

AUSTRALIAN PACIFIC COAL LIMITED

ACN 089 206 986

Retail Entitlement Offer

1 for 4.75 pro-rata accelerated non-renounceable entitlement offer of Australian Pacific Coal Limited ordinary shares at \$0.11 per New Share

Retail Entitlement Offer closes: 5.00pm (Sydney time) on Monday, 2 October 2023

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Retail Offer Booklet is dated Wednesday, 6 September 2023 and relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by Australian Pacific Coal Limited (the **Company**) of New Shares to raise up to \$8 million. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a **prospectus under the Corporations Act and has not been lodged with ASIC. Please contact your professional advisor or the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period if you have any questions.**

Documents relevant to the Retail Entitlement Offer

Before deciding to invest in New Shares, you should carefully consider this Retail Offer Booklet; the Company's constitution, which outlines the rights of New Shares; and the Company's continuous disclosure notices lodged with ASX (available at www.asx.com.au).

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No offering outside Australia and New Zealand

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand without the express written consent of the Company.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Retail Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States disclaimer

None of the information in this Retail Offer Booklet (including the Investor Presentation) or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Retail Offer Booklet (or any part of it), the Investor Presentation nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

Neither the Entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up or exercised by, and the New Shares issued pursuant to the Retail Entitlement Offer may not be offered or sold, directly or indirectly, to persons in the United States or to persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States. The Entitlements and the New Shares to be offered and sold in the

Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

Definitions, time and currency

Defined terms used in this Retail Offer Booklet are contained in Section 7. All references to time are to Sydney time, unless otherwise indicated.

All references to 'A\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 6 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. The Company recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. The Company's Privacy Policy, available at <http://www.agcld.com/site/privacy>, explains how the Company will store personal information and how you may access, correct or complain about the handling of personal information.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by the Company or its related bodies corporate or affiliates or any of their respective directors, officers, employees, partners, consultants, contractors, agents, advisers or representatives (**Beneficiaries**). Except as required by law, and only to the extent so required, none of the Company or any of its Beneficiaries, nor any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance

This Retail Offer Booklet contains certain forward looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans, objectives and strategies of the management of the Company. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may" "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding the conduct, outcome and effects of the Retail Entitlement Offer and the use of proceeds. Any forward looking statements, opinions and estimates provided in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company, the Beneficiaries and the Lead Manager Parties (defined below). This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements may include, but are not limited to, projections, guidance on future revenues, earnings, dividends and estimates.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors

should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures.

The forward looking statements are based on information available to the Company as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), the Company is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

None of the Lead Manager Parties have authorised, approved or verified any forward-looking statements.

Joint Lead Managers

Neither of the Joint Lead Managers, nor any of their respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor any of their respective directors, employees, officers, representatives, agents, partners, consultants and advisers or intermediaries (together the **Lead Manager Parties**) have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by the Company) and, except to the extent referred to in this Retail Offer Booklet, none of them makes or purports to make any statement in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

The Joint Lead Managers are full service financial institutions engaged in various activities, which may include trading, financial advisory, investment management, research, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

The Joint Lead Managers are acting for and providing services to the Company in relation to the Offer and will not be acting for or providing services to Shareholders or potential investors. The Joint Lead Managers have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Joint Lead Managers is not intended to create any fiduciary obligations, agency or other relationship between the Joint Lead Managers and the Company, Shareholders or potential investors.

The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from the Company.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Joint Lead Managers. To the maximum extent permitted by law, each of the Company and the Lead Manager Parties and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Lead Manager Parties disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Retail Offer Booklet being inaccurate or due to information being omitted from this Retail Offer Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

The Lead Manager Parties take no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of this Retail Offer Booklet. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Retail Offer Booklet or otherwise arising in connection with it.

The Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Risks

Refer to the 'Key risks' section of the Investor Presentation included in Section 4 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect the Company. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an Application once it has been accepted.

Trading New Shares

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the

Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Electronic communications

If you are accessing your personalised Entitlement and Acceptance Form and this Retail Offer Booklet on an internet website, you understand that you are responsible for protecting against viruses and other destructive items which might compromise confidentiality and your details. Your use of the online Retail Offer Booklet or Entitlement Offer website which can be accessed at <https://events.miracle.com/aqc-anreo> is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses, items of a destructive nature or items which might compromise confidentiality.

If you are receiving this Retail Offer Booklet in an electronic form, you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently the Company and its Beneficiaries do not accept any liability or responsibility whatsoever (including for any fault or negligence) in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Share Registry.

This Retail Offer Booklet is subject to change without notice

This Retail Offer Booklet is subject to change without notice, and the Company is not responsible for updating this Retail Offer Booklet. The Company may in its absolute discretion, but without being under any obligation to do so, update or supplement this Retail Offer Booklet. Any further information will be provided subject to the terms and conditions contained in this "Important Notices". The Company reserves the right to withdraw the Retail Entitlement Offer or vary the Timetable for the Retail Entitlement Offer without notice.

Chairman's letter

Wednesday, 6 September 2023

Dear Shareholder

I am pleased to offer you the opportunity to participate in the Company's recently announced 1 for 4.75 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company ("**New Shares**") at an offer price of \$0.11 ("**Offer Price**") per New Share (the "**Entitlement Offer**").

The Offer Price of \$0.11 per New Share represents a 12.1% discount to the Theoretical Ex-Rights Price ("**TERP**")¹ of \$0.125.

Entitlement Offer and Use of Proceeds

On 30 August 2023, the Company announced its intention to raise up to \$8 million via the Entitlement Offer. In addition, the Company announced that it intended to raise approximately \$4 million via an institutional placement to sophisticated and professional investors.

The net proceeds received from the Entitlement Offer and institutional placement are expected to provide working capital for the Company pending finalisation of the Dartbrook underground joint venture funding arrangements to allow for the Dartbrook project restart.

As announced to ASX on 31 August 2023, the Company has now raised approximately \$10 million from the Company's Eligible Institutional Shareholders ("**Institutional Entitlement Offer**") and via the placement. The New Shares issued under the Institutional Entitlement Offer are expected to commence trading on Thursday, 7 September 2023.

Attached to this letter is the Retail Offer Booklet ("**Retail Offer Booklet**") relating to the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"). The Retail Entitlement Offer is expected to raise up to \$2 million.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Entitlement Offer. Eligible Retail Shareholders can subscribe for 1 New Share for every 4.75 Existing Shares they hold as at 7.00pm (Sydney time) on Friday, 1 September 2023 ("**Record Date**"). The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer ("**Entitlement**") is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Retail Offer Booklet.

If you take up your full Entitlement, you may also apply for additional New Shares up to a maximum of 100% in excess of your Entitlement, at the Offer Price ("**Top Up Facility**"). Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. The Company retains the flexibility to scale back Applications for additional New Shares at its discretion (refer to Section 3.3 of this Retail Offer Booklet for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. This means that Eligible Retail Shareholders who do not take up their full Entitlement will not receive any payment or value for those Entitlements and their percentage holding in the Company will be reduced. I encourage you to consider this offer carefully.

Other information

This Retail Offer Booklet contains important information, including:

¹ The Theoretical Ex Rights Price is the theoretical price at which the Company shares should trade immediately following the ex date for the Entitlement Offer. TERP is calculated by reference to the Company's closing price of A\$0.130 on Monday, 28 August 2023, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which the Company shares trade immediately after the ex date of the Entitlement Offer will depend on many factors and may not be equal to TERP.

- Investor Presentation released to the ASX on Wednesday, 30 August 2023, providing information on the Company, the Entitlement Offer and key risks for you to consider (although note the update regarding the NSW coal royalty noted below);
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a Timetable of key dates;
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or by EFT.

Following the release of the investor presentation to ASX on 30 August 2023, the NSW Government announced on 6 September 2023 that the coal royalty for underground mines would increase from 7.2% on the value of coal recovered to 9.8% from 1 July 2024. This change in the coal royalty has not been legislated at this time. If legislated as announced, the Company still expects that while royalties would increase, its estimated FOB costs would remain under an average of US\$100/t sales over the initial development term to 2027, consistent with the FOB expected cost data already disclosed in the Investor Presentation.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 2 October 2023.

If you decide to take this opportunity to increase your investment in the Company please ensure that, before 5.00pm (Sydney time) on Monday, 2 October 2023, you have paid your Application Monies preferably via BPAY® pursuant to the instructions that are set out in the enclosed Entitlement and Acceptance Form or your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Please read in full the details on how to submit your Application which are set out in this Retail Offer Booklet. For further information regarding the Retail Entitlement Offer, please call 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period, or visit our website at www.aqcltd.com.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the board of the Company, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely



Mike Ryan
Interim Chairman
Australian Pacific Coal Limited

Key dates

Activity	Date
Announcement of the Entitlement Offer	Wednesday, 30 August 2023
Record Date for Entitlement Offer (7.00pm Sydney time)	Friday, 1 September 2023
Retail Offer Booklet and Entitlement and Acceptance Form made available	Wednesday, 6 September 2023
Retail Entitlement Offer opens	Wednesday, 6 September 2023
Settlement of New Shares under the Institutional Entitlement Offer	Wednesday, 6 September
Allotment and issue of New Shares under the Institutional Entitlement Offer and commencement of trading on a normal settlement basis	Thursday, 7 September 2023
Retail Entitlement Offer closes (5.00pm Sydney time)	Monday, 2 October 2023
Announcement of the results of the Retail Entitlement Offer	Wednesday, 4 October 2023
Settlement of New Shares issued under the Retail Entitlement Offer	Friday, 6 October 2023
Allotment and issue of New Shares under the Retail Entitlement Offer	Monday, 9 October 2023
Commencement of trading of New Shares issued under the Retail Entitlement Offer on a normal settlement basis	Tuesday, 10 October 2023
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 11 October

This Timetable above is indicative only and may change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the Closing Date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares.

The Company also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Telephone: 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period.

Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

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1 Summary of options available to you

If you are an Eligible Retail Shareholder², you may take one of the following actions:

- take up all of your Entitlement or take up all of your Entitlement and apply for additional New Shares under the Top Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
<p>1. Take up all of your Entitlement or take up all of your Entitlement and apply for additional New Shares under the Top Up Facility</p>	<ul style="list-style-type: none"> • You may elect to purchase New Shares at the Offer Price (see Section 3 “How to Apply” for instructions on how to take up your Entitlement). • The New Shares will rank equally in all respects with Existing Shares. • The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 2 October 2023. • If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.
<p>2. Take up part of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> • If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility. • If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up. • If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of the Entitlement Offer.
<p>3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements</p>	<ul style="list-style-type: none"> • If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means they are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred. • This means that if you do not take up your full Entitlement, you will not receive any payment or value for those Entitlements and your percentage holding in the Company will be reduced.

² See Section 2.4.

2 Overview of the Entitlement Offer

2.1 Important information

You should read the enclosed carefully and in their entirety before making a decision about your Entitlement:

- Important Notices;
- Chairman's letter;
- the Investor Presentation³ (and in particular the 'Key risks' section of the Investor Presentation);
- Additional Information;
- Entitlement and Acceptance Form; and
- other information made publicly available by the Company.

2.2 Overview

The Company intends to raise up to \$8 million under the Entitlement Offer.

The net proceeds of the Entitlement Offer are expected to provide working capital for the Company pending finalisation of the Dartbrook underground joint venture funding arrangements to allow for the Dartbrook project restart

The Entitlement Offer is an offer of up to approximately 73 million New Shares at \$0.11 per New Share.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as Entitlements of Ineligible Institutional Shareholders at the Offer Price was carried out. The Institutional Entitlement Offer raised approximately \$6 million⁴; and
- (b) the Retail Entitlement Offer – Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. In addition, Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement, at the Offer Price. The Retail Entitlement Offer, including any New Shares issued pursuant to the Top Up Facility, is expected to raise up to \$2 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

³ The enclosed Investor Presentation is current as at Wednesday, 30 August 2023. There may be other announcements that have been, or may be, made by the Company after Wednesday, 30 August 2023 and, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 2 October 2023 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by the Company before submitting an Application.

⁴ This amount is current as at Tuesday, 5 September 2023 and is subject to final reconciliations being determined under the Institutional Entitlement Offer.

2.3 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

As a result, this offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on the Company and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in Section 4, the Company's interim and annual reports, other announcements made available at www.asx.com.au and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 4.75 Existing Shares held on the Record Date at an Offer Price of A\$0.11 per New Share.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.

The Retail Entitlement Offer opens on Wednesday, 6 September 2023 and is expected to close at 5.00pm (Sydney time) on Monday, 2 October 2023.

2.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) are registered as a holder of existing the Company shares;
- (b) have a registered address in Australia or New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such shareholders hold shares in the Company for the account or benefit of such persons in the United States);
- (d) the Company determines in its absolute discretion were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Ineligible Retail Shareholders are Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders, or Ineligible Institutional Shareholders.

The Company has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand, but reserves its right to do so (subject to compliance with relevant laws).

3 How to apply

3.1 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 4.75 Existing Shares held on the Record Date with fractional Entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. New Shares under the Top Up Facility will only be allocated to Eligible Retail Shareholders if available and then only if and to the extent that the Company so determines, in its absolute discretion.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 2.4 of this Retail Offer Booklet). Eligible Retail Shareholders who hold Shares in the capacity of a nominee, trustee or custodian (or in any other capacity) for a person that is in the United States, or who are otherwise acting for the account or benefit of a person in the United States, cannot take up Entitlements or purchase New Shares on behalf of that person.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out in the section entitled "Key risks" from page 28 of the Investor Presentation (enclosed in Section 4).

3.2 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) Option 1: take up all of their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to Section 3.3);
- (b) Option 2: take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to section to 3.4); or
- (c) Option 3: allow their Entitlement to lapse (refer to Section 3.5).

Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

You can apply for the New Shares via the offer website: <https://events.miraqle.com/aqc-anreo>.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (Sydney time) on Monday, 2 October 2023** (however, that date may be varied by the Company and the Joint Lead Managers, in accordance with the Listing Rules).

3.3 Option 1: Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up all or part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Monday, 2 October 2023.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. Any amounts received by the Company in excess of the Offer Price multiplied by your full Entitlement may be treated as an Application to apply for as many additional New Shares under the Top Up Facility as your Application Monies will pay for in full.

If you choose to apply for additional New Shares under the Top Up Facility and if your Application is successful (in whole or in part), your New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. Additional New Shares under the Top Up Facility will only be allocated to Eligible Retail Shareholders if available. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

3.4 Option 2: Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, payment must be made via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form. If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

If you only take up part of your Entitlement, you will not be eligible to participate in the Top Up Facility.

3.5 Option 3: Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

3.6 Consequences of not accepting all or part of your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Retail Shareholders under the Top Up Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in the Company will also be further diluted as a result of the Entitlement Offer.

3.7 Payment and refunds

Payment should be made using BPAY® if possible. All payments must be in Australian dollars (A\$). New Zealand Shareholders who do not have an Australian bank account will be able to pay by Electronic Funds Transfer (**EFT**) (refer to Section 3.9).

Cash payments will not be accepted. Receipts for payment will not be issued.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares or any scale back in respect of New Shares applied for under the Top Up Facility will be refunded.

Refund amounts, if any, will be paid in Australian dollars (A\$). You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.linkmarketservices.com and logging into the Investor Centre.

No interest will be paid to Applicants on any Application Monies received or refunded.

If you are unable to pay by BPAY® please call the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Retail Entitlement Offer Period and refer below to Section 3.9.

3.8 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.10; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 2 October 2023. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.9 If you are unable to pay by BPAY®

The Company encourages payments by BPAY® if possible.

If you are a New Zealand Shareholder who is completing a payment by EFT, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions

on the form and return it accompanied by an EFT payment in Australian currency for the amount of the Application Monies, payable to 'Australian Pacific Coal Retail Offer'.

It is your responsibility to ensure that your payment by EFT is received by the Share Registry by no later than 5.00pm (Sydney time) on Monday, 2 October 2023.

Your EFT payment must be:

- a) for an amount equal to \$0.11 multiplied by the number of New Shares that you are applying for; and
- b) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident Shareholders must arrange for payment to be made in Australian dollars.

If you make payment by EFT, you must return your completed personalised Entitlement and Acceptance Form to the Share Registry via contacting the Share Registry at capitalmarkets@linkmarketservices.com.au. It is your responsibility to ensure that your payment via EFT and your completed personalised Entitlement and Acceptance Form are received by the Share Registry by no later than 5.00pm (AEDT) on Monday, 2 October 2023 (being the Closing Date). Further details are set out on your personalised Entitlement and Acceptance Form.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your EFT will be processed on the day of receipt. You must use your HIN/SRN as the reference/description of your payment otherwise your payment will not be accepted.

3.10 Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
- (d) all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;

- (g) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (h) you authorise the Company, the Joint Lead Managers, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Joint Lead Managers;
 - (ii) each of the Company and the Joint Lead Managers, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you represent and warrant (for the benefit of the Company, the Joint Lead Managers and each of their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;
- (k) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (l) the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (m) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (n) you have read the statement of risks in the "Key risks" section of the Investor Presentation included in Section 4 of this Retail Offer Booklet, and that investments in the Company are subject to risk;
- (o) none of the Company, the Joint Lead Managers, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (p) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (q) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (r) you acknowledge that if you are accessing your personalised Entitlement and Acceptance Form and the Retail Offer Booklet on an internet website, you are responsible for protecting against viruses and other destructive items which might compromise confidentiality and your details and that your use of the online Retail Offer Booklet or the Entitlement Offer website at <https://events.miraql.com/aqc-anreo> is at

your own risk and it is your responsibility to take precautions to ensure that it is free from viruses, items of a destructive nature or items which might compromise confidentiality;

- (s) you acknowledge that, if you are receiving this Retail Offer Booklet in an electronic form, documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company or its Beneficiaries accepts any liability or responsibility whatsoever (including for any fault or negligence) in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Share Registry;
- (t) the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (u) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (v) you are subscribing for or purchasing the New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act);
- (w) if you are acting as a nominee, trustee or custodian:
 - (i) the Company is not required to determine whether or not any registered Shareholder is acting as a nominee, trustee or custodian or the identity or residence of any beneficial owners of the Shares;
 - (ii) where any holder is acting as a nominee, trustee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws and that this is not the responsibility of the Company;
 - (iii) each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States, and you are not acting for the account or benefit of a person in the United States (to the extent you hold Shares for the account or benefit of a person in the United States), or any other country except as the Company may otherwise permit in compliance with applicable law; and
 - (iv) you have only sent this Retail Offer Booklet, the Entitlement and Acceptance Form and any information relating to the Retail Entitlement Offer to such permitted beneficial Shareholders;
- (x) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand and may not be offered or sold, directly or indirectly, in the United States absent registration except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (y) if in the future you decide to sell or otherwise transfer any New Shares, you will only do so in "regular way" transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- (z) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer or for additional New Shares under the Top Up Facility.

3.12 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. The Company is not able to advise on foreign laws.

3.13 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

3.14 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Offer Information Line on 1300 794 935 (within Australia) or +61 1300 794 935 (outside Australia) at any time from 8.30am to 5.30pm (Sydney time) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 2 October 2023. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are set out from page 28 of the Investor Presentation (in Section 4).

4 Investor Presentation

5 Additional information

5.1 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

5.2 Allotment

The Company has applied for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest).

Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Monday, 9 October 2023. Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Tuesday, 10 October 2023.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

5.3 Reconciliation

In any entitlement offer, investors may believe that they own more Existing Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Shareholders have the opportunity to receive their full Entitlement.

The Company may need to issue a small quantity of additional New Shares to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

The Company also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

5.4 Continuous Disclosure

The Company is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Company shares. That information is available to the public from ASX.

6 Australian taxation consequences

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares or additional New Shares acquired under the Top Up Facility on capital account.

The guide below applies only to Eligible Retail Shareholders who are Australian resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- acquired, or were taken to have acquired, their Shares before 20 September 1985;
- are not a resident for Australian income tax purposes;
- hold their Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 9.00am (Sydney time) on Wednesday, 6 September 2023. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

6.1 Issue of Entitlement

The issue of the Entitlement will not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

6.2 Exercise of Entitlement and applying for additional New Shares

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement under the Retail Entitlement Offer. Additional New Shares will be acquired where the Eligible Retail Shareholder acquires additional New Shares under the Top Up Facility.

An Eligible Retail Shareholder will not derive any assessable income, or make any capital gain or capital loss at the time of exercising their Entitlement under the Retail Entitlement Offer or acquiring additional New Shares under the Top Up Facility.

For Australian capital gains tax (**CGT**) purposes:

- New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement; and
- additional New Shares acquired under the Top Up Facility will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder.

The cost base of each New Share and additional New Share will be equal to the Offer Price payable for each New Share and additional New Share respectively (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares and additional New Shares).

6.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out in Section 3.2, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

6.4 Taxation in respect of dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

6.5 Disposal of New Shares or additional New Shares

The disposal of New Shares or additional New Shares will constitute a disposal for CGT purposes.

On disposal of a New Share or an additional New Shares, an Eligible Retail Shareholder will make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share or additional New Share. An Eligible Retail Shareholder will make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Share or additional New Share.

Eligible Retail Shareholders that are individuals or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and 33.33% for complying superannuation entities.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised their Entitlement or when the New Shares were issued under the Top Up Facility. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Entitlement were exercised or were issued under the Top Up Facility, as the case may be.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources i.e. the capital loss cannot be used against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, provided certain loss utilisation tests are satisfied.

6.6 Taxation of Financial Arrangements

The application of the Taxation of Financial Arrangements (**TOFA**) provisions depends on the specific facts and circumstances of the Eligible Retail Shareholder. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions (if any).

6.7 GST

The taking up of the New Shares and additional New Shares will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares. Subject to

certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares or additional New Shares acquired under the Top Up Facility.

6.8 Stamp duty

Stamp duty will not be payable in respect of the taking up of New Shares or additional New Shares on the assumption that all acquisitions occur when all of the securities in the Company are quoted on the market operated by the ASX and no Shareholder (together with interests of associated persons and interests acquired under associated transactions) holds an interest of 90% or more in the Company.

7 Definitions

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and the securities exchange operated by it.

Business Day has the same meaning as in the Listing Rules.

Closing Date means 5.00pm (Sydney time) on Monday, 2 October 2023, the day the Retail Entitlement Offer closes.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date who:

- (a) is not an Ineligible Institutional Shareholder; and
- (b) has successfully received an invitation from the Joint Lead Managers to participate in the Institutional Entitlement Offer (either directly or through a nominee).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) is registered as a holder of existing the Company shares;
- (b) has a registered address in Australia or New Zealand or is a Shareholder that the Company has otherwise determined is eligible to participate;
- (c) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States (to the extent such shareholders hold shares in the Company for the account or benefit of such persons in the United States);

- (d) the Company determines in its absolute discretion was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Entitlement means the right to subscribe for 1 New Share for every 4.75 Existing Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Retail Offer Booklet.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder (or beneficial holder of Shares) other than an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that the Company and the Joint Lead Managers agree to whom ASX Listing Rule 7.7.1(a) applies.

Institutional Entitlement Offer means the pro-rata accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders.

Investor Presentation means the presentation to investors released to the ASX on Wednesday, 30 August 2023, incorporated in Section 4 of this Retail Offer Booklet.

Joint Lead Managers mean Ord Minnett Limited ACN 002 733 048 and Wilsons Corporate Finance Limited ACN 057 547 323.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility.

Offer Price means \$0.11 per New Share.

Record Date means 7.00pm (Sydney time) on Friday, 1 September 2023.

Retail Entitlement Offer means the pro-rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 4.75 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.11 per New Share pursuant to this Retail Offer Booklet.

Retail Entitlement Offer Period means the period from Wednesday, 6 September 2023 to 5.00pm on Monday, 2 October 2023 (Sydney time).

Retail Offer Booklet means this document.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of Shares.

TERP means the theoretical price at which the Company shares should trade immediately after the ex-date of the Entitlement Offer.

Timetable means the indicative table set out in the 'key dates' section of this Retail Offer Booklet.

Top Up Facility means the facility described in Section 3.3 under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement.

US Securities Act means the US Securities Act of 1933, as amended.

Corporate information

Company

Australian Pacific Coal Limited
Level 1, 371 Queen Street
Brisbane QLD 4000

Tel +61 7 3221 0679
www.aqcltd.com

Joint Lead Managers

Ord Minnett Limited
Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000

Wilson Corporate Finance Limited
Level 32, Governor Macquarie Tower,
1 Farrer Place
Sydney, NSW 2000

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000

Legal Adviser

Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney NSW 2000

Offer Information Line

Australia: 1300 794 935
International: +61 1300 794 935
Open 8.30am to 5.30pm (Sydney time) Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 29 September 2023.