Australian Pacific Coal Limited

ABN 49 089 206 986

Annual Report for the year ended 30 June 2025

Chairman’s Report FY2025

Dear Shareholders,

The 2025 financial year was a period of significant operational and financial challenge for Australian Pacific Coal Limited (“AQC” or “the Company”). Our efforts during the year were primarily focused on progressing the Dartbrook Coal Mine (“Dartbrook” or “the Project”) towards recommencement of production operations and managing the company’s capital requirements to support that objective.

Most notably, the Project delivered important milestones such as recommencement of underground coal operations after a period of almost 17 years in Care and Maintenance, first coal sales, commissioning of the Coal Handling and Preparation Plant, and submission of an application to extend the Development Approval of Dartbrook for a further six years.

However, a key development occurred subsequent to the end of the reporting period. 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 (Dartbrook tenement holding company) 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 after 30 June 2025, the Board and management have made the decision to impair the investment in the Dartbrook asset (through AQC’s 100% ownership in its subsidiary AQC Dartbrook Pty Ltd), on the basis that it no longer controls the asset and therefore the Company’s working assumption is that there is no value to its interest in the Dartbrook mine.

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 year.

John Robinson
Executive Chairman (Interim) from 11 December 2024; previously Non-Executive Director and Acting Chairman of Australian Pacific Coal Limited

The Directors present their report, together with the 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 year ended 30 June 2025.

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

<u>Current Directors</u>
John Robinson
Nicholas Johansen
Seth Dickinson (Appointed 20 March 2025)

<u>Former Directors</u>
Jeff Gerard (Resigned 30 June 2025)
Ayten Saridas (Resigned 29 November 2024)

Principal activities
During the financial year the principal continuing activities of the Group consisted of exploration and development activities at the Group's mining tenements situated in New South Wales, Australia.

Dividends
No dividends were declared or paid for the financial year ended 30 June 2025.

Operating and Financial Review (forming part of the Directors' Report, s299A)

Matter	Review
Operations and results	The Group holds an 80% interest in the Dartbrook Joint Arrangement, an unincorporated joint operation structured as a strategic partnership with the Group and other parties. The primary purpose of the joint arrangement is to facilitate exploration, mining and sale of coal from the Dartbrook project. Under the joint arrangement agreement, all of the assets, rights, duties, obligations and liabilities incurred by the arrangement are shared by the partners in proportion to their share. As such the arrangement is classed as a joint operation, and accordingly, the Group's interests in the assets, liabilities, revenues and expenses attributable to the joint arrangement have been included in the appropriate line items in the consolidated financial statements. During the year underground operations recommenced after almost 17 years in care and maintenance, the Coal Handling and Preparation Plant was commissioned, first coal was sold (sales revenue $2.57m; 2024: nil), and a six-year Development Approval extension was lodged. The loss after tax of $282.3m (2024: $12.6m loss) was driven principally by a full impairment of the Dartbrook assets of $119.7m, finance costs of $61.9m (including $41.4m on recognition of the parent company guarantee and $20.5m of interest and finance charges), and site and corporate costs incurred before commercial production.
Financial position	The Group moved to a net liability position of $245.5m (2024: net assets of $18.8m), principally from impairing the Dartbrook assets to nil and recognising the parent company guarantee of the Vitol senior secured facility in full. Cash was $3.4m (2024: $17.8m); during the year $18.1m of equity was raised and further borrowings drawn. The senior facility was in covenant breach and is classified as a current liability. The Group's ability to continue as a going concern is subject to material uncertainty, as set out in Note 1. Contingent exposures not recognised in the financial statements are described in Note 25.
Business strategies	Based on information available at the date of this report, the Group's near-term prospects depend on the outcome of the receivership, the extent and timing of any call under the parent company guarantee, and the Group's ability to raise capital. As the Group's interest in Dartbrook is assumed to have no value, future financial performance will depend on the Company securing new opportunities. These prospects are consistent with the going concern and asset impairment assumptions applied in the financial report.
Material business risks	(i) Receivership outcome: the receivers' realisation may leave no residual value for the Group; the Board monitors the process. (ii) Guarantee exposure: the Company may be called under the guarantee, with the recognised obligation and the dependency on no call within 12 months discussed in Note 1. (iii) Solvency and liquidity: limited cash against significant current liabilities, managed through cost control and capital raising. (iv) Litigation: the ZKR claim and the M Resources statutory demand (Note 25) could give rise to further liabilities, both of which the Company is defending.

Significant changes in the state of affairs
The senior secured loan facility provided by Vitol Asia Pte Ltd to the Dartbrook Joint Operation ("Farmin & Joint Venture Agreement – Dartbrook Mine" being the arrangement's name, also referred to as “Dartbrook Joint Venture”, but accounted for as a joint operation under AASB 11) was amended, increasing the facility from US$60 million to US$113.8 million and extending the maturity date to December 2027. The facility is secured over the assets of the joint operation and is supported by a parent company guarantee provided by Australian Pacific Coal Limited. The Group, together with its joint operation partner, also entered into a $20 million junior subordinated facility during the year.

Throughout the year, the Dartbrook Mine continued transition from care and maintenance, with limited recommencement and commissioning activities, however returned to a state of care and maintenance upon the appointment of receivers and managers. The Group continued to deploy capital, including shareholder loans and the application of reserve funds, towards the planned restart of the mine during the year ended 30 June 2025.

As a consequence of conditions existing at 30 June 2025, which were confirmed by events occurring after the reporting date, the Group recognised a material impairment of its Dartbrook-related assets, writing the carrying value of those assets down to nil. This, together with the recognition of the Group's obligations in respect of the senior secured facility, resulted in a significant change in the Group's financial position and a net liability position as at 30 June 2025. Refer to the section “Matters subsequent to the end of the financial year” below, which outlines the conditions existing at the reporting date giving rise to the impairment described above.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group during the financial year.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group is subject to, and is compliant with, all aspects of environmental regulation in its exploration and mining activities. The Directors believe that the Company is in compliance with all environmental laws.

The Group is subject to the reporting requirements of the National Greenhouse and Energy Reporting Act 2007.

The National Greenhouse and Energy Reporting Act 2007 requires the Group to report its annual greenhouse gas emissions and energy use. The Group has previously implemented systems and processes for the collection and calculation of data.

Matters subsequent to the end of the financial year

The appointed operator of the Dartbrook Mine, Dartbrook Operations Pty Ltd and related entities, appointed voluntary administrators on 3 July 2025 and subsequently, Vitol Asia Pte Ltd ("Vitol") as secured creditor to the Dartbrook Joint Venture, advised that they had appointed receivers and managers of the secured property of the Dartbrook Mine. This included all of the shares in, and property of, AQC Dartbrook Pty Ltd, holder of the Company's joint operation interest in the Dartbrook Mine, and a specific receiver appointment over moneys of the Company in certain reserve accounts, capitalised interest and certain receivables (but not of any other property of the Company).

The Company has also received notification of the appointment of receivers to certain assets of AQC Investments 2 Pty Ltd ACN 609 954 734, being shares in AQC Dartbrook Pty Ltd.

As a result of the above, the Company advises that the directors of the following wholly owned subsidiaries of the Company have appointed Shaun Robert Fraser and Jonathan Philip Henry, of McGrathNicol as Administrators on 4 July 2025:
- AQC Dartbrook Pty Ltd (Receivers and Managers Appointed) ACN 000 012 813
- AQC Dartbrook Management Pty Ltd (Receivers and Managers Appointed) ACN 007 377 577

Because receivers and managers have been appointed to all assets of the Dartbrook Mine and given the size of the senior secured debt, it is unlikely that the Company will receive any distribution after the conclusion of the receivership and concurrent voluntary administration. As a result, the Company's current working assumption is that there is no value to its interest in the Dartbrook Mine.

The directors have determined that the matters described above provide evidence of conditions that existed at 30 June 2025 and are therefore adjusting events under AASB 110 Events after the Reporting Period. Accordingly, the carrying value of the Group's Dartbrook-related assets, including mining properties, property, plant and equipment, right-of-use assets and related receivables, has been written down to nil in these financial statements. Refer to the Section "Significant changes in the state of affairs" above.

The Company provided a parent company guarantee in respect of all moneys owing by the Dartbrook Joint Venture under the senior secured facility. As a consequence of the matters described above, the Group has recognised its obligation under that guarantee in full within current liabilities. As at the date of this report, Vitol had not made a demand under the guarantee.

Post year-end, and following the appointment of receivers and managers for the Dartbrook entities, the Group reassessed the nature and extent of liabilities associated with the Dartbrook Joint Operation. Liabilities for which the Group has a present legal or constructive obligation have been recognised. Liabilities or claims for which the Group does not presently have a legal or constructive obligation have not been recognised or have been derecognised, as applicable.

The directors are continuing to assess these circumstances. 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 the matters described above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Information on Directors

Name:	John Robinson
Title:	Executive Chairman (Interim) from 11 December 2024; previously Non-Executive Director and Acting Chairman.
Qualifications:	Bachelor of Accounting
Experience and expertise:	Mr Robinson is an accomplished executive and director with a background in the property, mining and retail sectors. John is also the former Managing Director of Australian Pacific Coal Limited from 30 October 2018 to 18 November 2019. Director of Australian Pacific Coal Limited since 5 June 2024.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,000,000 Fully paid ordinary shares
Interests in options:	None
Interests in performance rights:	None

Name:	Nicholas Johansen
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics; Bachelor of Law
Experience and expertise:	Mr Johansen is a solicitor with extensive mining experience, ranging from junior exploration to production, across a range of commodities. Nick has expertise in transactions, resources regulation, native title and environmental law. Nick completed his Graduate Diploma of Legal Practice at Australian National University. In addition, he holds a BA in economics from the University of Adelaide. Director of Australian Pacific Coal Limited since 9 January 2023.
Other current directorships:	Orcoda Limited (Non-Executive)
Former directorships (last 3 years):	Paterson Resources Limited (Non-Executive)
Interests in shares:	None
Interests in options:	None
Interests in performance rights:	None

Name:	Seth Dickinson
Title:	Non-Executive Director
Qualifications:	Bachelor of Engineering (Mining) Grad Dip Business Administration
Experience and expertise:	Mr Dickinson has over 40 years of technical and managerial positions in mine development and operations. Mr Dickinson also holds a First Class Managers Certificate of Competency in Coal Mining. Director of Australian Pacific Coal Limited since 20 March 2025
Other current directorships:	Lake Victoria Gold Ltd (Executive) Tanzoz Australia Pty Ltd (Non-Executive)
Former directorships (last 3 years):	None
Interests in shares:	None
Interests in options:	None
Interests in performance rights:	None

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Chief Financial Officer
Theo Renard was appointed as the Chief Financial Officer on 29 April 2024.

Mr Renard is a Chartered Accountant and has over 21 years' experience in credit and relationship banking in commercial and investment banking across South Africa, Asia, and Australia. He is an experienced Chief Financial Officer and Company Secretary within retail group environments and manufacturing operations in Asia and the Subcontinent, as well as within resources in Australia and overseas. He is an experienced director, having served on the boards of both overseas listed companies and ASX listed companies.

Company secretary
Craig McPherson was appointed as the Company Secretary on 23 August 2019.

Mr McPherson graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of Chartered Accountants Australia and New Zealand. He has in excess of twenty-five years of commercial and financial management experience and has held various executive roles with ASX, TSX and NZX listed companies over the past seventeen years in Australia and overseas.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full board	
	Attended	Held
John Robinson	12	12
Ayten Saridas	7	7
Nick Johansen	12	12
Jeff Gerard	9	12
Seth Dickinson	3	3

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. The performance of the Group depends on the quality of its Directors and Executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key financial and non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework seeks to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-executive director's remuneration
Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the General Meeting held on 30 October 2015 where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Non-Executive Directors are also entitled to consulting fees to the extent that they provide services in excess of those typically provided as a Non-Executive Director of the Company.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these components comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed regularly by the Board and subject to individual contracts is based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The Board periodically reviews the Company's short-term and long-term incentive arrangements for Executive Directors, Non-Executive Directors and employees and consultants to ensure the appropriate alignment of interests of all stakeholders and to reward the achievement of pre-specified Key Performance Indicators.

Group performance and link to remuneration
Remuneration for certain individuals may be directly linked to the performance of, and outcomes achieved for, the Group together with bonus and incentive payments at the discretion of the Board.

Voting and comments made at the company's 2024 Annual General Meeting ('AGM')
At the 2024 AGM, shareholders voted to support the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of Key Management Personnel of the Group are set out in the following tables.

The Key Management Personnel of the Group consisted of the following Directors of Australian Pacific Coal Limited during the year:
- John Robinson – Executive Chairman (Interim) from 11 December 2024; previously Non-Executive Director and Acting Chairman
- Ayten Saridas – Managing Director and Chief Executive Officer (resigned 29 November 2024)
- Nicholas Johansen – Non-Executive Director
- Jeff Gerard – Non-Executive Director (resigned 30 June 2025)
- Seth Dickinson – Non-Executive Director (appointed 20 March 2025)
- Theo Renard – Chief Financial Officer

2025	Short-term benefits Cash salary and fees $	 Cash bonus $	 Termination $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	 Equity-settled options $	 Total $
Non-Executive Directors:								
Nicholas Johansen	75,000	-	-	-	-	-	-	75,000
Jeff Gerard ***	75,000	-	-	-	-	-	-	75,000
Seth Dickinson	20,750	-	-	-	-	-	-	20,750
Executive Director:								
John Robinson *	474,771	-	-	11,030	-	-	-	485,801
Ayten Saridas **	297,914	-	-	-	-	-	-	297,914
Theo Renard	388,500	-	-	-	-	-	-	388,500
	1,331,935	-	-	11,030	-	-	-	1,342,965

* John Robinson was Executive Chairman (Interim) from 11 December 2024; previously Non-Executive Director and Acting Chairman
** Ayten Saridas resigned 29 November 2024
*** Jeff Gerard resigned 30 June 2025

2024	Short-term benefits Cash salary and fees $	 Cash bonus $	 Termination $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	 Equity-settled options $	 Total $
Non-Executive Directors:								
John Robinson	6,506	-	-	716	-	-	-	7,222
Nicholas Johansen	52,000	-	-	-	-	-	-	52,000
Jeff Gerard	6,250	-	-	-	-	-	-	6,250
Jeff Beatty	42,996	-	-	4,730	-	-	-	47,726
Mike Ryan	46,900	100,000	-	5,159	-	-	-	152,059
Executive Director:								
Ayten Saridas	452,000	-	-	-	-	-	-	452,000
Theo Renard	57,375	-	-	-	-	-	-	57,375
	664,027	100,000	-	10,605	-	-	-	774,632

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2025	 2024	At risk - STI 2025	 2024	At risk - LTI 2025	 2024
Non-Executive Directors:						
John Robinson	100%	100%	-	-	-	-
Nicholas Johansen	100%	100%	-	-	-	-
Jeff Gerard	100%	100%	-	-	-	-
Jeff Beatty	-	100%	-	-	-	-
Mike Ryan	-	34%	-	66%	-	-
Executive Director:						
Ayten Saridas	100%	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements. Details of these agreements are as follows:

Current agreements:

Name	John Robinson
Title	Executive Chairman (Interim) from 11 December 2024; previously Non-Executive Director and Acting Chairman
Term of agreement	Ongoing appointment, subject to termination rights noted below.
Details	Base salary of $400,000 per annum plus director fee of $100,000 per year. Mr Robinson or his nominee is eligible to receive any forms of equity type compensation as reasonably determined by the Board from time to time. 1 month's notice of intention to resign and the Company may terminate the agreement by giving 1 month's notice.

Name	Theo Renard
Title	Chief Financial Officer
Term of agreement	2-year appointment, appointed 29 April 2024, subject to extension or termination rights noted below.
Details	Base fee of $388,500 per annum. Mr Renard or his nominee is eligible to receive any forms of equity type compensation as reasonably determined by the Board from time to time. Upon completion of the term, appointment to be extended for rolling two-year periods thereafter upon mutual agreement. 3 months' notice of intention to resign and the Company may terminate the agreement by giving 6 months' notice.

Key Management Personnel have no entitlement to termination payments in the event of removal for misconduct.

Options

There were no options over ordinary shares issued as remuneration to Directors or other Key Management Personnel in the year ended 30 June 2025.

Performance Rights

There are no performance rights over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the years ended 30 June 2025 and 30 June 2024.

No performance rights have been granted to Key Management Personnel since the end of the financial year.

Additional disclosures relating to Key Management Personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ Other	Balance at the end of the year
Ordinary shares					
John Robinson	-	-	1,000,000	-	1,000,000
Ayten Saridas[1]	-	-	-	-	-
Nicholas Johansen	-	-	-	-	-
Jeff Gerard[1]	-	-	-	-	-
Seth Dickinson	-	-	-	-	-
Theo Renard	-	-	-	-	-

1. Represents shareholding at date of resignation as Director

Option holding
There were no options over ordinary shares in the Company held during the financial year by any Director and other members of Key Management Personnel of the Group, including their personally related parties.

Performance Rights Held by Key Management Personnel
There were no performance rights held directly, indirectly or beneficially by Key Management Personnel during the financial year.

Other transactions with key management personnel and their related parties
There were no transactions with key management personnel and their related parties during the financial year other than those transactions disclosed within this annual financial report.

This concludes the remuneration report, which has been audited.

Shares under option, performance rights or convertible note
On 5 April and 27 May 2024, 12,085,526 and 1,700,835 options were issued to Evolution Capital Pty Ltd respectively as a settlement of a dispute in connection with an underwriting agreement. These options were issued with a $0.34 exercise price and a 3-year exercise period expiring on 5 April 2027.

On 30 October 2024, 10,713,909 options were issued to Canaccord Genuity (Australia) Limited under an underwriting agreement. These options were issued with a $0.34 exercise price and a 3-year exercise period expiring on 30 October 2027.

There are no other unissued ordinary shares of Australian Pacific Coal Limited under option or convertible note at the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the company against a liability to the extent permitted by the Corporations Act 2001. Details of the premium are subject to a confidentiality clause under the contract of insurance.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2025:

	$
Taxation services	41,629
	41,629

Officers of the Company who are former partners of Hall Chadwick (NSW)
There are no officers of the Company who are former partners of Hall Chadwick (NSW).

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.

Auditor
Hall Chadwick (NSW) continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

John Robinson
Executive Chairman (Interim)

20 July 2026
Brisbane

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 audit of the financial report of Australian Pacific Coal Limited for the year ended 30 June 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 audit; and

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

Hall Chadwick (NSW)

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

STEWART THOMPSON
Partner
Dated: 20 July 2026

General information

The 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 year. The 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	**Principal place of business**
Level 1, 371 Queen Street Brisbane QLD 4000	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 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 the financial statements.

Australian Pacific Coal Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2025

	Note	Consolidated 2025 $	2024 $
Sales revenue	4	2,571,160	-
Other income	4	831,022	2,536,951
Expenses			
Impairment expense	5	(119,725,402)	-
Expenses excluding finance costs	5	(104,159,415)	(11,212,380)
Finance costs	5	(61,866,944)	(3,955,470)
Loss before income tax expense from continuing operations		(282,349,579)	(12,630,899)
Income tax expense	6	-	-
Loss after income tax expense from continuing operations		(282,349,579)	(12,630,899)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(282,349,579)	(12,630,899)
Earnings per share for profit attributable to the owners of Australian Pacific Coal Limited		**Cents**	**Cents**
Basic earnings per share	32	(43.32)	(2.74)
Diluted earnings per share	32	(43.32)	(2.74)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Consolidated Statement of Financial Position
As at 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Assets			
Current assets			
Cash and cash equivalents	7	3,425,958	17,784,637
Trade and other receivables	8	194,735	1,612,126
Loans receivable	9	-	1,200,000
Other	10	82,157	2,198,507
Total current assets		3,702,850	22,795,270
Non-current assets			
Property, plant and equipment	11	-	5,034,022
Mining properties	13	-	55,570,567
Right-of-use assets	14	262,609	2,880,682
Loan receivable	9	-	8,185,150
Other	16	8,642,459	7,996,993
Total non-current assets		8,905,068	79,667,414
Total assets		12,607,918	102,462,684
Liabilities			
Current liabilities			
Trade and other payables	17	13,754,645	13,792,181
Borrowings	20	215,745,493	-
Lease liabilities	24	5,736,480	514,231
Total current liabilities		235,236,618	14,306,412
Non-current liabilities			
Provisions	18	8,643,200	16,922,800
Lease liabilities	24	14,197,025	2,395,278
Borrowings	20	-	50,020,181
Total non-current liabilities		22,840,225	69,338,259
Total liabilities		258,076,843	83,644,671
Net assets / (liabilities)		(245,468,925)	18,818,013
Equity			
Issued capital	19	190,717,814	172,655,173
Accumulated losses		(436,186,739)	(153,837,160)
Total equity		(245,468,925)	18,818,013

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	154,753,974	-	(141,206,261)	13,547,713
Loss after income tax expense for the year	-	-	(12,630,899)	(12,630,899)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(12,630,899)	(12,630,899)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	17,901,199	-	-	17,901,199
Contributions of equity, transfers from reserves	-	-	-	-
Balance at 30 June 2024	172,655,173	-	(153,837,160)	18,818,013

Consolidated	Issued capital $	Reserves $	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 year	-	-	(282,349,579)	(282,349,579)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(282,349,579)	(282,349,579)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	18,062,641	-	-	18,062,641
Contributions of equity, transfers from reserves	-	-	-	-
Balance at 30 June 2025	190,717,814	-	(436,186,739)	(245,468,925)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Australian Pacific Coal Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Note	Consolidated 2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		2,770,540	-
Payments to suppliers and employees		(96,003,387)	(24,582,113)
Net interest (paid)/received		304,922	(3,428,240)
Net cash used in operating activities	31	(92,927,925)	(28,010,353)
Cash flows from investing activities			
Payments for property, plant and equipment		(11,436,416)	(1,678,491)
Payments for mining properties		(20,393,143)	(32,018,591)
(Payments for) / Refund of security bonds/deposits		-	(1,784,316)
Payments for exploration and evaluation		-	-
Loan advances		(1,867,810)	(2,982,901)
Net cash used in investing activities		(33,697,369)	(38,464,299)
Cash flows from financing activities			
Contributions of equity, net of transaction costs		18,062,641	17,901,199
Repayment of borrowings		(1,200,000)	(1,875,000)
Proceeds from borrowings		105,058,368	64,648,241
Lease payments		(8,602,016)	(96,676)
Net cash from financing activities	31	113,318,993	80,577,764
Net increase/(decrease) in cash and cash equivalents		(13,306,301)	14,103,112
Cash and cash equivalents at the beginning of the financial year		17,784,637	3,681,525
Effect of movement in exchange rates on cash held		(252,666)	-
Derecognition of Dartbrook entities' bank accounts due to access restrictions		(799,712)	-
Cash and cash equivalents at the end of the financial year	7	3,425,958	17,784,637

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Basis of preparation
These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit entities. These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB').

The financial statements reflect the impact of the Dartbrook mine being placed into receivership post the reporting period. In accordance with AASB 101 and AASB 136, material uncertainties and impairment assessments have been incorporated into relevant notes.

Historical cost convention
The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the consolidated 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.

Going Concern
The Group has incurred a net loss of $282,349,579 for the year ended 30 June 2025. As at 30 June 2025, the Group was in a net liability position, 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 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 normal course of business and at amounts stated in the 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 25 not resulting in an outflow of funds that the Group would be unable to meet.

Note 1. Material accounting policy information

Going Concern (continued)

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 consolidated financial statements. These 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.

Parent entity information
In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Australian Pacific Coal Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Australian Pacific Coal Limited and its subsidiaries together are referred to in these consolidated financial statements as the 'Group'.

Subsidiaries
Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been updated where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Joint arrangements
A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangements are in turn classified as:

- Joint ventures whereby the Group has rights to the net assets of the arrangements, rather than rights to its assets and obligations for its liabilities; and
- Joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Interest in joint operation
The Group’s interests in jointly controlled assets are accounted for by recognising its proportionate share in assets and liabilities from joint operation partners, except where as operator the Group takes on the role as independent contractor. In these instances, receivables and payables relating to jointly controlled operations are brought to account on a gross basis. Joint operation expenses and the Group’s entitlement to production are recognised on a pro rata basis according to the Group’s interest.

Note 1. Material accounting policy information

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Australian Pacific Coal Limited’s functional and presentation currency.

Foreign currency transactions
The Group has USD-denominated borrowings and other foreign currency monetary items. Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition
The Group has applied AASB 15: *Revenue from Contracts with Customers*. The major components of revenue are recognised as follows:

Sales revenue
Revenue from coal sales is recognised at the point in time when control transfers to the customer, typically upon loading the coal onto the transport vessel or railcar.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Material accounting policy information

Australian Pacific Coal Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Inventories

Coal inventories are stated at the lower of cost and net realisable value. No inventory is presented at 30 June 2025, as coal held at year end has either been sold or written down to nil.

Cost is determined using an average production cost method and includes mining, stockpiling, processing, haulage and an appropriate proportion of related depreciation and amortisation.

Note 1. Material accounting policy information

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Land and buildings are shown at historical cost. On any revaluation, accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2 - 10 years
Leasehold improvements	40 years
Plant and equipment	1 - 10 years

Land is not depreciated. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Mining properties

Capitalised mining development costs include expenditures incurred to develop new coal seams, to define further coal resources in existing seams, to expand the capacity of a mine, and to maintain production. This includes the cost of underground access ways, shafts, declines, and permanent development roadways. Mining development also includes costs transferred from the exploration and evaluation phase once the development of commercial production is approved.

Mining development is amortised on a units-of-production basis over the estimated run-of-mine (ROM) coal reserves, resulting in an amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. Proved and probable coal reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known coal deposits. Changes in the annual amortisation rate, resulting from changes in the remaining estimated reserves, are applied on a prospective basis.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 1. Material accounting policy information

Leases
The Group has lease contracts for various items of property, plant and equipment used within its operations and office premises. The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are presented as a separate line in the statement of financial position.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. Lease components are separately identified to non-lease components of contracts where applicable.

Short-term Leases and Leases of Low-value Assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value asset recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. During the year, the Group incurred short-term lease expenses of $40,945 (2024: $131,200). The value of leases of low-value assets was not material. Furthermore, the Group's commitment for short-term leases not provided for in the financial statements at the reporting date was not material.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. They are recognised initially at fair value, and their carrying amount generally approximates to fair value due to their short-term nature. The amounts are unsecured and are usually settled within 30 days of recognition. Where settlement is not due in the short term and where the effect is material, they are measured at amortised cost using the effective interest method.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Note 1. Material accounting policy information

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability.

Rehabilitation costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with the requirements of the mining permits and expectations from communities. Such costs are determined using estimates of future costs, current legal requirements and technology.

Rehabilitation costs are recognised in full at present value as a non-current liability. An equivalent amount is capitalised as part of the cost of the asset when an obligation arises to decommission or restore a site to a certain condition after abandonment as a result of bringing the assets to its present location. The capitalised cost is amortised on a units of production basis and the provision is accreted periodically as the discounting of the liability unwinds. The unwinding of the discount is recorded as a finance cost.

Any changes in the estimates for the costs or other assumptions against the cost of relevant assets are accounted for on a prospective basis. In determining the costs of site restoration there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 1. Material accounting policy information

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Material accounting policy information

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Australian Pacific Coal Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Note 1. Material accounting policy information

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

New and Amended Standards and Interpretations for Future Periods
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025.

The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in these consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The key judgement in the current period relates to the full impairment of Dartbrook assets – see Note 12.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Provision for impairment of receivables
A simplified approach is adopted in relation to trade receivables, as the loss allowance is measured at lifetime expected credit loss.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. Costs incurred in the productive process are accumulated as stockpiles of run-of-mine (ROM) coal, clean/washed product coal, and inventory in transit. Net realisable value (NRV) tests are performed at least annually and represent the estimated future sales price of the product based on prevailing coal benchmark prices (adjusted for specific energy, ash, and sulphur qualities), less estimated costs to complete processing, washing, and bringing the product to the point of sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the expected product yield based on coal washability characteristics, and allowances for windage and spontaneous combustion degradation. Stockpile tonnages are verified by periodic aerial or volumetric surveys.

Although the quantity of recoverable coal is reconciled by comparing the tonnes and quality of ROM coal fed into the Coal Handling and Preparation Plant (CHPP) to the actual yield of marketable product coal achieved (wash plant balancing), the physical nature of bulk coal stockpiles inherently limits the ability to precisely monitor exact inventory volumes. As a result, the wash plant yield estimates and stockpile survey variances are constantly monitored, with engineering estimates refined prospectively based on actual historical results.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying coal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as coal prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

Business combinations
The acquisition method is used to account for business combinations. The fair value of assets acquired, liabilities and contingent liabilities are measured by the Group taking into consideration all acquisition costs at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision
A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Vendor royalty provision
A provision had previously been recognised for the present value of the anticipated production royalty payable to the vendors of the Dartbrook Mine. Following the receivership and the assessment of the Group's ongoing obligations in respect of the Dartbrook Joint Venture, the Directors have determined that the recognition criteria for a provision are no longer met at 30 June 2025. The vendor royalty remains dependent on future production outcomes and, given the uncertainty arising from the receivership, the amount and timing of any obligation cannot presently be reliably estimated. Accordingly, the previously recognised vendor royalty provision has been reduced to nil and the maximum nominal exposure continues to be disclosed as a contingent liability.

Note 3. 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 each board meeting. 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:

Dartbrook	The segment seeks to manage the development of the Dartbrook mine where the Group holds an 80% working interest through an unincorporated joint operation.
Corporate	The corporate segment supports primarily the Dartbrook Joint Venture and other potential exploration and evaluation activities.

Financial information

	Net profit/(loss) from continuing operations before tax		**Total Assets**	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Interest in Dartbrook Joint Operation	(234,523,255)	(22,575,784)	8,617,459	83,556,562
Other (Head office)	(47,826,324)	9,944,885	3,990,459	18,906,122
	(282,349,579)	(12,630,899)	12,607,918	102,462,684

Note 4. Sales revenue and other income

	Consolidated 2025 $	Consolidated 2024 $
Sales revenue (generated from coal sales to a single counterparty)	2,571,160	-
Other income		
Interest	281,232	1,093,632
Other	31,453	301,305
Net foreign exchange gain	518,337	1,142,014
	831,022	2,536,951

Note 5. Expenses

	Consolidated 2025 $	Consolidated 2024 $
Loss before income tax includes the following expenses:		
Site and corporate overheads	80,546,313	7,853,153
Employee benefits expense	14,143,681	2,173,141
Depreciation	9,469,421	1,186,086
Expenses excluding finance costs	104,159,415	11,212,380
Impairment expense (refer to Note 12)	119,725,402	-
Interest and finance charges paid/payable	20,470,804	3,955,470
Further finance cost from recognition of loans due to guarantees given	41,396,140	-
Finance costs	61,866,944	3,955,470

Because receivers and managers have been appointed to all assets of the Dartbrook Mine on 3 July 2025 and given the size of the senior secured debt, it is unlikely that the Company will receive any distribution after the conclusion of the receivership and concurrent voluntary administration. As a result, the Company's current working assumption is that there is no value to its interest in the Dartbrook Mine. To this end the Dartbrook assets have been impaired and liabilities adjusted.

Note 6. Income tax expense

	Consolidated 2025 $	Consolidated 2024 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(282,349,579)	(12,630,899)
	(282,349,579)	(12,630,899)
Tax at the statutory tax rate of 30%	(84,704,874)	(3,789,270)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation and amortisation	2,840,826	318,175
Impairments	35,917,621	-
Other non-allowable items	-	(2,630,726)
Other allowable items	-	(1,735,666)
	(45,946,427)	(7,837,487)
Tax losses not brought to account	45,946,427	7,837,487
Income tax expense	-	-

Note 6. Income tax expense (continued)

The Group has incurred a significant accounting loss primarily due to the full impairment of its Dartbrook Joint Operation assets (see Note 12). Impairment losses are not deductible for income tax purposes. As a result, the tax effect of the loss has been offset by tax losses and temporary differences not recognised as deferred tax assets, as it is not probable that future taxable profits will be available in the foreseeable future against which the deductible temporary differences and tax losses can be utilised.

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2025 $	2024 $
Cash at bank and on hand	3,425,958	17,784,637
	3,425,958	17,784,637

Cash and cash equivalents as at 30 June 2025 does not include the Group's share of cash in the joint operation amounting to $799,712 (refer to notes 12 and 29).

Note 8. Current assets - trade and other receivables

	Consolidated	
	2025 $	2024 $
Trade and other receivables	194,735	1,612,126
Less: Allowance for expected credit loss	-	-
	194,735	1,612,126

As at 30 June 2025, $nil of the trade and other receivables were past due (2024: $nil). All trade and other receivables are deemed as low risk and collectible on the basis of established credit management processes such as regular analyses of their credit worthiness and external credit checks where appropriate.

Note 9. Loans receivable

	Consolidated	
	2025 $	2024 $
Receivables from joint operation partners	10,805,182	9,385,150
Impairment	(10,805,182)	-
	-	9,385,150
Current	-	1,200,000
Non-current	-	8,185,150
	-	9,385,150

By the end of 2023 the Group executed a restructured Joint operation agreement underpinning the restart of the Dartbrook underground coal mine. The agreement falls into the category of joint operations where the participants in the agreement are entitled to a share of all the assets, obligations and liabilities of the operations, rather than a share of the net assets.

Since then the advances for Dartbrook Coal Project have been reclassified and allocated across different classes of assets and liabilities based on the Group's interest. The remaining balance represents loan receivables from the Group's joint operation partners. The Group anticipates these funds will be repaid over time from excess cash generated from operations. Interest is charged at a margin above benchmark rates.

Because receivers and managers have been appointed to all assets of the Dartbrook Mine and given the size of the senior secured debt, it is unlikely that the Company will receive any distribution after the conclusion of the receivership and concurrent voluntary administration. As a result, the Company's current working assumption is that there is no value to its interest in the Dartbrook Mine. To this end the Dartbrook assets have been impaired. Refer to Note 12 for further details.

Note 10. Current assets – other

	Consolidated 2025 $	Consolidated 2024 $
Security bond	82,157	27,542
Prepayments (Impairment of $2,170,965 applied, refer note 12)	-	2,170,965
	82,157	2,198,507

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2025 $	Consolidated 2024 $
Land and buildings - at cost	922,723	922,723
Additions	6,767,316	-
Less: Accumulated depreciation	(656,511)	(173,641)
Impairment	(7,033,528)	-
	-	749,082
Leasehold improvements - at cost	180,217	180,217
Less: Accumulated depreciation	(172,290)	(172,058)
Impairment	(7,927)	-
	-	8,159
Plant and equipment - at cost	11,573,555	11,573,555
Additions	4,669,099	-
Disposals	(87,704)	-
Less: Accumulated depreciation	(11,064,306)	(7,296,774)
Impairment	(5,090,644)	-
	-	4,276,781
	-	5,034,022

Note 11. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2023	711,652	8,391	2,031,358	2,751,401
Additions	71,937	-	3,271,266	3,343,203
Disposals	-	-	-	-
Impairment	-	-	-	-
Available for sale	-	-	-	-
Depreciation expense	(34,507)	(232)	(1,025,843)	(1,060,582)
Balance at 30 June 2024	749,082	8,159	4,276,781	5,034,022
Additions	6,767,316	-	4,669,099	11,436,415
Disposals	-	-	(87,704)	(87,704)
Impairment	(7,033,528)	(7,927)	(5,090,644)	(12,132,099)
Available for sale	-	-	-	-
Depreciation expense	(482,870)	(232)	(3,767,532)	(4,250,634)
Balance at 30 June 2025	-	-	-	-

Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

Note 12. Impairment of Dartbrook Joint Operation Assets

	Consolidated 2025 $	Consolidated 2024 $
Current		
Cash and cash equivalents (derecognised due to access restrictions)	799,712	-
Trade and other receivables	-	-
Loans receivable	10,805,182	-
Other	2,170,965	-
Non-Current		
Property, Plant and Equipment	12,132,099	-
Mining Properties	74,543,373	-
Right-of-use assets	19,274,071	-
Loan receivable	-	-
Other	-	-
Total impairment expense	119,725,402	-

Subsequent to 30 June 2025, Dartbrook Operations Pty Ltd and related entities entered voluntary administration on 3 July 2025. The senior secured creditor, Vitol Asia Pte Ltd, appointed receivers and managers over all secured property of the Dartbrook Mine, including the shares in and assets of AQC Dartbrook Pty Ltd.

This constitutes an adjusting post-balance-date event under AASB 110 Events after the Reporting Period, providing evidence of conditions that existed at 30 June 2025 regarding the recoverability of the Group's interest.

In accordance with AASB 136 Impairment of Assets, the Group performed an impairment test on the Dartbrook cash-generating unit (the 80% working interest in the joint operation). The recoverable amount was determined to be nil, having regard to:

- the appointment of receivers and managers over the entire project;
- the quantum of senior secured debt, which exceeds the expected realisable value of the assets; and
- the expectation that no residual distribution will be available to equity participants after satisfaction of secured creditors.

Consequently, a full impairment loss of $119,725,402 has been recognised in profit or loss. The carrying values of mining properties (Note 13), property, plant and equipment (Note 11), right-of-use assets (Note 14), and related loans/receivables have been written down to zero, with corresponding adjustments to liabilities where applicable. Associated balances of Cash and cash equivalents have been derecognised due to access restrictions and have been included in the above. The rehabilitation security deposit (Note 16) is a refundable government deposit and has therefore not been written down.

The Group continues to engage with the receivers regarding any potential participation in a sale process and will update the market as required under continuous disclosure obligations.

On 3 July 2025, receivers and managers took control of the Dartbrook operating entities, being Dartbrook Assets Pty Ltd, Dartbrook Commercial Pty Ltd, Dartbrook Operations Pty Ltd and Dartbrook Services Pty Ltd. These entities are 100% owned by Tetra Dartbrook Pty Ltd or its related parties and are separate legal entities from AQC Dartbrook Pty Ltd and the Group.

The Group has assessed the claims and obligations associated with these entities having regard to the terms of the Dartbrook Joint Venture arrangements, the nature of the underlying contracts and whether the Group has a legal or constructive obligation in respect of those amounts. To the extent that liabilities relate to the Group's share of obligations of the Dartbrook Joint Operation existing at 30 June 2025, they have been recognised in the financial statements. Claims made against the Dartbrook operating entities for which the Group does not presently have a legal or constructive obligation have not been recognised and are disclosed as contingent liabilities where appropriate.

Also refer to the Chairman's Report, Note 25, Note 29 and Note 30.

Note 13. Non-current assets – Mining properties

	Consolidated	
	2025	**2024**
	$	**$**
Mining properties - at cost	-	55,570,567

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	2025	**2024**
	$	**$**
Consolidated		
Opening Balance	55,570,567	-
Additions	20,393,143	49,576,218
Less: Accumulated Depreciation	(1,420,337)	
Transfer from Exploration and evaluation expenditure	-	5,994,349
Impairment	(74,543,373)	-
	-	55,570,567

Mining properties included tunnel dewatering, civil works for installation of the new conveyor system, and additional equipment in preparation for restarting operations at the Dartbrook mine, where the Group holds an 80% working interest through its joint operation.

Assets linked to the Dartbrook Joint Venture are pledged as security for the borrowings the Group obtained in the year (see Note 20).

Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

Note 14. Non-current assets – right-of-use assets

	Consolidated 2025 $	Consolidated 2024 $
Land and buildings - at cost	1,826,214	1,826,214
Additions	10,337,096	-
Less: Accumulated depreciation	(793,901)	(27,174)
Impairment	(11,106,800)	-
	262,609	1,799,040
Plant and equipment - at cost	1,179,972	1,179,972
Additions	10,117,352	-
Less: Accumulated depreciation	(3,130,053)	(98,330)
Impairment	(8,167,271)	-
	-	1,081,642
	262,609	2,880,682

Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and Buildings Right-of-use $	Plant and Equipment Right-of-use $	Total $
Balance at 1 July 2023	-	-	-
Additions	1,826,214	1,179,972	3,006,186
Depreciation expense	(27,174)	(98,330)	(125,504)
Balance at 30 June 2024	1,799,040	1,081,642	2,880,682
Additions	10,337,096	10,117,352	20,454,448
Disposal	-	-	-
Depreciation expense	(766,727)	(3,031,723)	(3,798,450)
Impairment	(11,106,800)	(8,167,271)	(19,274,071)
Balance at 30 June 2025	262,609	-	262,609

The Group leases a number of assets through its interests in the joint operation. This primarily includes electrical equipment and residential units. The remaining balance of $262,609 relates to the head-office lease.

Amount recognised in profit or loss

	Consolidated 2025 $	Consolidated 2024 $
Expenses relating to short-term leases for which recognition exemption is applied	40,945	131,200
Expenses relating to leases of low value assets for which recognition exemption is applied	-	-
Income from subleasing right-of-use assets	-	-

Note 15. Non-current assets - deferred tax

	Consolidated 2025 $	Consolidated 2024 $
The following deferred tax assets calculated at the statutory rate of 30% have not been recognised. Deferred tax asset comprises temporary differences attributable to:		
Unused tax losses – revenue account	86,657,891	40,711,464
Unused tax losses – capital account	571,618	571,618
Dartbrook Mine acquisition components and other temporary differences	8,109,138	8,109,138
Total	95,338,647	49,392,220

The unused tax losses do not have an expiry date.

Deferred tax assets have not been recognised in respect of these items because, on the basis of the evidence available at the reporting date, it is not probable that sufficient future taxable profits will be available against which the Group could utilise the benefits. Utilisation of the unused tax losses is also subject to the continuity of ownership and business continuity tests, which may not be satisfied following any Deed of Company Arrangement, recapitalisation or other restructuring of the Group.

Note 16. Non-current assets – other

	Consolidated 2025 $	Consolidated 2024 $
Cash on deposit for bank facilities	25,000	25,000
Security deposits	8,617,459	7,971,993
	8,642,459	7,996,993

Security deposits included cash payments made to the NSW government as rehabilitation security deposits in relation to the Dartbrook Joint Venture, as required under relevant laws and assessed by the relevant NSW government department.

Note 17. Current liabilities - trade and other payables

	Consolidated 2025 $	Consolidated 2024 $
Trade and other payables	12,085,577	13,550,623
Payroll and on-costs payables	1,669,068	241,558
	13,754,645	13,792,181

Refer to note 21 for further information on financial instruments.

Refer to note 25 for further disclosure on the creditors’ claims resulting from voluntary administration of Dartbrook entities.

Note 18. Provisions

	Consolidated 2025 $	Consolidated 2024 $
Non-Current:		
Rehabilitation provision	8,643,200	7,562,800
Vendor royalty provision (Note 25)	9,360,000	9,360,000
Reversal of vendor royalty provision	(9,360,000)	-
	8,643,200	16,922,800

Reconciliation of movements:

Consolidated	Rehabilitation provision $	Vendor royalty provision $	Total $
Balance at 30 June 2023	9,441,000	10,600,000	20,041,000
Adjustment for change in estimates	(1,878,200)	(1,240,000)	(3,118,200)
Balance at 30 June 2024	7,562,800	9,360,000	16,922,800
Adjustment for change in estimates	1,080,400	-	1,080,400
Reversal of vendor royalty provision	-	(9,360,000)	(9,360,000)
Balance at 30 June 2025	8,643,200	-	8,643,200

Rehabilitation
The provision for rehabilitation closure costs relate to a present assessment to reinstate disturbed areas in accordance with the Dartbrook mining consent. Provision has been made to rehabilitate all areas of disturbance including surface infrastructure, buildings, underground mine workings and underground entries, using internal and external expert assessment of each aspect to calculate an anticipated cash outflow discounted to a net present value. At each reporting date the rehabilitation provision is re-measured in line with the then-current level of disturbance, cost estimates and other key inputs. Adjustments were made in the year to reflect Group's share of liabilities in the Dartbrook Joint Venture under joint operation arrangement. Refer to Note 29 for details.

An equivalent amount of cash for the gross provision was deposited in full to the NSW government as rehabilitation security deposits, refer to note 16 for details.

The Group will continue to assess the available and efficient rehabilitation options in parallel with the development of the mine.

Vendor Royalty
Following the receivership and the assessment of the Group's ongoing obligations in respect of the Dartbrook Joint Venture, the Directors have determined that the recognition criteria for a provision are no longer met at 30 June 2025. The vendor royalty remains dependent on future production outcomes and, given the uncertainty arising from the receivership, the amount and timing of any obligation cannot presently be reliably estimated. Accordingly, the previously recognised vendor royalty provision has been reduced to nil and the maximum nominal exposure continues to be disclosed as a contingent liability.

Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

Note 19. Equity - issued capital

	Consolidated			
	2025 Shares	**2024 Shares**	**2025 $**	**2024 $**
Ordinary shares - fully paid	700,467,591	533,800,924	190,717,814	172,655,173

Details	**Date**	**Shares**	**$**
Balance	30 June 2024	533,800,924	172,655,173
Share issue – rights issue (institutional)	11 October 2024	57,243,664	6,869,240
Share issue – Placement	11 October 2024	80,010,673	9,601,281
Share issue – rights issue (retail)	13 October 2024	10,441,510	1,252,981
Share issue – rights issue (retail)	11 November 2024	18,970,820	2,276,498
Share issue costs			(1,937,359)
Balance	30 June 2025	700,467,591	190,717,814

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.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group may seek new opportunities and funding alternatives, subject to its financial position and going concern uncertainties.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions.

The capital risk management policy remains unchanged.

Note 20. Current liabilities - borrowings

	Consolidated	
	2025	**2024**
	$	**$**
Interest bearing borrowings	206,980,698	47,020,181
Interest bearing borrowings due to related parties	8,764,795	3,000,000
	215,745,493	50,020,181

The Group had a $3 million and a further $5 million loan facility provided by Trepang Services Pty Ltd outstanding as at 30 June 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. Following the events described in Note 30, the facility has been classified as current and the Group has recognised its obligation under the parent company guarantee in full.

Additionally, during FY25, the Group, together with its partner on the Dartbrook Joint Venture, entered into a $20 million junior subordinated facility which bears interest at 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 investment 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 30 June 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 30 June 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.

Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

As a result, the Group has recognised its obligation as a financial liability reflecting a present obligation to Vitol Asia Pte Limited for 100% of the loan outstanding, as the Company provided a guarantee that covers all obligations.

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk.

Risk management is carried out by the Executive Chairman under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Executive Chairman identifies, evaluates and hedges financial risks within the Group's operating units. The Executive Chairman reports to the Board on a regular basis.

Market risk

Foreign currency risk
The Group is exposed to foreign currency risk from its loans that are, to a large extent, denominated in USD. A 1% depreciation of the Australian Dollar against the US Dollar relative to the applied 30 June 2025 closing rate of 0.65315 would increase the reported carrying value of the USD loan liability by approximately $1.8m, resulting in a corresponding unrealised foreign exchange loss in the profit or loss statement, while a 1% appreciation would decrease the liability by approximately $1.8m and yield an equal unrealised gain.

Price risk
The Group is not currently exposed to price risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s borrowings are subject to contractual interest rates as disclosed in Note 20. Given the Group’s current financial position, liquidity and refinancing risk is more significant than exposure to changes in market interest rates.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring actual and forecast cash flows, preserving available cash resources and assessing funding options. As disclosed in Note 1, the Group’s ability to continue as a going concern is subject to material uncertainty, including the outcome of the receivership, the timing and extent of any call under the parent company guarantee and the Group’s ability to raise further capital.

Note 21. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables		13,754,645	-	-	-	13,754,645
Interest-bearing						
Lease liabilities	7.50%	6,166,716	7,091,723	12,867,431	-	26,125,870
Secured loans	15.54%	206,980,698	-	-	-	206,980,698
Unsecured loans	13.01%	8,764,795	-	-	-	8,764,795
Total non-derivatives		235,666,854	7,091,723	12,867,431	-	255,626,008

Consolidated – 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables		13,792,181	-	-	-	13,792,181
Interest-bearing						
Lease liabilities	7.50%	332,980	955,464	1,621,068	-	2,909,512
Secured loans	20.40%	-	47,020,181	-	-	47,020,181
Unsecured loans	10.00%	-	-	3,000,000	-	3,000,000
Total non-derivatives		14,125,161	47,975,645	4,621,068	-	66,721,874

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025 $	2024 $
Short-term employee benefits	1,331,935	764,027
Post-employment benefits	11,030	10,605
	1,342,965	774,632

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick (NSW), the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2025 $	2024 $
Audit services – Hall Chadwick (NSW)		
Audit or review of the financial statements	230,000	92,920
Audit or review of the financial statements of Dartbrook Joint Venture	120,000	52,000
Other services – Hall Chadwick (Melbourne)		
Preparation of the tax return	41,629	11,500
	391,629	156,420

Note 24. Lease liabilities

	Consolidated	
	2025 $	2024 $
Current liabilities		
Plant and equipment	4,330,539	334,554
Land and buildings	1,405,941	179,677
	5,736,480	514,231
Non-current liabilities		
Plant and equipment	4,252,466	771,645
Land and buildings	9,944,559	1,623,633
	14,197,025	2,395,278
	19,933,505	2,909,509

The Group leases a number of assets through its interest in the joint operation. This primarily includes electrical equipment and residential units. Refer to note 21 for future lease payments in relation to the lease liabilities.

The total cash outflow for leases in 2025 was $8,602,016 (2024: $96,676).

Note 25. Contingent liabilities

Vendor Royalty

On 7 June 2016, the Group announced it had reached agreement with the minority joint operation partner at Dartbrook to acquire the minority partner's stake, thereby taking the Group's ownership of Dartbrook to 100%. A combined contingent royalty arrangement was agreed with the vendors on the following terms:

- An aggregate royalty to the vendors at a rate of A$3.00 per tonne of coal sold or otherwise disposed of and A$0.25 per tonne of any third-party coal processed through the Dartbrook infrastructure, capped at A$30 million with indexation to apply to the rate and the cap.

The maximum amount payable under the product-based royalty remains capped at $30.0 million on a 100% basis, with indexation to apply to the cap. Following the receivership and the assessment of the Group's ongoing obligations in respect of the Dartbrook Joint Venture, the Directors have determined that the recognition criteria for a provision are no longer met at 30 June 2025. The vendor royalty remains dependent on future production outcomes and, given the uncertainty arising from the receivership, the amount and timing of any obligation cannot presently be reliably estimated. Accordingly, the previously recognised vendor royalty provision has been reduced to nil and the maximum nominal exposure continues to be disclosed as a contingent liability.

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 appealed the judgment with the Court of Appeal, with the hearing date expected in second half CY2026.

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

Note 25. Contingent liabilities (continued)

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 20). 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.

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 26. Contingent assets

There are no contingent assets as of 30 June 2025 (30 June 2024: NIL).

Note 27. Related party transactions

Parent entity
Australian Pacific Coal Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Receivables from and payables to related parties
Refer to Note 20 for loan balances (inclusive of accrued interest of $764,795 for the year ended 30 June 2025) owed to Trepang Services Pty Ltd, a significant shareholder. There are no further outstanding balances at the reporting date in relation to transactions with related parties.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 **$**	**2024** **$**
Profit / (Loss) after income tax	(144,209,830)	2,713,110
Total comprehensive income / (loss)	(144,209,830)	2,713,110

Statement of financial position

	Parent	
	2025 **$**	**2024** **$**
Total current assets	3,700,114	7,440,570
Total assets	3,987,723	81,302,321
Total current liabilities	52,618,274	1,069,396
Total liabilities	52,901,987	4,069,396
Equity		
Issued capital	190,717,814	172,655,173
Share based payment reserve	-	-
Accumulated deficits	(239,632,078)	(95,422,248)
Total equity	(48,914,264)	77,232,925

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Company provided a parent company guarantee in respect of all moneys owing by the Dartbrook Joint Venture under the senior secured facility.

The parent entity has not entered into any other guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2025 other than disclosed at note 25.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 29. Interests in subsidiaries and joint arrangements

Subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

		Ownership interest	
	Principal place of business /	2025	2024
Name	**Country of incorporation**	**%**	**%**
AQC Investments 1 Pty Ltd	Australia	100.00%	100.00%
AQC Investments 2 Pty Ltd	Australia	100.00%	100.00%
Area Coal Pty Ltd	Australia	100.00%	100.00%
AQC Services Pty Ltd	Australia	100.00%	100.00%
AQC Dartbrook Pty Ltd*	Australia	100.00%	100.00%
AQC Dartbrook Management Pty Ltd*	Australia	100.00%	100.00%
Dartbrook Coal (Sales) Pty Ltd	Australia	100.00%	100.00%
Ipoh Pacific Resources Pty Ltd	Australia	100.00%	100.00%
Felix St Pty Ltd	Australia	100.00%	100.00%
IPR Operations Pty Ltd	Australia	100.00%	100.00%
Mining Investments One Pty Ltd	Australia	100.00%	100.00%

* These entities are currently under Administration and Receivership

Joint Operation
The Group held an 80% working interest in the Dartbrook Joint Venture, an arrangement structured as a strategic partnership with the Group and other parties. The primary purpose of the joint arrangement was to facilitate exploration, mining and sale of coal from the Dartbrook project. Under the joint arrangement agreement, all of the assets, rights, duties, obligations and liabilities incurred by the arrangement are shared by the partners in proportion to their share. As such the arrangement was classed as a joint operation, and accordingly, the Group's interests in the assets, liabilities, revenues and expenses attributable to the joint arrangement have been included in the appropriate line items in the consolidated financial statements.
The Group's share of the assets employed in the Dartbrook Joint Venture that are included in the consolidated financial statements are as follows (pre-consolidation adjustments):

	2025 *	2024
	$	$
Current assets		
Trade and other receivables	-	3,568,022
Cash at bank	-	16,318,451
Total current assets	-	19,886,473
Non-current assets	-	
Property, plant and equipment	-	3,314,429
Mining properties	-	49,576,218
Right-of-use assets	-	2,880,682
Security deposits	8,617,459	7,898,760
Total non-current assets	8,617,459	63,670,089
Total assets	8,617,459	83,556,562
Current liabilities		
Trade and other payables	11,297,306	15,949,254
Lease liabilities	5,736,480	514,231
Total current liabilities	17,033,786	16,463,485
Non-current liabilities		
Provisions	8,643,200	16,922,800
Lease liabilities	13,913,311	2,345,278
Borrowings	-	79,620,585
Total non-current liabilities	22,556,511	98,888,663
Total liabilities	39,590,297	115,352,148
Net Interest in Dartbrook Joint Arrangement	(30,972,838)	(31,795,586)

* While assets are written down to nil, certain liabilities remain where legal obligations persist as of 30 June 2025. Refer to Note 12 for details of the full impairment of Dartbrook-related assets following the receivership.

Note 30. Events after the reporting period

The appointed operator of the Dartbrook Mine, Dartbrook Operations Pty Ltd and related entities, appointed voluntary administrators on 3 July 2025 and subsequently, Vitol Asia Pte Ltd (“Vitol”) as secured creditor to the Dartbrook Joint Venture, advised that they had appointed receivers and managers of the secured property of the Dartbrook Mine. This included all of the shares in, and property of, AQC Dartbrook Pty Ltd, holder of the Company’s joint operation interest in the Dartbrook Mine, and a specific receiver appointment over moneys of the Company in certain reserve accounts, capitalised interest and certain receivables (but not of any other property of the Company).

The Company has also received notification of the appointment of receivers to certain assets of AQC Investments 2 Pty Ltd ACN 609 954 734, being shares in AQC Dartbrook Pty Ltd.

As a result of the above, the Company advises that the directors of the following wholly owned subsidiaries of the Company have appointed Shaun Robert Fraser and Jonathan Philip Henry, of McGrathNicol as Administrators on 4 July 2025:

- AQC Dartbrook Pty Ltd (Receivers and Managers Appointed) ACN 000 012 813
- AQC Dartbrook Management Pty Ltd (Receivers and Managers Appointed) ACN 007 377 577

Because receivers and managers have been appointed to all assets of the Dartbrook Mine and given the size of the senior secured debt, it is unlikely that the Company will receive any distribution after the conclusion of the receivership and concurrent voluntary administration. As a result, the Company’s current working assumption is that there is no value to its interest in the Dartbrook Mine.

The directors have determined that the matters described above provide evidence of conditions that existed at 30 June 2025 and are therefore adjusting events under AASB 110 Events after the Reporting Period. Accordingly, the carrying value of the Group's Dartbrook-related assets, including mining properties, property, plant and equipment, right-of-use assets and related receivables, has been written down to nil in these financial statements. Refer to the Section “Significant changes in the state of affairs” within the Directors Report.

The Company provided a parent company guarantee in respect of all moneys owing by the Dartbrook Joint Venture under the senior secured facility. As a consequence of the matters described above, the Group has recognised its obligation under that guarantee in full within current liabilities. As at the date of this report, Vitol had not made a demand under the guarantee.

Post year-end, and following the appointment of receivers and managers for the Dartbrook entities, the Group reassessed the nature and extent of liabilities associated with the Dartbrook Joint Operation. Liabilities for which the Group has a present legal or constructive obligation have been recognised. Liabilities or claims for which the Group does not presently have a legal or constructive obligation have not been recognised or have been derecognised, as applicable.

The directors are continuing to assess these circumstances. 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 the matters described above, no other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 31. Reconciliation of cash from operating and financing activities

	Consolidated 2025 $	2024 $
Reconciliation of cash flows from operating activities		
Loss after income tax expense for the year	(282,349,579)	(12,630,899)
Adjustments for:		
Depreciation and amortisation	9,469,421	1,186,086
Adjustments for changes in estimate	-	(9,963,306)
Impairments	119,725,402	-
Recognition of parent company guarantee	41,396,140	-
Accrued finance costs	20,470,804	3,955,470
Change in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	132,237	(17,590,276)
(Increase) / decrease in prepayments and accruals	(54,614)	(1,801,174)
Increase / (decrease) in trade and other payables	(1,717,736)	8,833,746
Net cash from operating activities	(92,927,925)	(28,010,353)

	Consolidated 2025 $	2024 $
Reconciliation of net cash flows from financing activities		
Contributions of equity, net of transaction costs	18,062,641	17,901,199
Repayment of borrowings	(1,200,000)	(1,875,000)
Proceeds from borrowings *	105,058,368	64,648,241
Lease payments	(8,602,016)	(96,676)
Net cash from financing activities	113,318,993	80,577,764

* A further $61,866,944 was added to borrowings through the recognition of the parent company's guarantee to Vitol Asia Pte Ltd ($41,396,140), and accrued interest ($20,470,804), both representing non-cash transactions.

Note 32. Earnings per share

	Consolidated 2025 $	2024 $
Earnings per share for loss from continuing operations		
Loss after income tax	(282,349,579)	(12,630,899)
Loss after income tax attributable to the owners of Australian Pacific Coal Limited	(282,349,579)	(12,630,899)

	Cents	Cents
Basic earnings per share	(43.32)	(2.74)
Diluted earnings per share	(43.32)	(2.74)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	651,767,193	461,678,145
Outstanding options that have not been included in diluted EPS because they are anti-dilutive in a loss period, in accordance with AASB 133.43:	24,500,270	3,030,789

Australian Pacific Coal Limited
Consolidated entity disclosure statement
30 June 2025

Basis of preparation
The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001 (Cth). The entities listed in the statements are Australian Pacific Coal Limited and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

The percentage of share capital disclosed for bodies corporate included in the statement represents the economic interest consolidated in the consolidated financial statements.

The Group's consolidated entity disclosure statement as at 30 June 2025 is set out below.

Entity Name	Entity Type	Place formed / Country of incorporation	Ownership interest %	Tax residency
AQC Investments 1 Pty Ltd	Body corporate	Australia	100.00%	Australia
AQC Investments 2 Pty Ltd	Body corporate	Australia	100.00%	Australia
Area Coal Pty Ltd	Body corporate	Australia	100.00%	Australia
AQC Services Pty Ltd	Body corporate	Australia	100.00%	Australia
AQC Dartbrook Pty Ltd *	Body corporate	Australia	100.00%	Australia
AQC Dartbrook Management Pty Ltd *	Body corporate	Australia	100.00%	Australia
Dartbrook Coal (Sales) Pty Ltd	Body corporate	Australia	100.00%	Australia
Ipoh Pacific Resources Pty Ltd	Body corporate	Australia	100.00%	Australia
Felix St Pty Ltd	Body corporate	Australia	100.00%	Australia
IPR Operations Pty Ltd	Body corporate	Australia	100.00%	Australia
Mining Investments One Pty Ltd	Body corporate	Australia	100.00%	Australia

***** These entities are currently under Administration and Receivership.

Australian Pacific Coal Limited (the parent entity) and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Australian Pacific Coal Limited
Directors' declaration
30 June 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, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- 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; and

- the information disclosed in the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

John Robinson
Executive Chairman (Interim)

20 July 2026
Brisbane

HALL CHADWICK

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

Report on the Audit of the Financial Report

Opinion

We have audited the 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 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of $282,349,579 during the year ended 30 June 2025. As stated in Note 1, this condition, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2025. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the ***Material Uncertainty Related to Going Concern*** section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of the parent company guarantee and borrowings ***Refer to Note 20 'Current liabilities - borrowings' and Note 25 'Contingent liabilities' of the financial report*** The Group, together with its partner in the Dartbrook Joint Operation, entered into significant loan facilities with Vitol Asia Pte Ltd (approximately $207.0m as of 30 June 2025) and Trepang Services Pty Ltd ($8.8m as of 30 June 2025). Australian Pacific Coal Limited, as parent entity, provided corporate guarantees in respect of these facilities. Following the appointment of voluntary administrators to Dartbrook Operations Pty Ltd and related entities on 3 July 2025, and the subsequent appointment of receivers and managers by Vitol Asia Pte Ltd, the Group recognised the full obligation under the parent guarantees as a liability. This is a key audit matter because of the material magnitude of the guaranteed obligation, the significant judgement applied in determining whether the guarantee met the recognition criteria under AASB 137 Provisions, Contingent Liabilities and Contingent Assets (rather than disclosure only as a contingent liability), and the translation of the US dollar denominated obligation under AASB 121 The Effects of Changes in Foreign Exchange Rates.	Our procedures included: • Obtaining direct confirmations from the lenders on the borrowings, including balances outstanding, security arrangements, guarantee terms, interest rates, covenant requirements, and any breaches or waivers at the reporting date. • Reviewing the senior facility agreements and guarantee documentation to confirm the existence, quantum, and terms of the parent company guarantees. • Evaluating management's judgement as to whether the guarantee met the recognition criteria under AASB 137, particularly in light of the post-balance date receivership and the senior debt exceeding the recoverable value of the secured assets. • Agreeing the foreign currency translation of the US dollar denominated obligation under AASB 121 and assessing the classification and recognition of exchange differences. • Evaluating the classification of the borrowings as current or non-current, having regard to covenant compliance, repayment terms, events of default, and the rights of the lenders at 30 June 2025. • Considering the interaction between the guarantee recognition, the Dartbrook impairment, and the going concern assessment, including the adequacy of related disclosures.

INDEPENDENT AUDITOR'S REPORT (page 3)
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

Key Audit Matter	How our audit addressed the key audit matter
Impairment of Dartbrook-related assets ***Refer to Note 12 'Impairment of Dartbrook Joint Operation Assets' and Note 30 'Events after the reporting period' of the financial report*** At 30 June 2025, the Consolidated Entity held capitalised mining properties and related assets in respect of the Dartbrook Mine Joint Operation. The appointed operator of the Dartbrook Mine, Dartbrook Operations Pty Ltd and related entities, appointed voluntary administrators on 3 July 2025. Subsequently, Vitol Asia Pte Ltd appointed receivers and managers over the secured property of the Dartbrook Mine, including the shares in and assets of AQC Dartbrook Pty Ltd. The directors determined that the carrying amount of the Dartbrook assets was not recoverable and recognised a full impairment loss of $119.7 million, writing down property, plant and equipment, mining properties, right-of-use assets, and related Dartbrook receivables to nil (with corresponding adjustments to liabilities and provisions where applicable). This is a key audit matter due to the materiality of the carrying values and the significant judgement involved in determining the recoverable amount under AASB 136 Impairment of Assets, including the appropriate treatment of the post-balance date receivership under AASB 110 Events after the Reporting Period.	Our procedures included: • Confirming tenure and legal rights over the tenements and capitalised assets. • Evaluating whether the post year-end administration and receivership events were appropriately treated as adjusting events under AASB 110. • Assessing the recoverable amount of the Dartbrook cash-generating unit, having regard to the appointment of receivers, the quantum of senior secured debt, and the absence of any expected residual value to equity holders. • Verifying the completeness and accuracy of the impairment allocation across all Dartbrook-related asset classes (in accordance with AASB 136, AASB 116, and AASB 138). • Assessing the adequacy and completeness of the related disclosures in the financial report.

INDEPENDENT AUDITOR'S REPORT (page 4)
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (page 5)
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and these are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HALL CHADWICK (NSW)

INDEPENDENT AUDITOR'S REPORT (page 6)
TO THE MEMBERS OF AUSTRALIAN PACIFIC COAL LIMITED
(ABN 49 089 206 986)

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 10 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Australian Pacific Coal Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick (NSW)

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

STEWART THOMPSON
Partner
Dated: 20 July 2026

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Australian Pacific Coal Limited ("the Company") is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council ("CGC") Principles and Recommendations and published guidelines. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders.

The Board seeks, where appropriate, to adopt without modification, the CGC recommendations. Where there has been any variation from the CGC recommendations, it is because the Board believes the Company is not as yet of size, nor are its financial affairs of such complexity, to justify some of these recommendations. The Board is of the view that with the exception of the departures to the CGC Corporate Governance Principles and Recommendations as are set out below, it otherwise complied with all of the CGC Corporate Governance Principles and Recommendations. The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this statement or Annual Report, is available on our website www.aqcltd.com. This statement has been approved by the Company's Board of Directors and is current as at 17 July 2026.

The following table summarises the Company's compliance with the CGC recommendations and states whether the Company has complied with each recommendation.

Recommendation	Summary of the Company's Compliance
Principle 1 – Lay solid foundations for management and oversight Companies should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.	
1.1: A listed entity should have a board charter setting out: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	A formal board charter has not been established given the size of the Company's Board and management. The Board is ultimately accountable for the performance of the Company and provides leadership and sets the strategic objectives of the Company. It appoints all senior executives and assesses their performance on an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the Company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures. Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought to the Board's attention. They must operate within the risk and authorisation parameters set by the Board.

CORPORATE GOVERNANCE STATEMENT

1.2: A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company undertakes relevant reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election of a director.
1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The terms of the appointment of a Non-Executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.
1.4: The Company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.
1.5: A listed entity should: have and disclose a diversity policy; through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and disclose in relation to each reporting period: the measurable objectives set for that period to achieve gender diversity; the entity's progress towards achieving those objectives; and either: the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act	The Company has not adopted a formal Diversity Policy nor has it set measurable objectives for achieving gender diversity as it has a small number of directors and employees and has limited opportunity and scope to adopt formalised policy guidelines or measurable objectives. The Board is committed to developing diversity in its workplace to assist the Company to meet its goals and objectives by providing an environment whereby appointments, advancement and opportunities are considered on a fair and equitable basis. The Company is committed to promoting a corporate culture which embraces diversity when determining the composition of the Board, senior management and employees. The Company will ensure that recruitment and selection decisions are based on the principle of merit, skills and qualifications and regardless of age, gender, nationality, cultural background or any other factor not relevant to the position. Past skills and experience in the mining and exploration industries will be a key determinant in the selection process. At reporting date, the Company had three directors and one company secretary. No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 (Cth) and therefore no Gender Equality Indicators to be disclosed.

1.6: A listed entity should: a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Due to its size the Company does not currently have a formal process for evaluating the performance of the Board, its committees or individual directors. The Board conducts its own evaluation of the skills, performance and remuneration of existing Directors from time to time. Individual Directors may recommend changes to the composition of the Board. Until such time as the Company expands to justify an expansion of Board members, the Board is of the current opinion that such performance evaluation is suitable for the Company.
1.7: A listed entity should: a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board reviews the performance of senior executives periodically. No performance evaluation of the executives was undertaken during the reporting period given the status of the company, its business operations and the composition of its executive.
Principle 2 – Structure the board to be effective and add value A listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.	
2.1: The board of a listed entity should: a) have a nomination committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, b) and disclose: i. the charter of the committee; ii. the members of the committee; and iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to	The Company does not have a separate nomination committee. Given the size of the Board, the Board as a whole decides the selection of members of the Board and makes recommendations to shareholders for election of Directors. Each Board member is responsible for assessing the necessary competencies of the Board members to add value to the Company, reviewing Board succession plans and evaluating the Board's performance.

<table>
<tr><td>enable it to discharge its duties and responsibilities effectively.</td><td></td></tr>
<tr><td>2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td><td>The current Board members represent individuals that have extensive experience as well as professionals that bring to the Board their specific skills in order for the Company to achieve its strategic, operational and compliance objectives. Their suitability to the directorship has therefore been determined primarily on the basis of their ability to deliver outcomes in accordance with the Company’s short and long term objectives and therefore deliver value to shareholders.

All Board members are expected to demonstrate the following attributes:

<table>
<tr><td colspan="2">Board Member Attributes</td></tr>
<tr><td>Leadership</td><td>Represents the Company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts are considered; leads others to action; proactive solution seeker.</td></tr>
<tr><td>Ethics and integrity</td><td>Awareness of social, professional and legal responsibilities at individual, Company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.</td></tr>
<tr><td>Communication</td><td>Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.</td></tr>
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CORPORATE GOVERNANCE STATEMENT

	Corporate governance — Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks.
2.3: A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Details of the Board of directors, their appointment dates, length of service and independence status are set out from page 5 of the Annual Report.
2.4: A majority of the board of a listed entity should be independent directors.	The board consists of three directors, two of whom are considered independent. Given the size and status of the Company and its operational status, the Board considered this to be appropriate.
2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the chief executive officer of the entity.	The current Executive Chair, Mr John Robinson, is not considered an independent director. Mr John Robinson has been nominated to the Board by the largest shareholder of the Company. Mr John Robinson does not perform the role of Chief Executive Officer.
2.6: A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	New directors undertake an induction program coordinated by the Company Secretary that briefs and informs the director on all relevant aspects of the Company's operations and background. Directors are encouraged to undertake director development programs to ensure that directors can enhance their skills and remain abreast of important developments, however no formal program of review has been implemented given the status of the Company and its operational status.

CORPORATE GOVERNANCE STATEMENT

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.	
3.1: A listed entity should articulate and disclose its values.	A formal value statement has not been established or disclosed given the size of the Company's Board and management. The Company is committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board and management are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.
3.2: A listed entity should: a) have and disclose a code of conduct for its directors, senior executives and employees; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	A formal code of conduct has not been established given the size of the Company's Board and management.
3.3: A listed entity should: a) have and disclose a whistleblower policy; and b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	The Company's Whistleblower Policy is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported in accordance with this policy.
3.4: A listed entity should: a) have and disclose an anti-bribery and corruption policy; and b) ensure that the board or a committee of the board is informed of any material breaches of that code.	A formal anti-bribery and corruption policy has not been established given the size of the Company's Board and management.
Principle 4 – Safeguard the integrity of corporate reports A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.	
4.1 - The board of a listed entity should: a) have an audit committee which: i. has at least three members, all of whom are Non-Executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, and disclose: iii. the charter of the committee;	Given the current membership of the Board and the size, organisational complexity and scope of operations, the same efficiencies of an audit committee would not be derived from a formal committee structure. The Board has developed an informal audit committee which oversees matters as delegated to it by the Board on an as needed basis.

iv. the relevant qualifications and experience of the members of the committee; and v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Responsibility for establishing and maintaining a framework of internal control and setting appropriate standards for the management of the Company rests with the Board. The Board is also responsible for the integrity of financial information in the financial statements; audit, accounting and financial reporting obligations; safeguarding the independence of the external auditor; and financial risk management.
4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its Executive Chairman and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	For the financial year ended 30 June 2025 the Company's Executive Chairman and CFO provided the Board with the required declarations.
4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Given the current size of the Board and management, the Company ensures that the corporate reports it releases are reviewed by the Board to ensure the financial and technical content is accurate, balanced and understandable.
Principle 5 – Make timely and balanced disclosure A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.	
5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	The Company is committed to promoting investor confidence and ensuring that shareholders and the market are provided with timely and balanced disclosure of all material matters concerning the Company, as well as ensuring that all shareholders have equal and timely access to externally available information issued by the Company, and takes its continuous disclosure obligations seriously.

CORPORATE GOVERNANCE STATEMENT

	Primary responsibility rests with the Executive Chairman / Board, while the Company Secretary is primarily responsible for communications with the Exchange. Whilst the Company does not have a formal policy, the Company notifies the ASX promptly of information: • concerning the Company, that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and • that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities. Announcements are made in a timely manner, are factual and do not omit material information in order to avoid the emergence of a false market in the Company's securities. Given the size of the Consolidated Entity, a formal continuous disclosure policy has not been adopted.
5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Given the current size of the Board and management, the Company aims to ensure that all market announcements are received prior to release to the market, but if not they are promptly distributed at the time of market announcement.
5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company ensures that any presentations to investors or analysts are released to the ASX Markets Platform ahead of presentation.
Principle 6 – Respect the rights of security holders A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.	
6.1: A listed entity should provide information about itself and its governance to investors via its website.	The Company maintains information in relation to governance documents, directors and senior executives, annual report, ASX announcements and contact details on the Company's website. The Company is committed to: Communicating effectively with its shareholders and ensuring that it is easy for shareholders to communicate with the Company; Complying with its continuous disclosure obligations applicable to the ASX listing rules and other regulations; and

	Ensuring that the shareholders and other stakeholders are provided with timely and full information about the Company's activities.
6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	The Company does not have a formal investor relations program. The Board and Company Secretary engage with investors at the AGM, in relation to material announcements, and respond to shareholder enquiries on an ad hoc basis. Material communications are dispatched to investors either via email, surface mail, and/or via market announcement.
6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders	To facilitate and to encourage participation at meetings of shareholders, the Company ensures that information is communicated to its shareholders through: Posting information on the Company's website at www.aqcltd.com; The distribution of Notice of Meetings and other information directly to shareholders through letters, email and other forms of communications; Ensuring that auditors are invited to the Annual General Meeting to consider questions regarding the conduct of the audit and the preparation and content of the auditor report; and Allowing shareholders the opportunity at meetings to discuss resolutions.
6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The Company will ensure that all substantive resolutions at shareholders meetings are decided by poll rather than a show of hands.
6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Link Market Services Limited at: https://www.linkmarketservices.com.au/corporate/InvestorServices/Investor-Services.html

Principle 7 – Recognise and manage risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.	
7.1: The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework	The Company has not established a separate Risk Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee. The Board as a whole therefore performs the function of such a committee which includes the setting of corporate governance policy and exercising due care and skill in assessing risk, developing strategies to mitigate such risk, monitoring the risk and the Company's effectiveness in managing it. The Company maintains internal controls which assist in managing enterprise risk, and these are reviewed as part of the scope of the external audit, with the auditor providing the Board with commentary on their effectiveness and the need for any additional controls. The Executive Chairman is responsible for monitoring operational risk, ensuring all relevant insurances are in place, and ensuring that all regulatory and compliance obligations of the Company are satisfied.
7.2: The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place	The Board is responsible for reviewing the Company's policy on risk management and risk oversight. The Board did not conduct a formal review of the Company's risk management framework during the reporting period due to the nature of the operations during the year.
7.3: A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with both the Executive Chairman and CFO who continually monitor the Company's internal and external risk environment. Necessary action is taken to protect the integrity of the Company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of Company assets.
7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Refer to the Company's Annual Report for disclosures relating to the Company's material business risks (including any material exposure to economic, environmental or social sustainability risks). Refer to commentary at Recommendations 7.1 and 7.2 for information on the Company's risk management framework.

CORPORATE GOVERNANCE STATEMENT

<table>
<tr><td colspan="2">Principle 8 – Remunerate fairly and responsibly
A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interest with the creation of value for security holders.</td></tr>
<tr><td>8.1: The board of a listed entity should:
a) have a remuneration committee which:
i. has at least three members, a majority of whom are independent directors; and
ii. is chaired by an independent director, and disclose:
iii. the charter of the committee;
iv. the members of the committee; and
v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</td><td>The Company has not established a formal Remuneration Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee.

The Board has developed an informal remuneration committee. These directors oversee matters as delegated to them by the Board on an as needed basis. These matters include guidance to the Board as a whole in performing the function of such a committee which includes setting the Company’s remuneration structure, determining eligibilities in relation to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board and executives. The Board may obtain external advice from independent consultants in determining the Company’s remuneration practices, including remuneration levels, where considered appropriate.</td></tr>
<tr><td>8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive directors and the remuneration of executive directors and other senior executives.</td><td>Non-Executive directors’ remuneration is fee based with the level of remuneration reflective of the anticipated time commitments and responsibilities of the position. The Board considers the procedures, policies and key performance indicators used to measure the performance of key executives and directors. Any equity based executive remuneration may be made in accordance with thresholds approved by shareholders and developed over time.

Full discussion of the Company’s remuneration philosophy and framework and remuneration received by directors and executives in the current financial year is contained in the Remuneration Report section of the Directors’ Report.</td></tr>
<tr><td>8.3: A listed entity which has an equity-based remuneration scheme should:
a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
b) disclose that policy or a summary of it.</td><td>Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this will be disclosed. There was no equity-based remuneration during the reporting period.</td></tr>
</table>

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. This information is current as at 13 July 2026.

1. **Shareholding**

a. **Distribution of Shareholders – Ordinary Securities**

Category (size of holding)	Number of holders	Number of shares held
1 – 1,000	251	103,547
1,001 – 5,000	400	1,190,000
5,001 – 10,000	297	2,293,487
10,001 – 50,000	525	12,572,309
50,001 – 100,000	183	14,224,289
100,001 – and over	361	670,083,959
Total	**2,017**	**700,467,591**

b. The number of shareholdings held in less than a marketable parcel of 500 shares (closing price on 13 July 2026) is 476 and they hold 524,315 shares.

c. The names of the substantial holders in the company as at 13 July 2026 are:

Substantial Holder	Number of shares
Trepang Services Pty Ltd	223,763,926
Mr Buguo Wang	73,770,000

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares:

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Unlisted options:

— Options do not entitle the holders to vote in respect of the option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

e. **20 Largest Shareholders — Ordinary Shares**

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	TREPANG SERVICES PTY LTD	223,763,926	31.94
2.	MR BUGUO WANG	73,770,000	10.53
3.	WARBONT NOMINEES PTY LTD	18,428,176	2.63
4.	SAMBOR TRADING PTY LTD	14,758,271	2.11
5.	CITICORP NOMINEES PTY LIMITED	12,202,201	1.74
6.	PATULLO INVESTMENTS PTY LTD	11,958,056	1.71
7.	BART SUPERANNUATION PTY LIMITED	11,109,348	1.59
8.	MR NICHOLAS THEODORE JAMES PASPALEY	8,822,085	1.26
9.	FINCLEAR SERVICES PTY LTD	8,748,146	1.25
10.	UBS NOMINEES PTY LTD	8,579,155	1.22
11.	BUTTONWOOD NOMINEES PTY LTD	8,368,176	1.19
12.	BNP PARIBAS NOMINEES PTY LTD	8,326,493	1.19
13.	RESTRUCTURE NOW PTY LTD	7,140,000	1.02
14.	MR CRAIG STEPHEN MARSHALL	7,000,000	1.00
15.	NT HOUSE PTY LTD	6,944,444	0.99
16.	NEWECONOMY COM AU NOMINEES PTY LIMITED	6,220,677	0.89
17.	W M P MANAGEMENT PTY LTD	6,000,000	0.86
18.	MR BERTRAND LALANNE	6,000,000	0.86
19.	KENMORE NEWS PTY LTD	6,000,000	0.86
20.	JET ARM LIMITED	5,000,000	0.71
		459,139,154	**65.55**

f. **Unlisted options**

On 5 April and 27 May 2024, 12,085,526 and 1,700,835 options were issued to Evolution Capital Pty Ltd respectively as a settlement of a dispute in connection with an underwriting agreement. These options were issued with a $0.34 exercise price and a 3-year exercise period expiring on 5 April 2027. On 30 October 2024, 10,713,909 options were issued to Canaccord Genuity (Australia) Limited under an underwriting agreement. These options were issued with a $0.34 exercise price and a 3-year exercise period expiring on 30 October 2027. Total unlisted options on issue at the date of this report: 24,500,270.

There are no other unissued ordinary shares of Australian Pacific Coal Limited under option or convertible note at the date of this report.

2. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited (ASX Code: AQC).

Competent Persons Statement

All exploration results, mineral resources and reserves referred to in this Annual Report have previously been announced to the market by the Company in accordance with the requirements of Chapter 5 of the ASX Listing Rules and the JORC Code, including as to the requirements for a statement from a Competent Person; and the relevant announcements have been referred to in the body of the Annual Report. The Company confirms that it is not aware of any new information or data that materially affects that information.

CORPORATE DIRECTORY

DIRECTORS

Mr John Robinson, Executive Chairman (Interim)
Mr Nick Johansen, Non-Executive Director
Mr Seth Dickinson, Non-Executive Director

COMPANY SECRETARY

Mr Craig McPherson

AUDITORS

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

SHARE REGISTRY

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