

**ASX ANNOUNCEMENT**

18 February 2025

## Updated Quarterly Activities and Cashflow Reports

Australian Pacific Coal Limited (ASX: AQC) (“AQC” or the “Company”) refers to the Quarterly Activities and Cashflow Reports lodged with the ASX on 31 January 2025.

The Company has prepared the attached updated reports to provide further information on the disclosures made in relation to item 6.1 of Appendix 5B.

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This announcement has been authorised for release to the ASX by the Company Secretary of Australian Pacific Coal Limited.

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# Australian Pacific Coal

ASX RELEASE (ASX: AQC)

## Quarterly Activities Report for the period ended 31 December 2024

### Highlights

- Dartbrook successfully railed first unwashed commercial coal to a domestic utility (Free-On-Rail basis)
- Production and stockpiling continue to ramp up with two continuous miners in operation by year end and third system targeted to commence in March quarter following delivery in late December
- Strong interest from domestic utilities for unwashed coal, sales expected to ramp up during March quarter ahead of wash plant refurbishment and recommissioning to enable high quality NEWC sales
- Commencement of refurbishment program of wash plant, targeting first half CY2025 completion
- TRIFR of 14.4 at 31 December 2024; zero environmental incidents during the period.
- Formal submission for six-year operating period extension through to Dec-2033 (MOD8)
- Successful completion of upsizing Senior Debt Facility to US\$90 million with Vitol Asia Pte Ltd (“Vitol”) and A\$20 million backstop Junior Debt Facility (funded 50:50 between Vitol and AQC)
- Successful completion of A\$20 million of Accelerated Non-Renounceable Entitlement Offer and Institutional Placement to provide corporate working capital and the A\$10 million Junior commitment
- In early January, Dartbrook JV executed Rail and Port Access Agreement.

### Financial

- The Dartbrook Joint Venture drew down US\$21.75 million from the upsized US\$90 million Senior Debt Facility during the quarter. Funds drawn to date total US\$84.7 million (including capitalised interest)
- The Company held \$15.5 million of available cash at the end of December 2024 at the AQC group level. Cash reserves at the Dartbrook Joint Venture totalled \$3.2 million (\$2.6 million net to AQC).

### Comments from Executive Chairman, Mr John Robinson

“AQC and its Joint Venture partner Tetra Resources have delivered some significant milestones during the December quarter, most notably the first commercial coal railing for the project following the successful restart capital program to resume coal operations.

Production ramp up continues following the commissioning of a second continuous mining system, and procurement activities progressed for a third system to commence imminently. The project has received significant interest in the Dartbrook raw coal product from domestic utilities, with significant sales anticipated in the current quarter given the accumulation of ROM stockpiles on surface. The Joint Venture, through its principal marketing agent Vitol, now has the ability to sell Free-On-Rail. Dartbrook JV has executed a Port and Rail Access Agreement with a significant operator in the region.

The demonstration of first coal production has enabled the commencement of the refurbishment program on the wash plant, which is on track to commission in the first half of CY2025. Once operational, the project will have the optionality to sell a low sulphur, high quality washed Newcastle spec coal, or ROM by-pass depending on where the best pricing opportunities and benchmarks sit.

The Company received strong support of new and existing shareholders during an Institutional Placement and Rights Issue completed during the quarter. The additional financing commitment provided by a leading global commodity trader Vitol is also further testament of the quality and future potential of the Dartbrook project.

Australian Pacific Coal and the mine Operator, Tetra, will continue to focus on the safe ramp-up of underground production rates, the refurbishment of the wash plant, and the high value MOD8 permit extension to 2033.”

## Safety, Environment and People

The Operator has advised that the TRIFR as at 31 December 2024 was 14.4. During the December quarter, there were six recordable injuries of which one was a lost time injury. There were no environmental incidents during the period.

As of the end of the December quarter, the Dartbrook mine continues the process of recruitment to enable the efficient roll-out of additional underground mining systems and shiftwork. Despite the challenges of competition for labour following the recent commissioning of several other coal mines in the area, the Joint Venture believes Dartbrook mine offers a rewarding proposition for employment with its vicinity to the towns of Muswellbrook and Aberdeen. The project looks to continue supporting the local community through employment and ancillary opportunities.

## Dartbrook Restarted – First Commercial Production

The Dartbrook JV achieve its first commercial railing in December of unwashed ROM by-pass coal. This is an important milestone following the execution of the major work packages of the capital restart program, and the first sales since the mine was placed into care and maintenance in 2006.

As of the end of the quarter, the mine is operating two Continuous Mining Units (CMU) and the third unit was delivered to site in late December. Following a short period of mechanical and electrical work, the third unit is expected to be resourced and commissioned early in the March quarter. The Operator Tetra is focused on optimising the existing systems, and on the recruitment and training of additional permanent employees to enable the timely commissioning of additional CMUs and shift work necessary to deliver targeted production rates.

The refurbishment of the CHPP wet plant has commenced with long lead item orders placed and is on-track to begin commissioning during the first half of CY2025.

## Development Period Extension

Formal submission (Modification 8, or “MOD8”) was made before the end of the quarter to the NSW Department of Planning, Housing and Infrastructure (“DPHI”) for an extension to the current consented operating period of mining for a further six years (until 5<sup>th</sup> December 2033). This submission followed extensive study report work and initial demonstration of prudent operatorship. The MOD8 development approval, if received, is an important, value accretive milestone for the JV and its stakeholders. Beyond 2033, there are sufficient reserves and resources at Dartbrook.

## Corporate and Financial

At the end of the December quarter the Company held \$15.5 million in cash reserves at the AQC group level. Cash reserves at the Dartbrook Joint Venture totalled \$3.2 million (\$2.6 million net to AQC) at the end of the quarter.

The Company’s 80% share of the Vitol loan balance drawn at the Dartbrook JV was US\$67.8 million (including capitalised interest) as at the end of the quarter.

The Company's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 of \$0.85m which includes executive and non-executive directors' fees during the quarter and also includes a land lease payment to Trepang Services Pty Ltd of \$0.4m.

During the quarter, AQC and its JV partner Tetra Dartbrook Pty Ltd ("Tetra") agreed with Vitol to upsize the existing Senior Debt Facility from US\$60 million to US\$90 million on similar terms. The upsized Senior Debt Facility will:

- provide US\$30 million of additional funds for working capital for approved operating expenses during ramp-up; and
- continue to fund ongoing approved budgeted capital expenditure to enable the additional mining systems and refurbishment of the wash plant to enable the project to capture higher value markets for the coal

Upsizing the Senior Debt Facility was contingent upon securing an A\$20 million Junior Debt Facility ("Subordinated Facility"), to be funded on a 50:50 basis by AQC and Vitol (being A\$10 million respectively). Funds from the Junior Debt Facility may only be drawn once the Senior Facility is fully drawn down (for key terms of the facility, refer to AQC's ASX announcement of 2 October 2024).

In order to provide its share of the Junior Debt Facility, and thereby access the upsized Senior Debt Facility, in October 2024 AQC completed an A\$20.0 million Equity Raising comprising:

- an institutional placement to raise up to approximately A\$9.6 million; and
- a fully underwritten 1 for 6.16 pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$10.4 million.

The Company's largest shareholder Trepang Services Pty Ltd, together with its related parties (who collectively hold 34.2% of AQC's ordinary shares), committed to subscribe for up to A\$6 million in the Equity Raising.

The Company held its AGM on 29 November 2024. Following the AGM, the Company announced the appointment of John Robinson as Executive Chairman following the resignation of Ayten Saridas from the position of Managing Director and CEO.

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This Quarterly Activities Report was authorised for release by the AQC Board. All \$ values in this report are Australian dollars unless otherwise stated.

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**About Australian Pacific Coal Limited (ASX: AQC) and the Dartbrook Project**

Australian Pacific Coal Limited (ASX: AQC) has recently resumed underground mining operations at the Dartbrook Coal Mine following successful execution of a restart capital program in 2024. Located in the Hunter Valley, NSW, approximately 4 km west of Aberdeen and 10 km north-west of Muswellbrook, Dartbrook has access to world-class infrastructure, a skilled workforce, and support industries utilised by major mining companies in the region. The Dartbrook mine has previously produced a high-quality high-energy low-sulphur thermal coal (NEWC spec) that is typical of the Hunter Valley.



The Dartbrook Joint Venture comprises Australian Pacific Coal Limited (80%, via subsidiaries) and Tetra Resources Pty Ltd (20%, via subsidiaries).



*Production and stockpiling at Dartbrook following successful production restart during quarter*

The Company provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location.

Name	Number	Status	Expiry Date	Interest Held
<b>Dartbrook Project, Hunter Valley NSW</b>				
AUTH 256	AUTH 256	Granted	16/12/2025	100%
EL 4574	EL 4574	Granted	13/08/2030	100%
EL 4575	EL 4575	Granted	13/08/2027	100%
EL 5525	EL 5525	Granted	22/09/2027	100%
CL 386	CL 386	Granted	19/12/2033	100%
ML 1381	ML 1381	Granted	19/12/2033	100%
ML 1456	ML 1456	Granted	27/09/2043	100%
ML 1497	ML 1497	Granted	5/12/2043	100%
<b>Matuan Downs Bentonite Project, Alpha</b>				
Mantuan	ML 70360	Granted		100%

Mining tenements acquired during the quarter and their location.

Not applicable.

Mining tenements disposed of during the quarter and their location.

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter.

The Company's 100% owned subsidiary Mining Investments One Pty Ltd holds a 10% interest in each of the following Blackwood Resources Pty Ltd JV tenements.

Name	Number	Status	Interest Held
<b>Blackwood Joint Venture, Miles QLD</b>			
Bungaban Creek	EPC 1955	Granted	10%
Quondong	EPC 1987	Granted	10%

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

AUSTRALIAN PACIFIC COAL LIMITED

ABN

49 089 206 986

Quarter ended ("current quarter")

31 DECEMBER 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	(19)
(b) development (incl. reclassification)	413	(18)
(c) production	(16,973)	(16,973)
(d) staff costs	(1,956)	(2,979)
(e) administration and corporate costs	(7,923)	(13,910)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST & Stamp Duty)	2,330	4,783
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(24,087)</b>	<b>(29,066)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	(95)
(c) property, plant and equipment	(138)	(144)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets (Dartbrook Mining Properties)	(872)	(33,794)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	32	32
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities (incl. repayment received)	(1,092)	(692)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,070)</b>	<b>(34,693)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	20,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1,980)	(2,038)
3.5	Proceeds from borrowings	24,233	46,786
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(180)	(652)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>42,073</b>	<b>64,096</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,205	17,784
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(24,087)	(29,066)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,070)	(34,693)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	42,073	64,096



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(33)	(33)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>18,088</b>	<b>18,088</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,088	2,205
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Time deposits)	12,000	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,088</b>	<b>2,205</b>

\*Cash balances include AQC's relevant interest (80%) in Dartbrook Joint Venture cash balances.

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Salaries & Directors' fees and Trepang Leases)	852
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	118,923	110,828
7.2 Credit standby arrangements	25	-
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>118,948</b>	<b>110,828</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>8,120</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.1 a) \$3m loan facility provided by Tre pang Service Pty Ltd. The loan attracts interest at a rate of 10% per annum.		
7.1 b) The Company is one of the parties to a binding USD\$90m loan note issuance facility for the Dartbrook Project with Vitol Asia Pte Ltd (Vitol). Vitol has been granted a senior security over the assets of the Dartbrook Joint Venture. The facility attracts interest at 15% and has a final repayment date of 31 December 2027. Further details can be obtained in the announcement of 2 October 2024.		
7.2 NAB Business Visa. Unsecured		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(24,087)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) – item 2.1 (e) Dartbrook Development costs	(2,070)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(26,157)
8.4 Cash and cash equivalents at quarter end (item 4.6)	18,088
8.5 Unused finance facilities available at quarter end (item 7.5)	8,120
8.6 Total available funding (item 8.4 + item 8.5)	26,208
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>1</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. The Dartbrook project has commenced production and cash inflows are expected in the coming months; cashflows ahead of commercial production are anticipated to be managed within available cash resources.	

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Yes, during the quarter, AQC and its JV partner Tetra Dartbrook Pty Ltd (“Tetra”) announced that they agreed to upsize the existing Senior Debt Facility from US\$60 million to US\$90 million on similar terms with its financier Vitol Asia Pte Ltd (“Vitol”).

In addition, AQC completed a A\$20.0 million Equity Raising in the quarter.

Please refer to ASX announcement made on 2 October and 4 October 2024 for further details.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, based on the funding and equity raising as discussed in 8.8.2.

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31/1/25.....

Authorised by: ...By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity’s activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: “By the board”. If it has been authorised for release to the market by a committee of your board of directors, you can insert here: “By the [name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.