stanmorecoal

MARCH 2017 QUARTERLY PRESENTATION

April 2017

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OVERVIEW OF STANMORE COAL

Queensland based coal development company, operations at Isaac Plains Coking Coal Mine

Strong shareholder base

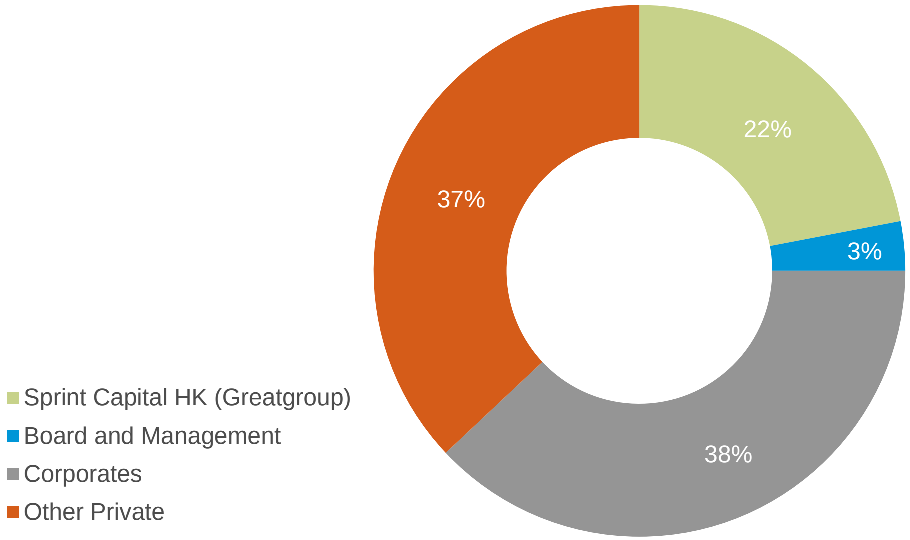
Advanced metallurgical and thermal coal development projects in the Bowen and Surat Basin

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

Actively pursuing further opportunities in the current market downturn conditions

ASX code	Share price	Shares	Market cap
SMR	A$0.39[1]	251,107,978	$97.9m[1]

SHARE OWNERSHIP



1. As at 18-Apr-17

THE BUSINESS AT A GLANCE

INDEPENDENT COAL COMPANY WITH FOCUS ON COKING COAL

ISAAC PLAINS OPERATIONAL WITH RAMP-UP ACHIEVED

- 1–2Mtpa sales opportunity (FY17 1.15Mt)
- June 2017 quarter SSCC negotiations continued. Recent spot price increase is encouraging
- Mining, port and rail contracts in place
- Mid-range of international coking coal cost curve

ISAAC PLAINS REPRESENTS THE COMPANY'S PLATFORM ASSET

- Considered as a regional hub
- Dragline, CHPP, conveyors, train load out and other infrastructure 100% owned
- Approvals in place for up to 4.0Mtpa ROM
- Primarily coking coal with secondary thermal coal for export

MULTIPLE ACQUISITION TARGETS AND INTERNAL PROJECTS ON WHICH STANMORE CAN CAPITALISE

- Grow internal production and operational capability
- Focus on coal quality, reliability and creating value where others can't or won't

OVERVIEW – STANMORE PORTFOLIO

BOWEN BASIN – COKING COAL

ISAAC PLAINS – 100%

Operations

ISAAC PLAINS EAST – 100%

Development

BELVIEW – 100%

Exploration

LILYVALE – 85%

Exploration

MACKENZIE – 95%

Exploration

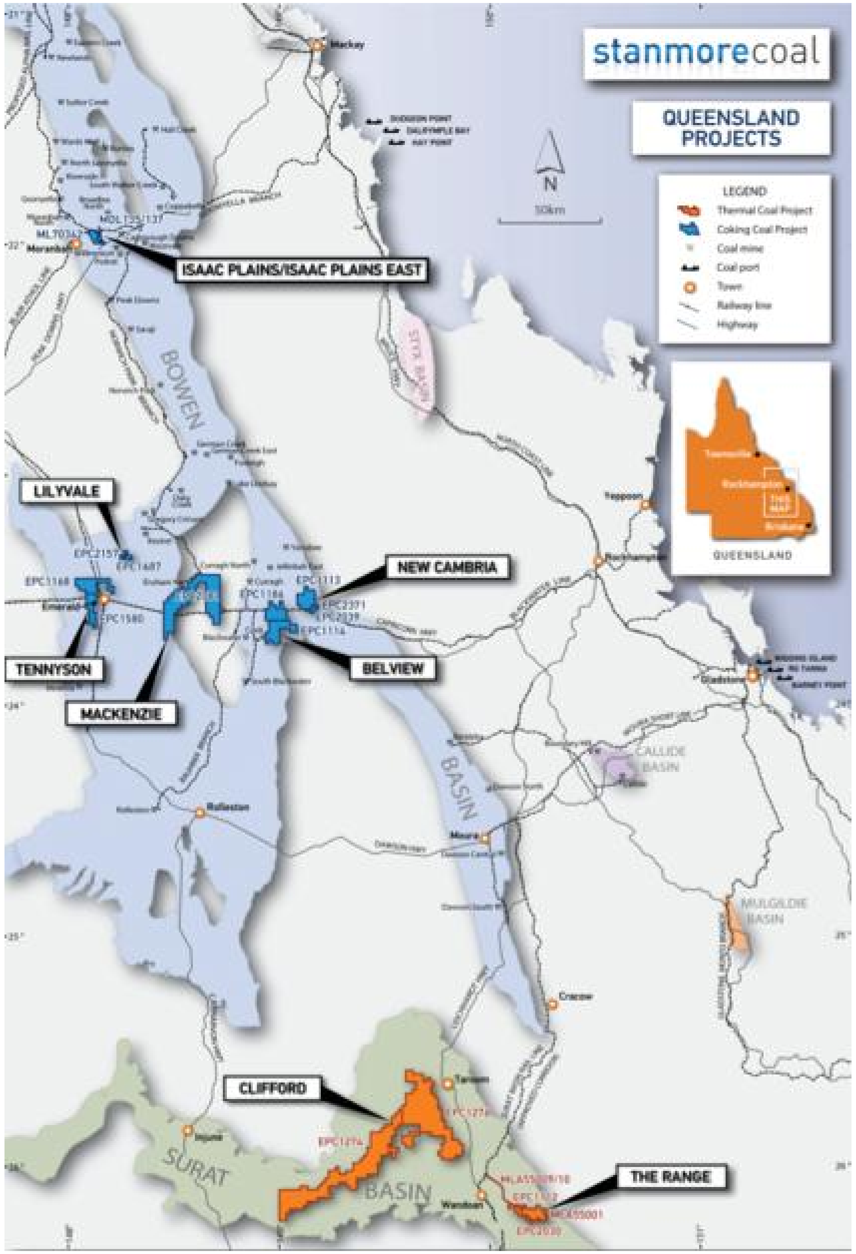
SURAT BASIN – THERMAL COAL

THE RANGE – 100%

Development (pending infrastructure)

CLIFFORD – 60%

Exploration & studies



STRATEGIC OBJECTIVES FY17 AND FORWARD

Time horizon	Internal	External
Short	• Establish reliability and repeatability of production from Isaac Plains • Drive for value from complex via cost per tonne	• Assess potential assets in proximity to IP Complex
Medium	• Develop Isaac Plains East and complete assessment of Isaac Plains Underground • Rationalise our portfolio based on highest value to shareholders	• Pursuing realistically attainable assets with premium coal quality
Long	• Development of portfolio assets	• Assessment of product mix strategy

In place

Under way

EXPERIENCED LEADERSHIP TEAM

DAN CLIFFORD

MANAGING DIRECTOR

- More than 20 years' experience in the coal mining industry
- Has worked in Australia, South Africa and New Zealand
- Substantial open cut and underground coal mining experience
- Previously roles were with Solid Energy, Glenmore, Anglo Coal and BHP Billiton.

IAN POOLE

CHIEF FINANCIAL OFFICER

- Almost 30 years' experience in financial and commercial roles in the resources industry in Australia and the United States
- Previously CFO of ASX-listed minerals processing and infrastructure company, Sedgman Limited
- Formally with Rio Tinto Coal Australia Pty Ltd and Pasminco Resources.

BERNIE O'NEILL

GENERAL MANAGER OPERATIONS

- More than 30 years' experience in the coal sector in New South Wales and Queensland.
- Previously General Manager of Newlands/Collinsville Coal for Glencore Coal Australia, responsible for open-cut and underground operations across the Newlands and Collinsville complex in the northern Bowen Basin.
- As Group Manager, Business Development for Glencore Coal Australia Mr O'Neill was responsibility for feasibility studies and financial evaluation of new projects and brownfield expansions.

ANDREW ROACH

GROUP MANAGER DEVELOPMENT

- More than 10 years' experience in the resource and financial service sectors.
- Responsible for the development of the Company's existing asset portfolio and identification of acquisition targets. His objectives include prioritising and rationalising the Company's portfolio of development opportunities, and pursuing value accretive acquisitions.
- Previously CFO of Stanmore Coal

ISAAC PLAINS UPDATE

SAFETY

NO INJURIES (TRI) DURING QUARTER

During the March quarter, there were no injuries (TRI) at the Isaac Plains Mining Complex, with no other injuries recorded across other projects and tenements

The Total Reportable Injury Frequency Rate (TRIFR) at quarter end is 11.14 per million hours.

STANMORE COAL SAFETY STATISTICS PAST 12 MONTHS TO DATE

REVISED MINE PLAN

PROGRESS AGAINST THE PLAN

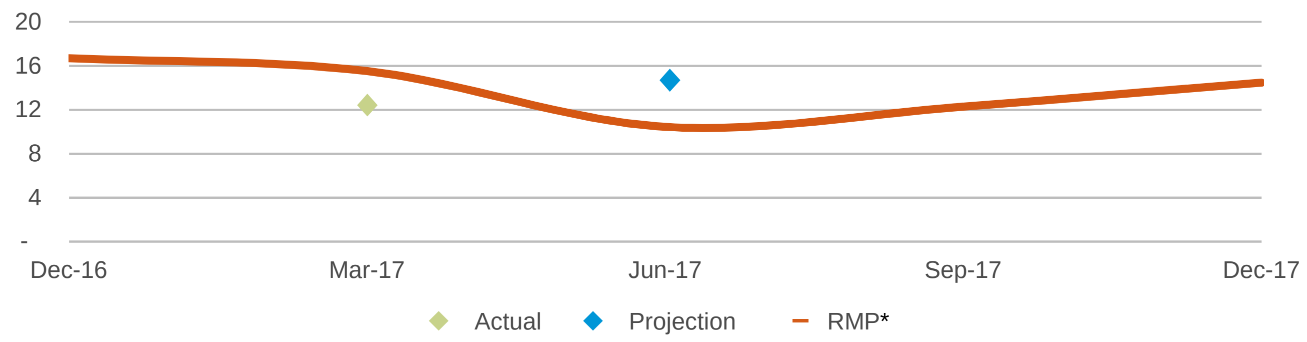
In December 2016 the Company announced a capital raising for A$15 million (pre costs) to invest in both pre-strip advancement and coal inventory, based on a Revised Mine Plan (RMP).

Ramp-up of pre-strip activities in March quarter have been impacted by recent tightening in the labour market. The contractor has secured additional operators and equipment to enable meeting planned production for the following quarters. As the mining contract was negotiated on a rolled-up rate basis, the increase in costs for these additional operators and equipment is to the Contractors' account.

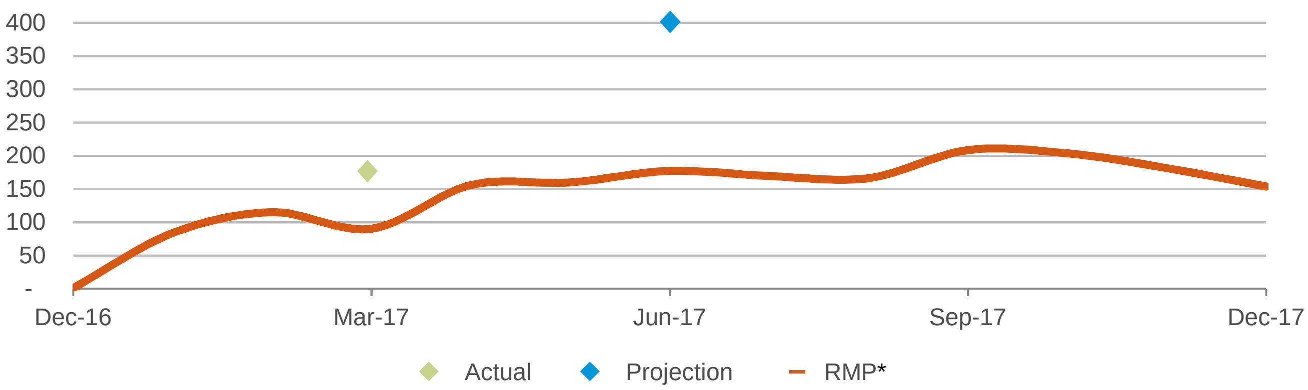
Total stockpile build (run-of-mine and product coal) is a key focus of the RMP to improve the reliability and repeatability of operations. Inventory build for ROM and product coal in March quarter increased 14kt and 22kt respectively, representing a further investment in working capital of $1.9m

Inventory levels are anticipated to increase above 300kt in the June quarter given unavailability of critical transport infrastructure as a result of Tropical Cyclone Debbie (TC Debbie).

PRIME STRIP RATIO



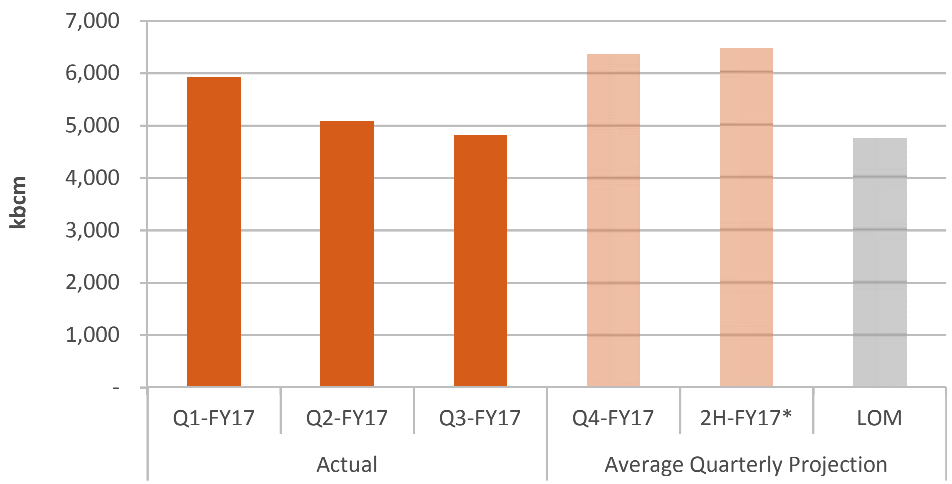
STOCKPILES (PRODUCT + ROM TONNES)



*RMP refers to the information provided in the ASX presentation titled "Capital Raising Presentation" dated 14 December 2016

OPERATING RESULTS – MINE PHYSICALS AND COSTS

PRIME WASTE OVERBURDEN (BCM)



Although total overburden was largely in-line with plan, the linear speed of the dragline was impacted by increased rehandle, designed to maximize recovery of each repeated coal sequence around the fault zone. The June quarter mining sequence will be less impacted by faulted zones, which is anticipated to improve, waste mining, coal recovery and coal yields (refer following slide).

Overburden performance for the month of March was encouraging and provides the Company with confidence around achievability of performance for the June quarter.

*2H-FY17 refers to prior guidance provided in the "Half Year 2017 Results Presentation" dated 28 Feb 2017

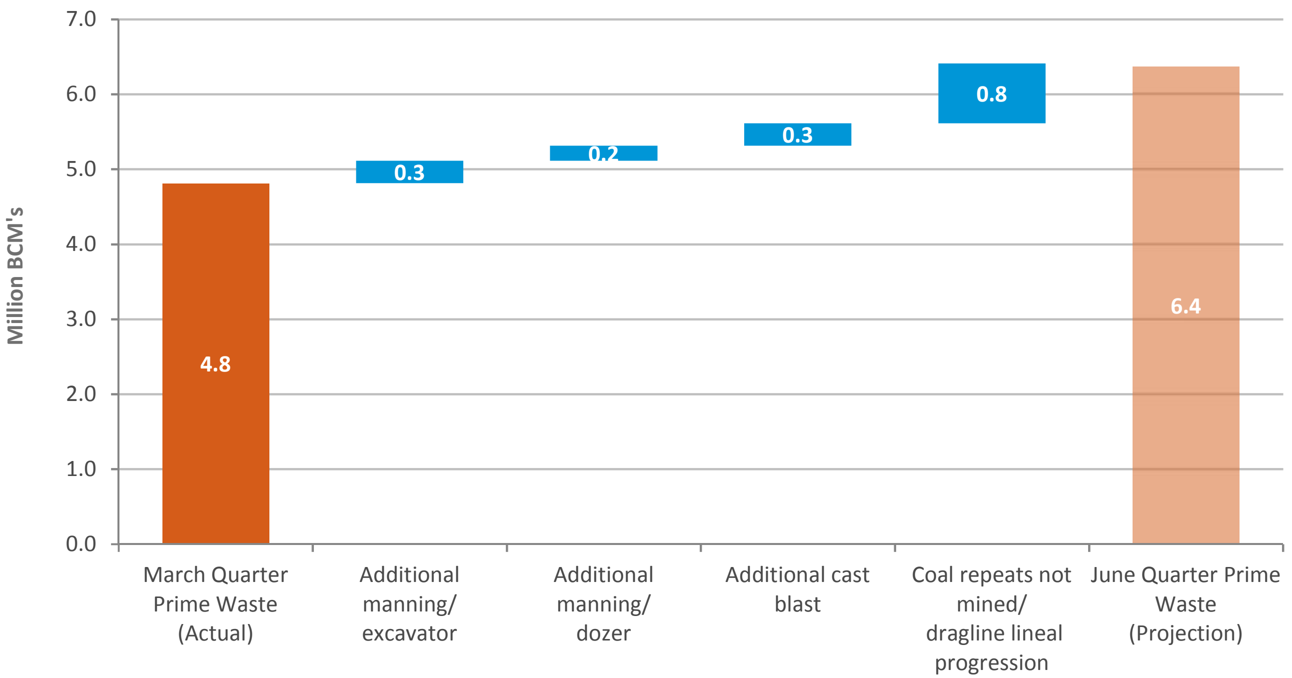
OPERATING RESULTS – JUNE QUARTER MINING

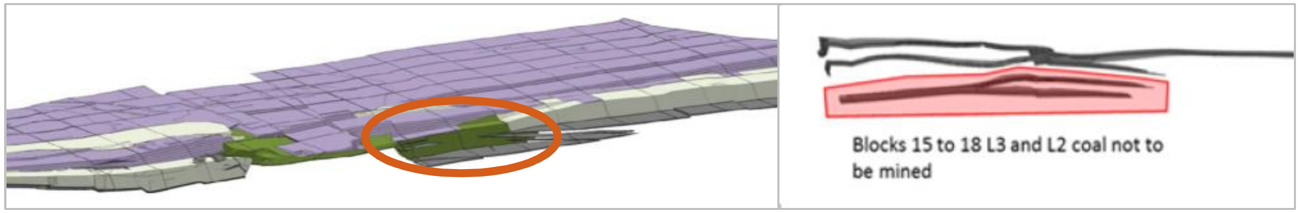
Although the March quarter was behind prior guidance, mining was impacted by labour availability and slower than expected mining around a known major fault (refer diagrams below).

Increases to manning and an additional excavator and dozer mobilised to site are anticipated to improve waste removal and coal mining in the June quarter. The ramp-up in manning together with an additional excavator contributes a further 0.3Mbcm above the March quarter result, while additional dozer hours are expected to contribute 0.2Mbcm. This increase in pre-strip will enable an additional cast blast of 0.3Mbcm to occur in the June quarter.

In addition to increased excavator availability in the June quarter, the dragline lineal progression will be significantly improved by not mining known blocks of coal seam repeats, where coal losses were experienced in the March quarter. The increased speed of the dragline is anticipated to result in an additional 0.8Mbcm prime waste in the June quarter.

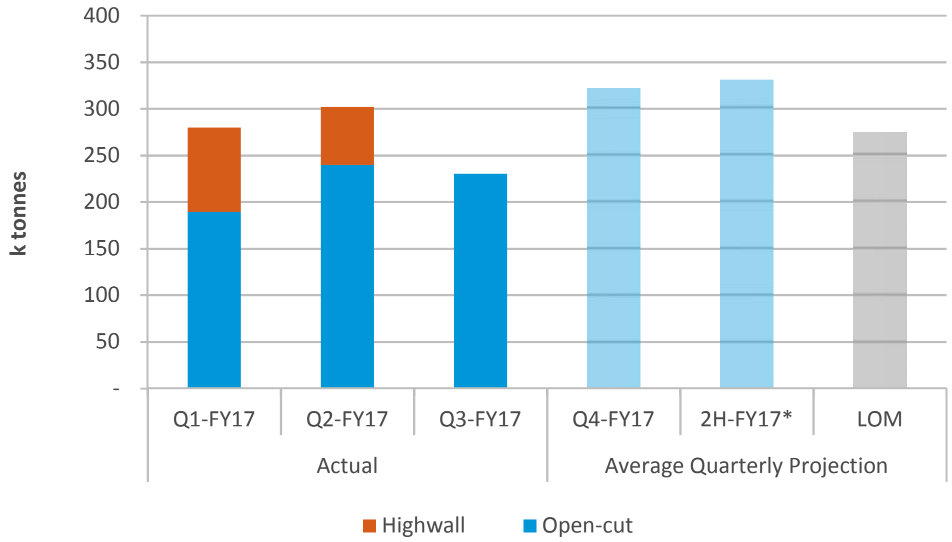
JUNE QUARTER PRIME WASTE MINING ACHIEVABILITY





OPERATING RESULTS – MINE PHYSICALS AND COSTS

PRODUCT TONNES PRODUCED

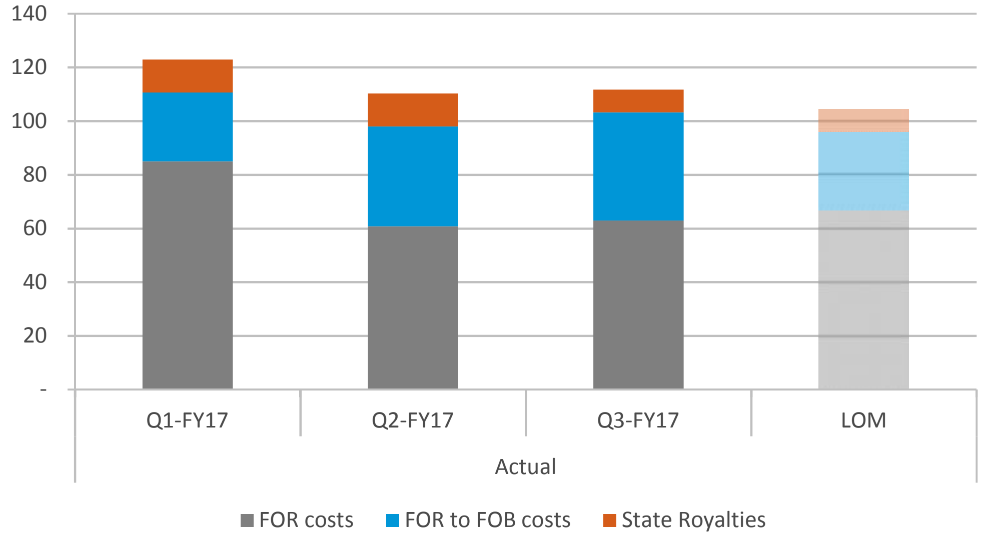


The March quarter shortfall for product tonnes produced compared to prior guidance is the direct result of:

- TC Debbie resulted in 50kt of ROM coal (approx. 35kt product tonnes) left uncovered in-pit and unable to be extracted.
- In-pit ROM losses of 30kt (approx. 20kt product tonnes) resulting from mining around the repeated coal seams in the known faulted zone.
- ROM coal back-ended in the 2H-FY17* forecast to later in the June quarter. This, together with the delays experienced from TC Debbie and coal losses, has resulted in a reforecast of the anticipated product tonnes produced for FY17 to 1.15Mt.

*2H-FY17 refers to prior guidance provided in the "Half Year 2017 Results Presentation" dated 28 Feb 2017

FOB COSTS (A$/TONNE, ALL-IN)



March quarter FOB costs were A$112/tonne, impacted by the fixed cost base spread over lower than anticipated sales in the quarter.

With the expected delays to rail infrastructure arising from TC Debbie, June quarter costs are anticipated to be above life of mine (LOM) levels as fixed costs such as take-or-pay commitments for infrastructure providers, together with other fixed overhead costs, will all remain payable during the expected delay period.

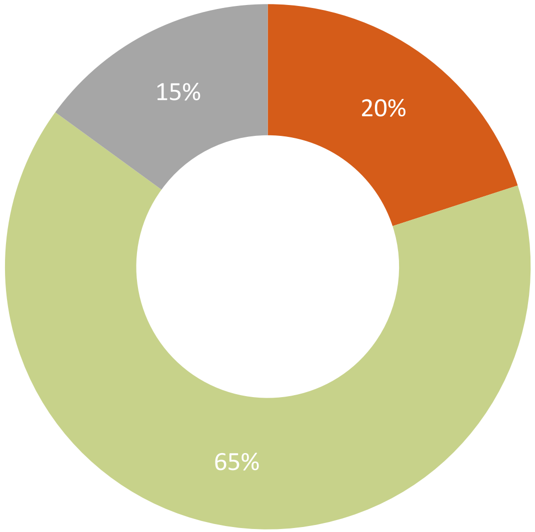
QUARTERLY COKING COAL PRICING

FLOW THROUGH OF CONTRACT PRICING

- Each new quarterly price applies after any carry over tonnes from the previous quarter are delivered, assessed on a contract by contract basis.
- Currently anticipate that higher March quarterly prices will apply to approximately 70% of sales in the June quarter.
- Sales forecast volumes are estimated to be lower than the March quarter, resulting from delays to infrastructure availability following impacts of Tropical Cyclone Debbie. The Company is assessing a range of options for alternate sales opportunities in the near term
- The average shipped price for all coal during the March quarter was USD 94 per tonne (AUD 124 per tonne), including thermal coal sales.

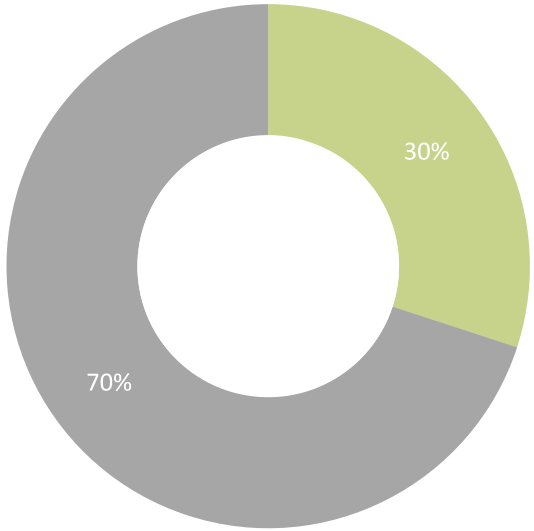
MARCH QUARTER

Quarterly benchmark by proportion of tonnes sold
Semi-soft sales of 97kt



JUNE QUARTER

Quarterly benchmark by proportion of tonnes sold
Semi-soft sales estimate



Q1 FY17 price Q2 FY17 price Q3 FY17 price

COAL PRICE OUTLOOK

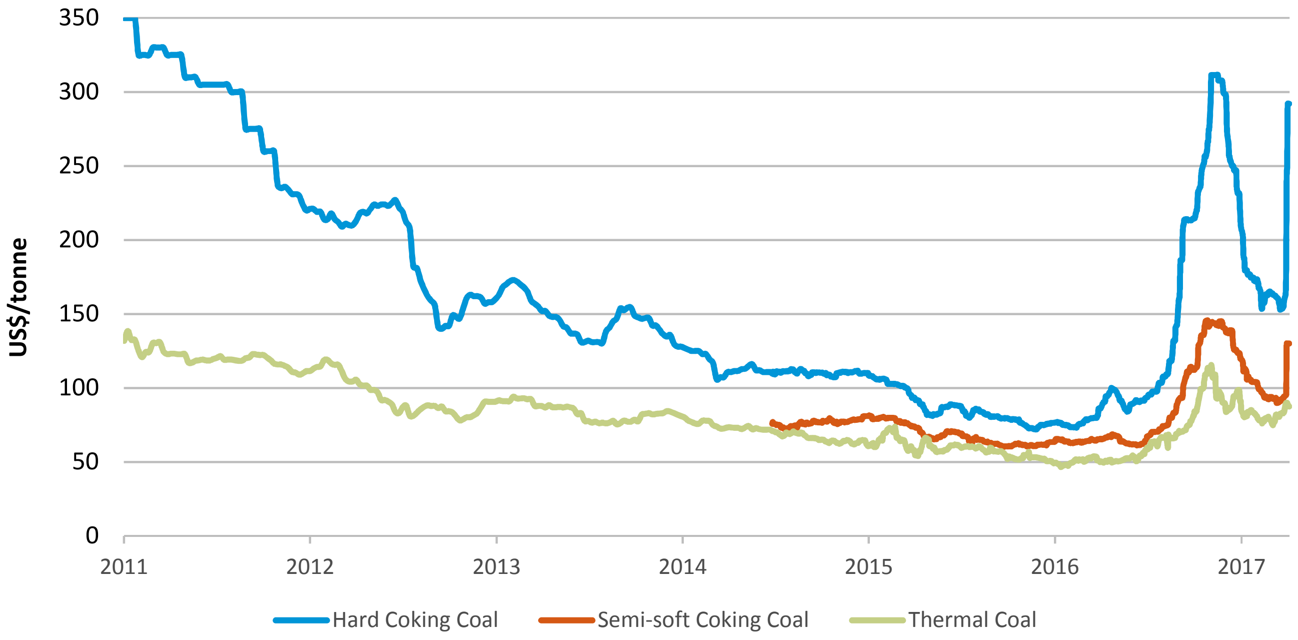
RECENT PRICE SPIKE TO STABILISE IN MEDIUM TERM

The June quarterly 4Q17 benchmark negotiations for semi-soft coking coal price have been delayed given both miners and end users continue to assess the impact of TC Debbie. The observed increase to spot price, driven by coal supply issues throughout key Queensland export regions caused by TC Debbie, is likely to drive an improved price outcome for the June quarter compared to prior expectations of the Company. Management view that prices remain supported in the medium term, at levels to incentivise capital investment decisions to replace depleting supply sources of coking coal.

Contract negotiations with existing customers have been finalised at contract volumes of approximately 800kt, with improved relativity achieved to benchmark across the portfolio.

A significant portion of the carry-over position from the previous Japanese Fiscal Year has been priced at the March 2017 quarter price.

HISTORICAL SPOT COAL PRICE (USD)



Source: Platts Coal Trader International

PROJECTS
UPDATE

ISAAC PLAINS EAST INDICATIVE TIMETABLE TO PRODUCTION (FINANCIAL YEAR BASIS)

Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY19
	EA Amendment and ML Applications lodged	Resolution of key negotiations with landholders & overlapping tenure parties	Public notification period	Potential grant date for Mining Lease, allowing mine construction to commence		Potential first coal at Isaac Plains East	

Progress during the March quarter resulted in resolving overlapping tenure complexities being resolved and ongoing negotiation with landholders. The Public notification process will follow the finalisation of these negotiations. The target of potential first production for Q3 FY18 may see some slippage if landholder negotiations are prolonged and objections are lodged post the notification process.

ISAAC PLAINS UNDERGROUND INDICATIVE TIMETABLE TO INVESTMENT DECISION (FINANCIAL YEAR BASIS)

Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY19

Exploration planning and project scheduling

Feasibility focusing on optimal bord & pillar techniques and potential funding mechanisms for development capital

Target Investment decision