stanmorecoal

NOOSA MINING CONFERENCE

July 2017

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STANMORE COAL OVERVIEW
THE RIGHT PATH TO VALUE

INDEPENDENT COAL COMPANY

Positioned in right commodity in the right time of the cycle.

ISAAC PLAINS OPERATIONAL WITH DEMONSTRATED PERFORMANCE

Validation that the resource, equipment and plan is right

ISAAC PLAINS COMPLEX REPRESENTS THE COMPANY'S PLATFORM ASSET

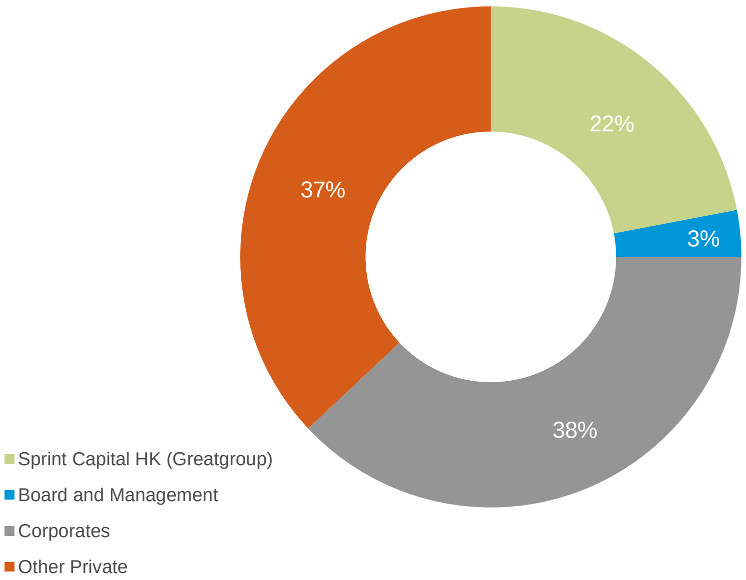
Q1/Q2 cost structures targeted with the right CHPP feed volumes from capital 'light' open cut and underground expansions

MULTIPLE ACQUISITION TARGETS AND INTERNAL PROJECTS ON WHICH STANMORE CAN CAPITALISE

Replicate the 'hub' approach focusing on reliability and creating value where others can't or won't.

ASX code	Share price
SMR	A$0.335[1]
Shares	**Market cap**
251,107,978	$84.4m[1]

SHARE OWNERSHIP



1. As at 17-Jul-17

THE LEADERSHIP TEAM
NOT JUST EXPERIENCE

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, Glencore, 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
- Formerly with Rio Tinto Coal Australia Pty Ltd and Pasminco Resources.

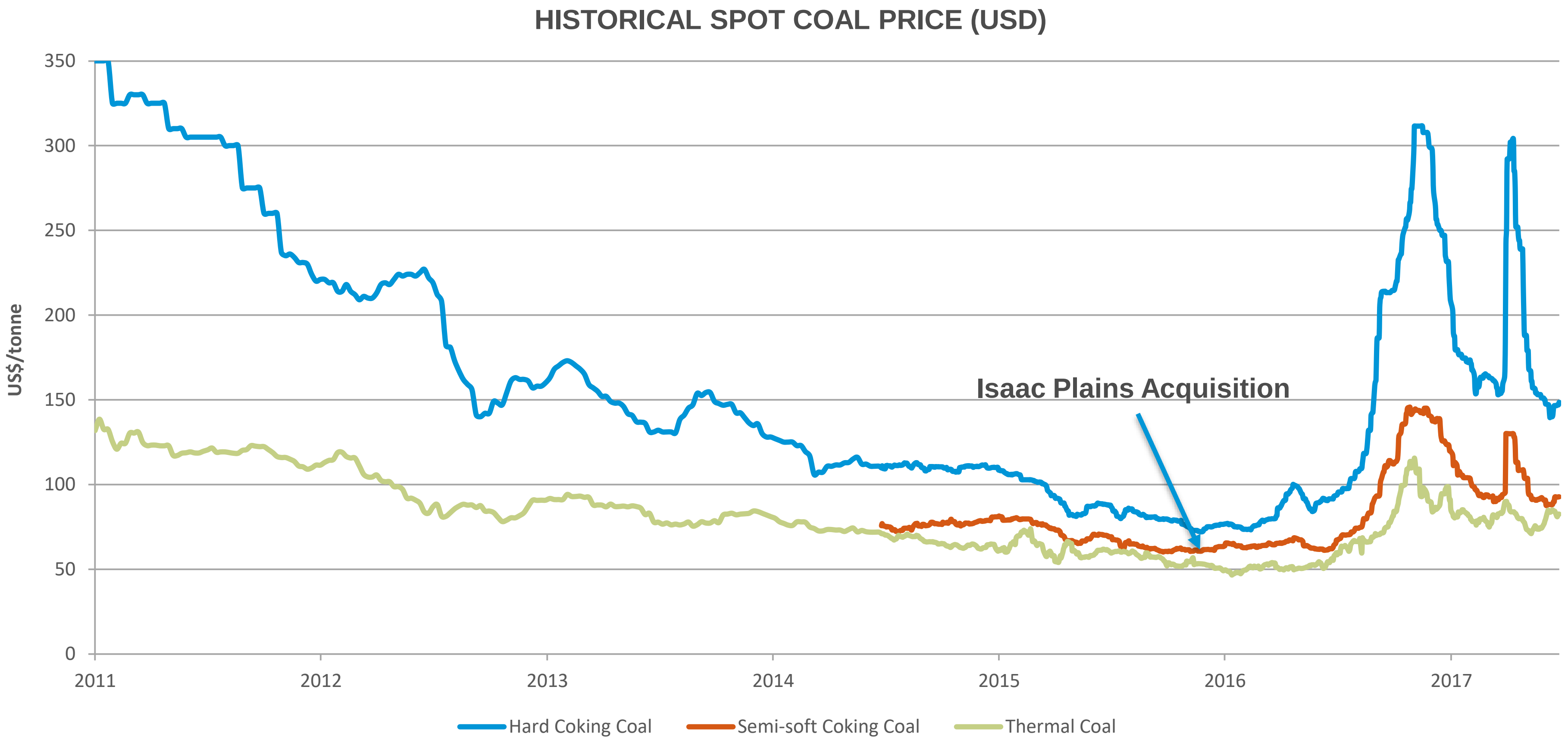
BERNIE O'NEILL

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.

STANMORE'S PLATFORM ACQUISITION

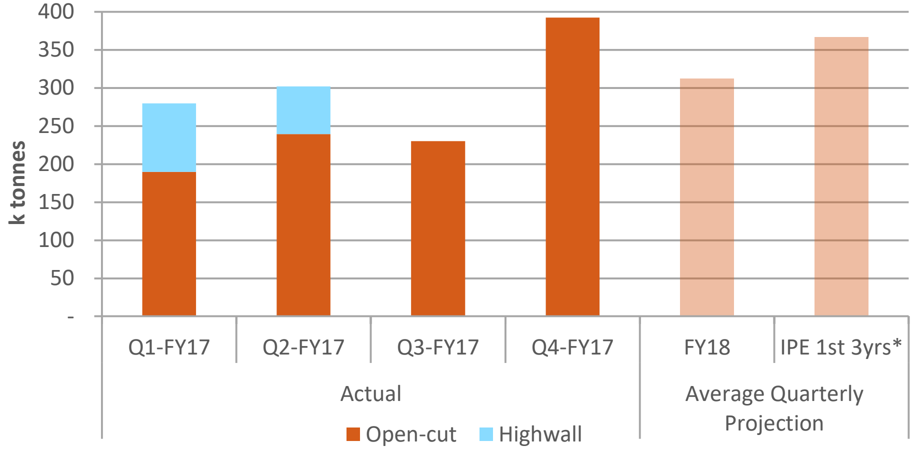
POSITIONED IN THE RIGHT COMMODITY AT THE RIGHT TIME



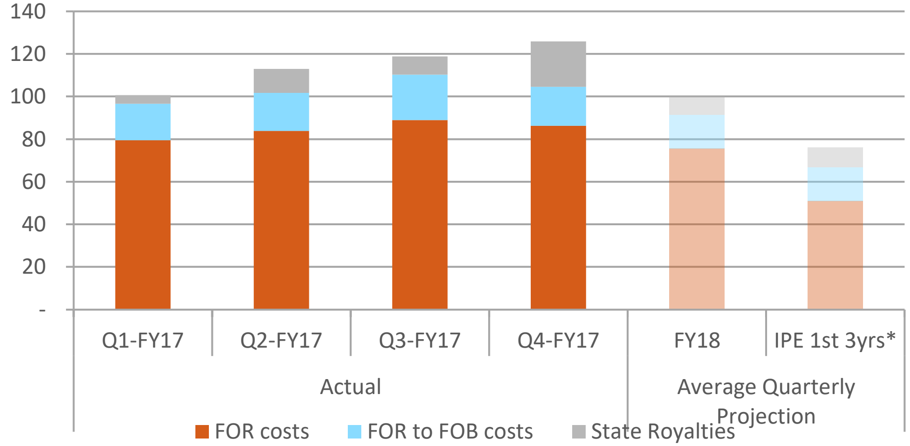
STANMORE OPERATIONS

TRANSFORMATIONAL PROGRESSION

PRODUCT TONNES PRODUCED



FOB COSTS (A$/TONNE)



* IPE 1st 3yrs is the projected quarterly average of Isaac Plains East for the first three years of operation

PULLING THE VALUE LEVERS

A CASH GENERATIVE, CAPITAL LIGHT, FULLY FUNDED PLATFORM ON WHICH TO GROW

2017

CURRENT POSITION

- Right platform at the right time in cycle
- Right commodity
- Right sized team
- Reliability and repeatability of results achieved
- Cash generative

2018–2019

PHASE 1 – SHORT TERM

- 'Sweat' the asset to 3Mt product for maximum value
- Capital 'light'
- Open cut and underground capability with IPE and IPUG
- Metallurgical coal focus
- Satellite assets

2020 - 2025

PHASE 2 – MEDIUM TERM

- Size / scale 10Mt
- 3 Hubs / Complexes
- Contract and/or Owner operate
- Opportunistic development of core portfolio assets

2025 – Onwards

PHASE 3 - LONGTERM

- Diverse Geography
- Integrated Marketing
- 4PL model logistics
- Diversify mining methods

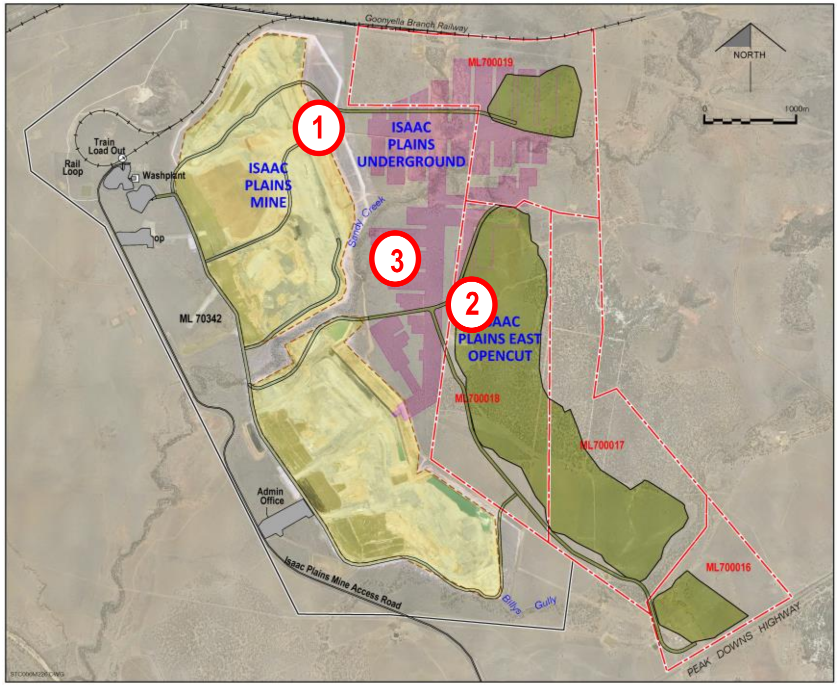
	Platform Acquisition	Maximising current assets	Right scale of acquisition with capital discipline	Positioning in commodity type
Value Drivers	**Reliability Established** **Dragline Utilisation**	**IPC CHPP to 3.0Mt Product** **IPC Regional Advantage**	**OC and UG Capability** **Repeatable 'Hub' Model**	**Integrated Coal Company**
	Operational Performance	Business Plan	Life of Mine Plans	Strategic Plan

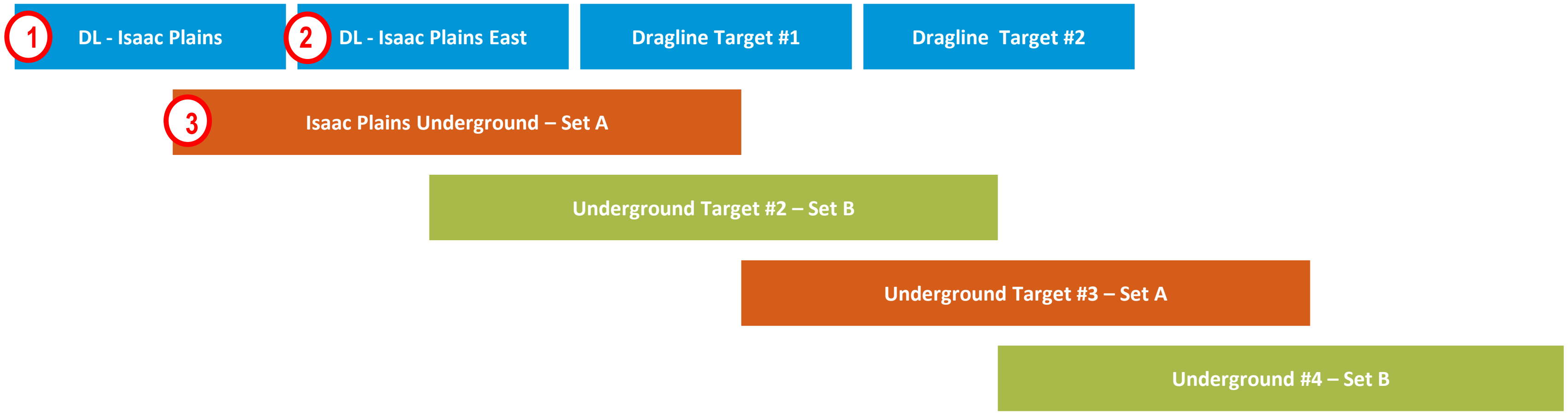
Earn the right to grow →

PHASE 1 – SHORT TERM
THE RIGHT METHODOLOGY FOR VALUE CREATION

VALUE CREATION FROM:

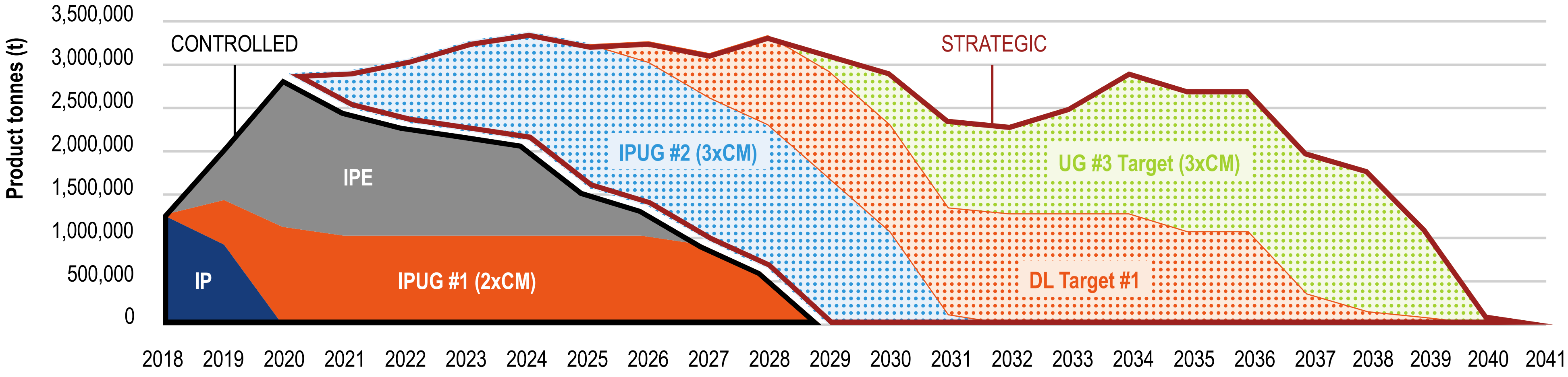
- Coal handling infrastructure in place at a replacement value of >$350m with underutilised capacity
- Open cut mining method at Isaac Plains, Isaac Plains East and beyond utilising a dragline represents the lowest cost OC mining method available
- Low cost entry options to underground resources via highwalls
- Underground mining opportunities at Isaac Plains Underground with low capital intensity, agile and low risk operations via bord and pillar method
- Focusing on projects that can deliver low cost tonnes as a result of lower capital requirements due to access to IPC infrastructure
    - For each mine the dragline develops or extends, a low cost longer life underground can be developed
    - With a multiplier effect, the CHPP can be ‘choke’ fed to produce 3.0mt product





PHASE 1 – SHORT TERM

INCREMENTAL VOLUME AND LIFE EXTENSION OPPORTUNITIES



SUSTAINABLE VALUE CREATION FROM:

- Dual approach of volume and life extension regionally
- With capital and operational discipline, doubling the life and volumes of CHPP feed sources is front and centre
- Underground and opencut operational excellence is essential

PHASE 2 – MEDIUM TERM

THE STANMORE PORTFOLIO OFFERS MULTIPLE ‘HUB’ OPPORTUNITIES

BOWEN BASIN – COKING COAL

ISAAC PLAINS – 100%

Operations

ISAAC PLAINS EAST – 100%

Development

BELVIEW – 100%

Exploration

LILYVALE – 85%

Exploration

MACKENZIE – 95%

Exploration

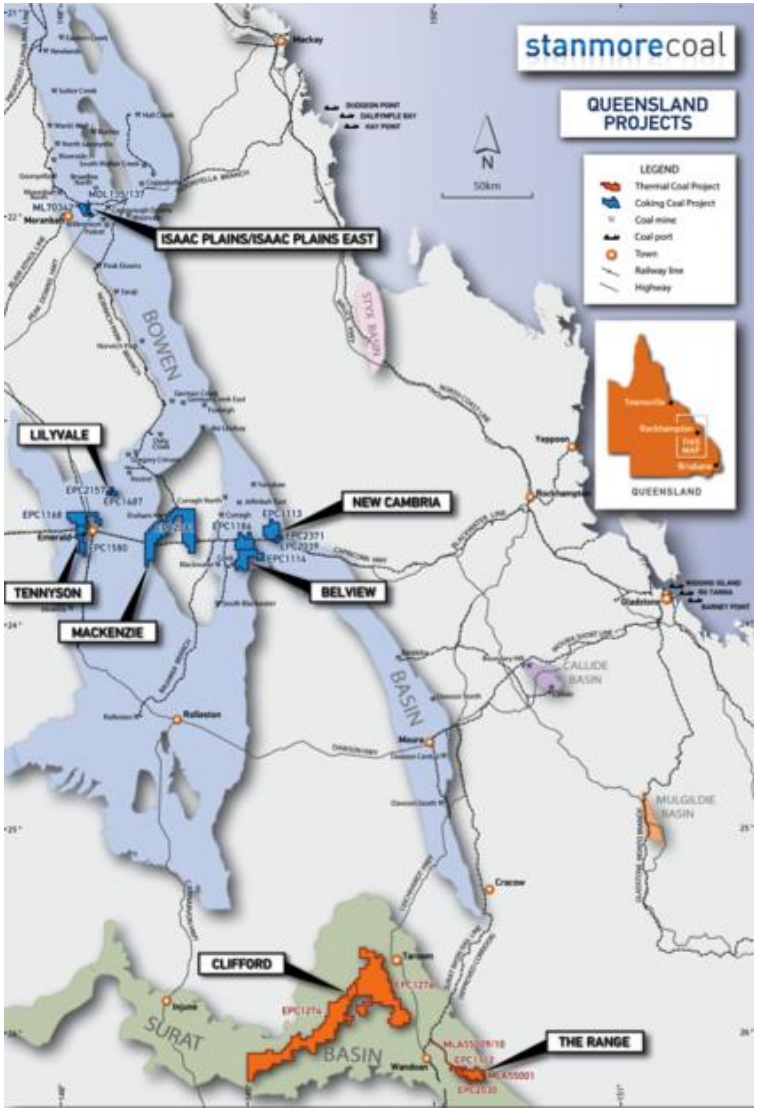
SURAT BASIN – THERMAL COAL

THE RANGE – 100%

Development (pending infrastructure)

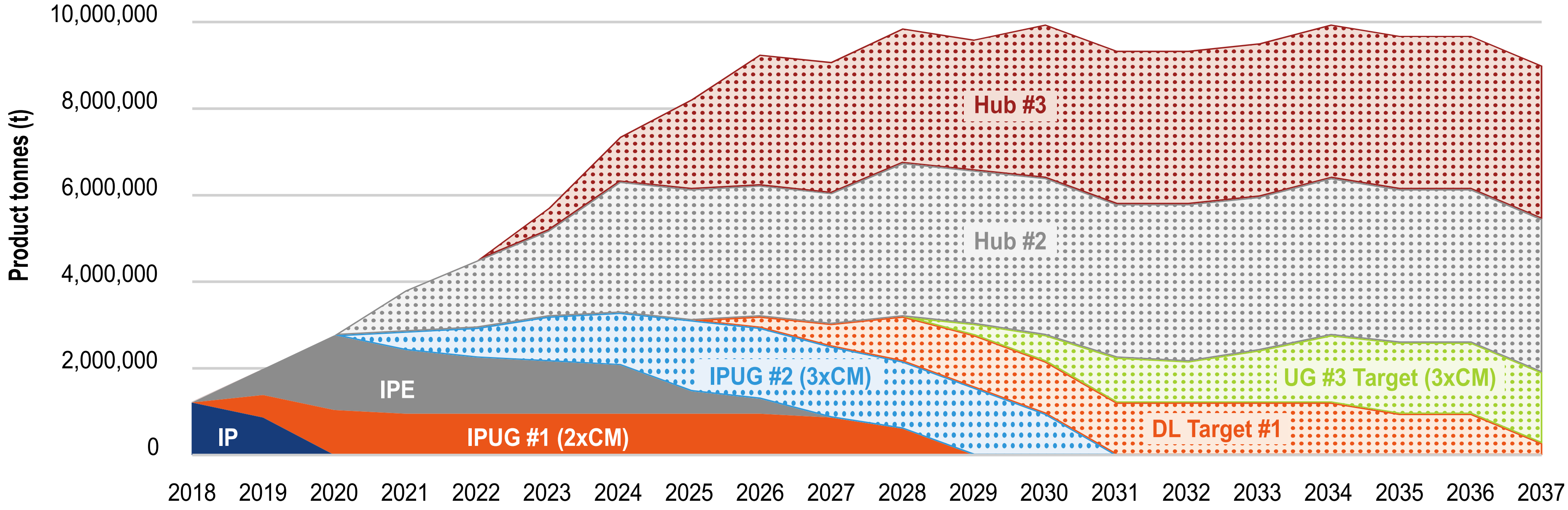
CLIFFORD – 60%

Exploration & studies



PHASE 2 – MEDIUM TERM

THE TRANSITION TO AN INTEGRATED COAL COMPANY



STEP CHANGE VALUE CREATION FROM:

- Building (life and volume) off a cash generative, repeatable platform
- Replication of capital 'light', synergistic aggregation of assets from multiple vendors with both underground and opencut to form regional coal hubs
- Continued positioning in commodity cycles

ISAAC PLAINS BACKGROUND

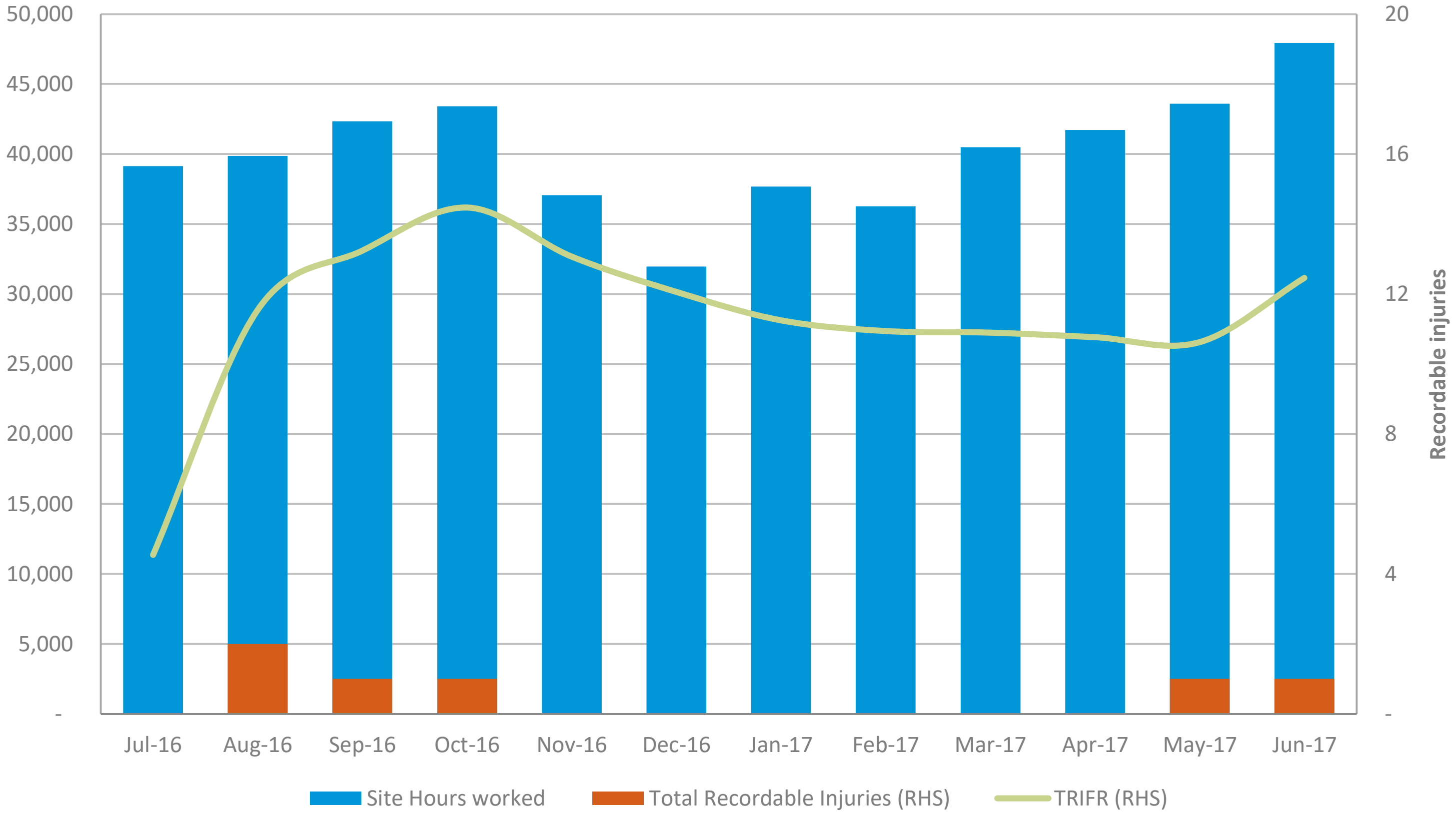
SAFETY

TWO INJURIES (TRI) DURING QUARTER

During the March quarter, there were two injuries (TRI) (including one lost time injury) at the Isaac Plains Mining Complex, with no other injuries recorded across other projects and tenements.

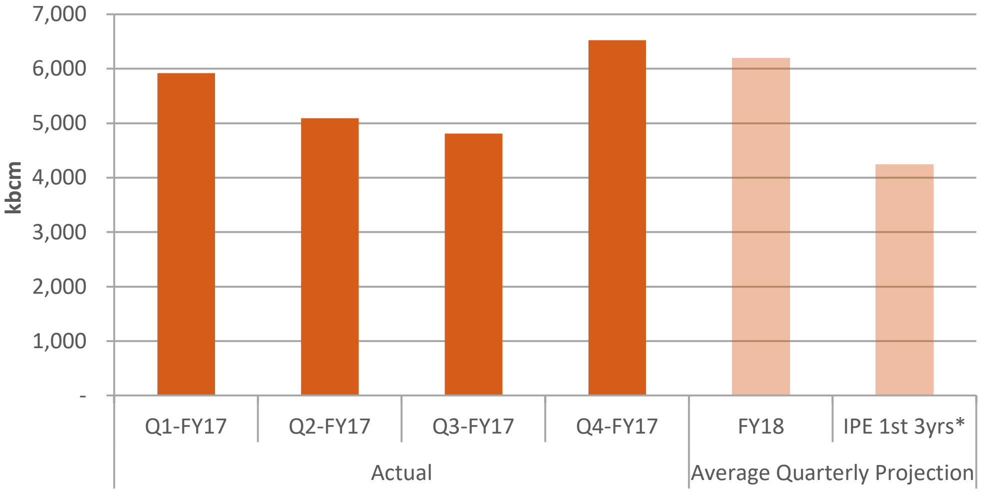
The Total Reportable Injury Frequency Rate (TRIFR) at quarter end is 12.46 per million hours.

STANMORE COAL SAFETY STATISTICS PAST 12 MONTHS TO DATE

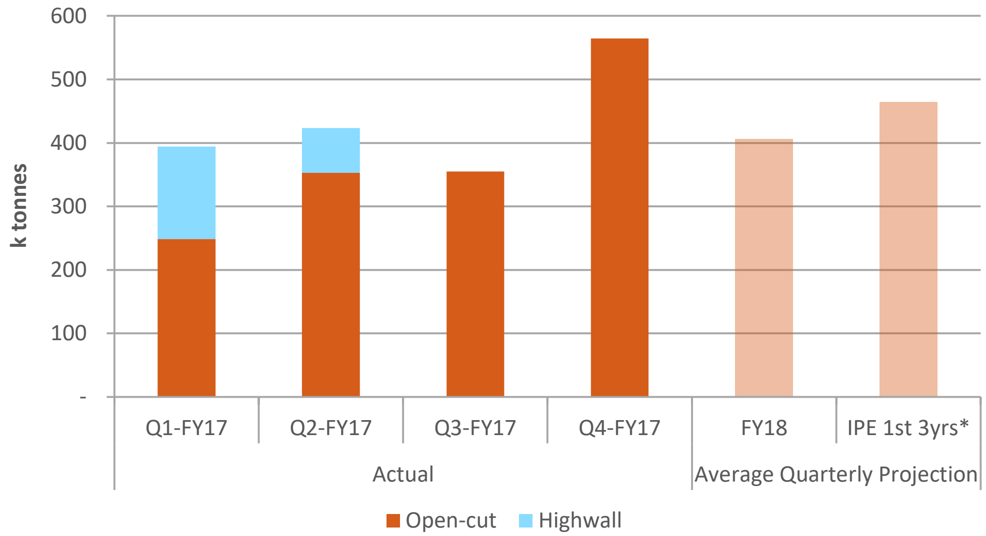


OPERATING RESULTS – MINE PHYSICALS AND COSTS

PRIME WASTE OVERBURDEN (BCM)



ROM COAL MINED



Record quarter for overburden performance outperformed prior guidance of 6.4Mbcm, at >6.5Mbcm. This strong result provides support and confidence to the Companies FY18 average quarterly projection of >6.0Mbcm per quarter.

Overburden is projected to substantially decrease following the commencement of Isaac Plains East where the coal resource is significantly shallower requiring less truck & shovel pre-strip activities.

A record quarter for overburden removal has directly delivered the strongest quarter of ROM coal mining to date, with 564kt mined in the June quarter.

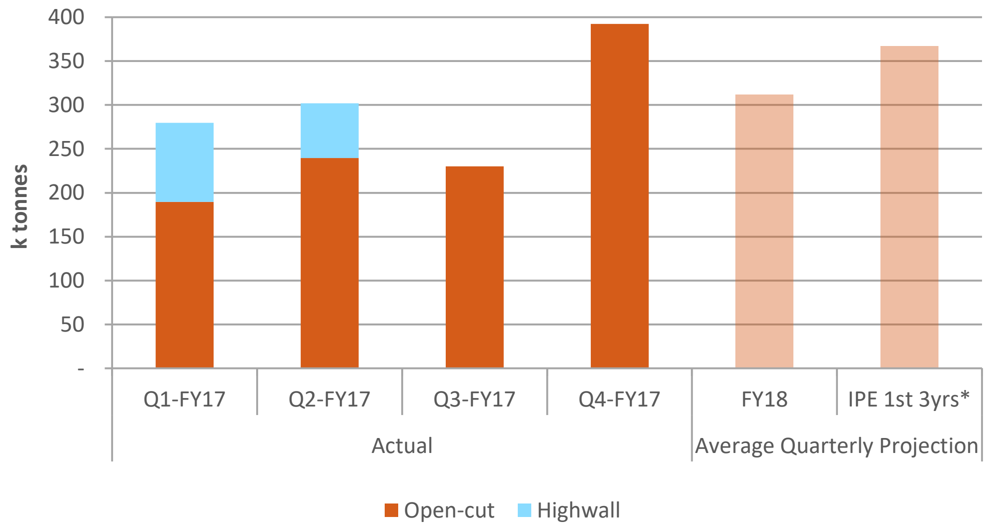
FY18 ROM coal mining is projected at an annualised rate >1.6Mt.

ROM mining rate is projected to substantially increase with the commencement of mining at Isaac Plains East where the shallower coal resource enables higher rates of extraction.

* IPE 1st 3yrs is the projected quarterly average of Isaac Plains East for the first three years of operation

OPERATING RESULTS –
MINE PHYSICALS AND COSTS

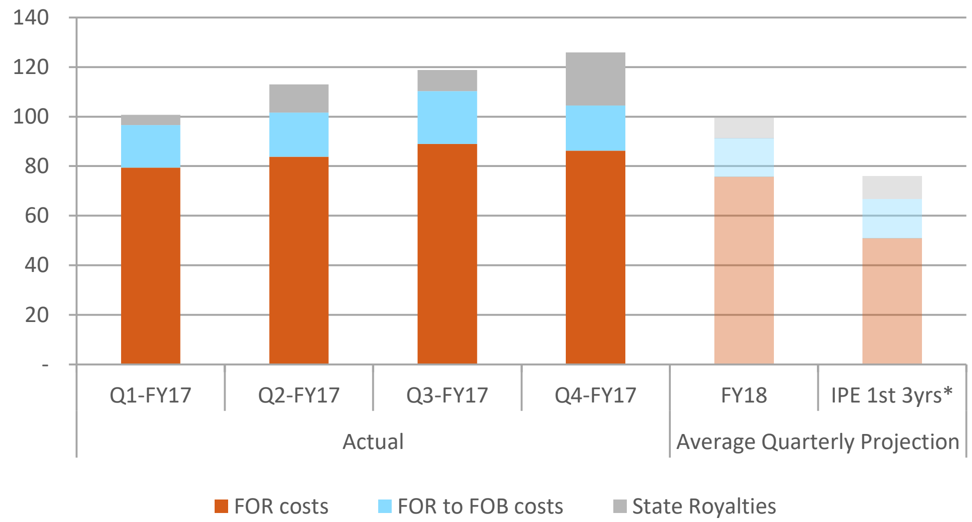
PRODUCT TONNES PRODUCED



Following a record quarter of coal mining (overburden & ROM), product tonnes produced were 392kt, the strongest on record to date.

The FY18 projection for product coal produced is in-line to that achieved in FY17, at approximately 1.2Mt. Noting there will be no additional tonnes from highwall mining in FY18, this implies a stronger outlook in coal mining and coal produced than achieved in FY17.

FOB COSTS (A$/TONNE)



An underlying FOB cost of $102.60/t was achieved for the quarter. Total unit costs in the June Quarter were $125.85/t, including state royalties of $21.35/t (Q3 royalty was $8.46/t), a rail benefit of $2.26/t relating to prior period adjustments and demurrage charges of $4.17/t because of delays due to Tropical Cyclone Debbie.

FY18 Projected unit costs are expected to decline through the adoption of a conservative pricing curve (impacting variable costs) and cost saving initiatives implemented by the Management team, in addition to higher sales in FY18 (lower unit costs) to deplete the 258kt of product coal inventories on hand at 30 June 2017.

Isaac Plains East costs are projected to be an average of $76/t for the first three years.

Note: The FOB cost breakdown between categories has been reclassified by the Management team (resulting in a higher allocation of costs to FOR). Additionally, pre-strip accounting has been adopted going forward (revised in the FY17 quarter figures).

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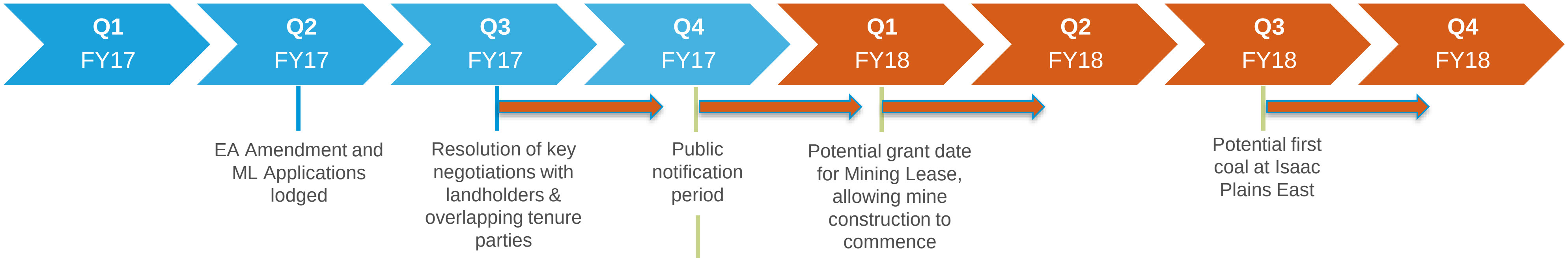
ISAAC PLAINS EAST INDICATIVE TIMETABLE TO PRODUCTION (FINANCIAL YEAR BASIS)



Progress during the June quarter resulted in the recent finalisation of negotiations with landholders allowing the public notification process to be triggered. This delay has resulted in the targeted potential first production from Isaac Plains East moving into Q4 FY18 (from Q3 FY18) subject to no objections during the process and timely processing of the approvals. The company will make updates on progress as milestones are achieved.

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 FY18

Exploration planning and project scheduling

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

3-D seismic program

Target Investment decision on business case (to proceed to Bankable Feasibility Study)