



ASX RELEASE (ASX: AQC)

# Australian Pacific Coal

## Quarterly Activities Report for the period ended 31 December 2019

### **Highlights**

- *Appeal lodged against the determination by NSW Independent Planning Commission with respect to AQC's MOD7 submission*

### **Dartbrook Mine**

#### **Modification 7 Appeal**

As previously disclosed, the Board of Australian Pacific Coal Limited (ASX: AQC) resolved to lodge an appeal against the determination made on 9 August, 2019, by the NSW Independent Planning Commission (IPC), acting as the delegate for the Minister of Planning, Infrastructure and Environment (MPIE), with respect to AQC's Modification 7 Submission.

The appeal seeks to have the decision amended, within the current NSW guidelines for coal mining projects, to permit restart of the mining operations and to provide a reasonable time frame for the mining to facilitate the necessary capital costs which will be incurred.

The Board continues to consider whether, in addition to appealing against the Mod 7 determination, a further modification application (Mod 8) will be lodged to seek further flexibility in relation to the manner in which the Dartbrook Underground Coal Mine can be restarted and operated.

In parallel with the Mod 7 appeal AQC continues to investigate options for a mining restart and is currently assessing contractor proposals to do this.

#### **Corporate and Funding**

During the quarter the Board accepted the resignation of Mr John Robinson, the Company's Executive Chairman and Chief Executive Officer and also announced the appointment of Ms Ainslie Maclean as a Non-Executive Director. Non-Executive Directors Mr Bruce Munro and Mr Shane Stone were appointed as acting Chief Executive Officer and Chairman respectively.

At quarter end the Company held \$0.9 million in cash reserves.

During the quarter, further funding was provided by Trepang Services Pty Ltd (**Trepang**) in the form of an unsecured loan accruing capitalised interest at 10% per annum. At quarter end a total of \$5.4 million had been provided by Trepang as an unsecured loan for general working capital.

The Board is continuing to actively assess its options as to the next steps for the Dartbrook Mine and continue to have the ongoing support of its cornerstone investor Trepang.

This announcement has been authorised for release by the Board.

#### **All enquiries:**

Company Secretary

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The Company provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

Name	Number	Status	Interest Held
<b>Dartbrook Project, Hunter Valley NSW</b>			
AUTH 256	AUTH 256	Renewal Pending *	100%
EL 4574	EL 4574	Renewal Pending *	100%
EL 4575	EL 4575	Renewal Pending *	100%
EL 5525	EL 5525	Renewal Pending *	100%
CL 386	CL 386	Granted	100%
ML 1381	ML 1381	Renewal Pending *	100%
ML 1456	ML 1456	Renewal Pending *	100%
ML 1497	ML 1497	Granted	100%
<b>Coorarah Project, Blackwater QLD</b>			
Dingo	EPC 1859	Granted	100%
<b>Mount Hillalong Project, Glenden QLD</b>			
Mount Hess	EPC 1645	Granted	100%
Kemmis Creek	EPC 1773	Granted	100%
Mount Hess West	EPC 1867	Granted	100%
<b>Matuan Downs Bentonite Project, Alpha</b>			
Mantuan	ML 70360	Granted	100%

\* The Company has lodged renewal applications for certain Dartbrook Project Authorities, EL's and ML's as noted above.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

The Company's 100% owned subsidiary Mining Investments One Pty Ltd holds a 10% interest in each of the following Blackwood Resources Pty Ltd JV tenements.

Name	Number	Status	Interest Held
<b>Blackwood Joint Venture, Miles QLD</b>			
Bungaban Creek	EPC 1955	Granted	10%
Quondong	EPC 1987	Granted	10%

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Australian Pacific Coal Limited

### ABN

49 089 206 986

### Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	157	250
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(103)	(229)
(c) production	-	-
(d) staff costs	(153)	(268)
(e) administration and corporate costs	(486)	(856)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (mine care and maintenance)	(862)	(2,264)
1.8 Other (business development)	-	-
1.8 Other (GST refunds received)	113	133
1.8 Other (transaction and financing costs)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,331)</b>	<b>(3,231)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	1,588
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Dartbrook completion adjustment)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>1,588</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from loan drawdown	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,300	1,900
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Holding Cost Payments)*	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,300</b>	<b>1,900</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	960	672
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,331)	(3,231)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	1,588
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,300	1,900

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>929</b>	<b>929</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Prior quarter \$A'000</b>
5.1	Bank balances	816	675
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (short term deposits)	-	-
5.4	Other (funds held in escrow)	113	285
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>929</b>	<b>960</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A</b>
120,100
-

Director fees paid in the quarter.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A</b>
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A</b>	<b>Amount drawn at quarter end \$A</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	25,000	2,232
8.3 Other (please specify)	55,100,000	55,100,000
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 Not applicable.
8.2 NAB Business Visa. Interest 15.50%. Unsecured
8.3 Mr N Paspaley Convertible Loan Deed. Interest 10.0%. Secured. \$10,000,000 fully drawn
8.3 Mr J Robinson Convertible Loan Deed. Interest 10.0%. Secured. \$10,000,000 fully drawn
8.3 Trepang Services Pty Ltd Secured Loan Deed. Interest 10.0%. Secured. \$7,000,000 fully drawn
8.3 Trepang Services Pty Ltd Convertible Loan Deed. Interest 10.0%. Secured. \$15,000,000 fully drawn
8.3 Trepang Services Pty Ltd Unsecured Loan. Interest 10.0%. \$5,400,000
8.3 Anglo American Metallurgical Coal Assets Pty Ltd Secured Loan. Interest 10.0%. \$7,700,000 fully drawn

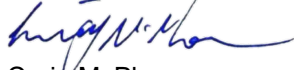
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	150,000
9.5 Administration and corporate costs	300,000
9.6 Other (Mine care and maintenance)	1,000,000
<b>9.7 Total estimated cash outflows</b>	<b>1,450,000</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/a			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/a			

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

By Order of the Board



Craig McPherson  
Company Secretary  
31 January 2020

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.