DELIVERING VALUE

A growing independent coking coal producer

Investor Presentation
October 2016

stanmorecoal

IMPORTANT

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Marketable Reserves Note – The Range:

The Marketable Coal Reserves of 94Mt is derived from a JORC compliant run of mine (ROM) Probable Coal Reserve of 117.5Mt based on a 14.8% ash product and predicted yield of 80%. The 94Mt marketable reserve is included in the 287Mt total JORC Resource (18Mt Measured + 187Mt Indicated + 82Mt Inferred Resource).

Marketable Reserves Note – Isaac Plains:

The Marketable Coal Reserves of 3.7Mt is derived from a JORC compliant run of mine (ROM) Reserve of 5.0Mt based on a predicted yield of 73%. The 3.7Mt Marketable Reserve is included in the 48.2Mt total JORC Resource for Isaac Plains(15.2Mt Measured + 23.0Mt Indicated + 10.0Mt Inferred Resource).

Marketable Reserves Note – Isaac Plains East:

The Marketable Coal Reserves of 8.3Mt is derived from a JORC compliant run of mine (ROM) Reserve of 10.3Mt based on a predicted yield of 81%. The 8.3Mt Marketable Reserve is included in the 28.7Mt total JORC Resource for Isaac Plains East (18.7Mt Indicated + 10.0Mt Inferred Resource).

Production Target

The production target of 1.1 Mtpa for 10 years (equivalent to 1.5Mtpa run of mine production) is underpinned solely by total Marketable Reserves of 11.9Mt (10.8 years equivalent) within Isaac Plains and Isaac Plains East, as announced on 6 April 2016, titled "Significant JORC Reserves Increase for Isaac Plains Complex".

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

Competent Persons Statement:

The information in this report relating to coal reserves for Isaac Plains and Isaac Plains East was announced on 6 April 2016, titled "Significant JORC Reserve Increase for Isaac Plains Complex", and is based on information compiled by Mr Ken Hill who is a full-time employee of Xenith Consulting Pty Ltd. Mr Hill is the Managing Director of Xenith Consulting Pty Ltd, is a qualified civil engineer, a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)".

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

The information in this report relating to coal resources for Isaac Plains and Isaac Plains East was announced on 6 April 2016, titled "Significant JORC Resource Increase for Isaac Plains Coking Coal Complex", and is based on information compiled by Mr Troy Turner who is a full-time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience in relation to the style of mineralisation and type of deposit being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)".

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 6 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 6 April 2016 continue to apply and have not materially changed.

STANMORE COAL

DELIVERING VALUE AS AN INDEPENDENT COKING COAL PRODUCER

ASX-LISTED MET COAL PURE PLAY

✓ **Continued ramp-up of production in Sep quarter**

280kt produced in September quarter. 511kt produced since re-commencement of mining in May 2016

✓ **Production of 1.25Mt anticipated for FY2017**

Open cut operations plus incremental highwall mining contract. Highwall mining to be completed early Nov 16

✓ **December quarter benchmark for semi soft coking coal settled USD 130**

Increase of USD 56 (75%) from September quarter benchmark

✓ **Rehabilitation completed on 82Ha in first year or ownership**

Stanmore has demonstrated commitment to environmental and rehabilitation obligations

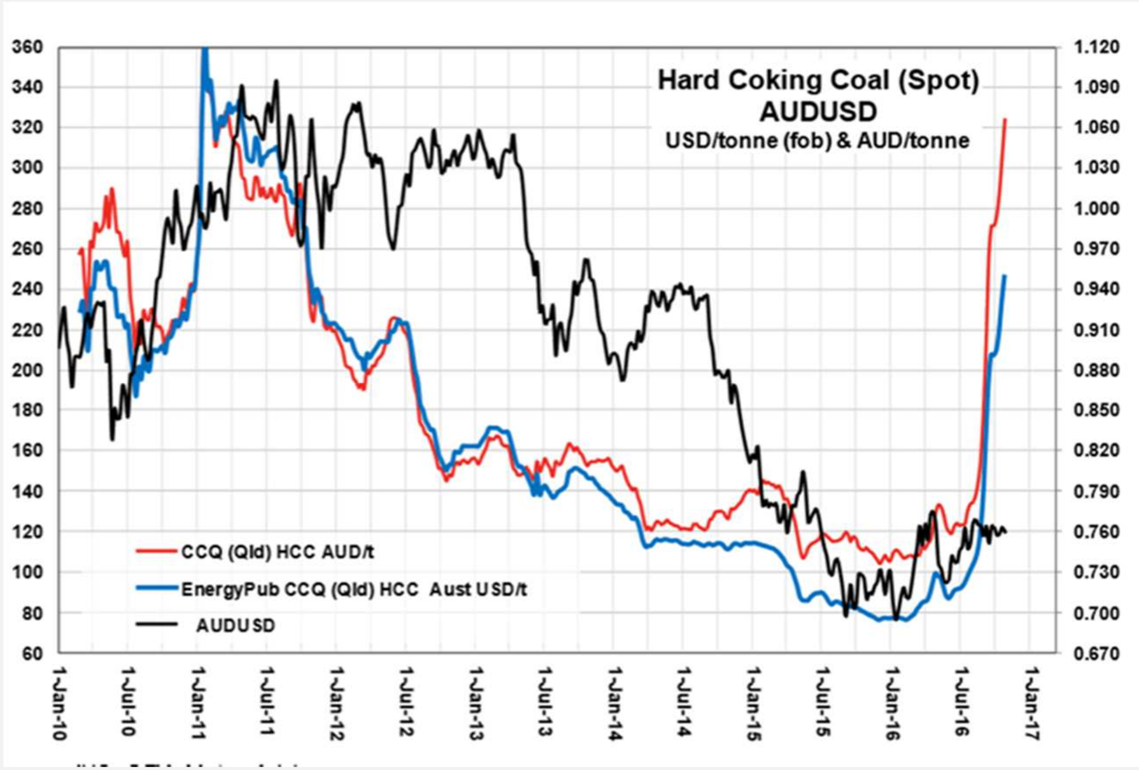
Note 1: Refer Competent Persons Statement and Marketable Reserves Notes, p2

STRONGER PRICING OUTLOOK

CONTINUED STRENGTH IN COKING COAL MARKET

- Japanese December quarter contract prices have settled with considerable price strength reflecting trend in spot market
    - Hard coking coal USD200 (up USD107.50 from Sep QTR)
    - Semi soft coking coal USD 130 (up USD56 from Sep QTR)
    - Thermal coal USD 94.75 (up USD30.15)
- Coking and thermal spot markets continue to remain tight – hard coking over USD255/t, semi-soft coking coal over USD145/t and thermal coal over USD105/t
- Low coal prices for a number of years have led to significant underinvestment – lack of development assets and lead time for new production suggests limited supply response to higher pricing
- Strong future for coking coal on the back of steel demand and diminishing production

Historical spot coking coal price



Source: Matau Advisory

PRODUCTION UPDATE

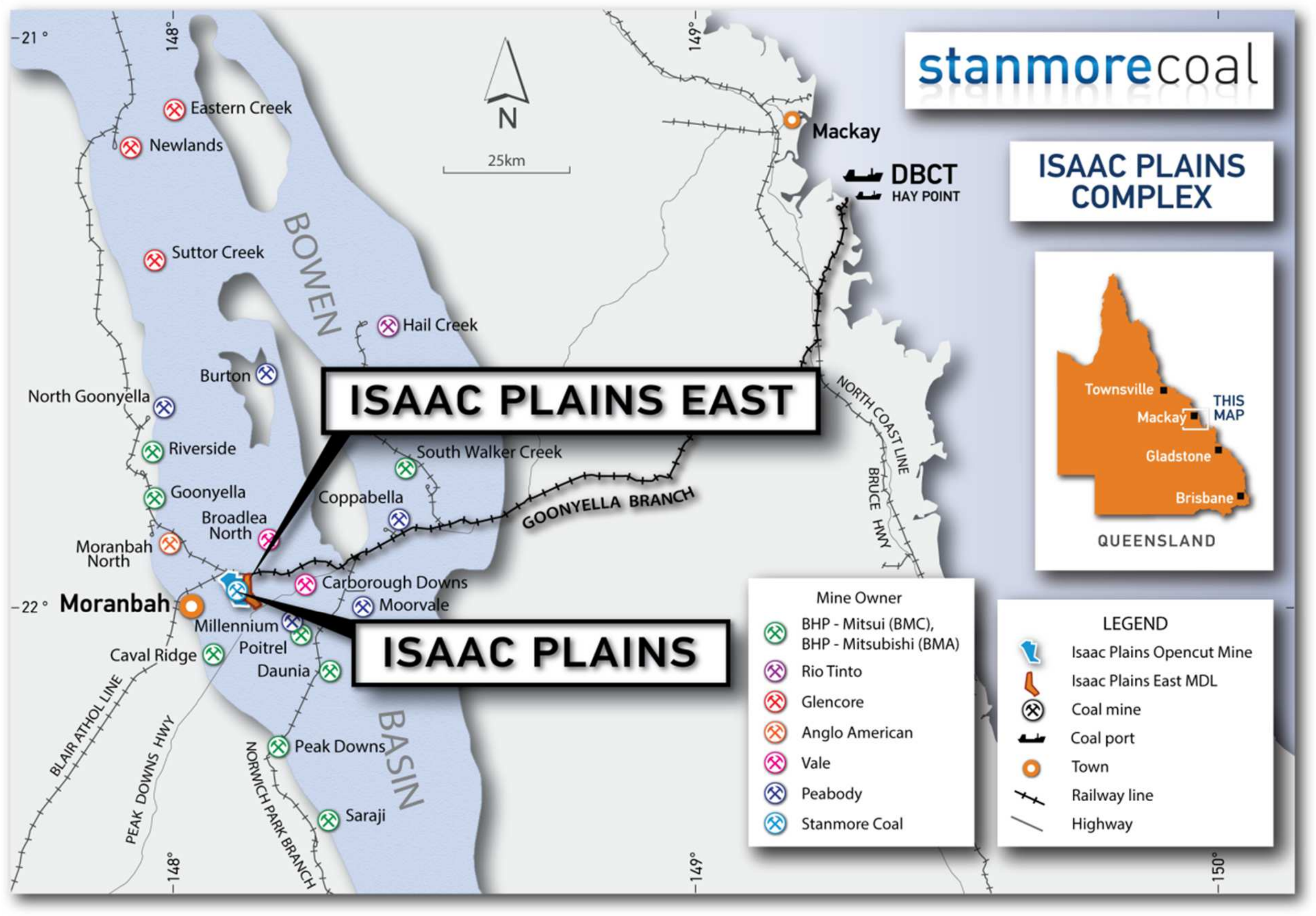
ISAAC PLAINS OPERATIONS

- Safety record strong – no lost time injuries to date
- 286kt over 8 shipments sailed in the September quarter. Total sales since re-opening 442kt (to end Sep 16)
- Overburden and coal mining activities continued ramp up during September. Minor wet weather related impacts in July and August
- Washplant performance improvement following rectification works in September quarter. Plan availability and performance in line with management expectation
- Production on track for FY17 guidance of 1.1 Mt from open cut operations, which in addition to highwall mining, the Company expects to produce 1.25 Mt this financial year

Isaac Plains dragline on overburden with coal excavators on pit floor

THE TIGHTLY HELD BOWEN BASIN

PRIME COKING COAL EXPORT REGION DOMINATED BY MAJORS



ISAAC PLAINS - A TRANSFORMATIONAL INVESTMENT

ISAAC PLAINS COKING COAL MINE

TRANSACTION RECAP

TRANSACTION COMPLETED

November 2015

ACQUISITION OF ESTABLISHED MET COAL MINE

- Existing open-cut operation commenced production in 2006
- Located near Moranbah in the heart of the Bowen Basin
- 172 km from DBCT via Goonyella rail line
- Placed on care and maintenance late 2014 by previous owners Vale SA and Sumitomo Corp
- Rail and port access agreements in place, exporting through Dalrymple Bay Coal Terminal (DBCT)

COAL QUALITY

- Metallurgical coal – semi-soft, semi-hard
- Sold into major steel mills primarily in Japan and Korea

OVER $350M REPLACMENT VALUE OF AQUIRED ASSETS

- Dragline - Bucyrus BE1370
- 500tph Coal Handling and Prep Plant (wash plant)
- Product stockpile, conveyors, train loadout, rail loop
- Established office setup
- Several maintenance workshops

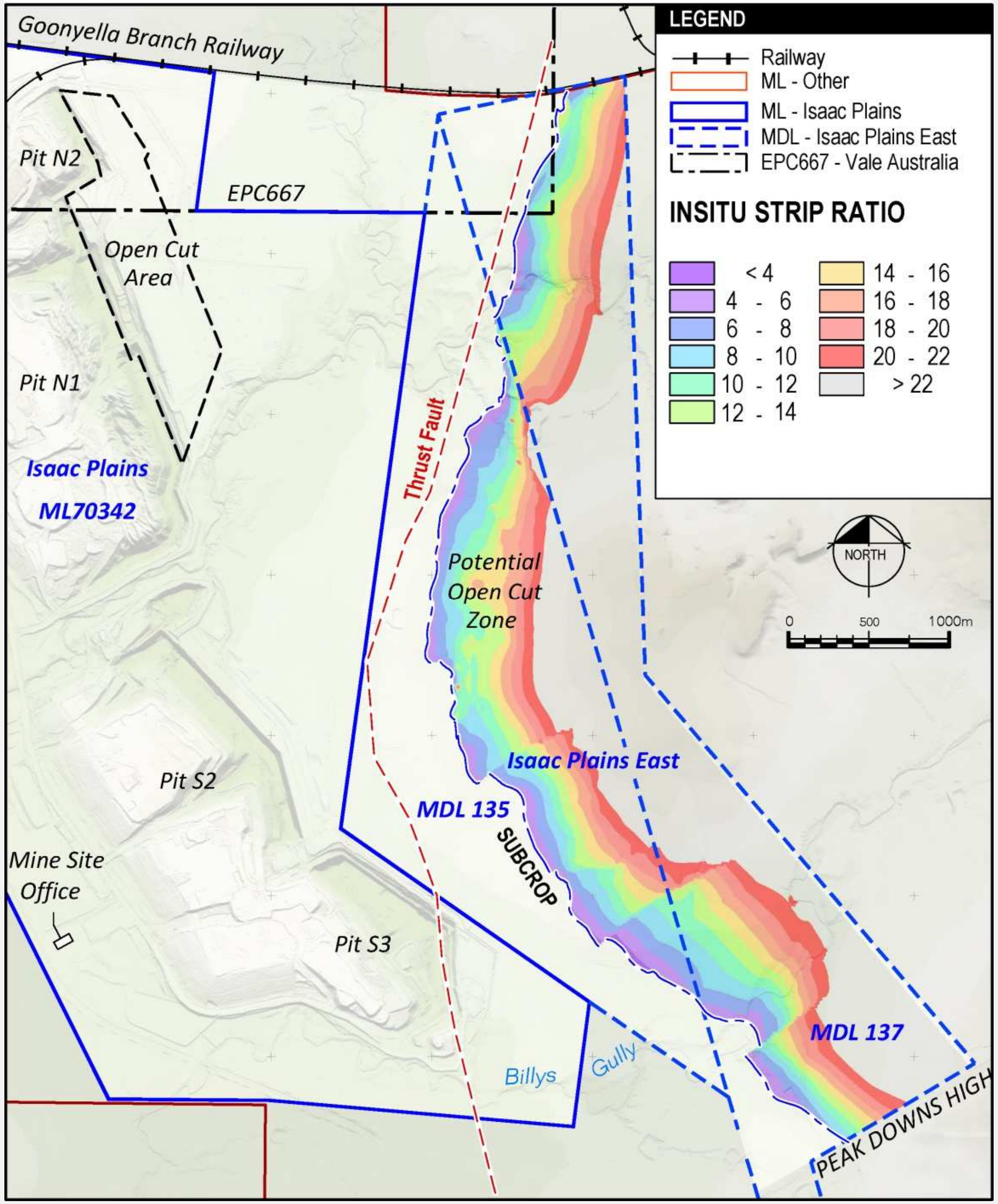
APPROVED MINING LEASE AND ENVIRONMENTAL AUTHORITY

- Up to 4.0Mtpa run of mine (ROM) production approval in place

ISAAC PLAINS EAST

LOW STRIP RATIO, ADJACENT RESOURCE

- **Acquired** from Peabody Energy in July 2015
- **Coking coal** adjacent tenures – improved coking properties and coking fraction compared to existing Isaac Plains operation
- **Low strip ratio** coal starting <6:1, average over first 4 years sub 10:1 (lower than Isaac Plains)
- **Significant synergies** with Isaac Plains, with minimal capital requirements
- **3km haul back** to Isaac Plains processing and transport infrastructure
- **Approval process** for Mining Lease underway - targeting mid 2017 approval. Environmental and mining lease applications lodged in October 2016



COMBINED ISAAC PLAINS COMPLEX

SIGNIFICANT SYNERGIES & MINE LIFE OPTIONS

Growth opportunities to utilise Isaac Plains infrastructure including underutilised CHPP and rail loop

CURRENT ISAAC PLAINS OPEN CUT

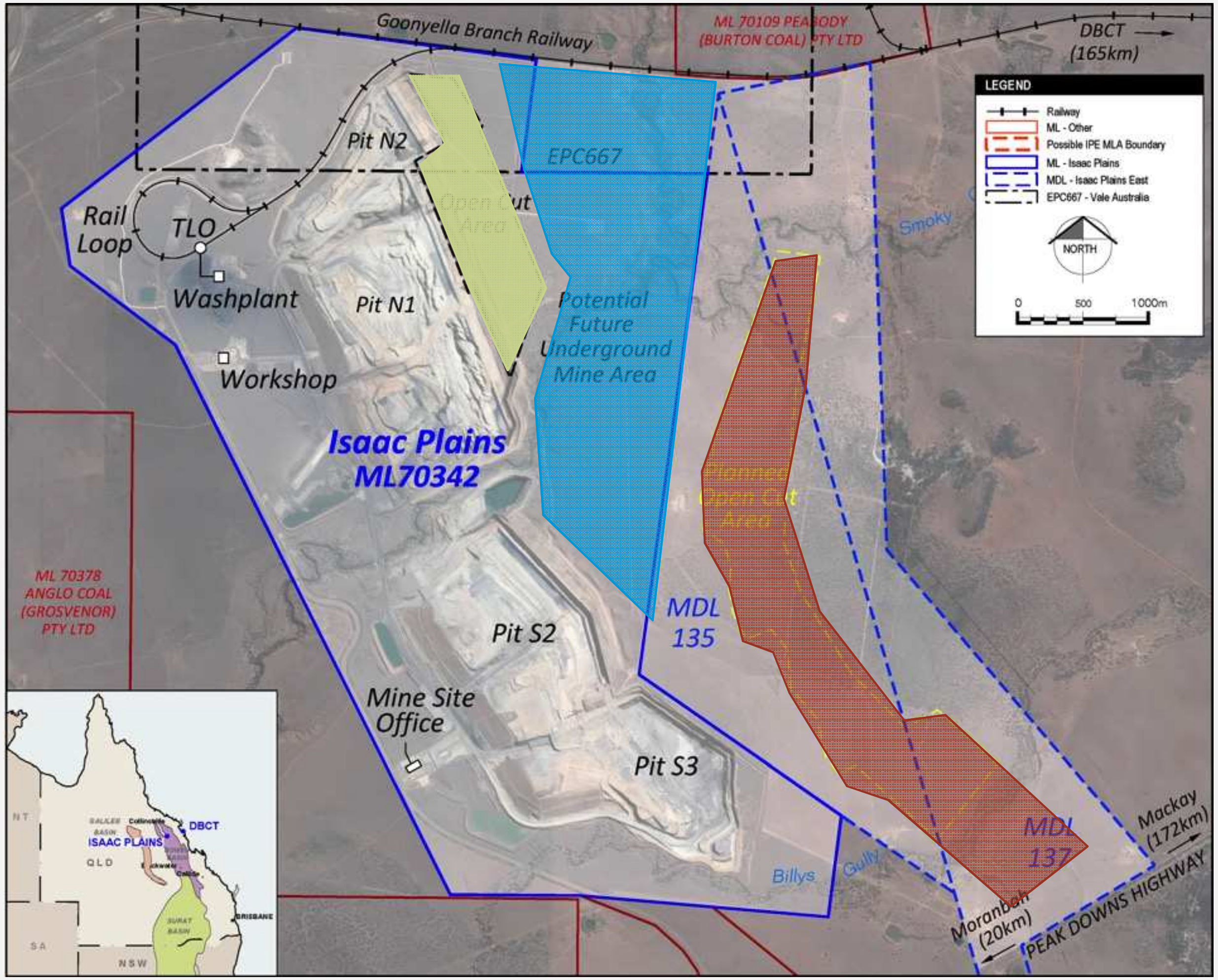
- 3 years at 1.5mtpa ROM production rate

ISAAC PLAINS EAST – OPEN CUT EXTENSION

- Extends open cut mine life to over 10 years at 1.5mtpa ROM production rate
- Materially lower strip ratio than Isaac Plains

UNDERGROUND RESOURCE EXTENSIONS

- Over 20Mt JORC Measured & Indicated within underground Resources at Isaac Plains
- Highwall mining commenced in the disused S2 pit – anticipate ~220,000t of additional ROM coal
- Investigating underground extraction methods for 7.5Mt ROM using a Bord and Pillar technique
- Underground extraction can occur in parallel with open cut operations



OUR CONTRIBUTION

Stanmore Coal is a Queensland Company that takes its responsibilities seriously

JOBS

- 150 jobs in the Isaac region created by the mine restart

ROYALTIES

- Over $7m per year of payments to the State with potential to increase (increased to $12m per year with price increase)

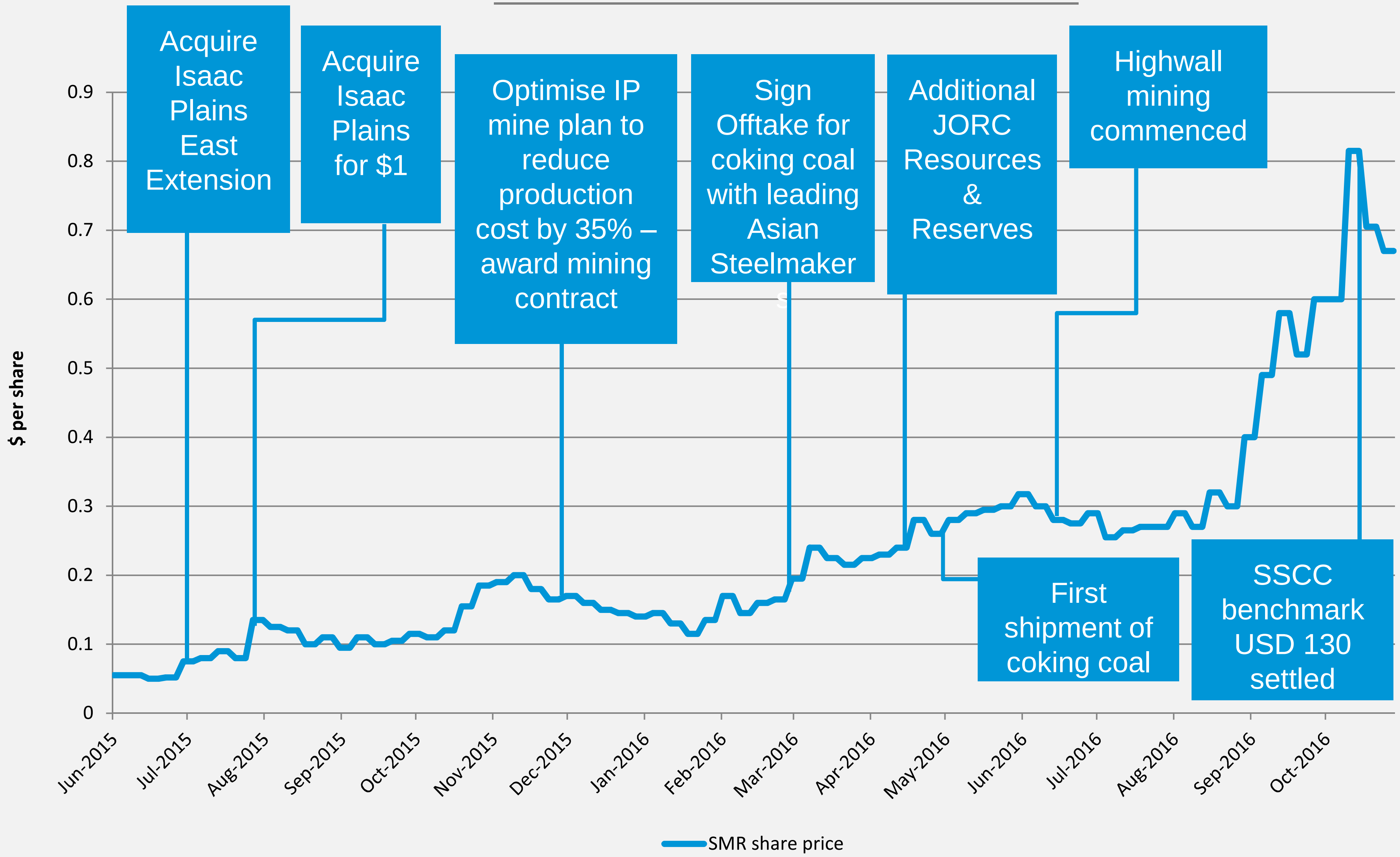
THE ENVIRONMENT

- Fast-tracking rehabilitation
    - ✓ Stanmore has completed 82ha of mine site rehabilitation in our first year of ownership, more than the total rehab previously completed since the mine opened in 2006
    - ✓ Substantial bank guarantees provided to the State to back our ongoing environmental commitments
    - ✓ Wash Plant contains belt press filters – no tailings dams required

Caring for baby wallaby at site office

DELIVERING ON KEY MILESTONES

CURRENT MARKET CAP: A$149M[1]

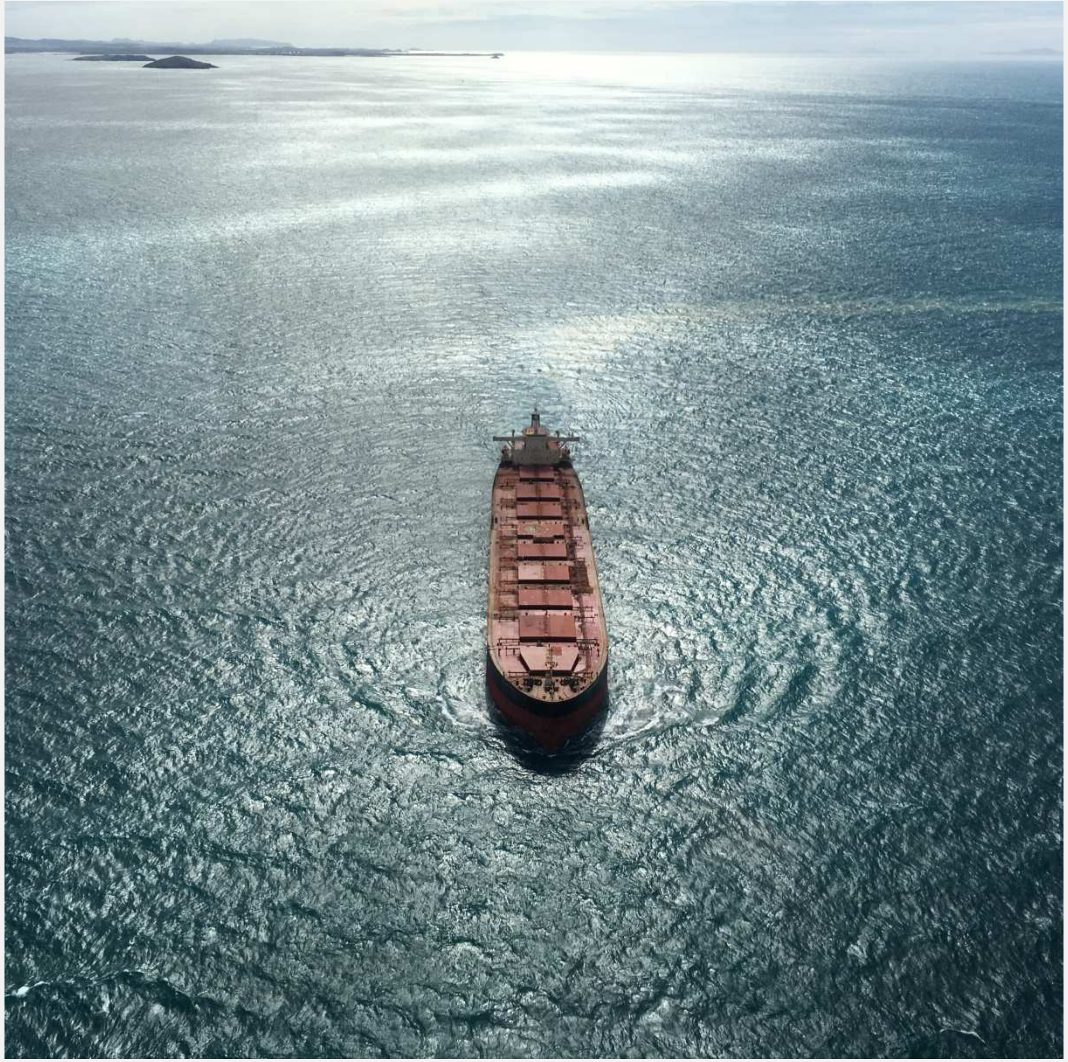


Note 1: As at 28 October 2016

VALUE DRIVERS

UPCOMING MILESTONES AND OPPORTUNITIES

- Submitted Isaac Plains East mining lease and environmental application in October 2016.
- Assess potential underground mining in eastern zone of Mining Lease – over 20Mt Indicated and Inferred Resource in this area
- Assess operational potential of higher value coking coal products
- Assess acquisition opportunities that leverage existing significant infrastructure position
- Continued positive coking coal price trends and outlook



First coking coal shipment departing the port of DBCT for Korea

APPENDICES

STRONG BOARD

AND MANAGEMENT TEAM

Over 150 years of coal exploration, development and operational experience

KEY MANAGEMENT

Nick Jorss
Managing Director

20 years in engineering, project management, resource financing and M&A.

Mike McKee
Chief Operating Officer

Mine manager with over 30 years experience, mainly in the Bowen Basin. Most recently General Manager at Minerva, Yarrabee and Sonoma mines.

Andrew Roach
Chief Financial Officer

10 years of accounting and finance experience in the resource and financial sectors.

Nigel Clifford
Senior Geologist

10 years of experience including within Stanmore Coal and Linc Energy.

NON-EXECUTIVE DIRECTORS

Neville Sneddon
Chairman

Mining engineer with 40 years experience in coal, formerly CEO of Anglo Coal Australia, Chairman of DBCT Port and Director of PWCS Port.

Stephen Bizzell

Extensive experience in commercialising resources companies, former executive director of Arrow Energy and current Chairman of Bizzell Capital Partners.

Chris McAuliffe

Co-founder and MD of Sprint Capital Partners. More than 20 years experience in investment banking and private equity in Asia.

Viv Forbes

Over 40 years of Bowen Basin coal experience including all phases of coal mine development at Goonyella, South Blackwater, Burton, and Tahmoor coal mines. Formerly Director of DBCT Port.

Patrick O'Connor

Experience in a wide range of industries including mining, oil & gas exploration, forestry, biotechnology and government utilities. Former non-executive chairman of TFS Corporation Limited.

OVERVIEW

OF STANMORE COAL

- Queensland based coal development company, successful transition to production at of Isaac Plains
- Well funded with a strong shareholder base
- 75% Australian owned

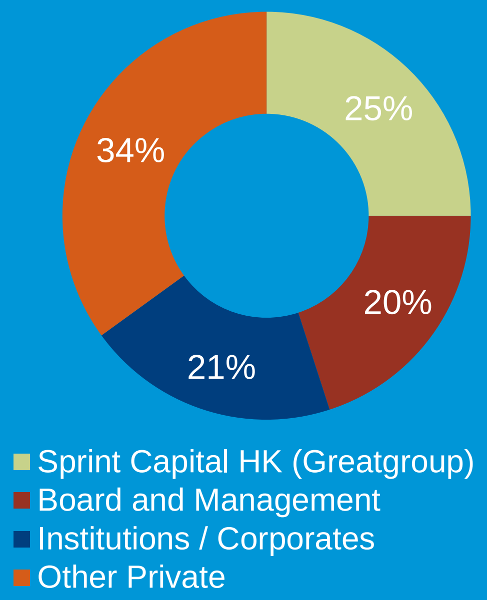
- Advanced metallurgical and thermal coal development projects in the Bowen and Surat Basin
- Rail and port infrastructure in place for key metallurgical coal projects

- Highly experienced Board and management team with proven track record of developing and operating coal mines

- Low overhead cost base
- Actively pursuing further opportunities in the current market downturn conditions

ASX Code	SMR
Share price	A$0.67[2]
Shares	222.5m
Market cap	$149.1m[2]

Share ownership



1. Refer to Competent Persons Statement (p.2) • 2. As at 28 October 2016

OVERVIEW

OF STANMORE ASSETS

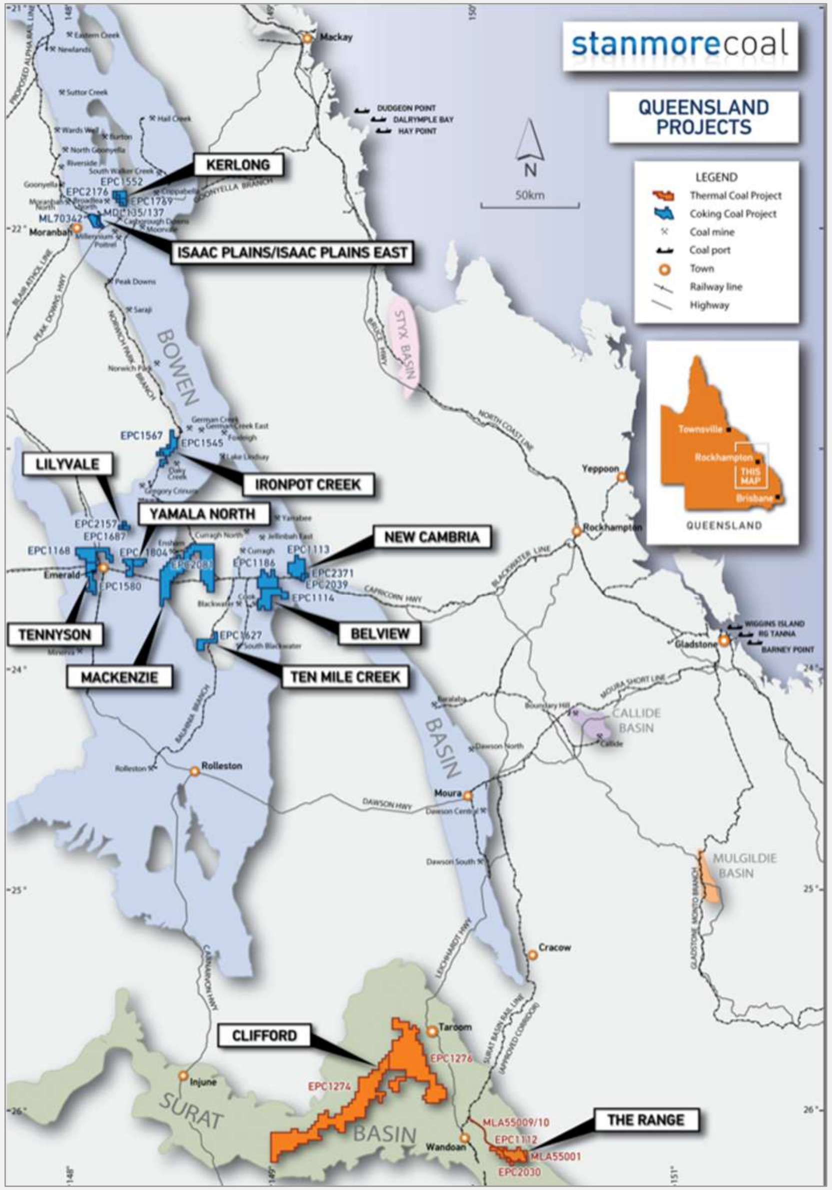
BOWEN BASIN – Coking Coal

ISAAC PLAINS – 100%
- Total Resources 48.2 Mt
- Total Reserves 5.0 Mt
- Operating asset

ISAAC PLAINS EAST – 100%
- Total Resources 28.7 Mt
- Total Reserves 10.3 Mt
- Approvals process underway

BELVIEW – 100%
- Total Resources 330 Mt
- Pre Feasibility underway

LILYVALE – 85%
- Exploration



MACKENZIE – 85%
- Coking Coal
- Total Resources 143 Mt
- Exploration

SURAT BASIN – Thermal Coal

THE RANGE – 100%
- Total Resources 287 Mt
- Total Reserves 112 Mt
- Development

CLIFFORD – 60%*
- Total Resources 620 Mt
- Exploration & studies

Note*: Assumes full farm-in completed by JV partner

HIGH QUALITY COKING COAL

ISAAC PLAINS COAL - PRE-SOLD TO MAJOR ASIAN STEEL MAKERS

- JPY 2017 contracts already signed with top tier Japanese and Korean steel mills on annual benchmark contracts for 900,000t of coking coal (fully sold first year coking coal production)
- Current marketing plan sees Isaac Plains producing 80% semi-soft coking coal and 20% thermal, total product yield 73%
- Indicative coal quality shows improvement in Isaac Plains East:
  - Total product yield of 81% with higher proportion of coking coal
  - Ability to enhance coking properties by splitting seam and optimising washing yield
  - Potential to re-establish semi-hard coking coal brand (higher value than semi-soft)

Parameter[1]	Isaac Plains		Isaac Plains East (Indicative)
	Coking	Thermal	Coking
Product split (%)	**80%**	**20%**	**+90%**
Inherent Moisture (%)	2.5	3.1	2.3
Ash (%)	9.4	14.0	9.5
Volatile matter (%)	25.4	24.2	24.4
Fixed Carbon (%)	62.3	58.7	63.7
Total Sulphur (%)	0.36	0.37	0.40
Phosphorous (%)	0.100	0.161	0.070
CSN[2]	4		4+
HGI[3]		65	
Calorific Value (kcal/kg)	7,434	6,600	7,380

Notes:
1. Air dried basis unless stated otherwise
2. Crucible swell number
3. Hardgrove grindability index