

ASX ANNOUNCEMENT

31 AUGUST 2023

AQC raising up to \$12 million via Placement and ANREO with approximately \$10 million committed from institutions and sophisticated investors.

- AQC raising up to \$12 million via a \$4 million Institutional Placement and a 1 for 4.75 Accelerated Non-Renounceable Entitlement Offer (ANREO) to raise up to \$8 million.
- Placement and Institutional Component of the ANREO completed successfully, with subscriptions for approximately \$10 million committed in aggregate.
- Retail Component of the ANREO to raise up to an additional \$2 million on a fully subscribed basis, with early indications received from shareholders to subscribe for approximately 25% of the \$2 million.
- Proceeds will be deployed towards ongoing work at Dartbrook ahead of the targeted restart of mining operations in Q4 2023¹ while financing negotiations are finalised over coming weeks.

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) today announces a capital raising of up to \$12 million via a \$4 million Institutional Placement (the “Placement”) and a 1 for 4.75 Accelerated Non-Renounceable Entitlement Offer (“ANREO”) at an offer price of \$0.11 per new share issued (“New Shares”).

The \$4 million Placement was completed successfully and introduced several new investors to the register. In addition, firm commitments for a further approximately \$6 million were received from Institutional and Sophisticated investors under the Institutional Component of the ANREO (“Institutional Component”).

The \$0.11 offer price for the Placement and ANREO represents a 15% discount to AQC’s last closing price (\$0.13 per share on 28 August 2023) and a 20% discount to the 5-day VWAP (\$0.138).

Eligible retail shareholders will be able to participate via the Retail Component of the ANREO (“Retail Component”) to raise up to an additional \$2 million on a fully subscribed basis. The record date for the ANREO is 1 September 2023 and the Retail Component will open for eligible shareholders on 6 September 2023. Eligible shareholders who participate in the Retail Component can subscribe for 1 new AQC share for every 4.75 shares held at the record date.

Proceeds from the Placement and ANREO will be used to provide additional working capital and fund ongoing works at the Dartbrook mine with targeted commencement of mining operations in Q4 2023¹ while the Company finalises the remaining funding to finance the Dartbrook restart².

¹ Subject to completing marketing and financing arrangements, and lease (land and water access) agreement. Underground coal operations expected to commence in 4Q 2023 with stowage in underground bin.

² Refer ASX announcements issued by AQC on 17 August 2023, “Dartbrook funding update: AQC receives Letter of Intent for up to US\$ 50m in debt funding” and on 18 August 2023, “Dartbrook funding update”.

Australian Pacific Coal’s Interim CEO, Ms Ayten Saridas, said:

“This injection of new equity is testament to the underlying value of the Dartbrook project and the progress that has been made to substantially de-risk the restart of the mine. In just under eight months, we have fully de-watered the Dartbrook tunnel, implemented the joint venture agreement, improved the estimated yields and product quality via the new mine plan, and reclaimed a higher working interest in the Dartbrook project for AQC shareholders.

“AQC has funded the project through to today, which has placed us in a significantly stronger position to finalise the financing that is required to restart production in Q4 of this year¹.

“Thanks to the strong support of our shareholders, the funds raised via the Placement and ANREO will allow us to maintain the positive momentum at Dartbrook while we finalise financing negotiations with interested parties over the coming weeks.”

Details of the Equity Raising

The equity raising, which is not underwritten, comprises:

- A \$4 million Institutional Placement of approximately 36 million shares at \$0.11 cents per new share to new and existing Institutional and Sophisticated shareholders;
- A 1 for 4.75 ANREO to raise up to \$8 million at an offer price of \$0.11 per new share conducted through two phases:
 - Institutional Component to Institutional and Sophisticated shareholders of approximately 54 million shares at \$0.11 cents per new share to raise approximately \$6 million; and
 - Retail Component for eligible retail shareholders as at the record date of 1 September 2023 through the issue of up to approximately 19 million shares at \$0.11 cents per new share to raise up to approximately \$2 million.

Completion of the Placement and the Institutional Component of the ANREO

The Placement raised approximately \$4 million at the offer price of \$0.11 per share, with significant demand received from both existing and new shareholders, equating to approximately 36 million New Shares.

Under the Institutional Component of the ANREO, AQC has agreed to issue approximately 54 million New Shares to raise approximately \$6 million at the Offer Price. Existing and new shareholders have subscribed for approximately 13 million New Shares not taken up by way of entitlement through the Institutional Component.

Settlement of the New Shares to be issued as part of the Institutional Component and the Placement is expected to occur on Wednesday 6 September 2023, with the issue of those New Shares and ordinary trading to commence on Thursday 7 September 2023.

Commencement of the Retail Component of the ANREO

The Retail Component will open on Wednesday 6 September 2023 and is expected to close at 5.00pm (Sydney time) on Monday 2 October 2023. The terms of the Retail Component are the same as the terms of the Institutional Component with eligible retail shareholders having the opportunity to subscribe for 1 New Share for every 4.75 Existing Shares held at 7.00pm (Sydney time) on Friday 1 September 2023 (“Record Date”), at the Offer Price of \$0.11 per New Share.

The Retail Component will be open to eligible retail shareholders who, as at the Record Date:

- are registered as a holder of Existing Shares;
- have an address on AQC’s share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- were not treated as an eligible institutional shareholder or as an ineligible institutional shareholder under the Institutional Component; and
- are eligible under all applicable securities laws to receive an offer under the Retail Component.

Indications from existing shareholders to subscribe for approximately 25% of the Retail Component of the ANREO have already been received.

Under the Retail Component, eligible retail shareholders that take up their full entitlement may also apply for additional New Shares in excess of their entitlement, up to an additional 100% of their entitlement at the Offer Price (“Oversubscription Facility”).

Additional New Shares will only be available under the Oversubscription Facility if available and subject to the Corporations Act, Listing Rules and other applicable laws and regulations. Applications under the Oversubscription Facility will be subject to scale-back if eligible retail shareholders apply for more additional New Shares than available under the Oversubscription Facility. There is no guarantee that eligible retail shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility, which will be allocated in accordance with the allocation policy outlined in the retail offer booklet (“Retail Offer Booklet”), which is expected to be lodged with the ASX and dispatched to eligible retail shareholders on Wednesday 6 October.

Application forms and payments are due by no later than 5.00pm (Sydney time) on Monday 2 October 2023. Full details of the Retail Component will be set out in the Retail Offer Booklet and the accompanying Entitlement and Acceptance Form. Eligible retail shareholders wishing to participate in the Retail Component should carefully read the Retail Offer Booklet and their Entitlement and Acceptance Form. Copies of the Retail Offer Booklet will also be available on Wednesday 6 October on the ASX website at www.asx.com.au and the offer website <https://events.miracle.com/aqc-anreo>.

Resumption of trading

Existing Shares are expected to resume trading on the ASX today.

Key Dates

| Event | Date |
|---|---|
| Announcement of the Equity Raising | Wednesday, 30 August 2023 |
| Placement and Institutional Entitlement Offer closes | Wednesday, 30 August 2023 |
| Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis | Thursday, 31 August |
| Record date for the Entitlement Offer | 7:00pm (Sydney time) on Friday, 1 September |
| Retail Entitlement Offer opens and Retail Entitlement Offer Booklet dispatched | Wednesday, 6 September |
| Settlement of New Shares issued under the Placement and the Institutional Entitlement Offer | Wednesday, 6 September |
| Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer | Thursday, 7 September |
| Retail Entitlement Offer closes | 5:00pm (Sydney time) Monday, 2 October |
| Announce results of Retail Entitlement Offer | Wednesday, 4 October |
| Settlement of New Shares issued under the Retail Entitlement Offer | Friday, 6 October |
| Allotment of New Shares issued under the Retail Entitlement Offer | Monday, 9 October |
| Normal trading of New Shares issued under the Retail Entitlement Offer | Tuesday, 10 October |
| Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer | Wednesday, 11 October |

The dates set out in the timetable above are indicative only and are subject to change without notice. Any change in the timetable does not affect the rights or obligations an investor or shareholder has as a result of accepting an allocation in the Placement or the ANREO.

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

Advisers

Ord Minnett Limited (“Ord Minnett”) and Wilsons Corporate Finance Limited (“Wilsons”) acted as Joint Lead Managers to the Placement and ANREO. Herbert Smith Freehills (“HSF”) acted as legal adviser.

Additional Information

Further information relating to the Placement and ANREO is contained in the AQC investor presentation released to the ASX yesterday. The presentation can also be viewed on the Company’s website. Nothing contained in this announcement constitutes investment, legal, tax or other advice.

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 produced 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.

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This announcement contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of AQC, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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The information in this announcement is in summary form and does not contain all the information necessary to fully evaluate the transaction or investment. It should be read in conjunction with AQC’s other periodic and continuous disclosure announcements lodged with the ASX. The announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and does not form the basis of any contract or commitment. All persons should consider seeking appropriate professional advice in reviewing this announcement.