Dartbrook Underground Project

Bringing a new source of high-quality coal to market

Equity Raising Presentation
30 August 2023

Australian Pacific Coal

Disclaimer

Australian Pacific Coal
ABN : 49 089 206 986 ASX CODE: AQC

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Resource information is reported as inclusive of Resources that have been converted into Reserves (i.e. Resources are not additional to Reserves). In addition, you should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or that AQC will be able to legally and economically extract them. Estimates of coal reserves, resources, recoveries and operating costs are largely dependent on the interpretation of geological data obtained from drill holes and other sampling techniques, actual production experience and feasibility studies which derive estimates of operating costs based on anticipated tonnage, expected recovery rates, equipment operating costs, prevailing market prices and other factors, which are all subject to uncertainties. No assurance can be given that the Reserves and Resources presented in this presentation will be recovered at the quality or yield presented. Resources and Reserves are estimations, not precise calculations. This presentation also involves rounded tonnes and grade information and computational differences may be present in the totals. Assumptions in relation to commodity prices, exchange rates and operating costs impact on Reserve estimation and the estimates of Reserves may include areas where additional approvals are required.

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Unless otherwise indicated, all references are to Australian dollars.

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1 Investment Highlights

Australian Pacific Coal
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AQC has an 80% JV interest (70% economic interest[1]) in the Dartbrook thermal coal project, offering ASX exposure to material near-term production from Australia's Hunter Valley

Mine restart substantially de-risked

- Mine tunnel dewatering safely completed (>70 ML removed), re-established ventilation circuit, on-going work to support roof and ribs and install new conveyer structure
- New mine plan established using Bord & Pillar mining
- Letters of Intent for leases of all major mining equipment
- Highly accomplished mine operating management team

Fast to market, low-cost restart

- **Low capital restart (CHPP already in place) targeting commencing mining operations in Q4 2023[2] and first coal by Q1 2024**
- Total restart cost estimate of A$120m of which AQC has already funded ~A$20-25m (further ~A$75m required to first coal, and A$20-25m for working capital)
- Relative to other ASX listed companies, AQC provides exposure to material near-term production growth

High margin potential offers material free cash flow generation

- Potential to generate material EBITDA and free cash flow at current prices
- FOB cost under an average of US$100/t sales over initial development term to 2027
- Ramp-up of production towards 2 – 3 Mtpa steady-state with yields of 75-80+%, producing peak sales volumes within the initial development term to 2027 of approximately 2.3Mtpa
- Spot NEWC spec coal currently selling for >US$150/t[3], implying strong margin potential relative to AQC's current market capitalisation of approximately A$45.2m

Strong interest and advancing on debt funding

- Following detailed due diligence and site visits, Letter of Intent received from top 3 global commodity marketing firm (Trafigura) to provide up to US$50m (A$75m) of financing
- On-going process for Dartbrook to procure remaining restart funding with strong interest received recently
- Proceeds from Equity Raising to be used to provide working capital to AQC and Dartbrook to continue Dartbrook restart and finalise restart funding

1. Economic Interest of 10% provided by AQC to M Resources (ASX Announcement on Joint Venture 01-May-2023). Note that, also as announced on 01-May-2023, it is intended that Trepang Services Pty Ltd also receive an economic interest of 10% via land and water rights that remain to be negotiated, but this obligation would be at the JV level and is captured in the FOB cost/t.
2. 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.
3. NEWC 6000kcal/kg (Oct-23 futures contract) trading at US$161/t on 24/08/2023

1 Investment Highlights

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Fully permitted with high value extension potential

- Fully permitted: Government and community approvals in place
- Development approvals granted for 5-year underground mining operations to Dec-2027 (MOD7)
- Potential to secure high value development extension through to 2033, which Dartbrook will seek from the position of being an existing operating project at the time of application

Infrastructure network in-place

- Substantial existing infrastructure in-place from previous operations by Anglo American, which will support mining operations
- Coal handling and processing plant (CHPP) in good condition with nameplate capacity of 6 Mtpa (replacement value ~A$300m)

High quality coal specifications

- High quality coal (NEWC spec) with calorific value suitable for high energy low emission (HELE) power generation
- Low sulphur content enhances product marketability
- Potential to sell a proportion of product in met coal markets (semi-soft and PCI)
- Significant in-bound interest from off-takers and traders in Asia and Europe

Excellent Location

- Located in NSW Hunter Valley, approximately 130km from Newcastle port. Premier global thermal coal basin and network
- Highly skilled and motivated local workforce available
- NSW royalty regime favourable relative to Queensland
- Through proactive community engagement, the mine has been well received by local community

ESG focused

- Committed to co-exist with surface cattle grazing operations
- Committed to minimise water use under agreement with landowner
- Underground mining operations and technologies allows for improved utilisation of greenhouse gases for the potential reduction of scope 1 and 2 emissions

Market Outlook

- Thermal coal prices remain above long-term averages, driven by tight international supply and demand tensions
- Energy security and diversity of supply sources expected to remain a global priority

1. Economic Interest of 10% provided by AQC to M Resources (ASX Announcement on Joint Venture 01-May-2023). Note that, also as announced on 01-May-2023, it is intended that Trepang Services Pty Ltd also receive an economic interest of 10% via land and water rights that remain to be negotiated, but this obligation would be at the JV level and is captured in the FOB cost/t.

1 2023 Achievements

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AQC's management team has delivered significant positive results for shareholders in 2023 YTD

- **Significantly increased AQC shareholder's interest in Dartbrook Project**
  - Renegotiated Joint Venture terms and agreement with significant positive outcomes for AQC shareholders
  - Increased direct working interest in Dartbrook project to 80% and increased economic interest to 70%[1]
- **Achieved alignment between JV partners, and between JV and shareholders**
  - Simplified JV structure allows better alignment of JV interests with shareholder interests
  - Negotiation of land and water access arrangements well advanced with Trepang, who is also a major shareholder of AQC
  - M Resources no longer a JV participant but remains an adviser to the project with a 10% economic interest from AQC's share
- **AQC enabled substantial de-risking of project through continued funding of early works**
  - Provided ~A$20-25m to date in loans to the Dartbrook JV, on a reimbursable basis, to continue restart operations and avoid unnecessary schedule slippage
  - Funds allowed successful completion of Hunter Tunnel de-watering, continued remediation works and revised Mine Plan
  - Stayed on budget and schedule and activities performed safely
- **Debt funding process significantly advanced despite challenging market backdrop**
  - AQC has led the process and substantially widened reach for potential debt providers, attracted multiple parties and enhanced competitive tension
  - Continued de-risking of project a key factor to achieving improved terms
  - Received Letter of Intent for up to US$50m (A$75m) from Trafigura on 17 August 2023; renewed interest from other domestic and international parties to provide additional funding

1. Economic Interest of 10% provided by AQC to M Resources (ASX Announcement on Joint Venture 01-May-2023). Note that, also as announced on 01-May-2023, it is intended that Trepang Services Pty Ltd also receive an economic interest of 10% via land and water rights that remain to be negotiated, but this obligation would be at the JV level and is captured in the FOB cost/t.

2 Equity Raising Overview

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Equity Raising size and structure	• Australian Pacific Coal ("**AQC**" or the "**Company**") is announcing an equity raising of up to A$12m (**"Equity Raising"**) comprising: – A$4m placement ("**Placement**") utilising the company's placement capacity under ASX Listing Rule 7.1 – Up to A$8m 1 for 4.75 pro-rata accelerated non-renounceable entitlement offer (**"Entitlement Offer"**) to existing shareholders • The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
Offer price	• The Equity Raising will be conducted at a price of $0.11 per new share ("**Offer Price**"), which represents a: – 15.4% discount to the last traded price of $0.13 on 28 August 2023; – 20.0% discount to the 5-day volume weighted average price ("**VWAP**") of $0.138 to 28 August 2023; – 12.1% discount to the Theoretical Ex-Rights Price (**"TERP"**) of $0.125
Use of funds	• Working capital for AQC / Dartbrook JV, pending finalisation of the Dartbrook JV funding arrangements to allow for Dartbrook project restart
Ranking	• New shares issued under the Equity Raising ("**New Shares**") will rank equally with existing Australian Pacific Coal shares on issue on the relevant issue date
Lead managers	• Ord Minnett Limited and Wilsons Corporate Finance Limited are Joint Lead Managers of the Equity Raising – while the Equity Raising is not underwritten, subscriptions of at least A$8 million are anticipated based on institutional feedback
Major shareholder commitment	• Trepang Services Pty Ltd, the largest shareholder in AQC with 39%, has committed to subscribe for $3 million of the Entitlement Offer[1]

1. Trepang Services Pty Ltd is a Related Party of AQC under Chapter 10 of the ASX Listing Rules and so could only participate in the placement component of the Equity Raising if approved by Shareholders at an EGM. The Company does not intend to conduct an EGM.

2 Equity Raising Overview

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- Equity Raising to meet short-term funding and working capital requirements, while the Dartbrook JV finalises restart funding
  - The Dartbrook restart (inclusive of working capital) required ~A$120m of capital, of which ~A$20-25m has already been committed by AQC to Dartbrook by way of shareholder loan and deployed into the Dartbrook Project
  - As per the 17 August 2023 announcement, AQC has received a non-binding Letter of Intent from Trafigura, a top 3 global commodities trading firm, for up to US$50m (~A$75m) in debt funding to the Dartbrook JV. Trafigura has conducted material due diligence and attended site
  - The remaining ~A$20-25m for the Dartbrook restart is expected to be sourced from incremental Dartbrook JV debt, mezzanine capital and/or additional offtake agreements
  - This equity raising provides a working capital solution to AQC and the Dartbrook JV for a period beyond what is expected to be needed to conclude the Dartbrook restart funding
- With respect to deployment of capital by the Dartbrook JV, in the event of delays in obtaining all necessary funding, there is the potential to vary the rate of capital deployment and associated expenditure of the Dartbrook JV as may be considered appropriate in the circumstances

SOURCES OF FUNDS (A$M)		USES OF FUNDS (A$M)	
Placement	4.0	Mine salaries and wages	3.0 - 4.0
Entitlement Offer	4.0 - 8.0	Underground consumables	1.0 - 1.4
		Equipment hire	0.7 – 0.9
		Electrical equipment	0.8
		Administration	0.5 – 0.6
		Infrastructure	0.3
		1 **Dartbrook restart**	**6.3 – 8.0**
		2 **AQC working capital**	**1.3 – 3.2**
		Offer costs	**0.4 – 0.8**
Total	**8.0 - 12.0**	**Total**	**8.0 - 12.0**

1 **Dartbrook restart** through to between early and mid October 2023 subject to level of proceeds raised includes:
wages (~60 staff at mine currently), underground consumables (e.g. shotcreting), equipment hire, administration

No loans are to be repaid through equity raising proceeds

2 **AQC working capital** to provide for salaries, transaction costs, mining licence fees (recoverable from JV).

2 Indicative Equity Raising Timetable

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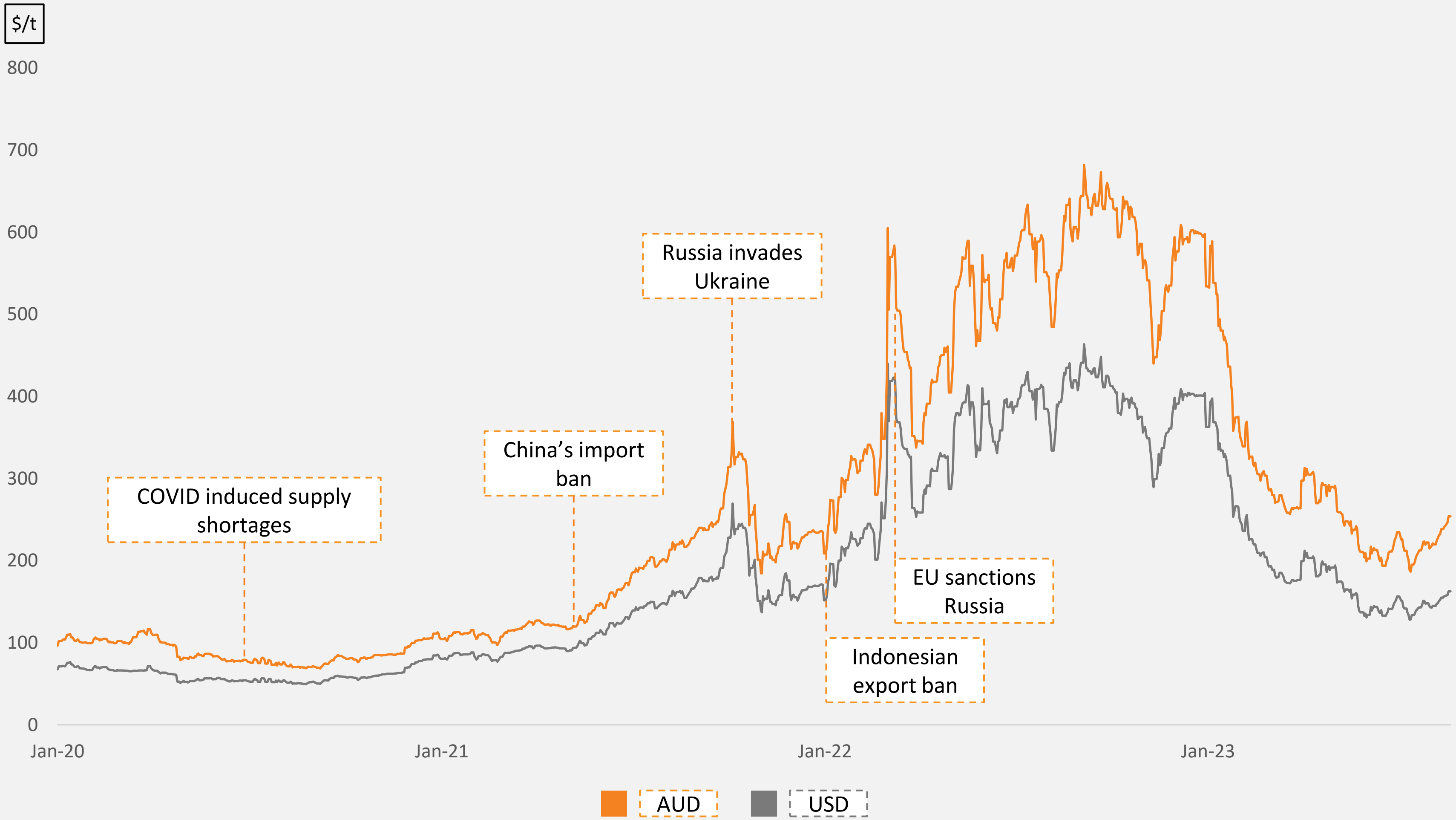
Event	Date
Announcement of the Equity Raising	Wednesday, 30 August 2023
Placement and Institutional Entitlement Offer closes	Wednesday, 30 August 2023
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Thursday, 31 August
Record date for the Entitlement Offer	7:00pm (AEST) 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	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 above timetable is indicative only. The Company or Lead Managers may vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable law.

3 Thermal Coal – Newcastle Index

The demand for high quality seaborne traded thermal coal (NEWC – 6000kcal or better) remains robust from across Japan, South Korea, Taiwan and other SE Asia against a backdrop of little new supply and a weakening A$



4 AQC Corporate Overview

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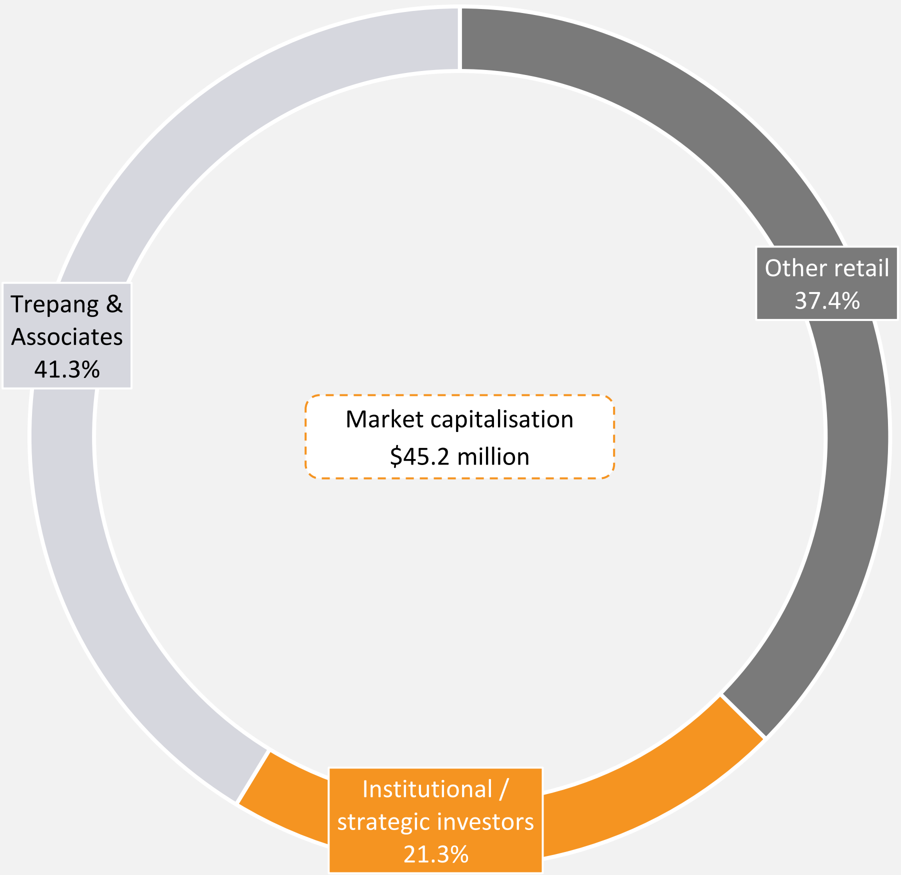
Shareholder Register



Capital Structure

Current share price (29-August)	$0.13
Shares on issue	347.3m
Market capitalisation	$45.2m
Cash (30-June)	$3.7m
Debt[1] (30-June)	$0.0m
Enterprise value	$41.5m
Unquoted securities[2]	Nil

1. There is currently $2.2m in the form of loans from AQC shareholders which was obtained post 30-June and which is repayable at the earlier of July 2024 or when third party funding is secured.
2. AQC has no options or warrants on issue. However, it is in discussions with Evolution Capital, which claims an entitlement to 20 million unlisted 3 year $0.34 options, as part of fee arrangements associated with the 2022 entitlement offer. See slide 29 for further details. Additionally, Trafigura or another financier could seek an issue of warrants or similar securities as part of any funding solution ultimately agreed.

4 Diverse and Experienced Board

Mike Ryan, *Interim Chair*

Mr Ryan is a highly accomplished executive and director with background in domestic and international capital markets. He has managerial and operational experience across a range of industries primarily focused on turnaround and growth. Mike's accomplished career has included roles as an Executive Director of Goldman Sachs JBWere, Morgan Stanley and Citibank. He was also previously Managing Director of CIMB and Head of Equities at Shaw and Partners.

Ayten Saridas, *Interim CEO, Director*

Ms Saridas is a finance executive with over 30 years of international experience across a broad range of industries including oil and gas, mining, retail, infrastructure, property and financial services. Ms Saridas has an established reputation in the financial markets and has held CFO and executive roles with Coronado Global Resources, Santos Limited, AWE Limited and Woolworths amongst other ASX listed companies.

Nick Johansen, *Non-Executive Director*

Mr Johansen is a solicitor with extensive mining experience, ranging from junior exploration to production, across a range of commodities. Nick has expertise in transactions, resources regulation, native title and environmental law. Nick completed his Graduate Diploma of Legal Practice at Australian National University. In addition, he holds a BA in economics from the University of Adelaide.

Jeff Beatty, *Non-Executive Director*

Mr Beatty is a mining professional with extensive experience in both coal and metalliferous, open cut and underground mining operations, including mine development, exploration and civil construction activities in Australia and internationally. Jeff holds qualifications in mine management, OH&S and business management. He previously held executive management roles at Carabella Resources, Vale Global Coal and AMCI Australia. Mr Beatty is currently Manager - Planning & Approvals with Tetra Resources Pty Ltd, which is a JV participant in the Dartbrook Project. Mr Beatty holds a 10% interest in the Tetra Resources Dartbrook Joint Venture entity.

Craig McPherson, *Company Secretary*

Mr McPherson graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of Chartered Accountants Australia and New Zealand. He has twenty years of commercial and financial management experience and has held various roles with ASX and TSX listed companies over the past fifteen years in Australia and overseas.

4 Experienced Tetra Operating Team

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General Manager Mine Operator
Michael Mapp

Responsibilities:
- People
- Leadership
- Statutory

Tetra Director
Brian McDonald

Prior Experience includes:
- Fitzroy Resources Exec Chair
- AMCI Aust – CEO
- MIM Holding – CEO Coal

Mine Manager
John Swan

Responsibilities
- Statutory Compliance
- Mine Plans
- Emergency Response
- Enterprise Agreement / workforce procurement
- Mine Ventilation
- Restart program - Dewatering and water management
- Hunter Tunnel Restoration

HSE/Training Manager
Geoff MacKenzie

Responsibilities
- SHMS
- Risk Assessments
- Training/ Competencies
- Risk Management
- Sustainability

Planning/Approval Manager
Jeff Beatty

Responsibilities
- EIS activities
- Community & Govt Engagement
- ESG Annual Reporting
- Consent Conditions Compliance (ie. Environmental, Water, Rehab Mgt Plan)

Engineering Manager
Tim Burgess

Responsibilities
- Maintenance System implementation
- Stores Management
- Restart program

CHPP & Project Manager
Chris Coombes

Responsibilities
- Restart Program – CHPP restoration & commissioning
- Noise Attenuation
- Apprentices
- ITP / Dossiers
- Document Management
- Surface Infrastructure

Commercial Manager
Shane Kuflik

Responsibilities
- Set up of financial systems and processes (inc. banking, AR, AP & payroll)
- Budgets
- Contracts & Commercial Agreements
- Insurance Program
- Internal & External Reporting
- Interface with M Resources
- Accommodation
- Uniforms & Branding

Engineering – Coal Conveyance
Shane Schokman

Responsibilities
- Restart program - conveying equipment procurement and commissioning

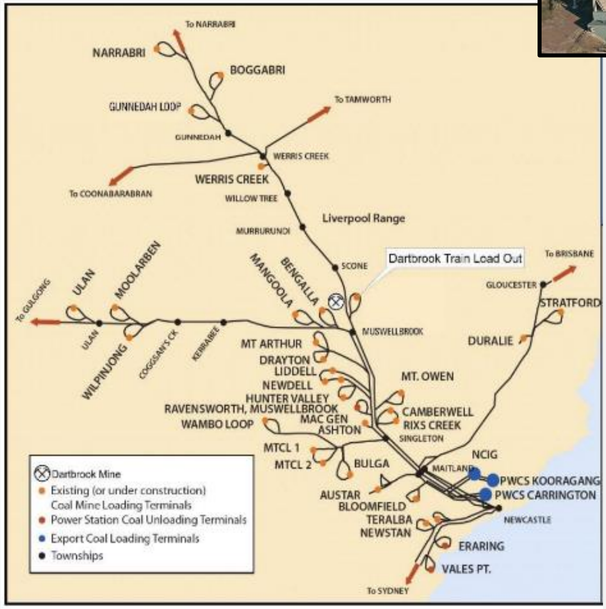
Communications
Mike Brooks

Responsibilities
- Control Room Operations
- UG & Surface Communications
- IT – service & infrastructure

Dartbrook Project - Overview

- A rare ASX exposure to production from the Hunter Valley, the world's premier thermal coal basin and coal export network
- Dartbrook has excellent infrastructure, a large reserve and resource base, proximity to rail and port facilities, and skilled labour availability
- A JORC compliant Resource of 2.5 Bt with ROM Reserves of 470 Mt and Marketable Reserves of 370 Mt[1]
- 5-year underground mining licence to December 2027, with potential for extension through to at least 2033 (MOD8)
- Targeting underground mining production restart in Q4 2023, utilising Bord & Pillar selected seam mining[2]
- New mine plan built around conservative ramp-up and aims to produce 1 Mtpa ROM coal (~0.8 Mt sales) in 2024 and a peak rate of ~2.7 Mtpa ROM coal by 2027 (~2.3Mt sales)[2]

Substantial infrastructure in place including CHPP, rail loop, conveyors and wash plant. Operations to be day shift only to minimise community disturbance.



1. Refer to JORC information on Resources and Reserves in the Disclaimer and on Slide 25.
2. 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.

5 Dartbrook Project – Cross Section

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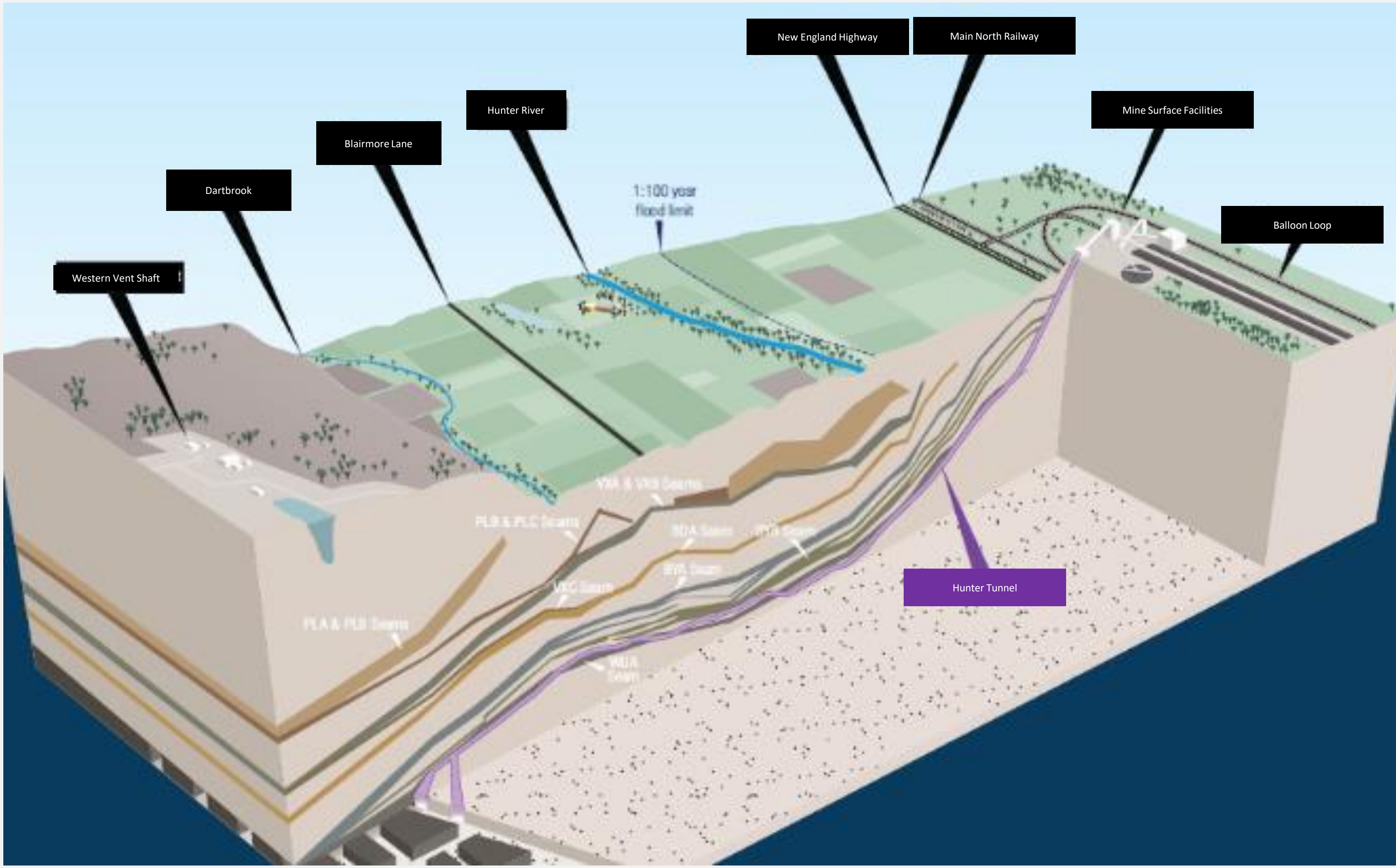

5 Dartbrook Project – Key Metrics

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Longwall underground mining operations commenced in 1994, under the previous ownership of Anglo, with production reaching over 5.5Mtpa ROM coal in 2005. The mine was placed into care and maintenance in 2006 following volatile commodity prices.

Key features and advantages:

- Multi-seam reserve – underground seam access already developed to multiple seams
- Coal clearance system through the existing Hunter Tunnel direct to the prep plant (CHPP)
- Tunnel avoids any interaction between operations and the New England Highway and runs beneath the Hunter River flood plain

Production Summary[1]

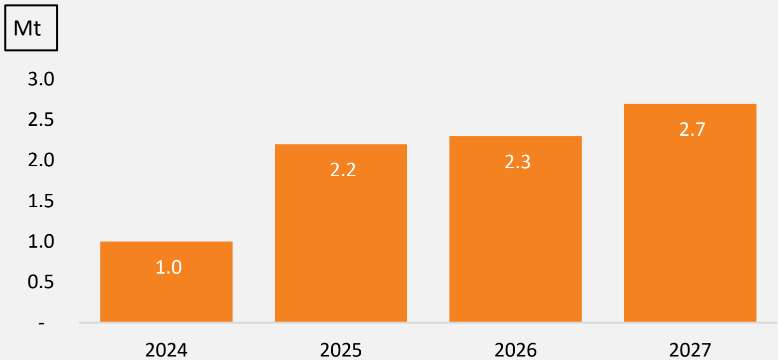
Production Summary	
ROM Production	Planned ramp up to 2.7Mtpa
Product	NEWC spec coal with potential to produce a portion of met coal (semi-soft and PCI)
Schedule	Targeting underground mining production restart in Q4 2023 and first sales/shipments in 1Q CY24[1]
Restart capital	~A$120m (~A$20-25m spent to date)
Average FOB costs	Under US$100/t[2]
Yield	Saleable yield expected around ~75-80+%

Product Coal Quality	Newcastle Benchmark	Dartbrook Premium Product	Dartbrook Standard Product
Specific Energy (gross, kcal/kg)	6,000	6,100	5,545
Ash (%)	14.0% max	12.0	19.0
Volatile Matter (%)	27.0%	29.5	26.9
Moisture (%)	15.0 max	11.0	11.0
Sulphur (%)	0.75% max	0.37	0.36

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. Estimated average FOB operating costs over term to Dec-27. Includes estimates of all fees / royalties, logistics (rail/port), marketing costs. Royalties based on NEWC coal prices US$150/t. Assumes sales volumes per following slide. See following slide for further detail.

5 Dartbrook Project – Key Financials[1]

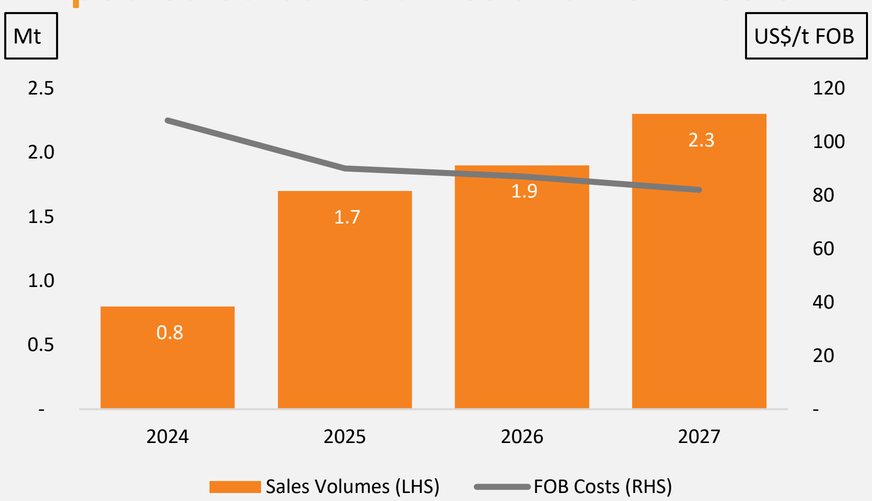
Expected ROM Production



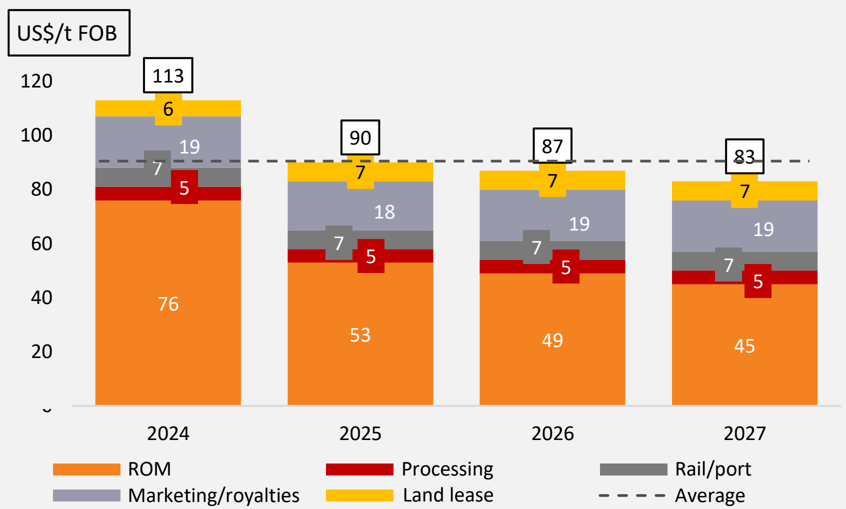
Revenue

- Average blended product over the licence term is expected to be broadly consistent with NEWC thermal benchmark product and pricing (current spot prices >US$150/t)
- Mine had produced historically in line with benchmark product

Expected Sales Volumes and FOB Costs[2]



FOB Cost Breakdown[2]



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. Production chart represents first coal on conveyor belt to CHPP for processing in 1Q 2024.
2. US$/t of sales. AUD/USD of 0.65 assumed for conversion. Assumes sales volumes per chart above. Includes estimates of all fees / royalties, logistics (rail/port), marketing costs. Coal price of US$150/t flat assumed for purposes of calculating royalties and lease rental. Lease rental per ASX announcement 1-May-23. JV expense assumed to be the higher of A$5m/year or 10% indirect economic interest (subject to final negotiations and any required shareholder approval). All figures are in real terms.

Dartbrook Project – Timeline

Rapid restart of past producing and highly profitable thermal coal mine

Acquisition and Study Phases | Permit Review and Extension | Restart Ready

1H 2017
Dartbrook Acquisition
- Acquired asset (in care and maintenance) from Anglo American and Marubeni Coal[1]

2018 - 2019
- Feasibility Studies

COVID-19

1H 2022
Dartbrook 5 Year Extension
- 5 Year extension of mining operations granted until Dec 2027[4]

Q2 2023
- Joint Venture re-structured and simplified[5]

2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023

1H 2018
Updated Resource
- Estimate total of 2.5 Billion tonnes (588 Mt Measured, 850 Mt Indicated, 1,097 Mt Inferred)[2]

2018 - 2020
Review and Approvals
- Application lodged for Recommencement of Mining[3]
- Independent Planning Commission Determination of MOD 7

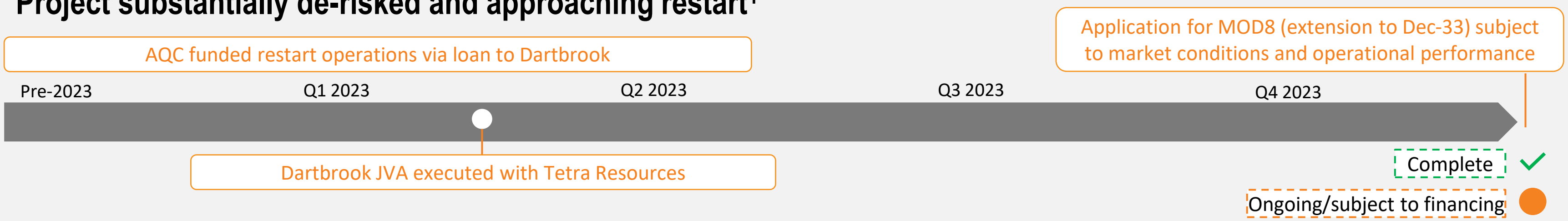
2H 2022
- $100 million Entitlement Offer and Debt Repayment

Q4 2023
- Targeted First Coal[6]

1. 29th May 2017, ASX Announcement – "Dartbrook Acquisition"
2. 27th June 2017, ASX Announcement – "Dartbrook Coal Resource Estimate 2.5 Billon Tonnes"
3. 1st March 2018, ASX Announcement – "Application Lodged for Recommencement of Mining"
4. 14th March 2022, ASX Announcement – "Dartbrook – Modification 7 Update"
5. 1st May 2023, ASX Announcement - *"AQC finalises Dartbrook Joint Venture Agreement"*
6. 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.

5 Significant Progress to Date

Project substantially de-risked and approaching restart[1]



Work Package	Task	Comments	Status
Planning and Approvals	Mining / coal leases	• All tenure has been approved by the Department of Mining Exploration and Geoscience (MEG).	✓
	Mine plan	• Mine plan optimised by Xenith resulting in yield improvements (75-80+%) through review of extensive borehole data. • Planned ramp up to 3 mining units.	✓
	Council/ Local Govt	• Extensive consultations regarding Dartbrook Restart with strong support from local community, government and regulators.	✓
Procurement	Workforce	• Key Management Personnel and extensive workforce already recruited and on-site (~60 FTEs) • Operations to be performed through super panel configuration to minimise personnel requirements (reduces headcount by 28 FTEs) which drives improved unit rates and reduced start risk, given industry shortage of personnel.	✓
	Equipment	• All required mining equipment for the first two mining systems already secured under Letters of Intent. To be completed upon restart capital financing.	✓
Surface Infrastructure & Services	Electrical supply	• Electrical equipment procured and ready for delivery to site.	✓
	CHPP restart	• Noise attenuation material procured and tested to ensure CHPP operations remain within consent requirements. • Initial inspections and scope of works performed – optionality to bypass coal upfront to expedite coal sales	✓
	Train load-out	• All load out and rail infrastructure in good working order with minimal upgrade works required. Inspections completed by Aurizon.	●
Underground Readiness	Hunter Tunnel Dewatering	• Significant accomplishment to completely dewater tunnel (removed 70ML water). • Geotech assessment of tunnel post-dewatering exceeded expectations (roof and ribs conditions)	✓
	Ventilation Circuits	• Ventilation through main tunnel restored. Well advanced on works to install ventilation control devices in advance of operations.	✓
	Hunter Tunnel Restoration	• Workforce secured to commence restoration works on tunnel including re-bolting and meshing tunnel. Old infrastructure (drive units, piping, conveyor structure) removed.	✓
Coal Transport Systems	Conveyor system	• Configuration / optimisation of conveyor system in both the Hunter Tunnel and Kayuga interseam drift. Initial conveyor structure (2km) procured and on-site. • Hunter Tunnel conveyor system fully redesigned to minimise drive units required for conveyance. • Procurement of extensive 2nd hand equipment for panel development (drive units / boot ends) completed to mitigate upfront capital.	●
Logistics	Rail and Port	• Production schedule supported by available Rail and Port capacity through the Hunter Valley Coal Chain. Non-binding offer received for available capacity (above/below rail and port) with existing operators in the region without take or pay commitments.	●

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.

5 Committed to Operate Sustainably

- Committed to co-exist with surface cattle grazing operations (landowner, Trepang, also largest shareholder)
- Committed to minimise water use under agreement with landowner
- Underground mining operations and technologies allows for improved utilisation of greenhouse gases for the potential reduction of scope 1 and 2 emissions
- Local employer with planned workforce of approximately 200+ people
- High quality coal product suitable for high efficiency, low emissions power stations

⑥ Conclusion

Exposure to near-term and high-margin coal production with a current market capitalisation of only A$45m

- Excellent location – world's premier thermal coal basin / network
- Fast to market / low-cost restart – production targeted for Q4 2023[1] and expected to reach sales volumes of approximately 2.3Mtpa by 2027[1]
- Attractive margin potential – based on current spot thermal and expected steady state production, margins would exceed US$50/t
- Infrastructure well established – CHPP, proximity to rail and port
- Ample resources and reserves
- Quality coal specification – suitable for HELE power with low sulphur
- Thermal coal market – needs new supply sources like Dartbrook
- ESG focused

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.

Appendix

Glossary

Term	Meaning	Term	Meaning
AAS	Australian accounting standards	Mt	million metric tonnes
AQC or the Company	Australian Pacific Coal Limited	Mtpa	million metric tonnes per annum
ASX	Australian Securities Exchange Limited or the securities exchange operated by it, as the context requires	New Shares	the ordinary shares in the Company for offer under the Equity Raising
Bt	billion tonnes	NEWC	GlobalCoal Newcastle standard specification for seaborne thermal coal
CHPP	coal handling and processing plant	NSWRR	New South Wales Resources Regulator
Corporations Act	*Corporations Act 2001* (Cth)	Offer Price	$0.11 per New Share
CY	calendar year	PCI	pulverised coal injection
Dartbrook Project	the project to restart the Dartbrook underground coal mine	PHMP	principal hazard management plan
Entitlement Offer	the pro rata non-renounceable accelerated entitlement offer described in this presentation	Restart Funding	the financing negotiations for Dartbrook's recommencement
Equity Raising	the Entitlement Offer and Placement	ROM	run of mine
FOB	free on board	Securities Act	United States Securities Act of 1933, as amended
FMC Act	Financial Markets Conduct Act 2013 (New Zealand)	t	tonnes
FTE	full-time equivalent employee	TERP	theoretical ex-rights price
HELE	high energy low emission	VWAP	volume weighted average price
JORC or JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012		

JORC Resource and Coal Quality

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AQC has had the following technical reports conducted for Dartbrook:

- Coal Reserve Estimate for Dartbrook Project (2018)
- Mining Consultancy Services (2017), Underground Mine Feasibility Study
- Mining Consultancy Services (2017), Dartbrook Kayuga Seam Underground, JORC Reserves Statement, Coal Reserves as at Feb 2017
- JB Mining Services Pty Ltd (2016)

JORC Resource Classification	Mt
Ore Reserves	
Proven	-
Probable	370
Total	370
Mineral Resources	
Measured	588
Indicated	850
Inferred	1097
Total	2,534

Marketable Reserves Note

The Dartbrook Marketable Coal Reserve of 370Mt is derived from a ROM Coal Reserve of 470 Mt estimated in accordance with the JORC Code with a predicted overall yield of 78%. The 370Mt Marketable Coal Reserve is included in the 2,534 Mt Coal Resource (588Mt Measured, 850 Mt Indicated, 1,097Mt Inferred).

Listing Rule 5.23 and 5.19.2 Statements

The information in this presentation relating to Coal Resources for the Dartbrook Project was announced by AQC on 27 June 2017, titled “Dartbrook Kayuga Seam Underground JORC Reserves Statement”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

The information in this presentation relating to Coal Reserves for the Dartbrook Project was announced by AQC on 28 March 2018, titled “Coal Reserve Estimate for the Dartbrook Project”. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

The Dartbrook Mine can produce two high energy coal products:

i. “Premium” thermal coal (~12% ash)

ii. “Standard” thermal Coal (~19% ash)

iii. All coal has a low sulphur content (~0.4%) and properties consistent with neighbouring mines

Both “Premium” and “Standard” thermal coal are suitable for High Efficiency, Low Emissions power stations.

Foreign Offer Restrictions

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This presentation does not constitute an offer of New Shares of the Company in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below. Participating in the Offer shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders participating in the Entitlement Offer who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed.

China

Neither this presentation nor any other document relating to the New Shares may be distributed to the public in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). This document has not been approved by, nor registered with, any competent regulatory authority of the PRC. Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC unless permitted under the laws of the PRC.

The New Shares may not be offered or sold to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

European Union

This presentation has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

New Zealand

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

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.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Foreign Offer Restrictions Cont'd.

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Singapore

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This presentation has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this presentation to any other person in Singapore.

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Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this presentation nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this presentation will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA").

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In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this presentation relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Key Risks

This section discusses some of the key risks associated with any investment in AQC, which may affect the value of AQC's securities. The risks set out below do not constitute an exhaustive list of all risks involved with an investment in AQC. Before investing in AQC, you should be aware that an investment in AQC has a number of risks, some of which are specific to AQC and the Dartbrook Project and some of which relate to listed securities generally, and many of which are beyond the control of AQC.

The risks detailed below may change after the date of this presentation and other risks relevant to AQC and the New Shares may emerge (or may become, or may be identified as being, more material than was appreciated at the time of this presentation) which may have an adverse impact on AQC and the price of the New Shares.

Operations risks

Restart and funding risk
The Company may be unable to access the appropriate management, equipment and capital to fund its business operations.

The Dartbrook Project was placed into care and maintenance in 2007 and has not been in operation for over 15 years. This has caused a number of its assets to deteriorate. While Letters of Intent have been entered into for leases of all major mining equipment expected to be required to restart the Project, these are not binding and it may not be possible to convert them to binding leases. The cost involved in re-starting, re-establishing and refurbishing the Dartbrook mine is based on re-start studies carried out between 2022 and 2023. There is the risk that actual costs may be greater than the cost anticipated in this presentation due to greater than expected inflationary impacts, potential scope changes and wage cost increases.

Additionally, the JV is seeking further funding and will need to raise a further approximately A$75m to get to the production of first coal, a further ~A$20-25m for working capital and an additional $20-$25m to refinance existing loans to AQC. While interest and Letters of Intent has been shown by various parties in providing this funding, there is no assurance that it will be available on acceptable terms or at all. If this funding is not available as debt (or via pre-sale of coal or other means), or is insufficient (or if the terms of any funding so require) further equity may need to be raised or the JV partners may need to consider placing the mine into care and maintenance.

A lease (and associated land and water rights) also needs to be finalised, and while significant progress has been made on these arrangements, a failure to finalise them may prevent the Dartbrook Project restarting on time or at all.

Mining risks

(i) The orders of the Land and Environment Court of New South Wales' in AQC Dartbrook Management Pty Ltd. v Minister for Planning and Public Spaces (referred to as Modification 7 or MOD 7) impose conditions on mining at Dartbrook, including as to maximum production limits and requirements associated with re-starting, re-establishing and refurbishing the Dartbrook Mine and mining into the future.

(ii) The Dartbrook Project tends towards a medium to high spontaneous combustion risk particularly in the old longwall areas where the risk is much higher. While the current mine plan does not anticipate mining in the old longwall areas, if mining were to recommence in these areas there would be increased risk of re-activation of dormant heating or the commencement of new heating.

(iii) The New South Wales Resources Regulator ('NSWRR') requires full compliance with all legislation prior to recommencement of the Dartbrook Project, including additional communication equipment, real-time environmental monitoring and full compliance with requirements to have current Principal Hazard Management Plans ('PHMPs') updated every 3 years and all supporting subordinate documentation. There is a risk that the Dartbrook Project does not meet the compliance requirements and accordingly, the NSWRR imposes a requirement for the Dartbrook Project to temporarily or permanently cease or imposes additional costs to ensure compliance or fines in the instance of non-compliance.

Joint venture risk
AQC's material asset is its 80% interest in the unincorporated joint venture for the Dartbrook underground coal mine. This arrangement is subject to the risks normally associated with the conduct of joint ventures. Such risks may include inability to exert sufficient influence over certain strategic decisions made in respect of Dartbrook, disagreement with joint venture partners on how to develop or operate Dartbrook, inability of joint venture partners to meet their obligations to the joint venture or third parties and litigation participants regarding joint venture matters. If any of these risks were to materialise, this could potentially jeopardise the ability of the Dartbrook mine to efficiently and effectively proceed to first coal and to maximise operating efficiency into the future. Such an impact would have an averse effect on AQC's ability to commence generating revenue and/or maximise the financial benefit it draws from its material asset into the future.

Key Risks

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Plant and Equipment risks
Prior to the Dartbrook Project recommencing production, there are a number of issues relating to the current infrastructure and plant and equipment that will need to be rectified or remedied to allow production to commence. Although most of the remediation works have been completed or are in progress, there remains the risk that it will not be completed in time or effectively to enable the restart of the mine in time.

Environmental risks
The Dartbrook Project is subject to laws and regulations regarding environmental matters. As with all mining and exploration projects, the future operations of the Dartbrook Project is expected to have an impact on the environment, and it is possible that regulatory issues could arise in relation to such operations, either under current laws and regulations or under any future laws or regulations. The Company is unable to project the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the costs of doing business or of its operations in the area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Dartbrook Project to incur significant expenses and undertake significant investments which could have a material adverse effect on the performance of the Dartbrook Project.

Stamp duty risk
As previously announced to ASX on 11 August 2022, the Company received in 2022 a notice of assessment from Revenue NSW relating to the acquisition by the Company's subsidiary of the Dartbrook Project in 2017. The notice of assessment is for the amount of A$1,469,558.68 inclusive of interest and penalties at the time of the assessment. Whilst the Company has provisioned for this assessment in its accounts and challenged this notice of assessment, there is a risk that the Company's challenge will be unsuccessful and that the Company will be required to pay the stated liability under the notice of assessment and/or that further interest or penalties could be imposed.

Force majeure events
Events that are beyond the direct control of the Company may occur that could impact on the economy, the Company's operations, investor sentiment and the price of shares. These events include, without limitation, acts of terrorism, international hostilities, pandemics, fires, floods, earthquakes, labour strikes, natural disasters, damage to or unavailability of infrastructure, bush fires or other natural or man-made events.

Dilution of existing shareholdings in the Company
Shareholders who do not take up their entitlements under the Entitlement Offer in full will have their percentage interest in the Company reduced. In addition, Shareholders who do not participate on at least a pro rata basis in the Placement will also have their percentage interest in the Company reduced.

Evolution Capital ("Evolution") has claimed that it is entitled to receive 20 million unlisted 3 year $0.34 options, as part of fee arrangements associated with the 2022 entitlement offer. AQC disputes Evolution's entitlement to receive these options and it is in continuing discussions with Evolution, having regard to a number of matters, including that a resolution put to shareholders by AQC to authorise the issue of 12,427,279 of the options under ASX listing rule 7.1 was not passed.

The Company's notice of meeting indicated that, in the event the issuance of the 12,427,279 options was not approved, that issuance could not occur, as the Company's placement capacity was insufficient, but that this could lead to potential monetary liability for the Company (although the Company does not concede that monetary liability arises in relation to these options). It indicated that the remaining 7,572,721 options were to have been issued under AQC's placement capacity, but that has not occurred. There is a risk that Evolution will ultimately seek to require the Company to either issue some or all of the options or provide money to compensate for the fact that they have not been issued, and may also seek to recover its costs for pursuing its claims in this regard. If Evolution pursues this course, there is a risk it could be successful, and also that, even if it is not, the Company may incur legal and other costs in defending its position and that management time may be diverted.

Shortage of skilled labour
Efficient coal mining using modern techniques and equipment requires skilled labourers, preferably with a reasonable level of experience and proficiency in multiple mining tasks. Any reduced availability or future shortage of skilled labour in Australia could result in AQC having insufficient personnel to operate its business, or commence or expand production, which could adversely affect AQC's financial condition and results of operations.

Interest rate risk
AQC is exposed to interest rate risk in relation to variable rate bank balances and variable rate borrowings. In addition, if the Trafigura Pte Ltd debt funding proposal proceeds to binding documentation, it is anticipated that the interest rate would be variable.

The interest rates applicable to AQC's borrowings may increase in the future as a result of factors beyond its control and may result in an adverse effect on its financial condition and results of operations.

Foreign exchange risks
Loss sustained from adverse movements in currency exchange rates could impact AQC's financial performance and financial position and the level of additional funding required to support its businesses. For example, the Letter of Intent for debt funding from Trafigura Pte Ltd is denominated in USD and foreign currency exposures may arise in the future in relation to coal supply contracts and procurement of necessary plant and equipment and debt.

AQC does not currently undertake any foreign exchange hedging against exchange rate fluctuations. Accordingly, AQC's USD exposures will be at risk of any adverse movement in exchange rates, which may affect the level and cost of debt funding that AQC is able to obtain and AQC's operating results, cash flows and financial condition.

Management risk
Dartbrook's prospects depend, in part, on the Company's ability to attract and retain its executive officers, senior management and key consultants or partners and on these personnel being able to operate effectively.

Key Risks

Compliance with health and safety laws and regulations
AQC is subject to extensive laws and regulations governing health and safety at coal mines in Australia. As a result of increased stakeholder focus on health and safety issues (such as black lung disease or coal workers' pneumoconiosis), there is a risk of legislation and regulatory change that may increase AQC's exposure to claims arising out of current or former activities or result in increased compliance costs. Regulatory agencies also have the authority, following significant health and safety incidents, such as fatalities, to order a facility be temporarily or permanently closed. If serious safety incidents were to occur at any of AQC's mining facilities in the future, it is possible that a regulator might impose a range of conditions on re-opening of a facility, including requiring capital expenditures, which could have an adverse effect on AQC's reputation, financial condition and results of operations.

Water shortages
In a situation of a drought and constrained supply of water, AQC's ability to source water for the Dartbrook Project may be reduced. If this occurred, this may impact AQC's ability to commence or maintain production levels without incurring additional costs, which could adversely impact its operations and production.

Royalties

There is currently a Royalty Deed with the previous owners Anglo American and Marubeni Coal Pty Ltd for A$3.00/t (subject to escalation) of grantor's coal sold and an additional A$0.25/t of third-party coal processed or loaded through Dartbrook facilities. The royalty has a cap of A$25,000,000 (subject to escalation). Royalties at a lower rate may become payable to Trepang and certain associates after the Anglo/Marubeni royalty has been fully discharged, as disclosed in AQC's financial statements.
The NSW Government currently imposes a 7.2% royalty on underground coal. The government also imposed a temporary (for period of 18months) A$125/t cap on on coal sold to domestic generators. There is always a risk that the Government will review and potentially change the royalty regime, and any change could adversely impact AQC.

Increasing regulation of coal mining and related financing and other matters
Global concerns about climate change continue to attract considerable attention, particularly in relation to the coal industry. Emissions from coal consumption, both directly and indirectly, and emissions from coal mining itself are subject to pending and proposed regulation as part of initiatives to address global climate change. A number of countries, including Australia, have already introduced, or are contemplating the introduction of, regulatory responses to greenhouse gasses, including from the extraction and combustion of fossil fuels, to address the impacts of climate change.

The absence of regulatory certainty, global policy inconsistencies and direct regulatory impacts (such as carbon taxes or other charges) each have the potential to adversely affect AQC's operations – either directly or indirectly, through suppliers and customers. Collectively, these initiatives and developments could result in lower demand for coal used in electricity generation (such as that which AQC will produce), reduced willingness of financiers, insurers and other suppliers to provide their services to AQC, higher electricity and other input costs to AQC 's operations, new regulatory constraints or requirements applicable to AQC's operations and other adverse effects, which could in turn adversely impact AQC's business and its financial condition and results of operations.

Native tile
In Australia, mineral exploration and mining tenure (and many other forms of tenure or interests in land) may cover land that is subject to a claim for native title or land where native title has already been determined to exist. Native title is the communal, group or individual rights and interests of Aboriginal or Torres Strait Islander people in relation to their traditional land or waters. The existence of native title in Australia is recognised and protected in accordance with the *Native Title Act 1993* (Cth) ('Native Title Act') and legislation in each State and Territory. The common law of Australia recognises a form of native title that, in circumstances where it has not been extinguished, reflects the entitlement of the appropriate traditional owners to their lands, in accordance with their traditional law and custom.

If native title is either determined to exist or there are registered, but undetermined, native title claims over any part of its tenements and native title has not otherwise been extinguished with respect to that part, AQC may be required to negotiate with, and pay compensation to, the native title holders for impairment, loss or diminution or other effect of the proposed activities on their native title rights and interests. Compensation obligations may also arise pursuant to agreements with native title claimants or native title holders in relation to any tenements AQC acquires. The existence of native title or a registered native title claim may preclude or delay the granting of exploration and mining licences pending resolution of the statutory procedures imposed by the Native Title Act and considerable expense may be incurred in negotiating and resolving native title issues.

Changes in and compliance with government policy, regulation or legislation
The coal mining industry is subject to regulation by federal, state and local authorities in each relevant jurisdiction with respect to a range of industry specific and general matters. Any future legislation and regulatory change imposing more constraints or more stringent requirements may affect the coal mining industry and may adversely affect AQC's financial condition and results of operations. Examples of such changes are future laws or regulations that may limit the emission of greenhouse gases or the use of thermal coal in power generation, more stringent workplace health and safety laws, more rigorous environmental laws, and changes to existing taxation and royalty legislation.

Volatility of coal prices
AQC anticipates generating its primary revenue from the sale of coal. Accordingly, its financial results will be materially impacted by the prices it receives for that coal. As a result, and depending on the terms of any arrangements it enters into with buyers, a significant portion of AQC's revenue may be exposed to movements in coal prices and any weakening in coal prices is likely to have an adverse impact on its financial condition and results of operations.

Future prices for coal depend upon many factors beyond AQC's control, including the current market price of coal, overall domestic and global economic conditions, the consumption patterns of industrial consumers, electricity generators and residential users, weather conditions in AQC's markets that affect the ability to produce coal or affect the demand for coal, competition from other coal suppliers, technological advances affecting energy consumption and/or the steel production process, the costs, availability and capacity of transportation infrastructure and the impact of domestic and foreign governmental policy, laws and regulations, including the imposition of tariffs, environmental and climate change regulations and other regulations affecting the coal mining industry.

Litigation risk
The Company may be subject to claims and litigation being brought against it, including with respect to corporate and capital raising activities.

Key Risks

General Risks

Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks, particularly given the prospective nature of the Company, the lack of current revenues and the need to lock in certain contractual arrangements including additional funding. The New Shares to be issued pursuant to the Equity Raising carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares.

Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any of the above factors may have a material adverse impact on the Company's business and financial performance and in particular, they may prevent the Company from obtaining the necessary funding to progress the restart of the Dartbrook Project.

Insurance arrangements

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, no assurance can be given that such coverage will be adequate and available to cover any claims that may be made against the Company or its directors or any losses the Company may suffer. For example, given the Company is currently in the pre-production phase, there is currently no available industrial special risk or 'ISR' insurance coverage for underground works at Dartbrook. Further, there is a risk that the Company will not be able to obtain adequate coverage in the future, either at reasonable rates or at all.

Operational risks and costs

The Company is exposed to operational risks and costs present in the current business. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position as well as reputation. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however certain residual risk will remain with the Company.

Future capital needs

Further funding is required to complete the restart of the Dartbrook Project. There is a risk that despite efforts from the Company and its management, re-commissioning efforts will fail, cost more than anticipated or that attempts to raise required funding will fail, all of which would adversely affect the Company's growth and profitability. In particular, whilst the Company has received a letter of intent from Trafigura, there can be no guarantee that the letter of intent will result in the debt funding anticipated on favourable terms or at all. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. If insufficient capital is raised by the Offer, there is a risk that AQC will no longer be able to continue to lend the Dartbrook JV and accordingly, the Dartbrook mine will need to return to care and maintenance until alternative sources of funding are raised.

Regulatory risk and government policy

Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. In particular, as noted on slide 5, the NSW royalty regime (where the Dartbrook Project is located) is more favourable than that applying in Queensland. There is a risk that the regime is amended to raise royalties, which would cause a significant increase in operating costs and reduce profitability.

Cost and production assumptions

The Company uses a range of factors and estimates to determine its expected costs and expected production and sales, many of which are outside its control. In particular, actual operating and other costs may exceed expected costs (including as a result of wage rises, rises in the price of materials and general inflationary pressures, inability to source materials or services, including port and rail services, at the costs anticipated and other factors) and actual production and sales may be less than expected production and sales (including because of mining and operational issues, coal market conditions and other factors), and the differences could be material.

Share market conditions

The price of the Company's shares will be influenced by international and domestic factors which may cause the market price of the shares to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Substantial stockholder risk

Trepang Services Pty Ltd and an associated shareholder ('Trepang') have significant influence over AQC, which could limit the ability of other shareholders to influence the outcome of shareholder votes. As at the date of this presentation, Trepang hold a combined 41.3% of AQC's ordinary shares. There is a risk that the interests of Trepang could conflict with or differ from AQC's interests or the interests of other shareholders, or that the size of the Trepang shareholding could deter proposals for control transactions.

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