Australian Pacific Coal Limited

ABN 49 089 206 986

Interim Report – for the six months ended 31 December 2025

The Directors present their report, together with the condensed consolidated financial statements, on the Group (referred to hereafter as the "Group") consisting of Australian Pacific Coal Limited (referred to hereafter as the "Company" or "parent entity") and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

DIRECTORS

The following persons were directors of Australian Pacific Coal Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Current Directors
John Robinson
Nicholas Johansen
Seth Dickinson

REVIEW OF OPERATIONS

The profit for the Group amounted to $9.5 million (half-year to 31 December 2024: $47.7 million loss including Dartbrook JV's performance). The Group reported net liabilities of $236.0 million as at 31 December 2025. The profit for the half-year is attributable to the derecognition of Dartbrook Joint Operation liabilities following the receivership (refer Note 3) rather than to operating performance. The Group remains in a net liability position and its ability to continue as a going concern is subject to material uncertainty, as described in Note 1.

During the period there was limited operations at Dartbrook. As announced to the ASX on 4 July 2025, and subsequent updates on 18 July 2025:

- On 3 July 2025, the appointed operator of the Dartbrook Coal Mine (Dartbrook Operations Pty Ltd) and related entities (all associated and/or related entities of Tetra Resources, the minority joint venture partner) appointed voluntary administrators.
- Following these events of 3 July 2025, Vitol Asia Pte Ltd as secured creditor to the Dartbrook Coal Mine:
  - Advised that an event of default occurred under its secured debt facility that was provided for the restart of the Dartbrook Coal Mine; and
  - Appointed receivers and managers over the assets of the Dartbrook Coal Mine, including over AQC's 80% ownership interest in the Dartbrook Coal Mine.
- As a result of the preceding events, on 7 July 2025 AQC was required to appoint an Administrator to AQC Dartbrook Pty Ltd and AQC Dartbrook Management Pty Ltd – with these appointments being limited to the companies that had a Receiver and Manager appointed over them.

Whilst these unfortunate events took place during the period, the Board and management made the decision to impair the investment in the Dartbrook asset (through AQC's 100% ownership in its subsidiary AQC Dartbrook Pty Ltd) during FY2025, on the basis that when the FY2025 financial statements were released the Company no longer controlled AQC Dartbrook Pty Ltd (Dartbrook mine tenement holding company) and therefore the Company's working assumption is that there is no value to its interest in the Dartbrook mine.

The Company's investment in the Dartbrook asset, held through its 100% owned subsidiary AQC Dartbrook Pty Ltd, was impaired to nil in the financial statements for the year ended 30 June 2025, reflecting that the Company no longer has access to the economic benefits of the Dartbrook mining assets and that no value is attributed to its interest in the Dartbrook mine. During the half-year, responsibility for the underlying Dartbrook assets and the associated obligations passed to the receivers and administrators, and the Group derecognised the related Dartbrook Joint Operation liabilities for which it no longer has a present obligation (refer Note 3).

The Board and management continue to engage with the receivers and the senior lender to evaluate the implications for the Company's position and to assess all available options such as participating in any sales process the receivers may run for the Dartbrook assets, whilst actively monitoring the solvency position of AQC and its obligations. At the time of writing, the outcome of the receivership process remains uncertain, and the Board will continue to update the market in accordance with its continuous disclosure obligations as material information becomes available.

On behalf of the Board, I would like to thank our shareholders for their continued support during a challenging period.

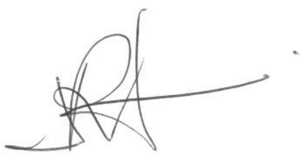
MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR
The receivership of the Dartbrook Mine remains ongoing as at the date of this report. As at that date, Vitol Asia Pte Ltd had not made a demand under the parent company guarantee, and the appeal by M Resources Trading Pty Ltd remained listed for hearing in the second half of CY2026. Other than these matters, no other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

ROUNDING OF AMOUNTS
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

AUDITOR’S INDEPENDENCE DECLARATION
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



John Robinson
Executive Chairman (Interim)

20 July 2026

HALL CHADWICK

AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of Australian Pacific Coal Limited

As the lead audit partner for the review of the financial report of Australian Pacific Coal Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 20 July 2026

General information

The condensed consolidated financial statements cover Australian Pacific Coal Limited as a Group consisting of Australian Pacific Coal Limited and the entities it controlled at the end of, or during, the half-year. The condensed consolidated financial statements are presented in Australian dollars, which is Australian Pacific Coal Limited's functional and presentation currency.

Australian Pacific Coal Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 1, 371 Queen Street
Brisbane QLD 4000

Principal place of business

Stair Street
Kayuga NSW 2333

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The condensed consolidated financial statements were authorised for issue, in accordance with a resolution of directors, on 17 July 2026. The directors have the power to amend and reissue these financial statements.

Australian Pacific Coal Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	**31 Dec 2025** **$**	**31 Dec 2024** **$**
Revenue		-	222,728
Other income	3	30,648,831	616,026
Expenses			
Expenses excluding finance costs	4	(2,269,999)	(30,592,832)
Finance costs	4	(18,873,044)	(17,908,443)
Profit / (loss) before income tax expense from continuing operations		9,505,788	(47,662,521)
Income tax expense		-	-
Profit / (loss) after income tax expense from continuing operations		9,505,788	(47,662,521)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive profit / (loss) for the half-year		9,505,788	(47,662,521)
		Cents	**Cents**
Earnings per share for profit / (loss) attributable to the owners of Australian Pacific Coal Limited			
Basic earnings per share		1.36	(7.90)
Diluted earnings per share		1.36	(7.90)

The above condensed consolidated statements should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Condensed consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated 31 Dec 2025 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents	5	675,840	3,425,958
Trade and other receivables		253,334	194,735
Other		75,523	82,157
Total current assets		1,004,697	3,702,850
Non-current assets			
Right-of-use assets		222,208	262,609
Other		130,390	8,642,459
Total non-current assets		352,598	8,905,068
Total assets		1,357,295	12,607,918
Liabilities			
Current liabilities			
Trade and other payables		2,473,269	13,754,645
Lease liabilities		99,996	5,736,480
Borrowings	6	234,594,439	215,745,493
Total current liabilities		237,167,704	235,236,618
Non-current liabilities			
Provisions		-	8,643,200
Lease liabilities		152,728	14,197,025
Total non-current liabilities		152,728	22,840,225
Total liabilities		237,320,432	258,076,843
Net liabilities		(235,963,137)	(245,468,925)
Equity			
Issued capital	7	190,717,814	190,717,814
Accumulated losses		(426,680,951)	(436,186,739)
Total equity		(235,963,137)	(245,468,925)

The above condensed consolidated statements should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2024	172,655,173	(153,837,160)	18,818,013
Loss after income tax expense for the half-year	-	(47,662,521)	(47,662,521)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(47,662,521)	(47,662,521)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs	18,062,641	-	18,062,641
Balance at 31 December 2024	190,717,814	(201,499,681)	(10,781,867)

Consolidated	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2025	190,717,814	(436,186,739)	(245,468,925)
Profit after income tax expense for the half-year	-	9,505,788	9,505,788
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	9,505,788	9,505,788
Balance at 31 December 2025	190,717,814	(426,680,951)	(235,963,137)

The above condensed consolidated statements should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2025

	Consolidated	
	31 Dec 2025	**31 Dec 2024**
	$	**$**
Cash flows from operating activities		
Receipts from customers	15,694	-
Payments to suppliers and employees (inclusive of GST)	(2,779,144)	(27,868,578)
Interest received	14,730	35,461
Interest paid	(1,398)	(69,226)
Net cash used in operating activities	(2,750,118)	(27,902,343)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(6,271,610)
Payments for mining properties	-	(25,910,838)
Proceeds from disposal of assets	-	30,996
Payment for security bonds/deposits	-	(1,437,000)
Loan advances	-	(1,122,791)
Payments for exploration and evaluation	-	-
Net cash used in investing activities	-	(34,711,243)
Cash flows from financing activities		
Proceeds from borrowings, net of transaction costs	-	46,709,125
Contributions of equity, net of transaction costs	-	18,062,641
Proceeds from share placement received in advance	-	-
Lease payments	-	(1,871,696)
Net cash from financing activities	-	62,900,070
Net increase/(decrease) in cash and cash equivalents	(2,750,118)	286,484
Cash and cash equivalents at the beginning of the financial half-year	**3,425,958**	**17,784,637**
Effect of exchange rate changes	-	16,567
Cash and cash equivalents at the end of the financial half-year	**675,840**	**18,087,688**

The above condensed consolidated statements should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These condensed consolidated financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These condensed consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2 of the annual report for the year ended 30 June 2025.

Going Concern

The Group has recorded a net profit of $9,505,788 and a deficiency in operating cash flows of $2,750,118 for the half-year ended 31 December 2025. The Group's current liabilities exceeded current assets by $236,163,007 as at 31 December 2025 and there is a net liability of $235,963,137, principally reflecting the recognition in full of the Group's obligation under the parent company guarantee provided in respect of the senior secured facility with Vitol Asia Pte Ltd and the impairment of the Group's Dartbrook-related assets to nil.

The Company's ability to continue as a going concern is subject to material uncertainty due to the appointment of receivers and the scale back of operations at the Dartbrook mine. The senior secured facility was in breach of its covenants and, as a result, the full amount of the facility has been classified as a current liability. As at the date of this report, Vitol had not made a demand under the parent company guarantee however, Vitol has not provided a binding undertaking to that effect. On that basis, the directors note that future funding and restructuring outcomes remain unresolved at the date of this report. The directors are aware that the receivers have begun a sale process.

These conditions underpin the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. These condensed consolidated financial statements have been prepared on a going concern basis as the Directors consider that the Company and the Group will be able to realise its assets and settle its liabilities in the ordinary course of business and at amounts stated in the condensed consolidated financial statements. The continuation of the Company and the Group as a going concern is dependent on, among other things, the following matters:

- the Company not being called upon under the parent company guarantee in respect of the senior secured facility for at least 12 months from the date of this report (as at the date of this report Vitol had not made a demand under the guarantee, and has not provided a binding undertaking to that effect);
- the successful completion of a sale process whereby the Company regains control of Dartbrook, or an alternative restructuring of the Group's affairs. Any DOCA that restored the Company's control of Dartbrook would result in the re-recognition of the assets and liabilities of the Dartbrook operations, on terms (including any compromise of creditor claims effected by the deed) that cannot presently be determined;
- securing additional capital through equity raisings or new debt facilities to support existing or new opportunities;
- continued support and assistance from the Group's funders to manage the cash flow profile of the Group; and
- the litigation claims disclosed in Note 8 not resulting in an outflow of funds that the Group would be unable to meet.

Should the above not generate the expected cash flows, the Company and the Group may not be able to pay its debts as and when they become due and payable and it may be required to realise assets and extinguish liabilities other than in the ordinary course of business and at amounts different from those stated in the condensed consolidated financial statements. These condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company and the Group not continue as going concerns.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments
The determination of the Group's operating segments is based on the reporting units for which information is reported to the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")). The Group's reportable segments are based on the nature of the operation. There is no aggregation of operating segments.

The CODM reviews segment receipts and expenditure for each operating segment at regular board meetings. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Other (Head office)	The corporate segment comprises the Company's head office functions. Following the receivership of the Dartbrook Mine during the half-year, the Group's activities are limited to head office and the assessment of options in relation to the Dartbrook receivership and potential future exploration and evaluation activities.

Intersegment transactions
Intersegment transactions are made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

	Net profit / (loss) from continuing operations before tax		Total Assets	
	31 December 2025 $	31 December 2024 $	31 December 2025 $	30 June 2025 $
Dartbrook / Exploration & Evaluation	-	(46,357,898)	-	8,617,459
Other (Head office)	9,505,788	(1,304,623)	1,357,295	3,990,459
	9,505,788	(47,662,521)	1,357,295	12,607,918

Note 3. Other income

	Consolidated 31 Dec 2025 $	Consolidated 31 Dec 2024 $
Other income – Interest and other	14,268	616,026
Other income – Gain on derecognition of joint operation liabilities	30,634,563	-
	30,648,831	616,026

Gain on derecognition of joint operation liabilities

Following the voluntary administration of the Dartbrook operating entities and the appointment of receivers and managers over the Dartbrook Mine on 3 July 2025, responsibility for the underlying Dartbrook assets and the associated obligations passed to the receivers and administrators. Consistent with the approach described in the 30 June 2025 annual report, liabilities for which the Group no longer has a present legal or constructive obligation have been derecognised during the half-year. The resulting gain of $30,634,563 is analysed in the table below:

Derecognition of trade and other payables	10,822,651
Derecognition of lease liabilities (current and non-current)	19,680,781
Derecognition of rehabilitation provision	8,643,200
Less: derecognition of rehabilitation security deposit	(8,512,069)
	30,634,563

On the receivers taking control of the Dartbrook assets, the rehabilitation obligations in respect of the Dartbrook mining tenements passed to the receivers. Accordingly, the Group's rehabilitation provision of $8,643,200 has been derecognised, together with the corresponding NSW rehabilitation security deposit previously held in respect of that obligation. The net effect is included in the gain on derecognition of joint operation liabilities (refer to above).

Note 4. Expenses

	Consolidated 31 Dec 2025 $	Consolidated 31 Dec 2024 $
Profit / (Loss) before income tax expense includes the following expenses:		
Royalties	-	(12,887)
Mining and processing	-	(11,530,256)
Other site and corporate overheads	(2,151,257)	(15,834,170)
Exploration and evaluation expense	(46,909)	(43,174)
Depreciation and amortisation expense	(71,833)	(3,182,696)
Gain/(Loss) on disposal of assets	-	10,351
Expenses excluding finance costs	(2,269,999)	(30,592,832)
Interest expense on lease liabilities	(24,097)	(781,690)
Interest and finance charges paid/payable	(22,332,585)	(11,203,209)
Net foreign exchange gains/(losses) on borrowings	3,483,638	(5,923,544)
Finance costs	(18,873,044)	(17,908,443)

Note 5. Cash and cash equivalents

	Consolidated 31 Dec 2025 $	Consolidated 30 Jun 2025 $
Current		
Cash at bank and on hand	675,840	3,425,958
	675,840	3,425,958

Note 6. Current liabilities - borrowings

	Consolidated	
	31 Dec 2025	**30 Jun 2025**
	$	**$**
Interest bearing borrowings	225,300,330	206,980,698
Interest bearing borrowings due to related parties	9,294,109	8,764,795
	234,594,439	215,745,493

The Group had a $3 million and a further $5 million loan facility provided by Trepang Services Pty Ltd outstanding as at 31 December 2025. The Group agreed to provide security for the $3 million loan which has been subordinated to the senior finance facilities, whilst the $5 million loan advanced during FY25 is unsecured. The loans attract interest at a rate of 10% and 15% respectively per annum and are to be repaid post the repayment of the senior finance facilities.

The Group, together with its partner on the Dartbrook Joint Venture, had entered into a 3-year senior secured loan facility of US$60 million with Vitol Asia Pte Limited during FY24 which was subsequently amended during FY25 to a US$113.8 million facility and the maturity amended to December 2027. The loan was used to cover forecast restart expenditure and working capital at Dartbrook. The loan is secured on customary terms and bears interest of 15% per annum. The facility was originally repayable over the period to 31 December 2027. Additionally, during FY25, the Group, together with its partner on the Dartbrook Joint Venture, entered into a $20 million junior subordinated facility, bearing interest of 20% per annum.

Dartbrook Operations Pty Ltd and related entities entered voluntary administration on 3 July 2025, triggering an event of default under the senior secured facility. On 3 July 2025 receivers and managers were appointed over the secured property and assets of the Dartbrook Mine. As a result, the Company no longer has access to the economic benefits of those assets, and its interest in the Dartbrook asset was impaired to nil in the financial statements for the year ended 30 June 2025.

The Company was a party to the senior secured facility together with its joint operation partner, and additionally guaranteed the whole of the obligations under that facility. Following the event of default and the entry of the primary obligors into voluntary administration and receivership, the Company has a present obligation for the full amount outstanding, comprising its own obligations under the facility and, in respect of the balance, its obligations under the guarantee. Accordingly, the Group has recognised the whole of the facility as a financial liability at 31 December 2025. As at the date of this report, Vitol had not issued a demand under the guarantee; the going concern assessment in Note 1 addresses the Group's position should a demand be made.

The senior secured facility is contractually scheduled to mature in December 2027. Following the event of default described above, the facility became repayable on demand at the lender's option, and no unconditional right to defer settlement for at least twelve months after the reporting date existed at 31 December 2025. The whole of the facility has accordingly been classified as a current liability. The related party loans from Trepang Services Pty Ltd, although contractually subordinated and repayable after the senior finance facilities, have also been classified as current.

Note 7. Equity - issued capital

	31 December 2025 Shares	**30 June 2025 Shares**	**31 December 2025 $**	**30 June 2025 $**
Ordinary shares - fully paid	700,467,591	700,467,591	190,717,814	190,717,814

There have been no movements in the number of shares or the amounts paid during the half-year.

Ordinary shares: Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back: There is no current on-market share buy-back.

Dividends: No dividends were paid, declared or recommended during the half-year ended 31 December 2025 (31 December 2024: nil).

Note 8. Contingent liabilities

Disagreement with advisory firm – ZKR Holdings Limited

The Group announced on 19 February 2025 that it had been 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 between June 2023 and January 2024.

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.

Receipt of Statutory Demand – M Resources Trading Pty Ltd

On 11 July 2025 the Company announced it was served a Statutory Demand for payment of debt from M Resources Trading Pty Ltd for an amount of A$1,074,006.85, which relates to a management and advisory fee previously announced on 1 May 2023.

On 31 July 2025 the Company applied to the Supreme Court of Queensland to have the Statutory Demand set aside and subsequently on 29 October 2025 the Company advised that it received judgement from the Court with the application being successful and the Statutory Demand being set aside.

On 21 November 2025 the Company announced that M Resources Trading Pty Ltd had lodged an appeal with the Court of Appeal, with the hearing date expected in second half CY2026.

Despite AQC's intention to resist the appeal, there is a risk M Resources Trading Pty Ltd will succeed in the Court of Appeal.

Parent company guarantee - senior secured facility

The Company has guaranteed the whole of the obligations of the joint operation under the senior secured facility with Vitol Asia Pte Ltd. Following the event of default and the appointment of receivers over the Dartbrook Mine, the Company has recognised the full amount outstanding under that facility as a financial liability (refer Note 6). Accordingly, no additional contingent liability arises in respect of the guaranteed amount. As at the date of this report, Vitol had not made a demand under the guarantee.

Vendor Royalty

The contingent liability in respect of the vendor royalty disclosed in the annual report for the year ended 30 June 2025 was contingent on coal sales from the Dartbrook Mine. Following the receivership and the loss of the Group's access to the Dartbrook mining assets, the Group no longer expects any outflow to arise in respect of that royalty, and it is accordingly no longer disclosed as a contingent liability.

Note 8. Contingent liabilities (continued)

Creditors claims resulting from voluntary administration of Dartbrook entities

Subsequent to the appointment of receivers and managers on 3 July 2025, creditors of the Dartbrook operating entities submitted proofs of debt totalling approximately $20.0 million on a gross basis. Of this amount, approximately $14.1 million on a gross basis relates to trade and other payables reflected in the financial statements at 30 June 2025, of which the Group's 80% share is approximately $11.3 million.

The remaining additional proofs of debt of approximately $5.9 million on a gross basis have not been recognised as liabilities in the financial statements. The Group's 80% share of these additional claims would be approximately $4.7 million. These additional claims are disclosed as contingent liabilities because they relate to claims made against the Dartbrook operating entities and may only give rise to an obligation of the Group if it is established that AQC Dartbrook Pty Ltd or the Group has a legal or constructive obligation in respect of those claims.

Based on information available at the date of this report, these additional claims attach to the Dartbrook operating entities, which are separate legal entities from AQC Dartbrook Pty Ltd and the Group. No claims have been made directly against AQC Dartbrook Pty Ltd or Australian Pacific Coal Limited in respect of these additional claims, other than in respect of the existing parent company guarantee disclosed elsewhere in this report.

No provision has been recognised for these additional claims as the Directors do not consider it probable that an outflow of resources will be required from the Group, and the amount of any obligation, if any, cannot presently be reliably estimated. The Group will continue to monitor the receivership and voluntary administration process and will recognise a liability if it becomes probable that an outflow of resources will be required and the amount can be reliably estimated.

Note 9. Events after the reporting period

The receivership of the Dartbrook Mine remains ongoing as at the date of this report. As at that date, no demand had been made by Vitol Asia Pte Ltd under the parent company guarantee (refer Notes 1 and 6), and the appeal by M Resources Trading Pty Ltd referred to in Note 8 remained listed for hearing in the second half of CY2026. Other than these matters and as disclosed in Notes 1, 6 and 8, no matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Note 10. Contingent assets

There were no contingent assets at the reporting date.

Australian Pacific Coal Limited
Directors' declaration
31 December 2025

In the opinion of the Directors of Australian Pacific Coal Limited (the Company):

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds, as outlined in Note 1 under “Going Concern”, to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

John Robinson
Executive Chairman (Interim)

20 July 2026

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

Conclusion

We have reviewed the half-year financial report of Australian Pacific Coal Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group has incurred a net profit of $9,505,788 and a deficiency in operating cash flows of $2,750,118 for the half year ended 31 December 2025. The Group's current liabilities exceeded current assets by $236,163,007 as at 31 December 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

HALL CHADWICK (NSW)

INDEPENDENT AUDITOR'S REVIEW REPORT (page 2)
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

STEWART THOMPSON
Partner
Dated: 20 July 2026