

**ASX ANNOUNCEMENT**

19 February 2025

## Receipt of Claim from ZKR Holdings Limited

Australian Pacific Coal Limited (ASX: AQC) (“**AQC**” or the “**Company**”) advises it was served with an originating application, genuine steps statement, and concise statement, filed in the Federal Court of Australia by ZKR Holdings Limited (“**ZKR**”), a company incorporated in the United Kingdom.

By the originating application and concise statement, ZKR seeks an order that AQC pay it US\$1,800,000, an order requiring AQC to enter into a contract with ZKR pursuant to which AQC will issue ZKR 6,946,219 unlisted options at a strike price of AU\$0.1402 with a 10 year expiry period, and an order that AQC enter into a contract with ZKR pursuant to which AQC will grant ZKR a 0.5% life of mine royalty on all coal sales made by AQC under a coal supply and marketing agreement between AQC and Vitol Asia Pte Ltd.

In the alternative to orders requiring AQC to enter into contracts with ZKR for the issue of the share options and the payment of the life of mine royalty, ZKR claims damages for AQC’s alleged breach of an alleged obligation to enter into each of those agreements. The damages claimed by ZKR for the share options and life of mine royalty are US\$655,000 and at least US\$10,700,000 respectively. ZKR alleges this is the net present value of the options and the royalty.

ZKR claims it is entitled to this relief as consideration for services it alleges it provided to AQC between June 2023 and January 2024, or alternatively on the basis that AQC engaged in misleading or deceptive conduct in contravention of section 18 of the *Australian Consumer Law*, and unconscionable conduct within the meaning of section 21 of the *Australian Consumer Law*, in its dealings with ZKR.

AQC denies ZKR’s claims and will defend the proceeding and may bring a counterclaim against ZKR in connection with misconduct of ZKR’s representatives. Despite AQC’s intention to defend the proceeding, the commencement of litigation by ZKR necessarily carries the risk of irrecoverable legal costs. There is also the risk that ZKR will succeed in obtaining a judgment against AQC or that the claim will be settled on terms favourable to ZKR.

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

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