues, coal market conditions and other factors), and the differences could be material.

Share market conditions

The price of the Company's shares will be influenced by international and domestic factors which may cause the market price of the shares to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Substantial shareholder risk

Trepang Services Pty Ltd and an associated shareholder ('Trepang') have significant influence over AQC, which could limit the ability of other shareholders to influence the outcome of shareholder votes. As at the date of this presentation, Trepang and Associates hold a combined 36% of AQC's ordinary shares. There is a risk that the interests of Trepang could conflict with or differ from AQC's interests or the interests of other shareholders, or that the size of the Trepang shareholding could deter proposals for control transactions.

Competition risk

The coal industry is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Summary of the Underwriting Agreement

Australian Pacific Coal

The Company has entered into a lead manager mandate (**Mandate**) and an underwriting agreement (**Underwriting Agreement**) with Canaccord (**Underwriter**) pursuant to which the Underwriter agreed to lead manager the Offer and underwrite the Entitlement Offer. The material terms and conditions of the Underwriting Agreement are summarised below.

Fees

Under the terms of the Mandate and Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 2% of the gross proceeds under the Offer and an underwriting fee of 4% of the gross proceeds under the Offer. The Company has agreed to issue, subject to shareholder approval, the Underwriter 10,713,909 options each with an exercise price of $0.34 each and expiring on the third anniversary of their issue.

Termination Events

Canaccord may immediately terminate the Underwriting Agreement by notice if one of the following termination events occurs or has occurred prior to issue of the Shares under the Offer:

(a) the Underwriter forms the view (acting reasonably) that a statement contained in the Retail Offer Booklet is or becomes misleading or deceptive or likely to mislead or deceive (including by omission) in either case, in any material respect, or a matter required by the Corporations Act is omitted from the Retail Offer Booklet or the issue of the Retail Offer Booklet, ASX announcement, investor presentation or cleansing notices becomes misleading or deceptive or likely to mislead or deceive in a material respect;

(b) an additional cleansing notice is required to be given by the Company to ASX, or the Company gives ASX an additional cleansing notice or a cleansing notice is or becomes defective;

(c) a new circumstance arises which would have been required by the Corporation Act to be included in the Offer Documents had the new circumstance arisen before the Offer Documents were given to ASX;

(d) the S&P/ASX 200 Index, the Global Coal NEWC Index or the Small Resources Index fall be a specified percentage over a specified time;

(g) there is any change to the Board or KMP of the Company, or a prospective change is announced with regards to the Board or KMP (without the prior written consent of the Underwriter);

(h) the Company ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Offer, ASX makes any official statement to any person, or indicates to the Company or the Underwriter that official quotation on ASX of the Shares will not be granted or approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer), to the official quotation of the Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;

(i) the facility under the Junior Facility Agreement is cancelled as a consequence of an Event of Default (as defined in that agreement), or that agreement is materially altered or materially amended without the prior written consent of the Underwriter or found to be void or voidable or a condition precedent the subject of the Junior Facility Agreement is incapable of being satisfied and the Lenders refuse in writing to waive it;

(j) the facility under the Senior Prepayment Facility Agreement is cancelled as a consequence of an Event of Default (as defined in that agreement), or that agreement is materially altered or materially amended without the prior written consent of the Underwriter or found to be void or voidable or a condition precedent the subject of the Senior Prepayment Facility Agreement is incapable of being satisfied and the Lenders refuse in writing to waive it;

(k) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to an Offer Document or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company in relation to an Offer Document or an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act or other applicable laws;

(l) an event specified in the Timetable prior to the Institutional Settlement Date is delayed by one Business Day or more without the prior written consent of the Underwriter or any other event specified in the Timetable is delayed by more than two Business Days without the prior written consent of the Underwriter;

(m) the Company withdraws the Offer or any part of it;

(n) the Company is prevented from issuing Offer Shares within the time required by the Timetable or by or in accordance with ASX Listing Rules applicable laws, a Government Agency or an order of a court of competent jurisdiction;

(o) a director of the Company is charged with an indictable offence, any government agency commences any public proceedings against the Company or any of the directors in their capacity as a director of the Company, or announces that it intends to take such action, any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Offer, which in the Underwriter's opinion has reasonable prospects of success or are likely to have a material or adverse effect on the Company or the Offer;

(p) a director or officer of the Company or KMP engages in any fraudulent conduct, whether or not in connection with the Offer;

(q) the Company or a Group Member is or becomes Insolvent or there is an act or omission which is likely to result in the Company or a Group Member becoming insolvent;

(r) a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or the Group without the consent of the Underwriter;

(s) a Group Member breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Group;

(t) a certificate is not given by the Company in accordance with the Underwriting Agreement;

(u) the Takeovers Panel makes, or an application is made to the Takeovers Panel seeking, a declaration that circumstances in relation to the affairs of the Company that are unacceptable circumstances under Pt 6.10 of the Corporations Act, except in circumstances where the application has not become public and it has been withdrawn by the date that is the earlier of 5 Business Days immediately preceding the Retail Settlement Date; or the date that is 2 Business Days after the application is received.

(v) there is an application to a court or governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the application has not become public and it has been withdrawn by the time required; or

(w) A takeover offer has been made and has become unconditional and the person making the takeover bid has a relevant interest in 50% or more of the Shares or scheme of arrangement pursuant to Part 5.1 of the Corporations Act is publicly announced in relation to the Company or any its subsidiaries.

Summary of Underwriting Agreement

In addition, Canaccord may terminate the Underwriting Agreement by notice if one of the following termination events occurs or has occurred prior to issue of the Shares under the Offer and the event has, or is likely to have, a material adverse effect on: (A) the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or the Group; or (B) the success or outcome of the Offer; or (C) the ability of the Underwriter to market, promote or effect settlement of, the Offer (irrespective of whether or not the Offer has opened); or (D) the market price of Shares on ASX or otherwise has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation (including the Corporations Act):

(a) a statement in any of the information published by the Company in relation to the Company, the Group or the Offers (**Public Information**) is or becomes misleading or deceptive or likely to mislead or deceive in any material respect;

(b) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document or Public Information is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

(c) the Company receives correspondence from ASX or ASIC;

(d) any of the documents required to be provided under the due diligence process outline having been withdrawn, or varied without the prior written consent of the Underwriter, or any such documents being false, misleading or deceptive (or likely to be false, misleading or deceptive) or containing an omission;

(e) litigation, arbitration, administrative or industrial proceedings of any nature are after the date of this agreement commenced against any Group Member or against any director of the Company in their capacity as such, other than any claims foreshadowed in the Retail Offer Booklet (or any vexatious or frivolous claims);

(f) a contravention by a Group Member of any provision of its constitution, the Corporations Act, the Listing Rules or any other material applicable legislation or any policy or requirement of ASIC or ASX;

(g) the due diligence report or the information provided by or on behalf of the Company to the Underwriter in relation to the Offer Documents or the Offers, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(h) an obligation, undertaking, representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;

(i) any regulatory body commences any enquiry or public action against a Group Member or any person is appointed under any legislation in respect of the Company to investigate the affairs of a Group Member;

(j) the Company or a Group Member varies any term of the Constitution, alters the issued capital or capital structure of the Company other than in connection with the Offer, or as contemplated by the Offer Documents or disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material Subsidiary), without the prior written consent of the Underwriter;

(k) the Company or an entity in the Group, any Offer Document or any aspect of the Offers, does not or fails to comply with the Constitution, the Corporations Act, the ASX Listing Rules, any ASX waivers, any ASIC modifications or any other applicable law or regulation;

(l) a default by the Company in the performance of any of its obligations under this agreement occurs;

(m) there is an event or occurrence after the date of this agreement, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal or commercially impractical for the Underwriter to satisfy any obligation under this agreement, or to market, promote or settle the Offer, or delays the Underwriter from doing any of the foregoing;

(n) the due diligence committee sign-off, management sign-offs or the information provided by or on behalf of the Company to the Underwriter in relation to the due diligence investigations, the Offer Documents or the Offers, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(o) the ZKR claim referred to on slide 31 is resolved or settled, resulting in the Company being required to pay any amounts, grant a royalty and / or issue securities to ZKR;

(p) any contract, deed or other agreement to which the Company is a party and which is material to the making of an informed investment decision in relation to the Offers is terminated, rescinded, altered or amended without the prior written consent of the Underwriter or is found to be void or voidable;

(q) either a general moratorium on commercial banking activities in certain countries is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries or trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;

(r) any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offers or materially reduce the likely level of Valid Applications or materially affects the financial position of the Company or has a material adverse effect on the success of the Offer:

> (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
>
> (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or
>
> (iii) the adoption by ASX or their respective delegates of any regulations or policy;

(s) major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving certain countries or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;

(t) the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in certain countries or any change or development involving a prospective adverse change in any of those conditions or markets; or

(u) a 'prescribed occurrence' per s652C of the Corporations Act in respect of the Company occurs during the Offer Period, subject to certain exceptions.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).