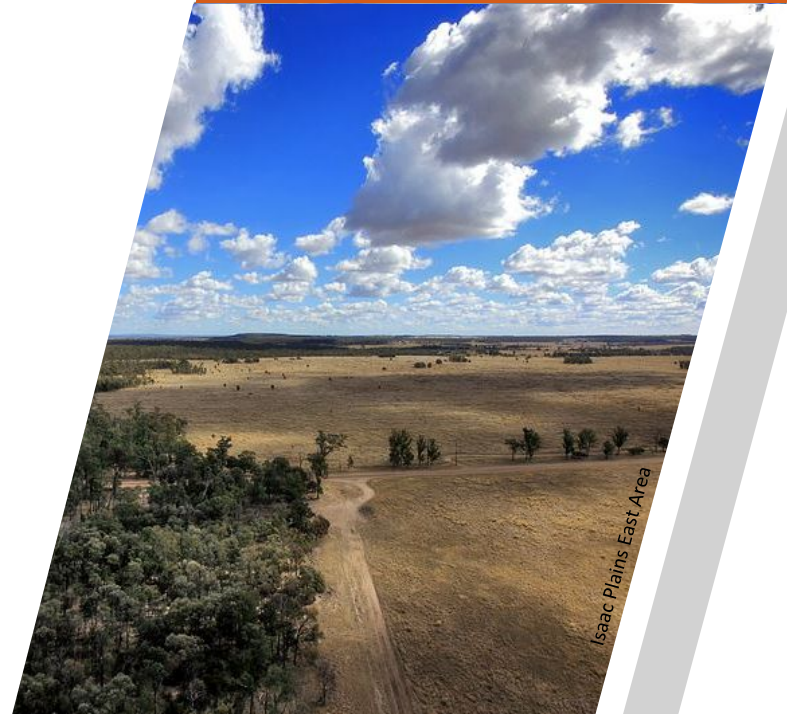


stanmorecoal

JUNE 18
QUARTERLY
PRESENTATION



Isaac Plains East Area

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STANMORE COAL OVERVIEW

SIGNIFICANT STEPS TAKEN ON 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

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

SMR

Share price

A\$0.80¹

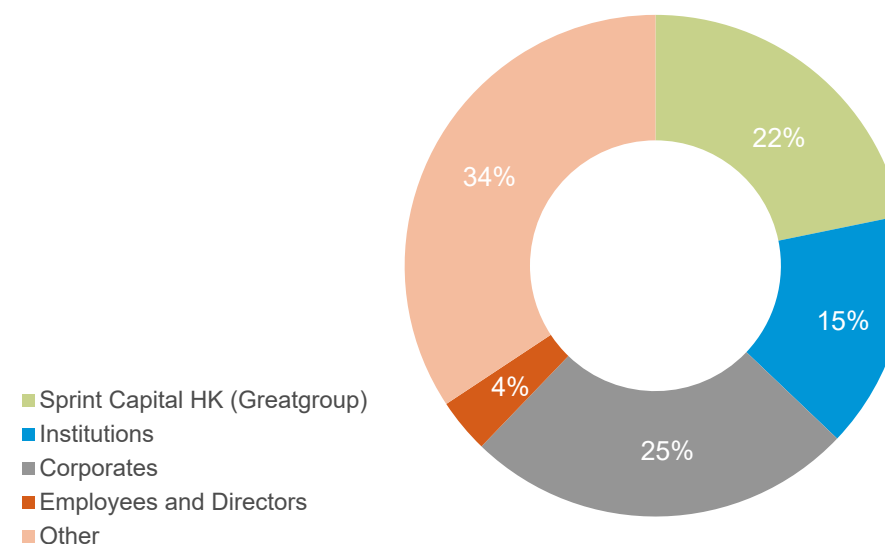
Shares

251,800,978

Market cap

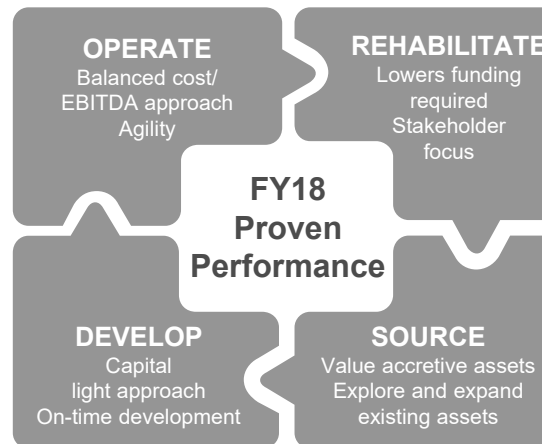
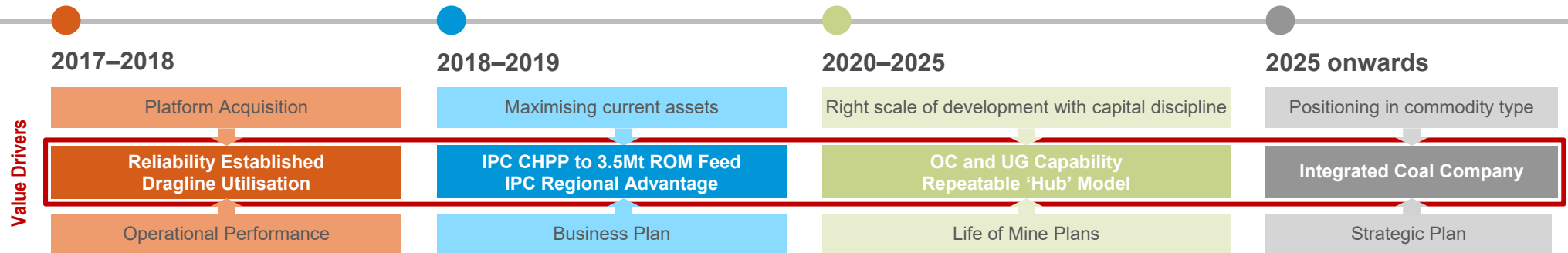
\$201m¹

SHARE OWNERSHIP



THE STRATEGY

EARLY STAGES OF THE STRATEGY SUCCESSFULLY EXECUTED WITH PROVEN ABILITY TO DELIVER THE MINING CYCLE



JUNE QUARTER HIGHLIGHTS

FULL YEAR PRODUCTION WITHIN GUIDANCE AND FY19 BASIS ESTABLISHED

ISAAC PLAINS

- Coal production within guidance, impacted by timing of coal mining resulting in ROM stockpile increases
- June quarter FOB costs of \$114/t. Full year (unaudited) FOB costs of \$111/t within Full Year guidance
- September Quarterly SSCC Benchmark price (forward looking) set at USD137/t, index-linked pricing will be confirmed in late August.

ISAAC PLAINS EAST

- Operations commenced in June, with first coal expected during August
- Mining begins with a truck & shovel operation while the dragline completes mining at Isaac Plains before walking to Isaac Plains East
- Significantly lower cost base resulting from higher coking yields and lower strip ratio coal

ISAAC PLAINS UNDERGROUND

- Maiden JORC reserve declared at 12.9Mt (Marketable Reserves of 9.4Mt)
- Bankable Feasibility Study underway, investment decision expected in FY19

WOTONGA SOUTH

- Acquisition of Wotonga South coking coal deposit (MDL137 & EPC728) for \$30m cash plus circa \$10m production based royalty
- 22.8Mt coal resource, located 10km south of existing Isaac Plains infrastructure provides additional 8-10 year open-cut mine life with the capability to produce semi-hard coking coal, mid-vol PCI and semi-soft coking coal products
- Life of mine strip ratio of less than 8:1 (bcm : ROM tonne) will drive a low cost mining operation representing significant value to shareholders

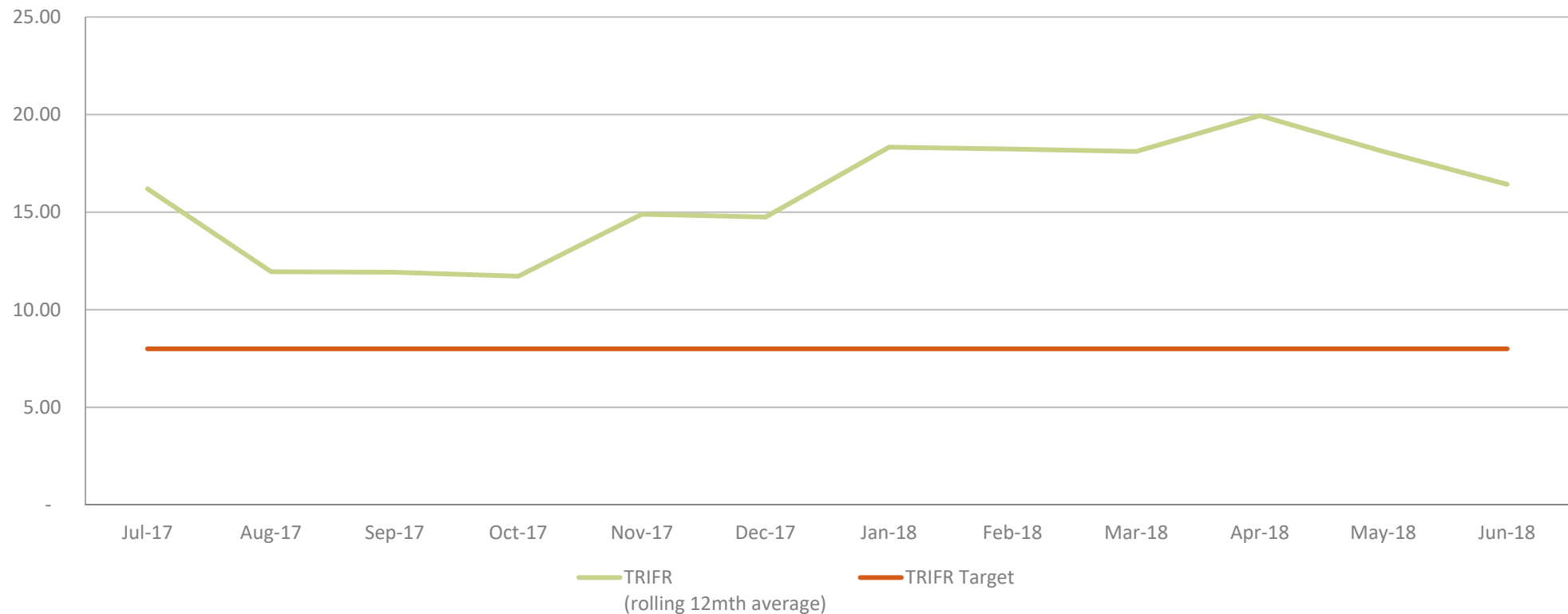
FY19 INTENT

- With Isaac Plains infrastructure capacity, granting of approvals and flexibility in logistics capability, Stanmore will be boosting ROM production to approximately 2.3Mt ROM for FY19, representing a 40% increase over FY18
- Results in approximately 1.8Mt product, representing a +50% increase over FY18
- This is supported by strong coal prices and long term cost flexibility resulting in significant EBITDA growth in FY19
- Plan results in the dragline staying at Isaac Plains for part of FY19, and commencing Isaac Plains East with truck and excavator. The dragline would then move over to Isaac Plains East with the truck and excavator remaining to complement production
- Exploration planning for EPC 755 (15km south of Isaac Plains infrastructure) to assess feasibility

HEALTH AND SAFETY

ONE RECORDABLE INJURY DURING THE QUARTER RESULTING IN THE 12-MONTH TRIFR OF 16.4

Stanmore Coal Safety Statistics Past 12 Months to Date



- During the quarter there were one minor injury (TRI) recorded at Isaac Plains, with no injuries across other Stanmore projects and tenements. The 12-month TRIFR at the end of the June 2018 quarter was 16.4.

QUARTER ENDING JUNE 18

STRONG RESULTS FOLLOWING ACCELERATION PLAN



CURRENT POSITION - SCORECARD

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

Thousands of tonnes	Quarter Ended					Year-to-date		
	Jun 2018	Mar 2018	Change %*	Jun 2017	Change %*	Jun 2018	Jun 2017	Change %*
ROM coal produced	547	382	43%	564	(3%)	1,643	1,737	(5%)
ROM strip ratio (BCM/ROM t)	13.1	14.6	(10%)	10.7	22%	13.5	13.4	0%
Saleable coal produced	314	302	4%	392	(20%)	1,128	1,204	(6%)
Saleable coal purchased	-	10	n.a.	-	n.a.	10	-	n.a.
Total coal sales	320	404	(21%)	265	21%	1,318	1,020	29%
Product coal stockpiles	80	85	(6%)	259	(69%)	80	259	(69%)
ROM coal stockpile	85	10	764%	62	38%	85	62	38%

* Note: Change is favourable/unfavourable

June Quarter

- Coal mining in the June Quarter was 43% ahead of prior quarter and in-line with full year guidance
- Coal production within guidance, impacted by timing of coal mining resulting in ROM stockpile increases
- Coal sales of 320kt were 21% lower than prior quarter due to the prior quarter sales being inflated by opening stock balances (177kt product stockpile at December)
- Semi-soft price received A\$181/t (US\$136/t) and thermal price received A\$116/t (US\$86/t) for the quarter
- Net cash reduced to \$19.8m from \$23.4m as a result of development capital incurred at Isaac Plains East, underground project BFS costs. No debt is drawn at 30 June 2018.
- Commitment to rehabilitation performance has resulted in a reduction to Financial Assurance (Bonding) by \$8m

18 July 18

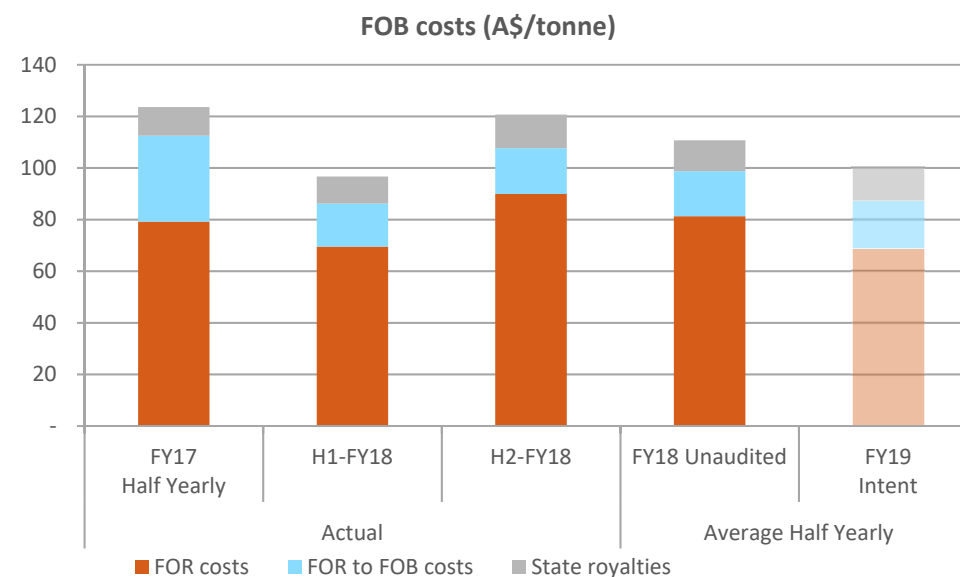
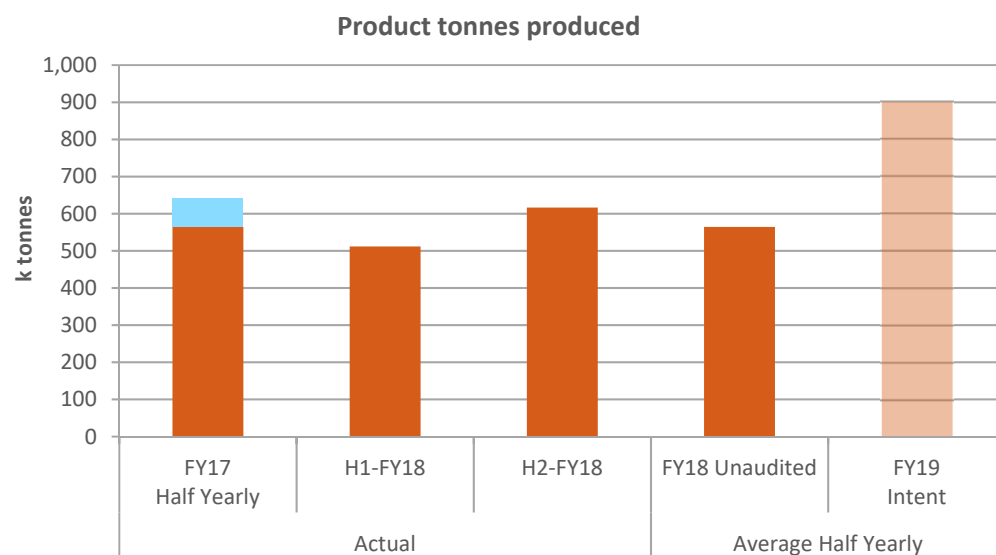
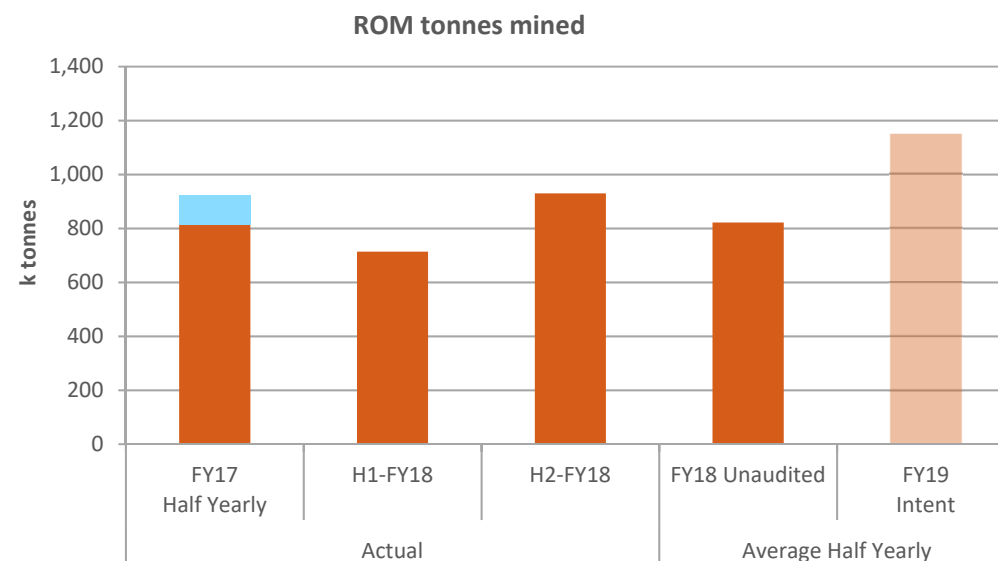
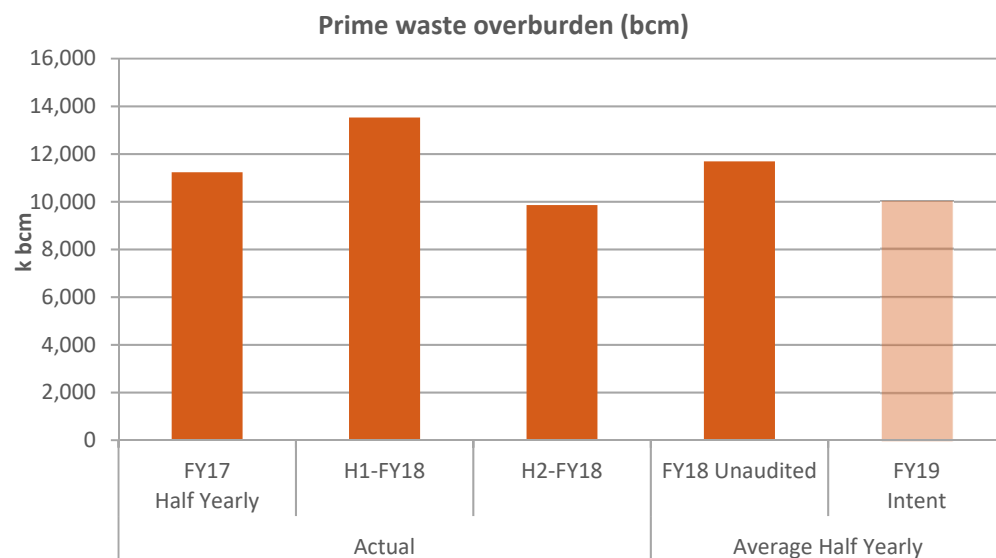
- Net cash of \$36m, increase from quarter end due to receipt of late June cargoes
- Product Stocks increased to approximately 125kt

Full Year (Unaudited)

- Full Year Production of 1.13Mt within guidance
- Full Year FOB costs of \$111/t within guidance
- Unaudited FY18 Underlying EBITDA expected to be \$43.5 – 45.5 million (Reported EBITDA expected to be \$22-24m)

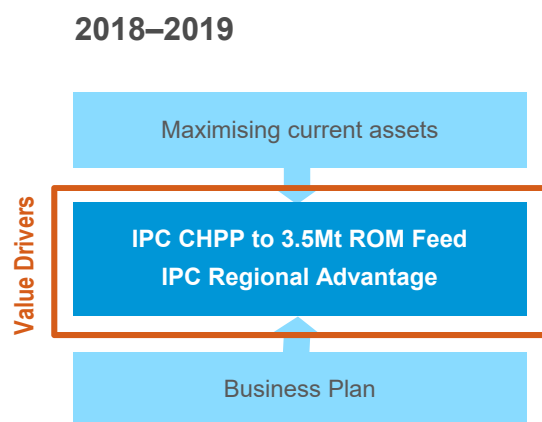
OPERATIONAL PERFORMANCE

OPERATIONAL PERFORMANCE



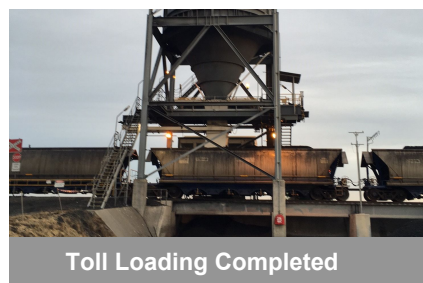
THE STRATEGY INTO ACTION DURING FY18/19

CASH GENERATION AND FULL UTILIZATION OF THE INFRASTRUCTURE REMAINS FRONT AND CENTRE FOR FULL SHAREHOLDER VALUE



PHASE 1-SHORT TERM SCORECARD

- 'Sweat' the asset to 3.5Mt ROM Feed for maximum value ●
- Capital 'light' ●
- Open cut and underground capability with IPE and IPUG ●
- Metallurgical coal focus ●
- Satellite assets ●



Toll Loading

- A total volume of 610kt loaded through the TLO at attractive returns on underutilised infrastructure

Isaac Plains East

- Mining commenced at IPE with topsoil removal and drill & blast preparation during June
- Truck & shovel fleet commenced bulk waste operations on 13 July 2018, with first coal anticipated in August
- Dragline will walk to Isaac Plains East after completing Isaac Plains
- Golding's (ASX: NRW) whole of mine contract extended to June 2019 (FY19) covering both Isaac Plains & Isaac Plains East

Isaac Plains Underground

- A maiden JORC reserve (2012 compliant) of 12.9Mt was declared during the quarter, based on the pre-feasibility study. Marketable Reserves total 9.4Mt (8.2Mt coking, 1.2Mt thermal)
- Stanmore has committed capital funds to develop a Bankable Feasibility Study (BFS) for the Isaac Plains Underground project in conjunction with Mastermyne (ASX: MYE), based on an early contractor engagement model
- BFS targeting completion in CY2018, with final investment decision due in FY19
- Targeting +1Mt ROM / year at < \$100/t FOB

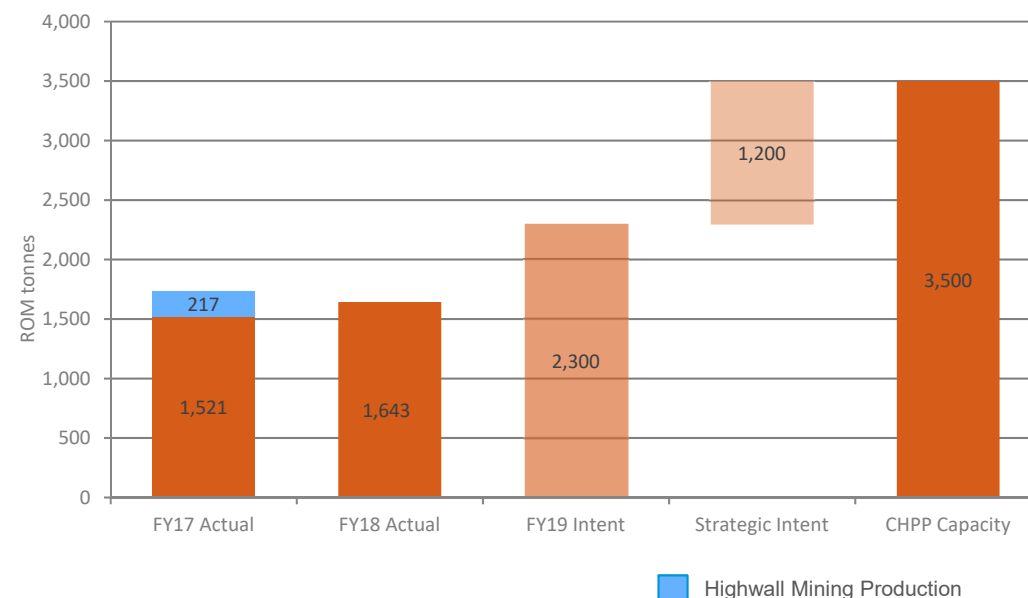
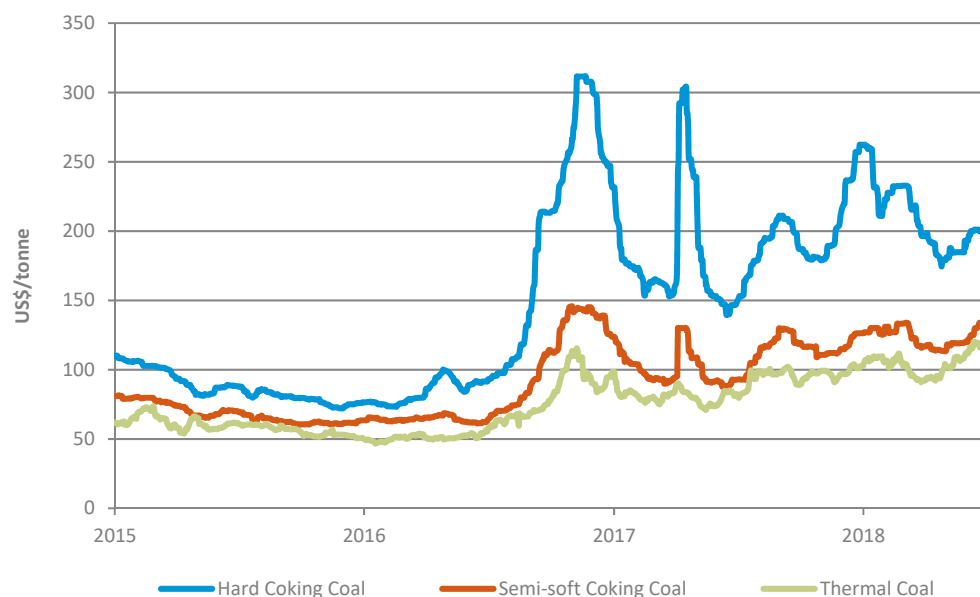
Exploration

- Exploration program planned for EPC 755 (approximately 15km to the south of Isaac Plains infrastructure) to assess feasibility



THE STRATEGY INTO ACTION DURING FY18/19

THE COMBINATION OF PRICE, TIMING OF PROJECTS AND FLEXIBILITY IN INFRASTRUCTURE POSITIONS STANMORE WELL TO ACCELERATE EBITDA GROWTH INTO FY19



STRATEGY IN ACTION

- Stanmore is expecting to boost ROM production to approximately 2.3Mt ROM for FY19, representing a 40% increase over FY18
- Results in approximately 1.8Mt product, representing a +50% increase over FY18
- Plan results in the dragline staying at Isaac Plains for part of FY19, and commencing Isaac Plains East with truck and excavator. This is an important and accelerated step to Stanmore achieving its short term objective of maximising ROM feed to the plant of 3.5Mtpa
- This is supported by strong coal prices in the immediate future which incentivises increased production at a higher cost structure (~\$10/t) resulting in higher EBITDA for shareholders
- The remaining capacity in the CHPP (approximately 1.2Mtpa) represents the short term opportunities available to deliver additional EBITDA growth above this initiative. Further opportunities include regional open-cut and underground targets.

THE STRATEGY INTO ACTION DURING FY18/19

WOTONGA SOUTH PROVIDES 8-10 YEARS ADDITIONAL MINE LIFE IN A VERY SOUGHT AFTER REGION

2018–2019

Value Drivers

Maximising current assets

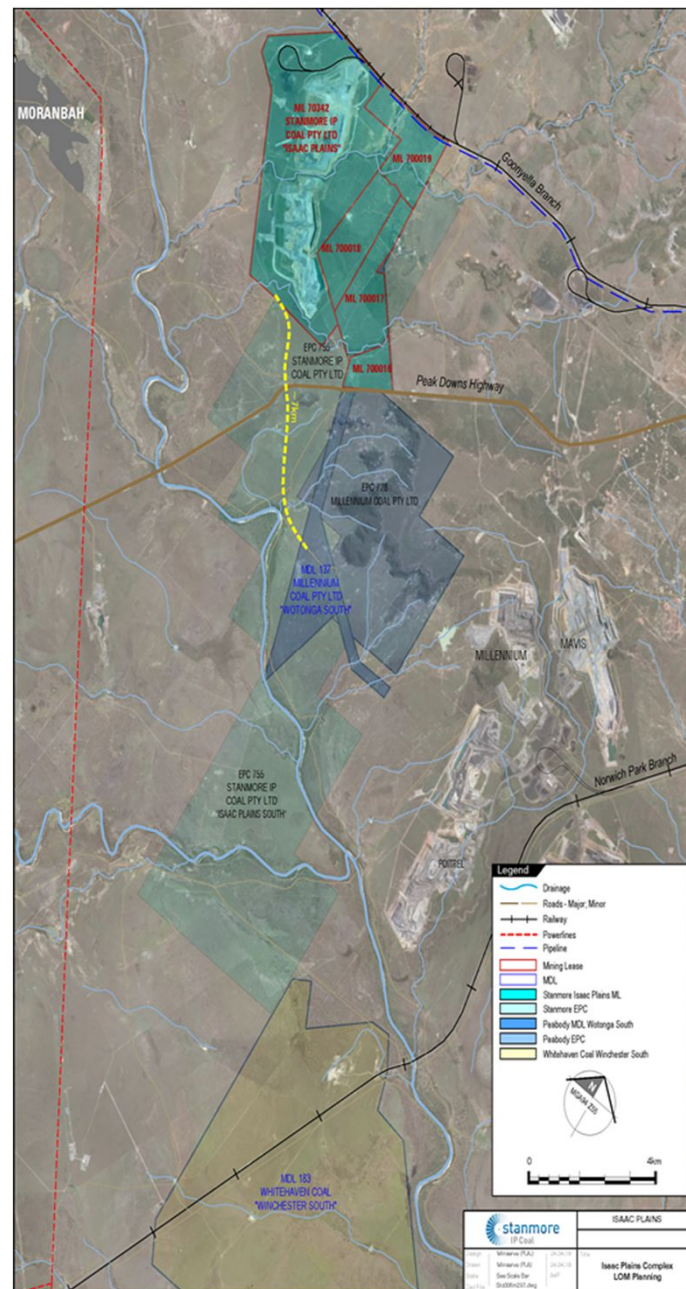
IPC CHPP to 3.5Mt ROM Feed
IPC Regional Advantage

Business Plan

PHASE 1-SHORT TERM SCORECARD

- 'Sweat' the asset to 3.5Mt ROM Feed for maximum value ●
- Capital 'light' ●
- Open cut and underground capability with IPE and IPUG ●
- Metallurgical coal focus ●
- Satellite assets ●

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Wotonga South

- Stanmore announced on 12 June 2018 the acquisition of MDL137 and EPC728 (known as Wotonga South)
- Purchased from Millennium Coal Pty Ltd (Peabody) for \$30 million cash plus a production based royalty capped at circa \$10 million (paid quarterly if the premium HCC coal price is over A\$170/t).
- The acquisition is expected to be funded from cashflows and existing debt facilities of the company.
- The Wotonga South deposit has a Coal Resource of 22.8 million tonnes (compliant with JORC 2012)
- 10 kilometres south of the existing coal handling and process plant (CHPP) at Isaac Plains.
- The deposit will support a mine life of 8-10 years
- Capability to produce semi-hard coking coal, a mid-vol PCI product, as well as a range of semi-soft/weak coking coals.

THE STRATEGY INTO ACTION

WITH THE LIFE OF MINE AT ISAAC PLAINS NOW ASSURED, FURTHER OPPORTUNITY EXISTS

2020–2025

Right scale of acquisition
with capital discipline

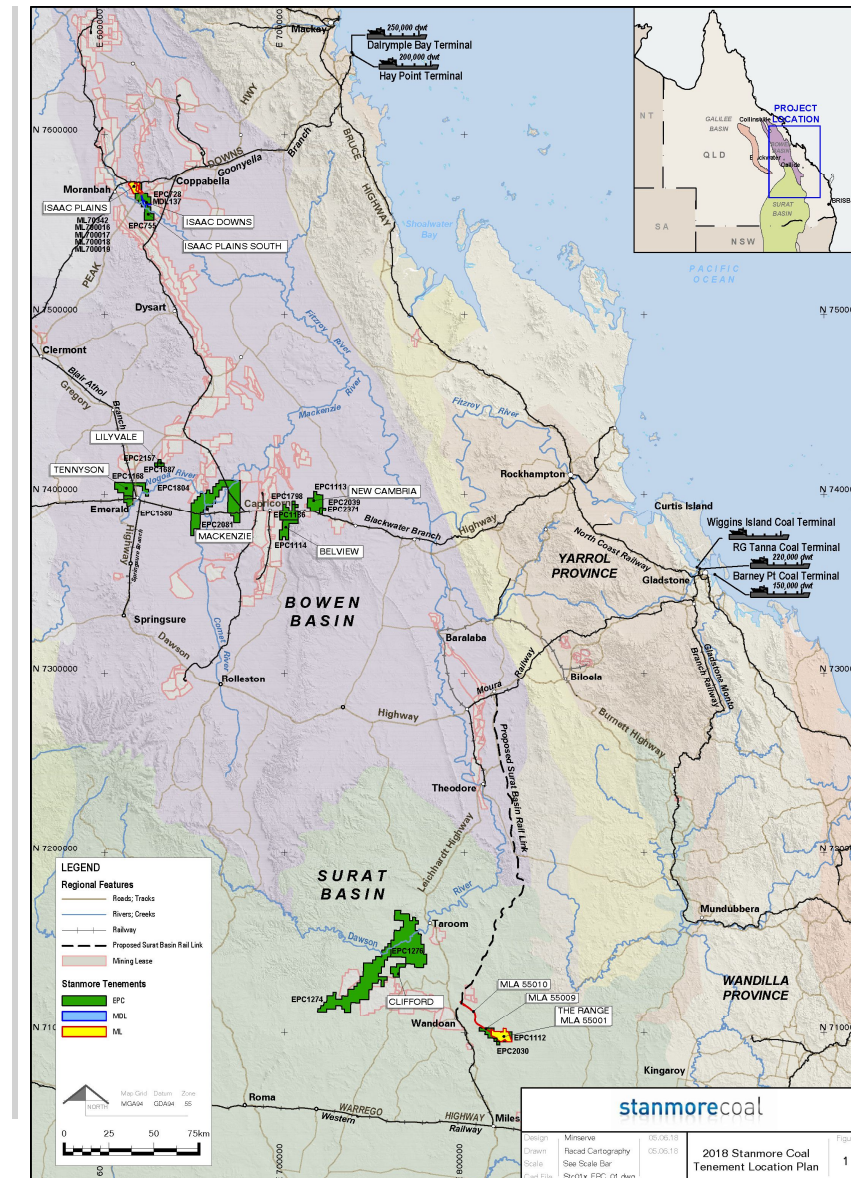
OC and UG Capability
Repeatable 'Hub' Model

Life of Mine Plans

Value Driver

PHASE 2 - MEDIUM TERM

- Opportunistic development of core portfolio assets
- Contract and/or Owner operate
- 3 Hubs / Complexes - Size / scale 10Mt
 - Disciplined deployment of capital prioritised to the opportunity with the highest rate of return. This could mean expansion / development of existing assets as opposed to more hubs



- A review of The Range Project (Surat Basin) has been commissioned:
 - CAPEX and OPEX review
 - Mine infrastructure design
 - Mine to Rail option assessment
 - Rail to port – options to assess solutions
 - Cooperation with other mining companies and gas companies to leverage common goals
- Rail options for Clifford in the Surat also being assessed
- Belview (near Blackwater) represents a possible 2nd Hub for development options with a long term life of mine pathway
- Exploration planning commenced for Lilyvale
- Focussing on multiple producer areas, underutilised capacity and stranded assets

THE 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, 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
- 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 responsible for feasibility studies and financial evaluation of new projects and brownfield expansions.



JON ROMCKE
GENERAL MANAGER DEVELOPMENT

- Previously Head of Iron Ore Assets with Glencore International. Jon also worked for Xstrata Iron Ore in Switzerland and Xstrata Coal in Queensland.
- Identification, targeting and the development of new business opportunities is underpinned by his technical, financial and commercial skills.
- Provides the step change required to successfully develop our business and provide our shareholders with great sustainable and cost effective returns.