

ASX RELEASE

28 November 2022

Chairman's Address

Australia Pacific Coal Limited (ASX: AQC) (ACQ or Company) is pleased to release the Chairman's Address to be presented at the Annual General Meeting (AGM) to be held today at 10.00am (Sydney Time).

Chairman's Address:

Dear Shareholders,

Welcome to our 2022 Annual General Meeting.

On behalf of my fellow Directors and colleagues I am pleased to provide this report for shareholders.

The last 12 months has once again been challenging whilst at the same time can now be defined by the substantial progress in presenting opportunities for the Board to consider on behalf of our shareholders that seeks a positive future for the Company.

The Company's primary focus, through the significant and valued support of its financiers, Trepang, was the investment of substantial resources to continue to pursue the MOD7 application for the Company's Dartbrook underground coal mine and subsequent submission of material through conciliation forums and the IPC to sufficiently deal with outstanding issues or contentions that were raised.

The Company was pleased to announce that it was successful in its MOD7 appeal and entered into an agreement with the Minister for Planning and Public Spaces that provides for a 5-year extension of mining operations under the development consent. The Land and Environment Court has now modified the development consent in accordance with the s34 agreement.

Given the restricted financial parameters the Company operated in it remained heavily scrutinized by varying parties including regulators. The Board's focus and responsibility was maintaining its operating financial status whilst exploring debt reduction opportunities as well any potential scenarios that provided future value for all shareholders.

The Company's success in achieving the Mod 7 in a trying period of pandemic and complexity of circumstance cannot be underestimated. It therefore enabled the opportunity for interested parties to consider the extended mine lease along with the global market demand as a genuine value proposition.

Over several months the Company pursued initial and subsequent interest in the Dartbrook asset. In conjunction with considering the proposals received, the Board felt that it was wise to consider a fallback position that gave the Company options in the event shareholders did not approve its initial related party proposal and announced plans for a \$100m capital raise through an underwritten rights issue. That capital raise completed which has the Company with no debt, attractive assets and cash reserves.

As part of the capital raise process, the Company entered into a binding term sheet for a joint venture with Trepang and an experienced underground coal mine operators Tetra Resources and M Resources to restart the Dartbrook mine.

We welcome their partnership and interest in our Dartbrook project.

The Board has approved under commercial terms some initial early-stage funding for the recommencement of operations at Dartbrook and is advised by our project partners and experts, that on finalization of Joint Venture agreements and procurement of sufficient further restart capital that mining should commence in the second half of 2023.

The Company is also currently exploring shorter term commercial opportunities for additional revenue streams as well as longer term strategic plans that complement the upside that will be gained from a successful restart of Dartbrook.

Importantly and as expected the Company and its Joint Venture partners have and will continue to meaningfully engage with the local community to ensure regular updates are provided on status and opportunities within the local area.

Our teams on site have already taken steps to restart the mine which will create new jobs and economic benefit for the local community.

Given the current buoyant coal market conditions against a backdrop of global economic uncertainty and subsequent energy needs, we believe an exciting period lies ahead for the Company with the Dartbrook mine moving towards a return to production.

The Company and its Board will now focus on ensuring this joint venture is implemented with the appropriate approvals and governance.

The Company believes it is now well positioned to seek new opportunities for growth.

I would particularly like to thank my colleagues on site at Dartbrook along with previous and current contractors who were operating under challenging conditions and limited resources who dedicated themselves to ensure our asset remained safe and compliant in fulfilling highly regulated Care and Maintenance obligations. I would also like to recognize the extraordinary dedication of my fellow Directors, Tony Lalor and recently retired Director Craig McPherson who remains as Company Secretary.

They have provided meaningful support, guidance and dedication that as a result has enabled the Company to carefully consider its responsibilities on behalf of shareholders to ensure the interests of all shareholders remained our priority for a positive period now ahead.

I warmly welcome the new members to our Board, Ayten Saridas and Mike Ryan, both highly experienced executives and look forward to sharing the path forward with them.

I would also like to acknowledge the support of our recent financiers Trepang and long term shareholders as well as all new investors in enabling the Company to be able to undertake with optimism the future ahead.

Thank you once more for your support and today's attendance.

This announcement has been authorised for release by the Board.

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