

ASX ANNOUNCEMENT

ASX Code: AQC



13 April 2017

Extraordinary General Meeting Outcome of Resolution

Australian Pacific Coal Limited ('AQC', or 'the Company') advises that at the Extraordinary General Meeting of the Company's members held today, the resolution put to the members and the outcome of that resolution was as follows:

Resolution One (Ordinary Resolution)

Approval of transactions with Mr Nicholas Paspaley, Mr John Robinson and Trepang Services Pty Ltd under Chapter 2E and Section 611 (Item 7) of the Corporations Act and Listing Rules 10.1 and 10.11

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company, with or without amendment:

"That in accordance with Chapter 2E and section 611 (Item 7) of the Corporations Act 2001, and under Listing Rules 10.1 and 10.11 and for all other purposes, the Company be authorised, with effect from the passing of this Resolution 1 to proceed with:

- (a) the issue of the Robinson Convertible Note, capable of being converted into Shares in the Company, to Mr John Robinson (Snr) with a face value of \$10,000,000 plus interest capitalised up to the date of completion of the Dartbrook acquisition, pursuant to the terms of the Robinson Convertible Loan Deed;*
- (b) the issue of the Paspaley Convertible Note, capable of being converted into Shares in the Company, to Mr Nicholas Paspaley with a face value of \$10,000,000 plus interest capitalised up to the date of completion of the Dartbrook acquisition, pursuant to the terms of the Paspaley Convertible Loan Deed;*
- (c) the issue of the Trepang Convertible Note, capable of being converted into Shares in the Company, to Trepang Services Pty Ltd with a face value of \$15,000,000, pursuant to the terms of the Trepang Convertible Loan Deed (collectively with the Robinson and Paspaley Convertible Notes, the Convertible Notes);*
- (d) the subsequent conversion of the Convertible Notes into up to 7,521,149,069 Conversion Shares and Mr Nicholas Paspaley, Mr John Robinson (Snr) and Trepang Services Pty Ltd acquiring a relevant interest in the Conversion Shares on conversion of the Convertible Notes;*
- (e) the issue of up to 3,808,682,792 Interest Shares to Mr Nicholas Paspaley, Mr John Robinson (Snr) and Trepang Services Pty Ltd in satisfaction of the obligation of the Company to pay interest under the Secured Loan Deed, the Convertible Loan Deeds and Mr Nicholas Paspaley, Mr John Robinson (Snr) and Trepang Services Pty Ltd acquiring a relevant interest in such Interest Shares;*
- (f) the granting of the Security by the Company to Mr John Robinson Snr, Mr Nicholas Paspaley and Trepang Services Pty Ltd to secure the indebtedness associated with the Convertible Loan Deeds, the Convertible Notes and the Secured Loan Deed;*

Australian Pacific Coal Limited ABN 49 089 206 986

Level 7, 10 Felix Street, Brisbane QLD 4000 · PO Box 16330, City East QLD 4002

Tel: +61 7 3221 0679 · Fax: +61 7 3229 9323 · Web: www.aqcltd.com

- (g) the giving of financial benefits to Trepang Services Pty Ltd, Mr John Robinson Snr and Mr Nicholas Paspaley to the extent they are related parties of the Company;
- (h) the commencement of the Escrow Deeds and Mr Nicholas Paspaley, Mr John Robinson (Snr) and Trepang Services Pty Ltd acquiring a relevant interest in the Shares the subject of the Escrow Deeds;
- (i) the Voting Power of Mr Nicholas Paspaley, Mr John Robinson (Snr) and Trepang Services Pty Ltd (and their Associates) increasing up to a maximum of 84.90% pursuant to the Convertible Loan Deeds, the Secured Loan Deed and the Escrow Deeds,

pursuant to the terms and conditions of the Convertible Loan Deeds, the Convertible Notes, the Secured Loan Deed, the Security and the Escrow Deeds, the details of which are summarised in the Explanatory Memorandum.”

Outcome of Resolution One: Passed unanimously on a show of hands.

The instructions in respect of the proxies were:

For	Against	Undirected	Abstain or Excluded
1,218,629,471	459,578	14,510,967	384,390



Kevin Mischewski *Company Secretary/CFO*

Australian Pacific Coal Limited