

ASX RELEASE
7 September 2022

UPDATE ON \$100 MILLION UNDERWRITTEN RENOUNCEABLE ENTITLEMENT OFFER

Australian Pacific Coal Limited ('**AQC**' or '**Company**') (ASX: AQC) refers to its previous announcements regarding its fully underwritten 5.83 for 1 renounceable entitlement offer (**Entitlement Offer**) and is pleased to provide the following updates with respect to the Entitlement Offer.

Status of conditions precedent to the Underwriting Agreement

As at the date of this announcement the following conditions precedent to the underwriting of the Entitlement Offer remain to be satisfied (or waived by the Underwriter):

- ***Entitlement Offer due diligence documents*** – while this condition is partially satisfied, it is expected that this condition will be completely satisfied at the time that the Offer booklet is released to the market.
- ***Legal opinion on extinguishment of Trepang debt*** – the Company has received verbal advice that the Trepang debt can be fully extinguished from the proceeds of the underwritten Entitlement Offer. This verbal advice is in the process of being reduced to writing for provision to the underwriter.
- ***Provision of an undertaking by financiers on release of encumbrances*** – the Company is in discussions with existing financiers (including Trepang) with respect to the provision of this undertaking and as at this date, the Company has no reason to believe that such an undertaking will not be forthcoming.
- ***Confirmation of Trepang Debt balance as at 31 August 2022*** – the Company expects this condition to be satisfied later today.
- ***AQC entering into a joint venture and management services agreement with M Resources Pty Ltd*** – AQC and M Resources are working towards a binding arrangement and expect to complete this process shortly.
- ***ASX notifying the Company that it does not intend to quote the Entitlement Offer shares*** – this condition will not be able to be satisfied until the settlement date for the Entitlement Offer.
- ***AQC providing an Entitlement Offer shortfall notice*** – this condition cannot be satisfied until the close of the Entitlement Offer.
- ***AQC providing an Entitlement Offer certificate*** – this condition cannot be satisfied until the close of the Entitlement Offer.

All other conditions to the underwriting have been satisfied.

The Company will provide ongoing updates to the market with respect to the progress of the conditions precedent that remain to be satisfied.

Consequences if Underwriting Agreement is terminated

If the Underwriting Agreement was to be terminated (as a consequence of a failure to satisfy a condition precedent or for any other reason), the sub-underwriting arrangements will also automatically terminate and the Entitlement Offer will cease to be underwritten in any manner.

In addition, the arrangements with M Resources will not proceed, and the Company will lose the ability to re-commission Dartbrook through the assistance of M Resources.

The Company has given further consideration to what it should do if the Underwriting Agreement is terminated (although it is noted that at this time there is nothing to suggest that any of the conditions precedent of the underwriting cannot be satisfied, and that the underwriting will not remain in place throughout the Entitlement Offer period).

If the Underwriting Agreement was terminated (for any reason), the Company will need to assess the level of participation in the Entitlement Offer by shareholders at that time, and whether it is worth the Company continuing with the Entitlement Offer (based on the level of support and the ongoing funding needs of the Company). If the Company does not consider that it is worth continuing with the Entitlement Offer based on the subscriptions received then, in accordance with the Company's overall discretion regarding the Entitlement Offer, it is likely that the Entitlement Offer will be withdrawn.

If the Entitlement Offer were to be withdrawn, absent any separate agreement with the Tre pang and its associates regarding a standstill or forbearance of the Tre pang debt or alternative funding arrangement, it is highly likely that the Company would be insolvent, and the Company would be forced into appointing a voluntary administrator (or Tre pang and its associates may themselves appoint a receiver).

Revised key dates for the Entitlement Offer

The Company updated its timetable with respect to the Entitlement Offer in its market announcement on 6 September. The revised key dates for the Entitlement Offer are provided in the indicative timetable below:

Event	Date* (2022)
Announcement of Entitlement Offer, Appendix 3B and 708AA notice	Friday, 2 September
Ex-date for Entitlement Offer and rights trading starts on ASX on a deferred settlement basis	Thursday, 8 September
Record Date	7.00pm on Friday, 9 September
Entitlement Offer opens Dispatch of Offer Booklet and Entitlement and Acceptance Form	Tuesday, 13 September
Entitlement trading on ASX ends	Thursday, 15 September
New Shares under Entitlement Offer commence trading on ASX on deferred settlement basis	Friday, 16 September
Entitlement Offer closes (Closing Date)	5.00pm on Thursday, 22 September
Announcement of shortfall (if any) under the Entitlement Offer	Friday, 23 September
Issue and allotment of shares under the Entitlement Offer; issue Appendix 2A	Thursday, 29 September
Dispatch of holding statements	Friday, 30 September
Commencement of trading of new shares	Friday, 30 September

Note: All dates and times above are indicative and the Company reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Brisbane time. The commencement of quotation of new shares under the Entitlement Offer is subject to confirmation from ASX.

Trading of entitlements

Entitlements are renounceable and will be tradeable on ASX or transferable off-market. This provides eligible shareholders the opportunity to sell some or all of their entitlements in order to realise value for those entitlements.

Trading of entitlements on ASX will commence on 8 September 2022 (on a deferred settlement basis) and conclude on close of trading on 15 September 2022 (**Entitlement Trading Period**).

Given the underwriting remains subject to certain conditions that, if not satisfied, may result in the underwriting agreement being terminated, and the Entitlement Offer withdrawn, any person who wishes to trade their rights is recommended to exercise caution and seek professional advice, if necessary. If the Entitlement Offer is ultimately withdrawn, any rights acquired through trading may ultimately have no value.

Offer Booklet

In accordance with the timetable, on 13 September 2022 the Company expects to release to ASX, and to despatch to eligible shareholders (by email to those eligible shareholders who have provided the Company's share registry with email details) and by post to other eligible shareholders, details of how they can access a copy of the Offer Booklet for the Entitlement Offer and how they can apply for shares under the Entitlement Offer.

Cleansing Notice

This announcement also constitutes a notice for the purposes of section 708AA(12) of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

The Company expects to make further updates with respect to the Entitlement Offer when necessary.

This announcement has been authorised for release to ASX by the Board of Directors of Australian Pacific Coal Limited.

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