

ASX ANNOUNCEMENT  
5 April 2024

## Settlement of Dispute

Australian Pacific Coal Limited (the **Company**) refers to its earlier announcements relating to a dispute between the Company and Evolution Capital Pty Ltd (**Evolution**) in connection with the Company's fully underwritten pro-rata renounceable entitlement offer to raise \$100 million which was announced on 2 September 2022 and completed on 10 October 2022.<sup>1</sup> The dispute concerned options to which Evolution claimed it was entitled under an Underwriting Agreement between the parties dated 2 September 2022 (the **Dispute**).<sup>2</sup>

The Company and Evolution have now agreed to a Deed of Settlement and Release (**Deed**) which will have the effect of releasing both parties, without admissions, from all claims against one another in relation to the Dispute (and otherwise under the Underwriting Agreement and an associated mandate letter). The Deed provides that the Company will issue a total of 13,786,361 options to Evolution (with a \$0.34 exercise price and three year exercise period, and otherwise on the terms attached to this announcement), and pay Evolution the sum of \$50,000. 12,085,526 of these options will be issued within the next 2 business days, with the issue of the remaining 1,700,835 options to be subject to shareholder approval at the Company's next meeting of shareholders.<sup>3</sup>

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This announcement has been authorised for release to the ASX by the CEO 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 developing, acquiring and value adding coal projects. AQC's principal asset is the Dartbrook Coal Mine located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook. The Dartbrook site has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. Dartbrook mine produces a high-quality thermal coal (NEWC spec) that is typical of the Hunter Valley with the potential to produce some semi-soft metallurgical coal. The quality characteristics and the percentage of the overall volume of product coal that may have coking coal properties suitable for end-users are yet to be fully determined.

The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Resources Pty Ltd (20%, via subsidiaries). Vitol Asia Pte Ltd is the Sole Marketing Agent for Dartbrook coal.

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<sup>1</sup> For further information on the 2022 entitlement offer, please see the announcement of 14 September 2022 ('Entitlement Offer Update'), and the investor presentation and entitlement offer booklet of same date.

<sup>2</sup> Refer to the announcements of 28 October 2022 ('Notice of Annual General Meeting') and 30 August 2023 ('Equity Raising Presentation – Dartbrook Underground Project').

<sup>3</sup> If the shareholder approval resolution is not passed, Evolution may continue to pursue its claims in relation to unissued options.

# Annexure C — Broker Options

## Material terms of the Broker Options

### 1. Exercise Price and Exercise Periods

Each Broker Option entitles the Underwriter to acquire one (1) fully paid Share on payment to AQC of \$0.34 per Option (**Exercise Price**).

The Broker Options are exercisable at any time up to the date which is thirty six (36) months after the date of issue (**Exercise Period**).

### 2. Manner of Exercise

The Underwriter may exercise the Broker Options by delivering to the Company's registered address a signed notice in writing (**Exercise Notice**), together with payment (in cleared funds) to AQC of the aggregate Exercise Price for the number of Broker Options exercised.

Broker Options can only be exercised in minimum increments of 50,000 Broker Options, unless the delivery of an Exercise Notice would leave the Underwriter with less than 50,000 Broker Options in which case the Underwriter must exercise all Broker Options held by it.

### 3. Shares Issued on Exercise of Broker Options

Upon the exercise of any Broker Options, AQC must, within ten (10) business days of receiving an Exercise Notice and all relevant documents and payments (in cleared funds):

- (a) issue Shares that rank equally with the then issued Shares on and from their date of issue; and
- (b) if AQC's Shares are quoted on the ASX at the time of the exercise of any Broker Options, then apply to the ASX for the quotation of the Shares to be issued upon their exercise.

### 4. Quotation and Transfer

AQC has not made, and will not make, any application to the ASX for quotation of the Broker Options. However, the Broker Options are transferable to any one or more third parties in any manner approved by the ASX or the Corporations Act.

### 5. Participation Rights or Entitlements

The Broker Options do not provide a right to participate in any new issue of securities or other entitlements offered to Shareholders during the term of the Broker Options.

### 6. Bonus Issues

If, prior to the expiry of the Broker Options, AQC makes a bonus issue of Shares to Shareholders for no consideration, the number of Shares over which a Broker Option is exercisable may be increased by the number of Shares which the holder would have received if the Broker Option had been exercised before the date for calculating entitlements to the bonus issue.

### 7. Pro-Rata Issue

If, after the date of the issue of the Broker Options and prior to the Expiry Date, AQC announces a pro-rata issue of Shares to Shareholders, the exercise price of the Broker Options will be reduced in accordance with ASX Listing Rule 6.22.2.

### 8. Capital Reorganisation

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If there is a reorganisation of the issued capital of AQC (including any consolidation, subdivision, reduction, or return of capital), the rights of the Underwriter as holder of the Broker Options shall be changed to the extent necessary to comply with ASX Listing Rules at the time of the reorganisation.

### **9. Variation to Terms**

The terms of the Broker Options shall only be changed if the Shareholders approve such change. However, except as set out clauses 6, 7 and 8 of this Annexure C and as provided for in the Listing Rules, the terms of the Broker Options shall not be changed to reduce the Exercise Price, increase the number of Broker Options or change any period for exercise of the Broker Options.