

# AUSTRALIAN PACIFIC COAL LIMITED

ACN 089 206 986

## Retail Entitlement Offer

**1 for 6.16 pro-rata accelerated non-renounceable entitlement offer of Australian Pacific Coal Limited ordinary shares at \$0.12 per New Share**

Retail Entitlement Offer closes: 5.00pm (Sydney time) on 24 October 2024

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.

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## IMPORTANT NOTICES

This Retail Offer Booklet is dated 9 October 2024 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 \$10.4 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](http://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 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 document 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 document 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 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 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.

**Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current and challenging economic, market, climate, supply chain and other uncertainty and disruption, including the conflicts in Ukraine and the Middle East.**

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

#### **Lead Manager**

Neither the Lead Manager, nor any of its respective affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor any of its 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 Lead Manager is a full service financial institution 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 Lead Manager is 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 Lead Manager has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Lead Manager is not intended to create any fiduciary obligations, agency or other relationship between the Lead Manager 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 Lead Manager. 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 in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law and except to the extent by its fraud, gross negligence or wilful misconduct, 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/agc-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

9 October 2024

Dear Shareholder

I am pleased to offer you the opportunity to participate in the Company's recently announced 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company ("**New Shares**") at an offer price of \$0.12 ("**Offer Price**") per New Share (the "**Entitlement Offer**").

The Offer Price of \$0.12 per New Share represents a 23.2% discount to the Theoretical Ex-Rights Price ("**TERP**")<sup>1</sup> of \$0.156.

### Entitlement Offer and Use of Proceeds

On 2 October 2024, the Company announced its intention to raise approximately \$10.4 million via the Entitlement Offer. In addition, the Company announced that it intended to raise approximately \$9.6 million via an institutional placement to sophisticated and professional investors.

The net proceeds received from the Entitlement Offer and institutional placement are expected to be used:

- to satisfy the Company's 50% share of the \$20 million subordinated debt facility (being \$10 million), which was announced to the ASX together with the Entitlement Offer;
- to meet general working capital requirements of the Company; and
- to cover the fees associated with the Entitlement Offer.

As announced to ASX on 4 October 2024, the Company has now raised approximately \$16.5 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 11 October 2024.

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 \$3.5 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 6.16 Existing Shares they hold as at 7.00pm (Sydney time) on 4 October 2024 ("**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 can be accessed via <https://events.miraqle.com/agc-anreo>. Eligible Retail Shareholders who have elected to receive hard copies of shareholder communications will receive their personalised Entitlement and Acceptance Form via post.

If you take up your full Entitlement, you may also apply for additional New Shares up to a maximum of 25% 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

<sup>1</sup> 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\$0.156 on Tuesday 1 October 2024, 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.

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:

- Investor Presentation released to the ASX on 2 October 2024, providing information on the Company, the Entitlement Offer and key risks for you to consider;
- 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;
- instructions on how to access your 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.

#### **The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 24 October 2024.**

If you decide to take this opportunity to increase your investment in the Company please ensure that, before 5.00pm (Sydney time) on 24 October 2024, you have paid your Application Monies preferably via BPAY® pursuant to the instructions that are set out in the 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](http://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



**John Robinson**  
Chairman  
Australian Pacific Coal Limited

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## Key dates

Activity	Date
Announcement of the Entitlement Offer	2 October 2024
Record Date for Entitlement Offer (7.00pm Sydney time)	4 October 2024
Retail Offer Booklet and Entitlement and Acceptance Form made available	9 October 2024
<b>Retail Entitlement Offer opens</b>	<b>9 October 2024</b>
Settlement of New Shares under the Institutional Entitlement Offer	10 October 2024
Allotment and issue of New Shares under the Institutional Entitlement Offer and commencement of trading on a normal settlement basis	11 October 2024
<b>Retail Entitlement Offer closes (5.00pm Sydney time)</b>	<b>24 October 2024</b>
Announcement of the results of the Retail Entitlement Offer	28 October 2024
Settlement of New Shares issued under the Retail Entitlement Offer	30 October 2024
Allotment and issue of New Shares under the Retail Entitlement Offer	31 October 2024
Commencement of trading of New Shares issued under the Retail Entitlement Offer on a normal settlement basis	1 November 2024
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	4 November 2024

*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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## Table of contents

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<b>Chairman's letter</b>	<b>4</b>
<b>Key dates</b>	<b>6</b>
<b>Enquiries</b>	<b>6</b>
<b>1 Summary of options available to you</b>	<b>8</b>
<b>2 Overview of the Entitlement Offer</b>	<b>9</b>
2.1 Important information	9
2.2 Overview	9
2.3 Retail Entitlement Offer	10
2.4 Eligibility of Retail Shareholders	10
<b>3 How to apply</b>	<b>11</b>
3.1 Your Entitlement	11
3.2 Options available to you	11
3.3 Option 1: Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility	12
3.4 Option 2: Taking up part of your Entitlement and allowing the balance to lapse	12
3.5 Option 3: Allowing your Entitlement to lapse	12
3.6 Consequences of not accepting all or part of your Entitlement	12
3.7 Payment and refunds	13
3.8 Payment by BPAY®	13
3.9 If you are unable to pay by BPAY®	13
3.10 Entitlement and Acceptance Form is binding	14
3.11 Brokerage and stamp duty	17
3.12 Notice to nominees and custodians	17
3.13 Withdrawal of the Entitlement Offer	17
3.14 Enquiries	17
<b>4 Investor presentation</b>	<b>19</b>
<b>5 Additional information</b>	<b>20</b>
5.1 Ranking of New Shares	20
5.2 Allotment	20
5.3 Reconciliation	20
5.4 Continuous Disclosure	20
<b>6 Australian taxation consequences</b>	<b>21</b>
6.1 Issue of Entitlement	21
6.2 Exercise of Entitlement and applying for additional New Shares	21
6.3 Lapse of Entitlement	22
6.4 Taxation in respect of dividends on New Shares	22

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6.5	Disposal of New Shares or additional New Shares	22
6.6	Taxation of Financial Arrangements	22
6.7	GST	22
6.8	Stamp duty	23

**7 Definitions -----23**

**Corporate information-----26**

**1 Summary of options available to you**

If you are an Eligible Retail Shareholder<sup>2</sup>, 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
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	<ul style="list-style-type: none"> <li>• 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).</li> <li>• The New Shares will rank equally in all respects with Existing Shares.</li> <li>• The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 24 October 2024.</li> <li>• 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.</li> </ul>
2. Take up part of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> <li>• 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.</li> <li>• If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.</li> <li>• 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.</li> </ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

<sup>2</sup> See Section 2.4.



- 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 Overview of the Entitlement Offer

### 2.1 Important information

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

- Important Notices;
- Chairman's letter;
- the Investor Presentation<sup>3</sup> (and in particular the 'Key risks' section of the Investor Presentation);
- Additional Information;
- Entitlement and Acceptance Form (that can be accessed via <https://events.miraqle.com/aqc-anreo>); and
- other information made publicly available by the Company.

### 2.2 Overview

The Company intends to raise \$10.4 million under the Entitlement Offer.

The net proceeds received from the Entitlement Offer and institutional placement are expected to be used:

- to satisfy the Company's 50% share of the \$20 million subordinated debt facility (being \$10 million), which was announced to the ASX together with the Entitlement Offer;
- to meet general working capital requirements of the Company; and
- to cover the fees associated with the Entitlement Offer.

The Entitlement Offer is an offer of approximately 86.6 million New Shares at \$0.12 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 \$6.9 million<sup>4</sup>; 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 \$3.5 million.

<sup>3</sup> The enclosed Investor Presentation is current as at 2 October 2024. There may be other announcements that have been, or may be, made by the Company after 2 October 2024 and, before the Retail Entitlement Offer closes at 5.00pm (Sydney time) on 24 October 2024 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.

<sup>4</sup> This amount is current as at 4 October 2024 and is subject to final reconciliations being determined under the Institutional Entitlement Offer.

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.

### 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](http://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 6.16 Existing Shares held on the Record Date at an Offer Price of A\$0.12 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 9 October 2024 and is expected to close at 5.00pm (Sydney time) on 24 October 2024.

### 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

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### 3.1 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 6.16 Existing Shares held on the Record Date with fractional Entitlements rounded up to the nearest whole number of New Shares) can be accessed via <https://events.miraqle.com/aqc-anreo>. Eligible Retail Shareholders who have elected to receive hard copies of shareholder communications will receive their personalised Entitlement and Acceptance Form via post.

Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will have access to 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 Shares under the Top Up Facility at all. 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 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 24 October 2024** (however, that date may be varied by the Company and the Lead Manager, 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 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 24 October 2024.

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 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](http://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 24 October 2024. 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 24 October 2024.

Your EFT payment must be:

- a) for an amount equal to \$0.12 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](mailto: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 24 October 2024 (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 Application as valid or whether to reject it from being invalid 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) to the best of your knowledge, having made due enquiries, 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) 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 Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf reasonably 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 Lead Manager;
  - (ii) to the maximum extent permitted by law and except in the case of its fraud, gross negligence or wilful misconduct (or that of its employees, officers, agents or contractors), each of the Company and the Lead Manager, and each of their respective affiliates, disclaim any duty or liability in respect of that determination and the exercise or otherwise of that discretion;
- (j) you represent and warrant (for the benefit of the Company, the Lead Manager 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 acknowledge that investments in the Company are subject to risk;
- (o) none of the Company, the Lead Manager, 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 reasonably 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 minor or easily rectified 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.miraqle.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 to the maximum extent permitted by law and except in the case of its fraud, gross negligence or wilful misconduct (or that of its employees, officers, agents or contractors), none of the Company or its Beneficiaries accepts any liability or responsibility whatsoever 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) to the best of your knowledge, having made due enquiries, you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under 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 24 October 2024. 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 30 of the Investor Presentation (in Section 4).

For personal use only

For personal use only



For personal use only

# Dartbrook Underground: Ready for Production

**Ayten Saridas, Managing Director & CEO**

Equity Raising Presentation  
2 October 2024



ASX: AQC

Not for release or distribution in the United States



# Disclaimer

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## NO LIABILITY

Where any opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations, express or implied, can be made as to the origin, validity, accuracy, completeness, thoroughness, currency or reliability of the content of the information presented. To the maximum extent permitted by law, each of the Company, its related bodies corporate, shareholders or affiliates, and their respective officers, directors, employees, affiliates, agents or advisers (including the Lead Manager Parties (as defined below)) disclaim and exclude all liability for any losses, claims, damages, demands, costs and expenses of whatever nature and whensoever arising in any way out of or in connection with the information, its accuracy, completeness or by reason of reliance by any person on any of it. The Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events, or results or otherwise.

## THIS PRESENTATION IS NOT A DISCLOSURE DOCUMENT

The presentation is not a disclosure document for the purpose of the Corporations Act or a "prospectus" as defined under the US Securities Act of 1933 ('Securities Act'), and should be read in conjunction with the Company's other periodic and continuous disclosure announcements, available from the ASX at [www.asx.com.au](http://www.asx.com.au). This presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in the Company. Nor does it contain all the information which would be required in a disclosure document, or other applicable securities legislation, and should not be used in isolation as a basis to invest in the Company. In providing this presentation, the Company has not considered your objectives, financial position or needs and you should consult with your legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct your own due diligence and other enquiries in relation to such information and any investment in the Company and take into account your own objectives, financial position or needs. Neither the Lead Manager, nor any of its respective affiliates and related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth) (the 'Corporations Act')), or their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (together the 'Lead Manager Parties'), have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation, and none of the Lead Manager Parties makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from AQC.

The retail component of the entitlement offer ('Retail Entitlement Offer') will be made on the basis of the

information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand ('Retail Offer Booklet') and will be available to eligible retail shareholders following its lodgement with the ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet in deciding whether to apply under that offer. Any eligible retail shareholder who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the Entitlement and Acceptance Forms.

## FORWARD LOOKING INFORMATION

The presentation contains certain "forward looking information". Forward looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, potential investments, the estimation of mineral reserves and mineral resources, realisation of mineral reserves and resource estimates, costs and timing of development of the Company's projects, costs and timing of future exploration, costs, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward looking information is often characterised by words such as "plan", "expect", "budget", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements or qualifications that certain events or conditions "may", "will", "should" or "could" occur.

Forward looking information is not a guarantee of future performance and is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward looking information, including without limitation risks associated with investments in private and publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but is unavailable for the Company's day to day operations, ongoing development of the Company's projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company's projects; foreign investment risks in Australia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property or other rights; defects in or challenges to the Company's property interests; uninsured hazards; disruptions to the Company's supplies or service providers; reliance on key personnel and retention of key employees. **Readers are strongly cautioned not to place undue reliance on forward-looking statements, particularly given the current economic climate**

Forward looking information is based on the stated assumptions, estimates, analysis and opinions of management of the Company and is made on the basis of information they have access to and in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. However, the basis for forward looking information may prove to be incorrect in whole or in part. No representation or warranty is made by or on behalf of the Company that any projection, forecast, calculation, forward looking information, assumption or estimate contained in this presentation should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements or other information presented.

# Disclaimer

## FORWARD LOOKING INFORMATION (CONTINUED)

Assumptions have been made regarding, among other things: the Company's ability to carry on future exploration, development and production activities, the timely receipt of required approvals, the price of coal, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that may affect the Company's financial and operational viability.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking information, there may be other factors that cause results not to be as anticipated, estimated or intended, many of which are beyond the control of AQC, its officers, employees, agents and advisers and the Lead Manager Parties. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place reliance on forward-looking information and should undertake their own due diligence before making any decisions, investment or otherwise.

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## PAST PERFORMANCE

Past performance information provided in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) a promise, representation, warranty or guarantee as to the past, present or future performance of AQC.

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## DISCLAIMER

Determination of eligibility of investors for the purposes of all or any part of the institutional component of the entitlement offer and placement is determined by reference to a number of matters, including legal requirements and the discretion of AQC and the Lead Manager. To the maximum extent permitted by law, AQC, the Lead Manager and its Lead Manager Parties expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise. Any participant in the

placement acknowledges that allocations under the placement are at the sole discretion of the Lead Manager and AQC. To the maximum extent permitted by law, the Lead Manager and AQC disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion. Furthermore, AQC reserves the right to vary the timetable for the Equity Raising (with the consent of the Lead Manager) including by closing the bookbuild early or extending the bookbuild closing time (generally or for particular investors), without recourse to them or notice to any participant in the Equity Raising. Moreover, communications that the Equity Raising or bookbuild is "covered" (i.e. aggregate demand indications exceed the amount of the New Shares) are not an assurance that the Equity Raising will be fully distributed.

## JORC RESOURCE AND RESERVE STATEMENTS

In this presentation, references to ore reserves and mineral resources ('Reserves and Resources') are compliant with Chapter 5 of the ASX Listing rules and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC Code') and are measured in accordance with the JORC Code. Refer to slide 25 for further information.

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.

## NON-IFRS FINANCIAL INFORMATION

You should be aware that certain financial measures included in this presentation are "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC and are not recognised under the Australian Accounting Standards ('AAS'). AQC believes the non-IFRS financial information provide useful information to users in measuring the financial performance and condition of the AQC group. However, you should note that the non-IFRS financial information do not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS financial information are not measures of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS. You are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this presentation.

Unless otherwise indicated, all references are to Australian dollars.

**This Presentation has been authorised for release to ASX by the AQC Board of Directors.**



# Section 1. Dartbrook Overview

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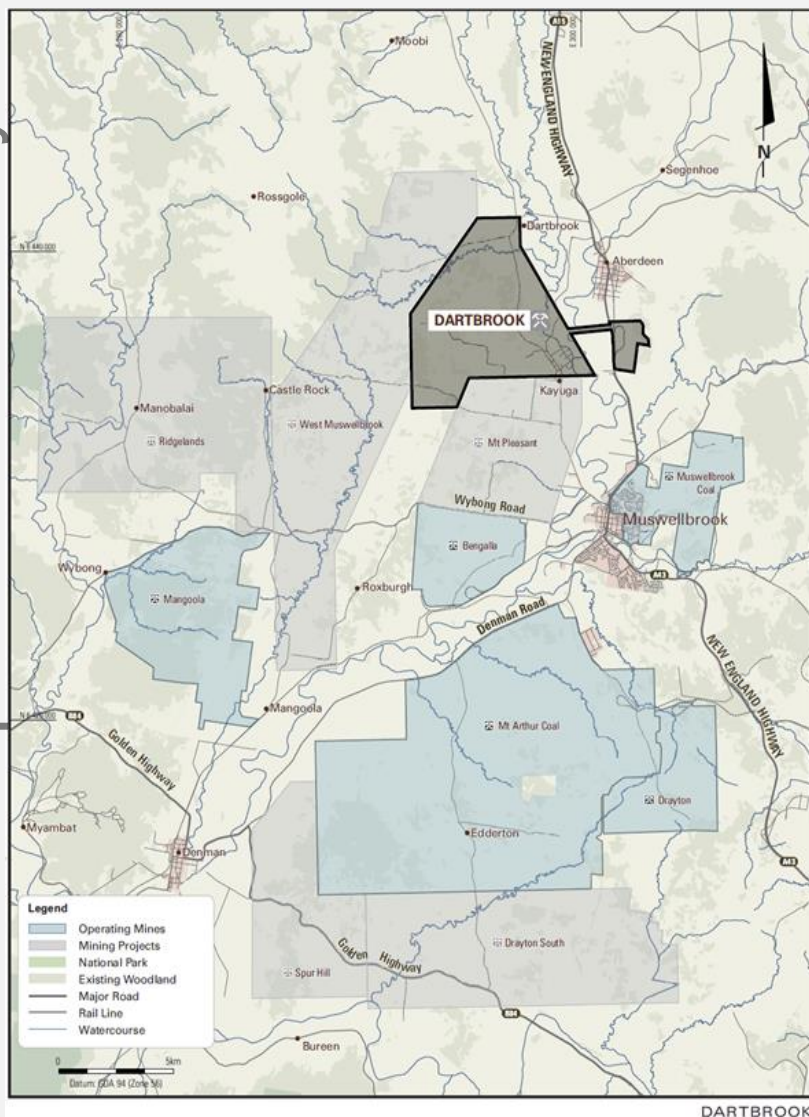


4 DARTBROOK MINE



# Dartbrook – Revival of a quality coal asset

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- **Acquisition of Dartbrook Underground Mine:** Acquired in May 2017 by Australian Pacific Coal (from Anglo American)
- **Commercial Production Imminent:** Re-start program to fully remediate underground operations substantially complete with coal successfully produced to surface
- **Prime Location:** Situated in Hunter Valley, approximately 100 km from Newcastle export terminals, with excellent access to productive seams and high-quality coal
- **Comprehensive Infrastructure in Place:** Includes the Hunter Tunnel, rail loop and CHPP with up to 6 Mtpa ROM nameplate capacity, leveraging significant pre-investment by Shell and Anglo American
- **Potential Long-Life Asset:** Current development consent to December 2027 with potential to extend to 2033 and beyond with minimal capex

# Investment Highlights

AQC has an 80% JV interest (70% economic interest<sup>1</sup>) in the Dartbrook coal project, offering ASX exposure to a successfully recommissioned, fully funded production asset in Australia's Hunter Valley



**New supply of low cost, export quality coal**



**Substantially de-risked – Coal successfully produced to surface**



**Fully Funded – Restart capex and working capital<sup>2</sup>**



**High margin potential – material free cash flow generation**



**Fully permitted with MOD8 extension potential<sup>3</sup>**



**World class infrastructure in place and well maintained<sup>4</sup>**



**High quality (NEWC spec) thermal coal with met coal potential**



**Proximity to world class port and rail infrastructure**

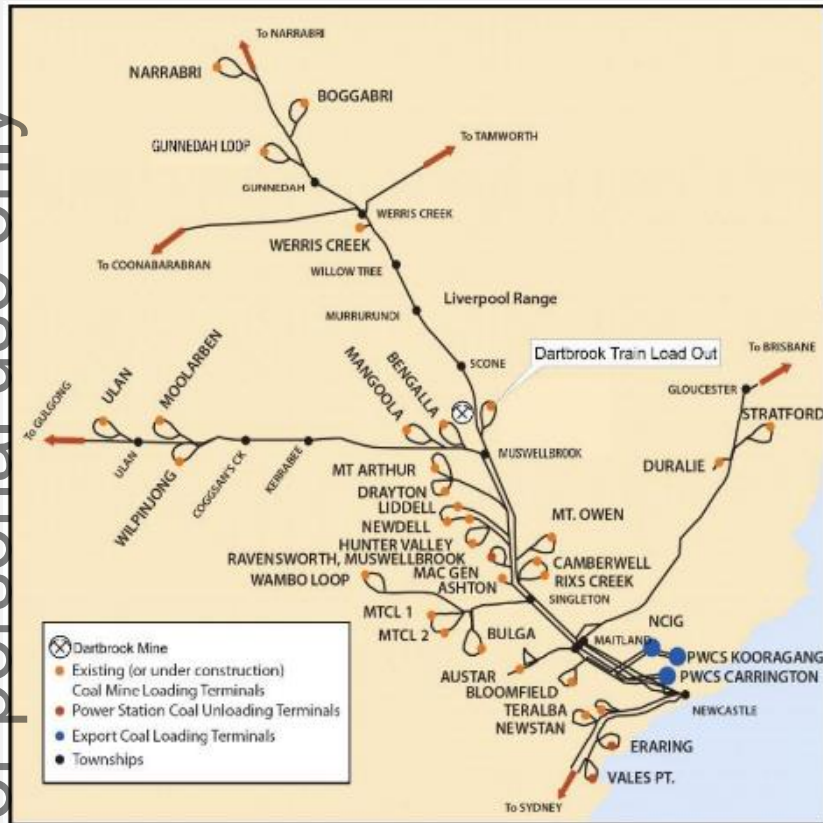


**Committed to Safety, the Community, and the Environment**

1. AQC has provided a 10% indirect economic interest to M-Resources, effectively reducing AQC's net economic interest in the project to 70%.
2. Initial US\$60m senior secured restart capex facility in-place. Executed Loan Note Subscription Agreements to upsize senior facility to a US\$90m facility to include working capital, and a further back-stop A\$20m subordinated facility to be provided to Dartbrook by Vitol and AQC as lenders (on 50/50 basis), contingent on AQC providing A\$10m of the subordinated facility. See Slides 26, 27.
3. Preparations for MOD8 development extension to 2033 are underway. See slide 15
4. Declared insurance value currently A\$470m

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# High Quality Asset, Extensive Reserves



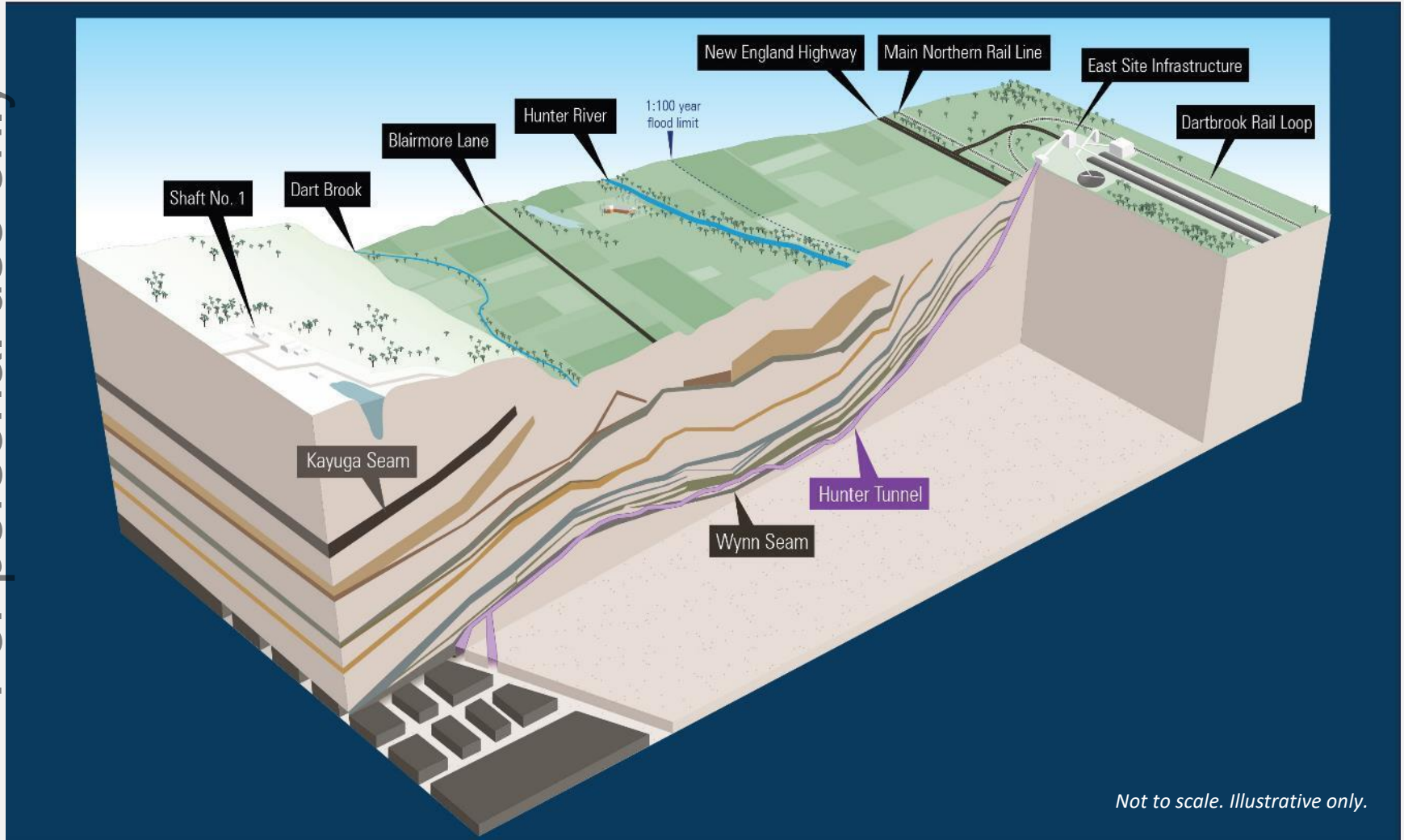
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- AQC has an 80% working interest in the Dartbrook JV and a 70% economic interest<sup>1</sup>
- Substantial Reserves and Resources:
  - JORC compliant Resource: **2.5 Bt<sup>2</sup>**
  - ROM Reserves: **470 Mt<sup>2</sup>**
  - Marketable Reserves: **370 Mt<sup>2</sup>**
- Hunter Tunnel dewatered; underground remediation, refurbishment and commissioning complete; ramp-up underway
- Above ground infrastructure well maintained; wet plant refurbishment targeting completion in early CY2025
- Targeted peak production: ~2.4 Mtpa ROM coal in Year 3 (~2 Mt sales)<sup>2</sup>
- Preparing submission for MOD8 development extension to 2033<sup>3</sup>

1. AQC has provided a 10% indirect economic interest to M-Resources, effectively reducing AQC's net economic interest in the project to 70%.  
2. See AQC ASX announcement 28-Mar-2018 and 27-Jun-2017. Refer to JORC information on Resources and Reserves in the Disclaimer and on Slide 25.  
3. See slide 15.

# World Class Underground Operation

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*Not to scale. Illustrative only.*

- **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)



# Section 2. Restart Ready



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# Production Ramp-up Underway

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- Coal from the Kayuga seam produced to surface stockpile
- 4 km conveyor system operational
- Production ramp-up underway, targeting commercial production in Q4 CY2024
- Commissioned first Continuous Mining Unit (CMU), with second and third CMUs secured
- Rail loadout facility refit nearing completion
- Preparations for CHPP wet plant refurbishment well advanced
- Sales of initial production are in advanced stages with international and domestic customers





# Operations Overview

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- JV partner Tetra Dartbrook Pty Ltd is the Operator and Mine Manager (via affiliates)
- Phased commissioning of 4 CMUs planned within first 18 months in the Kayuga seam.
- Initial production (~3-6 months) of unwashed thermal coal (ROM bypass) while CHPP refurbished. Wet plant refurbishment targeting completion in early CY2025
- Evaluating potential to produce marketable quantities of met coal (semi-soft and/or PCI), in addition to NEWC spec thermal coal. Lab testing underway.
- Mine plan to be optimised once operations commence with potential to access additional seams

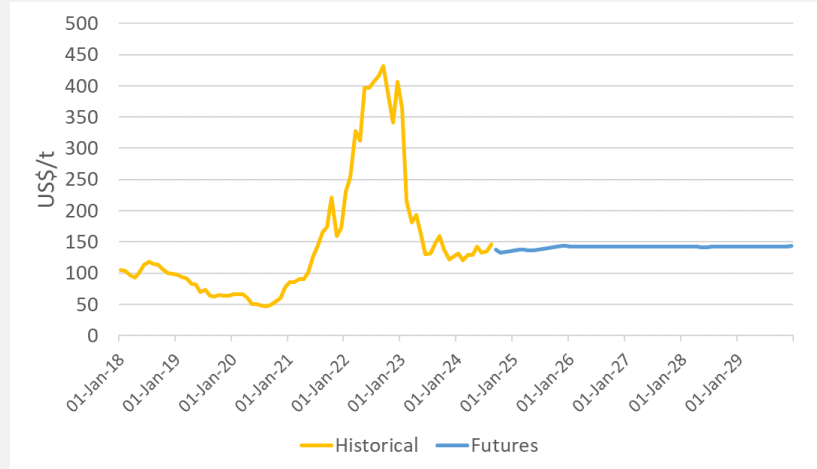


# Strategically Positioned for Export Market

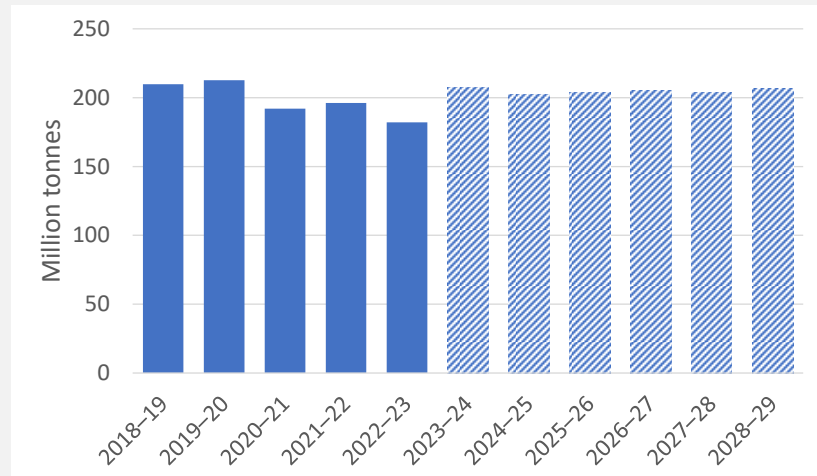
Dartbrook represents a rare opportunity to access Asian export markets when limited new projects are being sanctioned

- Dartbrook stepping in at the right time - limited new supply growth despite higher global prices
- Well positioned to offset decline from larger mines
- Dartbrook is not resource constrained, is fully permitted and ready to go
- High Efficiency Low Emissions (HELE) technology is perfect match for Australian thermal coal
- South-east Asia: a key market for Australian coal
- Premium coal quality provides Australia with an edge over low CV Indonesian coal

## Newcastle 6000 CV price<sup>1</sup>



## Australia's Thermal Coal Exports<sup>2</sup>



1. Futures Curve as at 17-Sep-24 (Source: Barchart)

2. Source: Department of Industry, Science and Resources (2024)

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# Key Operating Metrics for Dartbrook

## Asset Summary

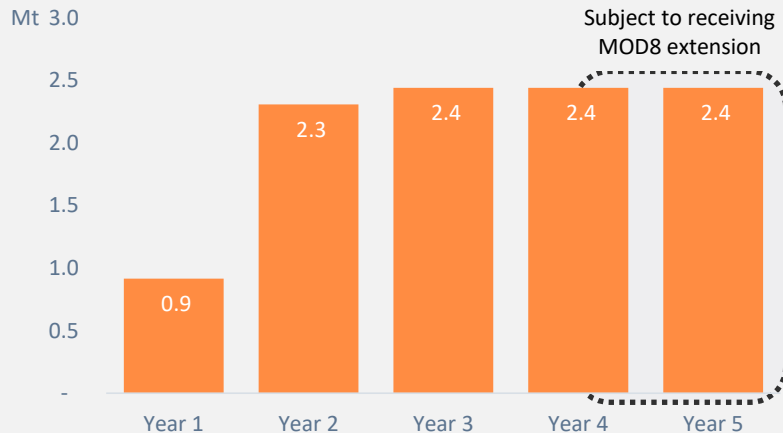
<b>ROM Production</b>	Ramp up to ~2.4 Mtpa (annualised) within 2 years planned
<b>Product</b>	High quality NEWC spec coal with potential to produce commercial quantities of semi soft met coal and PCI <sup>1</sup>
<b>Schedule</b>	Coal produced to surface in Q3 CY2024; ramp-up underway; targeting commercial production in Q4 2024
<b>Restart capital</b>	US\$60m senior debt facility in place to fully fund capex restart. Upsizing to US\$90m, along with A\$20m subordinated facility, to provide working capital to fully fund project
<b>Forecast Avg FOB costs</b>	Below US\$100/t <sup>2</sup>
<b>Yield</b>	Saleable yield ~80+ <sup>3</sup>

1. Sampling and testing for semi soft and PCI potential currently underway
2. Estimated average FOB operating costs over term to Dec-27. Includes estimates of all fees / royalties, lease rent, logistics (rail/port), marketing costs and royalties based on NEWC coal prices US\$125/t and take into account NSW royalty rate increase. See also footnote 2 on next slide.
3. Higher yield from initial sales of unwashed product (ROM tonnes) minimises discount to benchmark.



# Compelling Financial Metrics

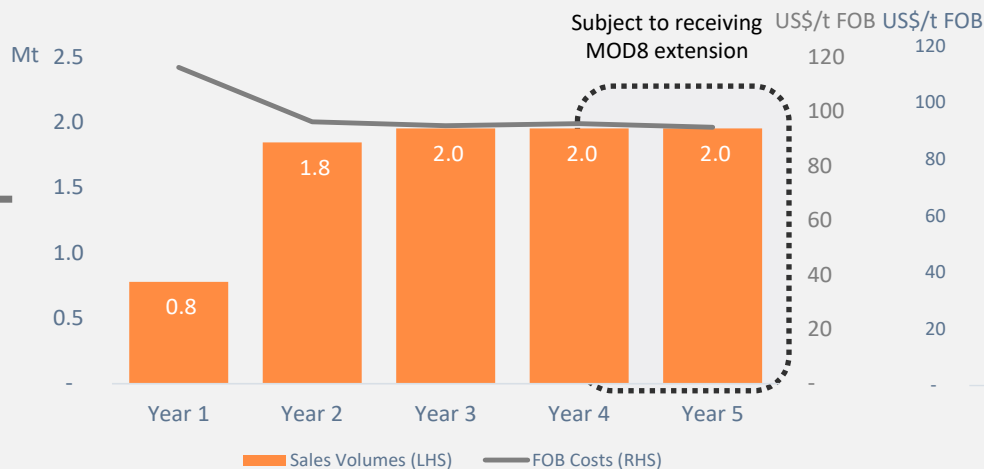
## Forecast ROM Production<sup>1</sup>



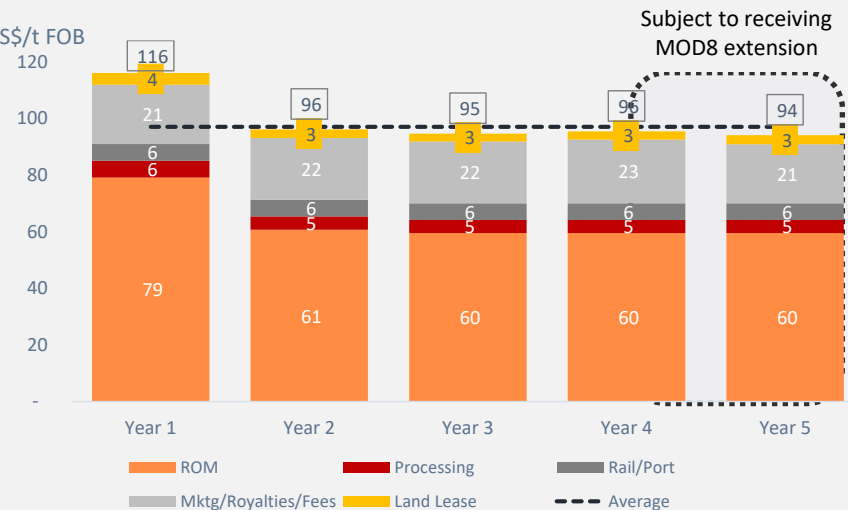
## Revenue

- NEWC thermal benchmark product and pricing anticipated

## Forecast Sales Volumes and FOB Costs<sup>2</sup>



## Forecast FOB Cost Breakdown<sup>2</sup>



1. Forecast based on current Dartbrook mine plan and JV approved budget and does not represent formal guidance.  
 2. US\$/t of sales. A\$/US\$ of 0.65 assumed for conversion. Assumes sales volumes per chart above. Includes estimates of all marketing fees / royalties (including NSW underground coal royalty increase to 9.80% effective from 1-Jul-24), logistics (rail/port). Coal price of US\$125/t flat assumed for purposes of calculating royalties and lease rental. All figures are in real terms. Forecast based on current Dartbrook mine plan and JV approved budget and does not represent formal guidance.

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# MOD8 Extension Potential

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- MOD8 extension would allow mining to continue beyond Dec 2027 to Dec 2033 with no material capital investment required
- Work on MOD8 submission is underway and targeting lodgement before the end of CY2024
- No changes to current Development Approval requested except for time
- Mandatory public consultation period, but no EIS required
- Anticipate outcome after period of commercial operation



## **Dartbrook Coal Mine** Modification 7 Bord and Pillar Mining

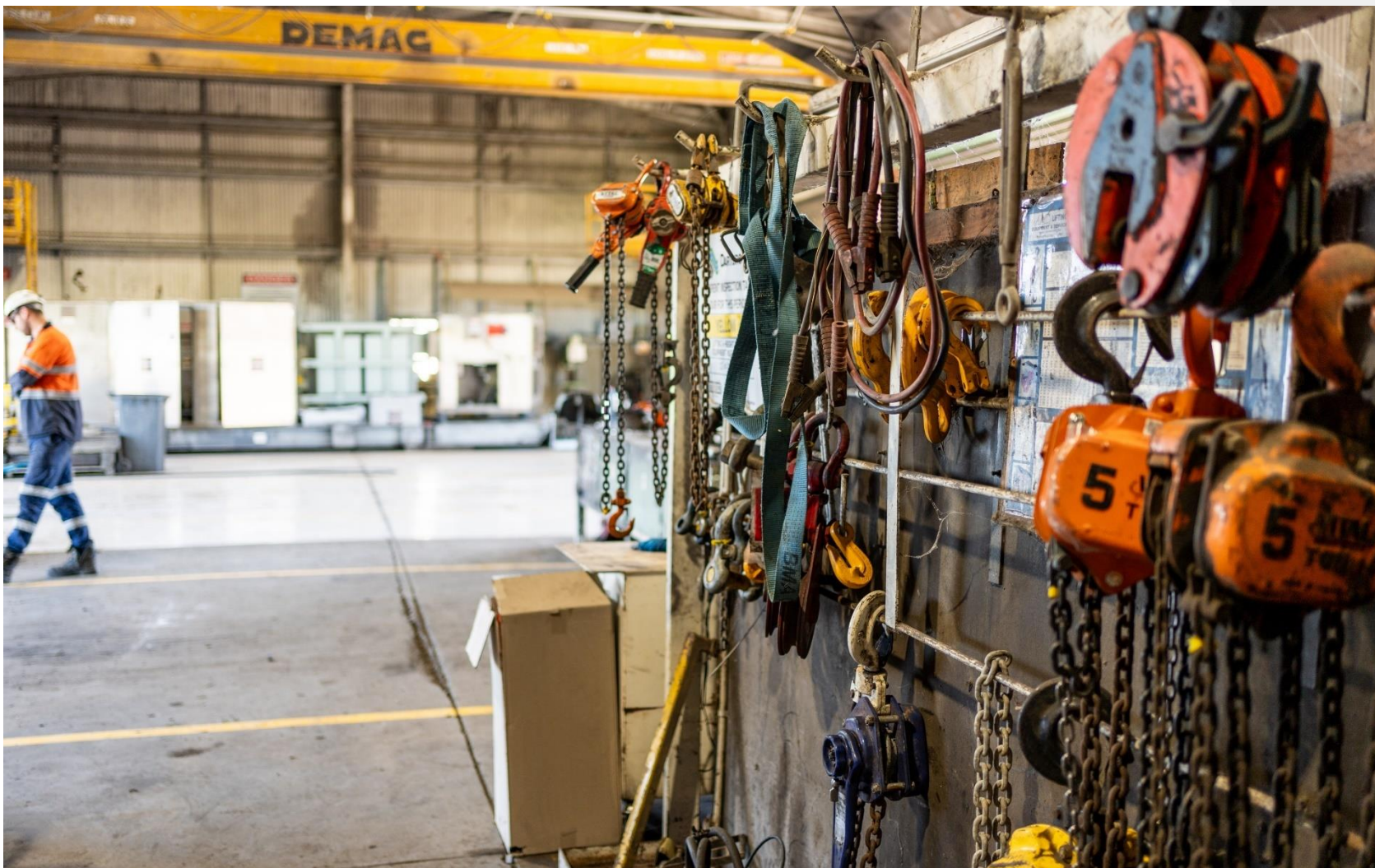
Section 75W  
Modification  
(DA 231-7-2000 MOD 7)





# Section 3. The Offer

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# Equity Raising Overview

- Australian Pacific Coal (“**AQC**” or the “**Company**”) is announcing an equity raising of A\$20m (“**Equity Raising**”) comprising:
  - Up to approximately A\$9.6m placement (“**Placement**”) utilising the company’s placement capacity under ASX Listing Rule 7.1
  - Fully underwritten A\$10.4m 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) to existing shareholders
- New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer.
- The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
- The Equity Raising will be conducted at a price of \$0.12 per new share (“**Offer Price**”), which represents a:
  - 28.4% discount to the last traded price of \$0.1675 on 1 Oct 2024;
  - 23.2% discount to the Theoretical Ex-Rights Price (“**TERP**”)¹ of \$0.156
- A\$10m AQC loan to Dartbrook for project working capital during production ramp-up (as part of A\$20m subordinated facility which is a condition for upsizing the existing US\$60m senior secured facility to US\$90m)²
- A\$10m for AQC Corporate Working Capital purposes
- New Shares issued under the Equity Raising will rank equally with existing AQC shares on issue on the relevant issue date
- Canaccord Genuity (Australia) Limited is lead managing the Placement and Entitlement Offer and will underwrite the Entitlement Offer
- The Company’s largest shareholder Trepang Services Pty Ltd, together with its related parties (who collectively hold 35.96% of AQC’s ordinary shares), has committed to subscribe for \$6 million in the Equity Raising, comprising a subscription of ~\$3.4 million under the Entitlement Offer and priority sub-underwriting the first ~\$2.6 million of shortfall in the Retail Entitlement Offer

Equity Raising size and structure

Offer price

Use of funds

Ranking

Lead Manager and Underwriter

Major shareholder commitment

1. Theoretical ex rights price (**TERP**) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which AQC Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

2. Executed Loan Note Subscription Agreements (Senior and Subordinated facilities) to enable Dartbrook to be fully funded through planned production ramp-up. Subordinated Facility (A\$20m consisting of A\$10m from AQC) is a back-stop which will only be drawn, if required, once the upsized Senior facility is fully drawn. See slides 26, 27



# Indicative Equity Raising Timetable

Event	Date
Announcement of the Equity Raising	Wednesday, 2 October 2024
Placement and Institutional Entitlement Offer closes	Thursday, 3 October 2024
Announcement of results of Placement and Institutional Entitlement Offer Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 4 October 2024
Record date for the Entitlement Offer	7:00pm on Friday, 4 October 2024
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet dispatched	Wednesday, 9 October 2024
Settlement of New Shares issued under the Placement and the Institutional Entitlement Offer	Thursday, 10 October 2024
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 11 October 2024
Retail Entitlement Offer closes	Thursday, 24 October 2024
Announce results of Retail Entitlement Offer	Monday, 28 October 2024
Settlement of New Shares issued under the Retail Entitlement Offer	Wednesday, 30 October 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 31 October 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 1 November 2024
Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Monday, 4 November 2024

The above timetable is indicative only. The Company or Lead Manager may vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable law. All times reference to Sydney, Australia unless otherwise specified. The quotation of New Shares is subject to confirmation from ASX.

# Sources and Uses of Funds

Equity Raising, alongside upsized debt funding package, to fully fund ramp-up of the Dartbrook mine

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SOURCES OF FUNDS (A\$M)		USES OF FUNDS (A\$M)	
Placement <sup>1</sup>	9.6	Establishment of Subordinated Facility <sup>2</sup>	10.0
Entitlement Offer	10.4	General Working Capital and Offer costs <sup>3</sup>	10.0
<b>Total</b>	<b>20.0</b>	<b>Total</b>	<b>20.0</b>

- Existing US\$60m Senior Debt facility to be upsized to US\$90m (“Senior Debt Facility”) to:
  - Fully fund capital program including CHPP recommissioning work and 3rd/4th mining units
  - Provide additional working capital for approved Operating Expenses during ramp-up
- The Senior Debt Facility is contingent upon securing a A\$20m junior debt facility (“Subordinated Facility”) of which AQC will fund 50% (being A\$10m) which may only be drawn once the Senior Facility is fully drawn down<sup>4</sup>
- The Dartbrook Project is expected to be fully funded and have access to both debt facilities upon confirmation of AQC providing \$10m for the Subordinated Facility and satisfaction of customary CPs through the AQC Equity Raising
- Remaining Proceeds from the Equity Raising to be applied to general working capital requirements of the Company and Offer costs

1. The Placement is to raise up to \$9.6 million, but is not underwritten
2. \$10m from the Equity Raising will satisfy AQC’s share of the Subordinated Facility commitment
3. Includes Equity transaction fees expenses
4. For key terms of the Senior Debt Facility and Subordinated Facility, refer to slides 26, 27

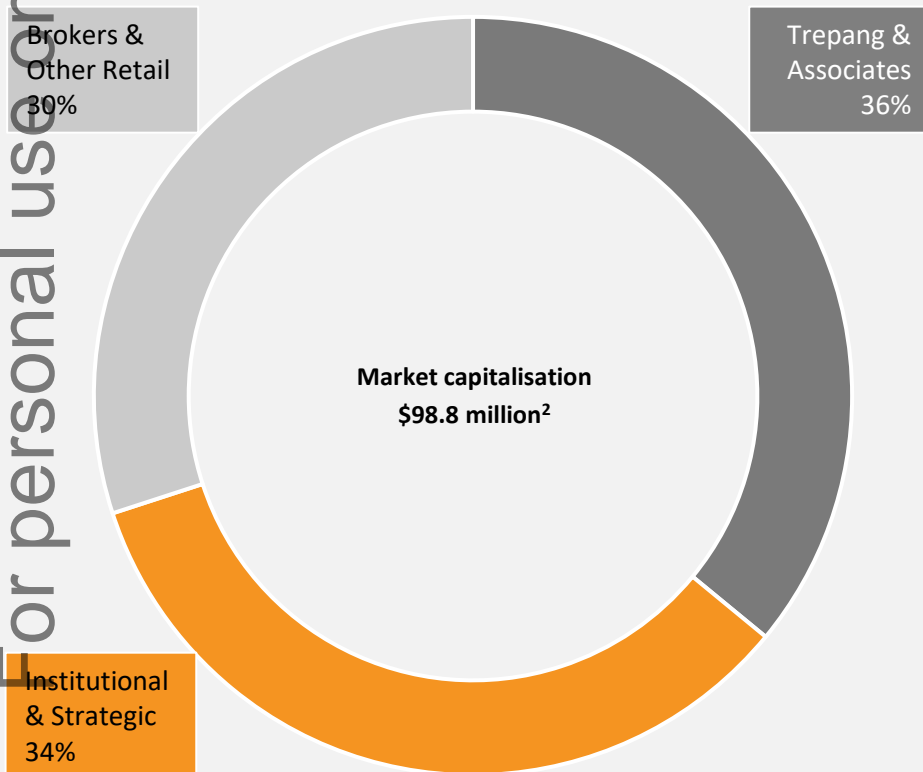
# Section 4. Corporate

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## Shareholder Register<sup>1</sup>

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## Capital Structure (Pre-Equity Raise)

Share price <sup>2</sup>	\$0.1675
Shares on issue <sup>2</sup>	533.8m
Market capitalisation <sup>2</sup>	\$89.4m
Cash (30 June 2024) <sup>3</sup>	\$17.8m
Debt (30 June 2024)	\$75m
Options <sup>4</sup>	13.8m @\$0.34

## AQC Board

**John Robinson**  
*Chairman*

**Ayten Saridas**  
*Managing Director & CEO*

**Nick Johansen**  
*Non-Executive Director*

**Jeff Gerard**  
*Non-Executive Director*

**Craig McPherson**  
*Company Secretary*

1. As at 20 September 2024.
2. As at 1 October 2024.
3. Comprises \$1.5m cash held at AQC Group level and \$16.3m held at JV level (AQC share).
4. Expiry 5 April 2027.

# Expected Upcoming Catalysts

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- Targeting commercial production in Q4 CY2024
- Implementation of full funding package including Senior Secured Facility and establishment of Subordinated Facility and satisfaction of CPs
- Port & Rail access agreement
- First coal sales (unwashed / ROM by-pass)
- Assessment of potential to supply Met coal market
- MOD8 submission for 6-year extension
- CHPP wet plant refurbishment and recommissioning



AQC is focused on delivering positive and sustainable outcomes for our stakeholders:

- The safety and wellbeing of our people
- The community and environment
- Our shareholders and partners



# Enquiries

## General Enquiries:

Murray Aitken

Senior Commercial Manager

M. +61 (0)408 932 158

E. [maitken@aqcltd.com](mailto:maitken@aqcltd.com)

## Investors:

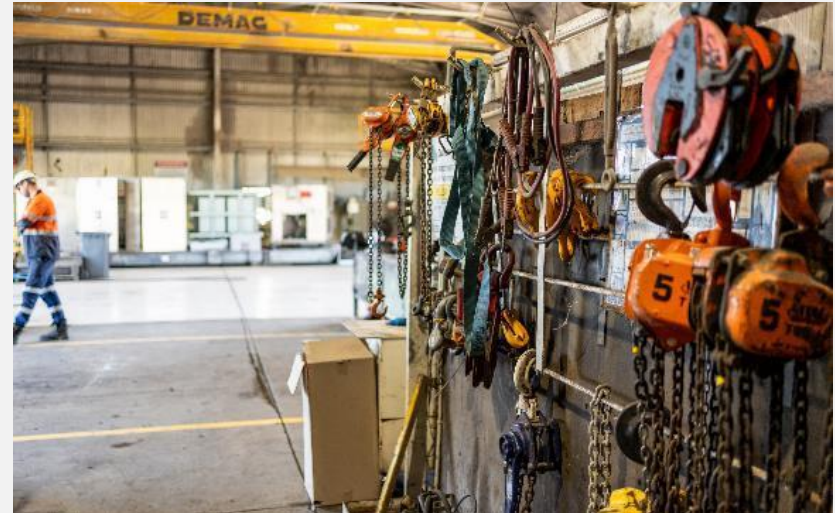
Matt Sullivan

Meridian Investor Relations

M. +61 (0)412 157 276

ASX code: AQC

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# Section 5. Appendix

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# Dartbrook Reserves and Resources

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
<b>Ore Reserves</b>	
Proven	-
Probable	370
<b>Total</b>	<b>370</b>
<b>Mineral Resources</b>	
Measured	588
Indicated	850
Inferred	1,097
<b>Total</b>	<b>2,534<sup>1</sup></b>



The Dartbrook Mine can produce two high energy, low sulphur content (~0.4%) coal products:

- (i) “Premium” thermal coal (~12% ash) and (ii) “Standard” thermal Coal (~19% ash). Both “Premium” and “Standard” thermal coal are suitable for High Efficiency, Low Emissions power stations.

Note: (1) Of this amount, 1,803 Mt are designated as open cut Coal Resources (noting that AQC does not have development approval to undertake open cut mining operations) and 731Mt are designated as underground Coal Resources.

#### Marketable Reserves Note

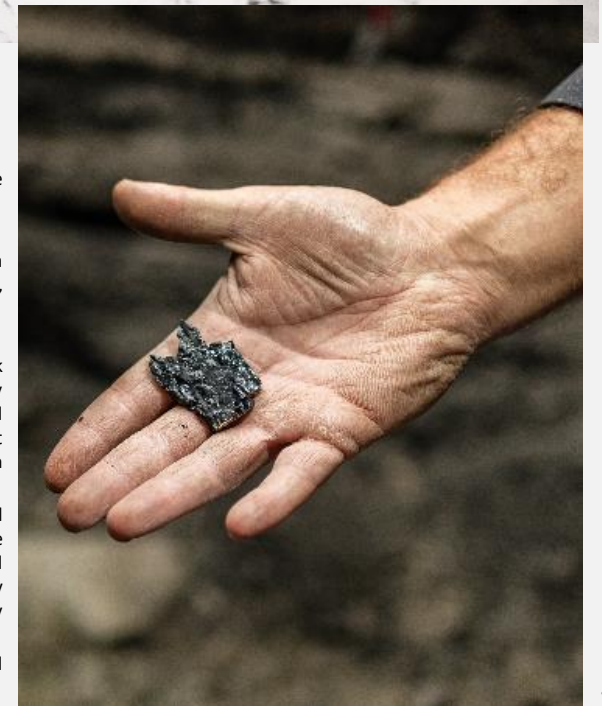
The Dartbrook Marketable Coal Reserve of 370Mt is derived from a ROM Coal Reserve of 470 Mt estimated in accordance with the JORC Code with a predicted overall yield of 78%. The 370Mt Marketable Coal Reserve is included in the 2,534 Mt Coal Resource (588Mt Measured, 850 Mt Indicated, 1,097Mt Inferred).

#### 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.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.



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# Key Terms – Senior Debt Facility



<b>Amount:</b>	Up to US\$90 million
<b>Guarantor:</b>	Australian Pacific Coal Limited.
<b>Borrowers:</b>	AQC Dartbrook Pty Ltd (80%), Tetra Dartbrook Pty Ltd (20%)
<b>Facility type:</b>	Loan note issuance facility.
<b>Security:</b>	Senior security over the assets of the Dartbrook Joint Venture.
<b>Final Repayment Date:</b>	31 December 2027.
<b>Interest:</b>	15% per annum
<b>Conditions precedent:</b>	Establishment of the Subordinated Facility and other CP's usual for facilities of this type.
<b>Conditions subsequent:</b>	First Coal test (being an aggregate 10,000 tonnes of coal having been produced, processed and loaded onto rail for transportation to Newcastle by 31 October 2024) and any other Conditions Subsequent that may be agreed regarding matters that are unable to be satisfied before financial close
<b>Representations and warranties:</b>	Usual for facilities of this type, including specific assurance in relation to the Dartbrook Joint Venture and the mine.
<b>Undertakings:</b>	Usual for facilities of this type, including specific undertakings in relation to the Dartbrook Joint Venture and the mine.
<b>Repayment</b>	Repayment of the facility will be made by way of fixed \$/tonne deductions from the price of coal sold, subject to a minimum payment per quarter, commencing 31 October 2025
<b>Events of Default:</b>	Usual for facilities of this type, including specific events in relation to the Dartbrook Joint Venture and the mine (including the coal requirement mentioned above), subject to agreed grace and remedy periods.
<b>Observer status</b>	Vitol entitled to observer status on JV committee and AQC board

# Key Terms – Subordinated Facility

<b>Amount:</b>	Up to A\$20 million
<b>Guarantor:</b>	Australian Pacific Coal Limited.
<b>Borrowers:</b>	AQC Dartbrook Pty Ltd (80%), Tetra Dartbrook Pty Ltd (20%)
<b>Security:</b>	Second ranking security over the Senior Prepayment Facility Security Package.
<b>Final Repayment Date:</b>	31 December 2027 which may be extended on receipt of MOD 8 approval.
<b>Interest:</b>	20% per annum (drawn amounts); 10% per annum (undrawn / commitment fee)
<b>Conditions precedent:</b>	Senior Prepayment Facility to be fully utilised and other CP's usual for facilities of this type.
<b>Conditions subsequent:</b>	TBC
<b>Representations and warranties:</b>	Usual for facilities of this type, including specific assurance in relation to the Dartbrook Joint Venture and the mine.
<b>Undertakings:</b>	Usual for facilities of this type, including specific undertakings in relation to the Dartbrook Joint Venture and the mine.
<b>Events of Default:</b>	Usual for facilities of this type, including specific events in relation to the Dartbrook Joint Venture and the mine, subject to agreed grace and remedy periods.

For personal use only



# International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document 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.

## China

Neither this document 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 (excluding Austria)

This document 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 document 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 document 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 document, you should obtain independent professional advice.

## New Zealand

This document 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.

# International Offer Restrictions

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document 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 document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the

FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document 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 document 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, funding and production 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. 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.

The Company is in the process of commissioning its operations, which will be subject to the production risk for an ongoing coal mine operation. There can be no assurance that the Company will achieve its production targets or cost estimates. The Company's operations and mining productivity rates may be curtailed, or delayed as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of key supplies and input including diesel, electricity, consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

### **Debt Funding risk**

Both the uplift in the Senior Debt Facility from US\$60 million to US\$90 million, and the availability of the Subordinated Facility, are subject to a range of conditions precedent and conditions subsequent. Not all of those conditions are within the control of the Borrowers or Guarantor. Some of them depend on the co-operation and participation of third parties, and some require the Lenders (or a majority of them) to be satisfied as to certain matters. While we have no reason to believe that those conditions will not be satisfied in a timely manner, the possibility must be acknowledged that one or more of them may be delayed or even not satisfied, requiring an approach to the Lenders for an extension or waiver (and in the event an extension or waiver was not granted, could result in an event of default). The Borrowers and the Guarantor have implemented processes and procedures to minimise the risk of that occurring.

### **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.
- (iii) 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 noncompliance.

### **Joint venture risk**

AQC's material asset is its 80% interest (70% economic interest) in the unincorporated joint venture for the Dartbrook underground coal mine. While AQC holds the majority interest in the Dartbrook underground coal mine, the mine manager / operator (who is affiliated with the minority joint venture partner) has significant control over its operations. The joint venture arrangement is subject to the risks associated with the conduct of joint ventures. Such risks 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. Areas of disagreement have included disagreements between AQC and the mine manager / operator in relation to practices in relation to engagement of contractors and adequacy of reporting and record keeping.

If any of these risks were to materialise or where a disagreement is unable to be resolved, this could potentially jeopardise the ability of the Dartbrook mine to efficiently and effectively proceed to first commercial coal. Such an impact would have a near term adverse effect on AQC's ability to commence generating revenue and/or maximise the financial benefit it draws from its material asset into the future.

### **Plant and Equipment risks**

Prior to the Dartbrook Project recommencing commercial production and ramp up to targeted levels, there are a number of issues relating to the current infrastructure and plant and equipment that will need to be rectified, remedied, or procured 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 ramp up of commercial production to targeted levels

### **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 are 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.

## 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. Shareholders will also have their shareholding diluted by the Broker Options (see slide 34), if approved by Shareholders.

The dispute with ZKR Holdings Limited (ZKR) mentioned in the following risk also has the potential to lead to dilution if options are required to be issued to ZKR.

## Dispute with adviser

ZKR an advisory firm previously engaged to assist the Company obtain debt funding, has claimed it is entitled to 6,946,219 unlisted options with an exercise price of \$0.1402. In addition, ZKR has claimed that it is entitled to a cash payment of US\$1,800,000 and also a royalty of 0.5% of all coal sales. AQC disputes ZKR's entitlement to receive these options (as well as the coal royalty and quantum of the cash amount), having regard to a number of matters. There is a risk that ZKR will ultimately seek to require the Company to issue some or all of the options or provide the cash payment or royalties claimed (or monetary compensation for any of those claims not being satisfied) and may also seek to recover its costs for pursuing its claims in this regard. If ZKR 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.

## Resource and Reserve estimates

Mineral Resources and Ore Reserves are estimates only. Mineral Resources which are not Ore Reserves may not have demonstrated economic viability. These estimates are prepared in accordance with the JORC Code 2012 and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Company's mining plans and ultimately its financial performance and value. Estimates that are valid when made may change significantly when new information becomes available. In addition, coal price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render Reserves and Resources uneconomic and so may materially affect the estimates.

## Interest rate risk

AQC is exposed to interest rate risk in relation to variable rate bank balances and variable rate borrowings. 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 existing (and proposed refinancing of) Senior secured facility is denominated in USD, whilst most operating costs are denominated in AUD. The proposed Subordinated Facility and AQC Shareholder Loan are denominated in AUD. Export coal sales contracts will be denominated in USD and any Domestic sales may be denominated in AUD. AQC entered into an FX swap arrangement for the purposes of locking in an FX rate for the drawdowns of the existing US\$60mi Senior facility. The Company may consider undertaking foreign exchange hedging against exchange rate fluctuations going forward. AQC's USD exposures will be at risk of any adverse movement in exchange rates, which may affect 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.

## 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 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 (since assigned to Taurus Mining Royalty Fund L.P) 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\$30,000,000 (subject to escalation). The NSW Government currently imposes a 9.8% royalty on underground coal (effective 1-Jul-24). 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 title

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 or litigation being brought against it, including with respect to corporate and capital raising activities or from service providers, including for fees alleged to be owing. There is a risk that such disputes may result in adverse consequences, including requirements for to pay the claimants and/or pay legal expenses incurred in defending such claims.

# 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 and Dartbrook Project 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. 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**

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. There can be no assurance that additional funding will be available on satisfactory terms or at all. If insufficient capital is raised by the Equity Raising, 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.

### **Underwriting Risks**

The Company has entered into an Underwriting Agreement under which the Lead Manager has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Lead Manager may terminate the Underwriting Agreement (for further information, see the Summary of the Underwriting

Agreement). The ability of the Lead Manager to terminate the Underwriting Agreement in respect of certain events will depend on whether, in the reasonable opinion of the Lead Manager, the event has, or is likely to have, a material adverse effect on the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or Company group, success or outcome of the Entitlement Offer, the ability of the Lead Manager to market, promote or effect settlement of, the Entitlement Offer, the market price of Shares on ASX, a decision of any investor to invest in Shares, or could reasonably be expected to give rise to a liability for that Lead Manager under the Corporations Act or any other applicable law.

### **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 further, 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 shareholder 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 and Associates hold a combined 36% 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.

### **Competition risk**

The coal industry is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

# Summary of the Underwriting Agreement

The Company has entered into a lead manager mandate (**Mandate**) and an underwriting agreement (**Underwriting Agreement**) with Canaccord (**Underwriter**) pursuant to which the Underwriter agreed to lead manager the Offer and underwrite the Entitlement Offer. The material terms and conditions of the Underwriting Agreement are summarised below.

## Fees

Under the terms of the Mandate and Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 2% of the gross proceeds under the Offer and an underwriting fee of 4% of the gross proceeds under the Offer. The Company has agreed to issue, subject to shareholder approval, the Underwriter 10,713,909 options each with an exercise price of \$0.34 each and expiring on the third anniversary of their issue.

## Termination Events

Canaccord may immediately terminate the Underwriting Agreement by notice if one of the following termination events occurs or has occurred prior to issue of the Shares under the Offer:

(a) the Underwriter forms the view (acting reasonably) that a statement contained in the Retail Offer Booklet is or becomes misleading or deceptive or likely to mislead or deceive (including by omission) in either case, in any material respect, or a matter required by the Corporations Act is omitted from the Retail Offer Booklet or the issue of the Retail Offer Booklet, ASX announcement, investor presentation or cleansing notices becomes misleading or deceptive or likely to mislead or deceive in a material respect;

(b) an additional cleansing notice is required to be given by the Company to ASX, or the Company gives ASX an additional cleansing notice or a cleansing notice is or becomes defective;

(c) a new circumstance arises which would have been required by the Corporation Act to be included in the Offer Documents had the new circumstance arisen before the Offer Documents were given to ASX;

(d) the S&P/ASX 200 Index, the Global Coal NEWC Index or the Small Resources Index fall by a specified percentage over a specified time;

(e) there is any change to the Board or KMP of the Company, or a prospective change is announced with regards to the Board or KMP (without the prior written consent of the Underwriter);

(f) the Company ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from quotation on ASX other than in connection with the Offer, ASX makes any official statement to any person, or indicates to the Company or the Underwriter that official quotation on ASX of the Shares will not be granted or approval is refused or approval is not granted which is unconditional (or conditional only on customary listing conditions which would not, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer), to the official quotation of the Shares on ASX on or before the dates referred to in the Timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld;

(g) the facility under the Junior Facility Agreement is cancelled as a consequence of an Event of Default (as defined in that agreement), or that agreement is materially altered or materially amended without the prior written consent of the Underwriter or found to be void or voidable or a condition precedent the subject of the Junior Facility Agreement is incapable of being satisfied and the Lenders refuse in writing to waive it;

(h) the facility under the Senior Prepayment Facility Agreement is cancelled as a consequence of an Event of Default (as defined in that agreement), or that agreement is materially altered or materially amended without the prior written consent of the Underwriter or found to be void or voidable or a condition precedent the subject of the Senior Prepayment Facility Agreement is incapable of being satisfied and the Lenders refuse in writing to waive it;

(i) ASIC applies for an order under sections 1324B or 1325 of the Corporations Act in relation to an Offer

Document or prosecutes or commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company in relation to an Offer Document or an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences, or gives notice of an intention to hold, any investigation or hearing under Part 3 of the ASIC Act or other applicable laws;

(j) an event specified in the Timetable prior to the Institutional Settlement Date is delayed by one Business Day or more without the prior written consent of the Underwriter or any other event specified in the Timetable is delayed by more than two Business Days without the prior written consent of the Underwriter;

(k) the Company withdraws the Offer or any part of it;

(l) the Company is prevented from issuing Offer Shares within the time required by the Timetable or by or in accordance with ASX Listing Rules applicable laws, a Government Agency or an order of a court of competent jurisdiction;

(m) a director of the Company is charged with an indictable offence, any government agency commences any public proceedings against the Company or any of the directors in their capacity as a director of the Company, or announces that it intends to take such action, any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or proceedings are commenced or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Offer, which in the Underwriter's opinion has reasonable prospects of success or are likely to have a material or adverse effect on the Company or the Offer;

(n) a director or officer of the Company or KMP engages in any fraudulent conduct, whether or not in connection with the Offer;

(o) the Company or a Group Member is or becomes Insolvent or there is an act or omission which is likely to result in the Company or a Group Member becoming insolvent;

(p) a person charges or encumbers or agrees to charge or encumber, the whole, or a substantial part of the business or property of the Company or the Group without the consent of the Underwriter;

(q) a Group Member breaches, or defaults under (including potential event of default or review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing), any provision, undertaking covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has or is likely to have a material adverse effect on the Group;

(r) a certificate is not given by the Company in accordance with the Underwriting Agreement;

(s) the Takeovers Panel makes, or an application is made to the Takeovers Panel seeking, a declaration that circumstances in relation to the affairs of the Company that are unacceptable circumstances under Pt 6.10 of the Corporations Act, except in circumstances where the application has not become public and it has been withdrawn by the date that is the earlier of 5 Business Days immediately preceding the Retail Settlement Date; or the date that is 2 Business Days after the application is received.

(t) there is an application to a court or governmental agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the application has not become public and it has been withdrawn by the time required; or

(u) A takeover offer has been made and has become unconditional and the person making the takeover bid has a relevant interest in 50% or more of the Shares or scheme of arrangement pursuant to Part 5.1 of the Corporations Act is publicly announced in relation to the Company or any its subsidiaries.

# Summary of Underwriting Agreement

In addition, Canaccord may terminate the Underwriting Agreement by notice if one of the following termination events occurs or has occurred prior to issue of the Shares under the Offer and the event has, or is likely to have, a material adverse effect on: (A) the financial position or performance, shareholders' equity, profits, losses, results, condition, operations or prospects of the Company or the Group; or (B) the success or outcome of the Offer; or (C) the ability of the Underwriter to market, promote or effect settlement of, the Offer (irrespective of whether or not the Offer has opened); or (D) the market price of Shares on ASX or otherwise has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation (including the Corporations Act):

(a) a statement in any of the information published by the Company in relation to the Company, the Group or the Offers (**Public Information**) is or becomes misleading or deceptive or likely to mislead or deceive in any material respect;

(b) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document or Public Information is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

(c) the Company receives correspondence from ASX or ASIC;

(d) any of the documents required to be provided under the due diligence process outline having been withdrawn, or varied without the prior written consent of the Underwriter, or any such documents being false, misleading or deceptive (or likely to be false, misleading or deceptive) or containing an omission;

(e) litigation, arbitration, administrative or industrial proceedings of any nature are after the date of this agreement commenced against any Group Member or against any director of the Company in their capacity as such, other than any claims foreshadowed in the Retail Offer Booklet (or any vexatious or frivolous claims);

(f) a contravention by a Group Member of any provision of its constitution, the Corporations Act, the Listing Rules or any other material applicable legislation or any policy or requirement of ASIC or ASX;

(g) the due diligence report or the information provided by or on behalf of the Company to the Underwriter in relation to the Offer Documents or the Offers, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(h) an obligation, undertaking, representation or warranty made or given by the Company under this agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;

(i) any regulatory body commences any enquiry or public action against a Group Member or any person is appointed under any legislation in respect of the Company to investigate the affairs of a Group Member;

(j) the Company or a Group Member varies any term of the Constitution, alters the issued capital or capital structure of the Company other than in connection with the Offer, or as contemplated by the Offer Documents or disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material Subsidiary), without the prior written consent of the Underwriter;

(k) the Company or an entity in the Group, any Offer Document or any aspect of the Offers, does not or fails to comply with the Constitution, the Corporations Act, the ASX Listing Rules, any ASX waivers, any ASIC modifications or any other applicable law or regulation;

(l) a default by the Company in the performance of any of its obligations under this agreement occurs;

(m) there is an event or occurrence after the date of this agreement, including an official directive or request

(including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal or commercially impractical for the Underwriter to satisfy any obligation under this agreement, or to market, promote or settle the Offer, or delays the Underwriter from doing any of the foregoing;

(n) the due diligence committee sign-off, management sign-offs or the information provided by or on behalf of the Company to the Underwriter in relation to the due diligence investigations, the Offer Documents or the Offers, is false, misleading or deceptive or likely to mislead or deceive (including by omission);

(o) the ZKR claim referred to on slide 31 is resolved or settled, resulting in the Company being required to pay any amounts, grant a royalty and / or issue securities to ZKR;

(p) any contract, deed or other agreement to which the Company is a party and which is material to the making of an informed investment decision in relation to the Offers is terminated, rescinded, altered or amended without the prior written consent of the Underwriter or is found to be void or voidable;

(q) either a general moratorium on commercial banking activities in certain countries is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries or trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange or the New York Stock Exchange is suspended or limited for more than 1 trading day;

(r) any of the following occurs which does or is likely to prohibit, materially restrict or regulate the Offers or materially reduce the likely level of Valid Applications or materially affects the financial position of the Company or has a material adverse effect on the success of the Offer:

(i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or

(ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory or the Reserve Bank of Australia; or

(iii) the adoption by ASX or their respective delegates of any regulations or policy;

(s) major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving certain countries or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world;

(t) the occurrence of any adverse change or disruption to financial, political or economic conditions, or controls or financial markets in certain countries or any change or development involving a prospective adverse change in any of those conditions or markets; or

(u) a 'prescribed occurrence' per s652C of the Corporations Act in respect of the Company occurs during the Offer Period, subject to certain exceptions.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).



## **5 Additional information**

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### **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 31 October 2024. 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 1 November 2024.

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

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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 2 October 2024. 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

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**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 24 October 2024, 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 Lead Manager 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 6.16 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 Lead Manager 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 2 October 2024, incorporated in Section 4 of this Retail Offer Booklet.

**Lead Manager** means Canaccord Genuity (Australia) Limited ACN 075 071 466.

**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 \$0.12 per New Share.

**Record Date** means 7.00pm (Sydney time) on 4 October 2024.

**Retail Entitlement Offer** means the pro-rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 6.16 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$0.12 per New Share pursuant to this Retail Offer Booklet.

**Retail Entitlement Offer Period** means the period from 9:00am on 9 October 2024 to 5.00pm on 24 October 2024 (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.

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**Corporate information**

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**Company**

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

Tel +61 7 3221 0679  
[www.aqcltd.com](http://www.aqcltd.com)

**Lead Manager**

Canaccord Genuity (Australia) Limited  
Level 42, 101 Collins St,  
Melbourne, Victoria 3000

**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 24 October 2024.

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