

ASX ANNOUNCEMENT
4 OCTOBER 2024

Completion of Placement and Institutional Component of Entitlement Offer

- Successful completion of the Institutional Placement and Institutional Component of the Accelerated Non-Renounceable Entitlement Offer raising an aggregate of ~A\$16.5 million
- Equity Raising strongly supported by existing shareholders including the Company's largest shareholder Trepang Services Pty Ltd (holding 35.96% together with its related parties) who has committed to subscribe for up to A\$6.0 million in the Equity Raising
- Retail component of Entitlement Offer to raise approximately A\$3.5 million anticipated to open on Wednesday 9 October 2024

Further to the announcement released by Australian Pacific Coal Limited (ASX: AQC) ("AQC" or the "Company") on 2 October 2024, the Company is pleased to provide an update on the A\$20.0 million equity raising ("Equity Raising") as part of a broader enhanced funding package for the Dartbrook JV.

The Company has now successfully closed:

- The placement to institutional investors to raise A\$9.6 million ("Placement")
- The institutional component of the fully underwritten Entitlement Offer to raise A\$6.9 million ("Institutional Entitlement Offer")

The breakdown of funds raised (subject to settlement occurring) under these components of the Equity Raising, and the number of new fully paid ordinary share ("New Shares") at A\$0.12 per New Share ("Offer Price") to be issued is set out below:

| Equity Raising Institutional Components | New Shares to be Issued | Funds Raised |
|---|-------------------------|-----------------|
| Placement | 80,010,673 | A\$9.6 million |
| Institutional Entitlement Offer | 57,243,664 ¹ | A\$6.9 million |
| Total | 137,254,337 | A\$16.5 million |

AQC's shares will recommence trading from market open this morning. The settlement of the New Shares under the Placement and Institutional Entitlement Offer is expected to occur on 10 October 2024 with the New Shares expected to commence trading on 11 October 2024.

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

"With the Placement and Institutional Entitlement Offer completed, the Dartbrook Mine is now fully funded. The upsized US\$90 million Senior Debt Facility, together with the backstop A\$20 million Subordinated Facility, is expected to provide Dartbrook with sufficient funding to meet its capex, working capital and contingency requirements through the ramp-up phase, into commercial production and beyond.

¹ In relation to the Institutional Entitlement Offer, 45,761,213 New Shares were taken up by existing institutional shareholders pursuant to their entitlement, with the balance sold in the shortfall bookbuild.

“Over the past 18 months, we have systematically derisked this project and delivered on our promises of fully remediating the underground operations and successfully producing coal to the surface. With the completion of this capital raising, including the upsizing of the Senior Debt Facility, we have delivered another critical milestone which is to secure the full funding package. Dartbrook now has a solid foundation and a clear pathway towards commercial production, sales, cashflow and growth.

“This Equity Raising received strong support from existing institutional and sophisticated shareholders and has given us the opportunity to introduce a number of new institutions to the register, which is significant vote of confidence in the Dartbrook project.

“As we have consistently stated, Dartbrook presents a rare opportunity to introduce new supply of premium quality coal into the Asian export market when limited new projects are being sanctioned. We are proud to have brought a world class mine back into production after 18 years of care and maintenance. The capital expenditure of approximately \$100 million is significantly less than the replacement value of the strategic infrastructure that already exists at Dartbrook. We are fully permitted and ready to go.

“We are focused now on working with the Operator to ensure Dartbrook returns to commercial production before the end of 2024. We are grateful for the support of our shareholders, our crew and our lenders who have continued to support the vision of bringing Dartbrook back to life after 18 years.”

AQC Equity Raising

The Placement and Institutional Entitlement Offer are part of the broader A\$20.0 million Equity Raising comprising:

- An institutional placement to raise approximately A\$9.6 million; and
- A fully underwritten 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$10.4 million.

The Company’s largest shareholder Trepang Services Pty Ltd (holding 35.96% together with its related parties) has committed to subscribe for up to A\$6 million in the Equity Raising, comprising a subscription to its entitlement (~A\$3.4 million) under the Institutional Entitlement Offer and will priority sub-underwrite the first ~A\$2.6 million of shortfall in the Retail Entitlement Offer.

Proceeds from the Equity Raising will be used:

- to satisfy AQC’s 50% share of the A\$20 million Subordinated Facility (being A\$10 million);
- to meet general working capital requirements of the Company²; and
- to cover the fees associated with the Equity Raising.

Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) is expected to open on Wednesday 9 October 2024 and will raise approximately A\$3.5 million (before costs) in additional funds.

Eligible retail shareholders, being shareholders as at 7:00pm (AEST) on Friday 4 October 2024³ who are not Eligible Institutional Shareholders, (**Eligible Retail Shareholders**) will have the opportunity to take up their entitlement to New Shares at the Offer Price, on the terms and conditions outlined in the Offer Booklet to be sent to Eligible Retail Shareholders on Wednesday 9 October 2024. The Retail Entitlement Offer is expected to close at 5:00pm (AEST) on Thursday 24 October 2024.

Advisers

Canaccord Genuity (Australia) Limited is acting as lead manager, underwriter and bookrunner to the Equity Raising. Herbert Smith Freehills is acting as legal adviser to AQC in connection with the Equity Raising. Norton Rose Fulbright is acting as legal adviser to AQC in connection with the Debt Facilities. Jabiru Capital is acting as financial adviser to the Company.

² AQC’s working capital requirements as distinct from the working capital requirements of the Dartbrook JV.

³ Who have registered addresses in Australia or New Zealand and who are otherwise eligible.

Indicative Equity Raising Timetable

| Event | Date |
|---|----------------------------------|
| 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. Any changes in the timetable do not affect the rights or obligations an investor or shareholder has as a result of accepting an allocation in the Placement or the Entitlement Offer. The quotation of New Shares is subject to confirmation from ASX.*

Additional information

Additional information in relation to the Equity Raising and the Company can be found in the investor presentation released to the ASX simultaneously with this announcement, which contains important information, including a breakdown of sources and uses of funds, key risks and foreign selling restrictions with respect to the Equity Raising.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision. All amounts are in Australian dollars unless otherwise indicated.

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

About Australian Pacific Coal Limited (ASX: AQC) and the Dartbrook Project

Australian Pacific Coal Limited (ASX: AQC) is focused on restarting underground mining operations at the Dartbrook Coal Mine. Located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook, Dartbrook has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. The Dartbrook mine has previously produced a high-quality thermal coal (NEWC spec) that is typical of the Hunter Valley.

The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Resources Pty Ltd (20%, via subsidiaries). M-Resources will receive a 10% indirect economic interest in the JV through AQC (reducing AQC's effective economic interest to 70%). Vitol Asia Pte Ltd is the Sole Marketing Agent for Dartbrook coal.

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This announcement includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding the outcome and effects of the Equity Raising and the use of proceeds, expectations in respect to funding, indications of, and guidance or outlook on, future earnings or financial position or performance, plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, the ability to obtain debt finance on appropriate terms, obtaining environmental approvals and the time and conditions attached to the same, changes in commodity prices, foreign exchange fluctuations and general economic factors, increased capital costs and operating costs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits, diminishing quantities or grades of reserves and the ability to exploit successful discoveries), general mining and development operation risks, closure and rehabilitation risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and environmental issues, and the recruitment and retention of key personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant securities exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

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