

## Australian Pacific Coal Limited – 2024 Chairman’s AGM Address

Dear Shareholders,

Australian Pacific Coal Limited (ASX: AQC) reported many major milestones on the restart of its tier 1 mining asset, the Dartbrook coal mine, our main undertaking during the year. The transition from care and maintenance through to commissioning of the Dartbrook coal mine comes at a seamless time when sea borne demand of NEWC is strengthening and supply is tightening.

The Dartbrook project is located in the renowned coal region of the Hunter Valley, New South Wales. This location ideally places Dartbrook near world-class infrastructure, workforce and support industries used by major mining companies in the region to serve key customers in Asia and beyond. Global supply and demand matters have continued and have seen strengthening Australian coal demand and revenues across the Australian coal export markets.

The Hunter Valley contains a long-established rail network that transports coal from as far as Narrabri in central NSW to the port of Newcastle. The rail network accommodates up to 200 mtpa of coal from over 40 mines in the Hunter Valley and the Gunnedah basin. Coal is transported by rail to the ports of Newcastle and exported through Port Waratah Coal Services ('PWCS') and Newcastle Coal Infrastructure Group ('NCIG').

The substantial achievements delivered in FY23 continued into FY24 as AQC surged towards restarting underground mining at the Dartbrook coal mine in NSW’s Hunter Valley. During the year AQC secured US\$60m senior debt facility recently upsized to US\$90m. In addition, to support working capital an A\$20m junior facility has been achieved.

Dartbrook has historically shipped some of the world’s highest quality thermal coals. Growing Asian markets are transitioning to high energy low emission HELE power utilities and produce substantially less CO<sub>2</sub> emissions than traditional energy providers. AQC commitment to emissions reduction is evidenced by the recommissioning of the washery providing high quality energy coal.

AQC have leveraged against the Dartbrook existing infrastructure to expedite the recommission and operations of the Dartbrook coal mine. The existing on-site train load out and rail loop connect to the Hunter Valley coal rail network for coal transportation to the port of Newcastle, the largest coal export operation in the world. The Hunter Valley's long history of mining has created a large pool of highly skilled workers and lasting partnerships with suppliers as well as stakeholders. Dartbrook is ideally placed with world-class infrastructure supporting mining operations in the immediate vicinity.

Mining operations in the immediate area surrounding Dartbrook include Mangoola, Bengalla, Mount Arthur and the adjacent Mt Pleasant project. It is now a reality for AQC and its shareholders as the company has now become a coal producing business.

Dartbrook provides significant social and economic benefits to the local community. The Dartbrook coal mine has and will continue to contribute to the local community, currently employing ~125 personal, this will increase further as production ramp up continues. AQC is delighted to offer these employment opportunities to the local community which has supported the restart of the Dartbrook coalmine for many years.

In addition the Dartbrook coal project provides ~A\$27m in wages, ~A\$60m in local and regional purchases and expected ~A\$20m in NSW Coal Royalties annually.

Our Dartbrook Joint Venture partner Tetra Resources has maintained a focus of safety, environmental and project delivery through maintaining a disciplined capital restart program. Tetra Resources have achieved an on budget and on time capital program delivering for the benefit of stakeholders. I congratulate Tetra for their efforts to date onsite at Dartbrook and we look forward to further milestones.

### **Looking Ahead**

While we have made great progress over the past 18 months, there is still much to do.

We are close to finalising a number of key operating agreements, chiefly Port and Rail access for the export markets. We will continue to optimise the mine plan to maximise Dartbrook's production potential, accelerating where possible, while remaining focused on safety and reliability. Completion of the CHPP refurbishment in the first half of CY2025 will be an important milestone, opening key export markets for Dartbrook.

Looking further ahead, we have commenced work on the MOD8 submission to extend mining operations at Dartbrook by an additional six years to December 2033.

Based on work done to date, we anticipate being in a position to make a formal submission to the NSW Department of Planning, Housing and Infrastructure (DPHI) before the end of CY2024. Following a period of commercial production and the mandatory community consultation process, it is possible we could have a response from the DPHI in the first half of CY2025.

Finally, the board of AQC would like to thank our employees, partners and advisers for the hard work and commitment they have delivered on our journey to bring the Dartbrook mine back into production. We are excited about bringing this world class coal mine back to life after lying dormant for 18 years and we are optimistic about the future potential of Australian Pacific Coal.

On behalf of the board of AQC I would like to thank our shareholders for their support of AQC and the ongoing contributions for the success of AQC.

*John J Robinson*

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Chairman