21 December 2018

The Manager
Companies Announcement Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney, NSW 2000

Dear Sir / Madam

STANMORE COAL LIMITED
TAKEOVER OFFER BY GOLDEN INVESTMENTS (AUSTRALIA) PTE. LTD

As required by s647(3) of the Corporations Act 2001 (Cth), we enclose a copy of the first Supplementary Target's Statement dated 21 December 2018 and served today by Stanmore Coal Limited (***Stanmore***) on Golden Investments (Australia) Pte. Ltd (***Golden Investments***), supplementing Stanmore's Target's Statement dated 12 December 2018 in response to Golden Investments' Bidder's Statement dated 19 November 2018 as supplemented by the Supplementary Bidder's Statement dated 14 December 2018.

Yours faithfully,

Ian Poole
Company Secretary

For further information, please contact:

Dan Clifford
Managing Director
07 3238 1000

Ian Poole
Chief Financial Officer & Company Secretary
07 3238 1000

About Stanmore Coal Limited (ASX: SMR)

Stanmore Coal operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal owns 100% of the Isaac Plains Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) and the Isaac Plains Underground Mine (currently being assessed in a Bankable Feasibility Study). The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. In addition, Stanmore Coal holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland Bowen and Surat basins.

FIRST SUPPLEMENTARY TARGET'S STATEMENT BY STANMORE COAL LIMITED (ACN 131 920 968)

1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth) (***Supplementary Target's Statement***). It is the first Supplementary Target's Statement to the Target's Statement issued by Stanmore Coal Limited (***Stanmore***), dated 12 December 2018, (***Original Target's Statement***) in relation to Golden Investments (Australia) Pte. Ltd's (***Golden Investments***) unsolicited, conditional off-market takeover offer for all the ordinary shares in Stanmore, made pursuant to the Bidder's Statement dated 19 November 2018 as supplemented by the Supplementary Bidder's Statement dated 14 December 2018.

This Supplementary Target's Statement supplements, and should be read together with, the Original Target's Statement. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Original Target's Statement. Unless the context requires otherwise, terms defined in section 9 of the Original Target's Statement have the same meaning where used in this Supplementary Target's Statement.

This Supplementary Target's Statement is dated, and was lodged with ASIC and ASX on 21 December 2018. Neither ASIC or ASX, nor any of their respective officers, takes any responsibility for the contents of this Supplementary Target's Statement.

The Supplementary Target's Statement is an important document and requires your immediate attention.

The Supplementary Target's Statement does not take into account the individual investment objectives, tax position, financial or particular needs of any person. It does not contain financial product advice. You should seek independent legal, investment, financial or taxation advice before making a decision as to whether or not to accept the Offer.

If you have recently sold all of your Stanmore Shares, please disregard this document.

2 Isaac Downs Project – Coal Resource Upgrade and Maiden Coal Reserve Declaration

Highlights

- Significant Coal Resource upgrade to 33M tonnes, from 23M tonnes (43% increase), of which 17M tonnes is a Measured Resource, 12M tonnes is an Indicated Resource and 4M tonnes is an Inferred Resource (Reported in accordance with the JORC Code 2012)
- A maiden open-cut Coal Reserve is declared at 24.5M tonnes (ROM), 17.0M tonnes in the Proved category and 7.5M tonnes in the Probable category
- Marketable Coal Reserves total 15.8M tonnes, consisting of an 8.0% ash semi-hard coking coal product and a 10.5% ash Pulverised Coal Injection (PCI) coking coal product
- The detailed mine schedule supporting the Coal Reserve estimate produces approximately 3.0Mt per annum ROM coal over an 8 year period
- The intended development of Isaac Downs (with an expected strip ratio range of approximately 8:1 to 10:1 driven by economic cut-offs) is expected to further reduce Stanmore's cost of production
- Further exploration is underway at Isaac Downs to support environmental studies with the objective of progressing the project forward with environmental approvals, feasibility assessments and seeking to further define Coal Resource estimates not included within the Coal Reserve estimate

Stanmore announces a significant upgrade to Coal Resource estimates and a declaration of a maiden open-cut Coal Reserve at its Isaac Downs Project (**Isaac Downs** or **Project**). The Project is located approximately 12km south of the Isaac Plains Complex near Moranbah in the Bowen Basin. The assessment of a Coal Resource and Mineable and Marketable Coal Reserve was undertaken covering Mineral Development License (**MDL**) 137 and Exploration Permits for Coal (**EPC**) 728 and 755.

Coal Resources have been estimated using Maptek's Vulcan modelling software and are based on a geological model that was prepared in December 2018. Coal Resources have been estimated for the Leichhardt and Vermont Upper seams of the Late Permian aged Rangal Coal Measures.

The total Coal Resource estimate is 33 million tonnes (Mt), of which 17 Mt is classified as Measured Resources, 12 Mt is classified as Indicated Resources and 4 Mt is classified as Inferred Resources. A summary of the Coal Resource estimate is contained in Table 1 below.

Table 1: Summary of Coal Resources by Seam

Seam	Ply	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Leichhardt	**L**	9.9	2.3	0.1	**12**
	LU	**-**	2.2	0.8	**3**
	LL	**-**	2.2	0.4	**3**
	LL1	**-**	1.5	1.5	**3**
Vermont Upper	**VU1**	5.6	2.9	**-**	**8**
	VU2	1.0	0.9	1.6	**4**
Grand Total		**17**	**12**	**4**	**33**

Notes:
1. Coal Resources estimated at 4% in situ moisture.
2. Totals may not sum correctly due to rounding.

The coal seams that contribute to the Coal Resource estimate are the Leichhardt and Vermont Upper seams, which contain five coal plies – the Leichardt Upper, Leichhardt Lower, Leichhardt Lower 1, Vermont Upper 1 and Vermont Upper 2. The coal plies exist as one composite seam across the initial 12 to 16 strips of the mine plan, with the Leichhardt Upper and Leichhardt Lower splitting off from the other 3 plies in the eastern parts of the proposed pit area. The Leichhardt and Vermont seam group typically have a thickness of up to 7.5 m, when coalesced

The Isaac Downs detailed mine schedule which supports the Coal Reserve estimate produces approximately 3.0Mt per annum ROM coal over an 8 year period. The intended development of Isaac Downs (with an expected strip ratio range of approximately 8:1 to 10:1 driven by economic cut-offs) is expected to reduce Stanmore's cost of production.

The Company is currently undertaking further exploration at Isaac Downs to support environmental studies with the objective of progressing the Project forward with environmental approvals, feasibility assessments and seeking to further define Coal Resource estimates not included within the Coal Reserve estimate.

The proposed mining methods are the same as Stanmore's nearby Isaac Plains and Isaac Plains East mines, utilising a strip mining method with waste removed by a combination of cast blasting, dozing and dragline or truck and excavator. A maximum operating horizon of 40m has been allocated to the dragline due to moderate coal dips, and to maintain coal production levels at high rates.

The total open-cut ROM Coal Reserves for Isaac Downs, subdivided into the 3 tenements, are presented in Table 2 below.

Table 2 – Isaac Downs - Open Cut ROM Coal Reserves Estimate

2018 Coal Reserve Estimate							
		LU	LL	LL1	VU1	VU2	Total
MDL 137	Proved	3.2	4.6	2.2	5.6	1.3	**16.9**
	Probable	2.2	2.5	1.6	0.5	0.6	**7.3**
	Total	5.3	7.1	3.8	6.1	1.9	**24.2**
EPC 755	Proved	0.0	0.0	0.0	0.0	0.0	**0.1**
	Probable	0.1	0.1	0.0	0.0	0.0	**0.2**
	Total	0.1	0.1	0.0	0.1	0.0	**0.3**
EPC728	Proved	0.0	0.0	0.0	0.0	0.0	**0.0**
	Probable	0.0	0.0	0.0	0.0	0.0	**0.0**
	Total	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	**Proved**	**3.2**	**4.6**	**2.2**	**5.6**	**1.3**	**17.0**
	Probable	**2.2**	**2.5**	**1.6**	**0.6**	**0.6**	**7.5**
	Total	**5.4**	**7.2**	**3.8**	**6.2**	**2.0**	**24.5**

* Tonnages and qualities in the above table are expressed on a ROM basis, incorporating the effects of mining loss, dilution and aggregation, and on a 7.0% ROM moisture basis.

The Marketable Coal Reserves consist of two products:

- semi-hard coking coal targeting 8.0% ash, and
- PCI coal targeting 10.5% ash.

The average total yield for Isaac Downs is 64.5% on a ROM tonne to product tonne basis. The primary semi-hard coking coal product is expected to make up 71% of the total product mix, with the remaining 29% being the secondary PCI product, however a conservative approach has been utilised for the Coal Reserve estimate with the split modified to 65% SHCC and 35% PCI. This has formed the basis of an estimate of Marketable Coal Reserves that are derived from the ROM Coal Reserve Estimates. Therefore, Marketable Coal Reserves are a sub-set of ROM Coal Reserves.

All Marketable Coal Reserves tonnages have been expressed on an as-received product moisture basis, which is 10.5% for both coal types.

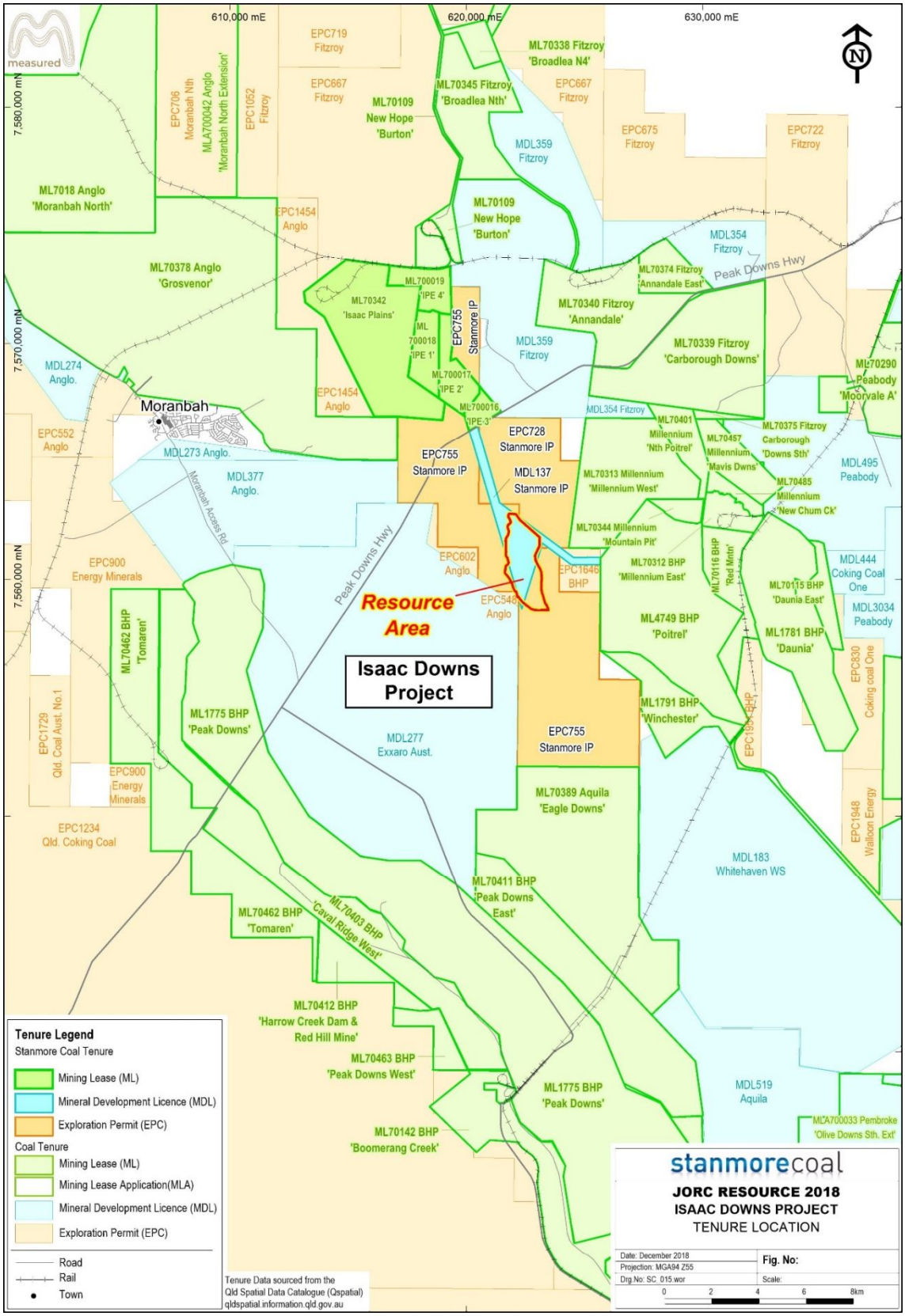
The total open cut Marketable Coal Reserves for Isaac Downs, subdivided into the three tenements, are presented in Table 3 below.

Table 3 – Isaac Downs - Open Cut Marketable Coal Reserves Estimate

2018 Coal Marketable Reserve Estimate							
		LU	LL	LL1	VU1	VU2	Total
MDL 137	Proved	1.8	3.2	1.3	4.2	0.7	**11.1**
	Probable	1.1	1.6	1.0	0.4	0.4	**4.5**
	Total	2.9	4.7	2.4	4.6	1.0	**15.6**
EPC 755	Proved	0.0	0.0	0.0	0.0	0.0	**0.1**
	Probable	0.0	0.0	0.0	0.0	0.0	**0.1**
	Total	0.0	0.1	0.0	0.1	0.0	**0.2**
EPC728	Proved	0.0	0.0	0.0	0.0	0.0	**0.0**
	Probable	0.0	0.0	0.0	0.0	0.0	**0.0**
	Total	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	**Proved**	**1.8**	**3.2**	**1.3**	**4.2**	**0.7**	**11.2**
	Probable	**1.2**	**1.6**	**1.0**	**0.4**	**0.4**	**4.6**
	Total	**3.0**	**4.8**	**2.4**	**4.6**	**1.0**	**15.8**

The Competent Person Statement for this Coal Resource and Coal Reserve report is set out in Schedule 1 to this Supplementary Target's Statement.

Figure 1 – Tenure and Deposit Location



3 Other information

3.1 Non-IFRS information

Section 1.2(a) of the Original Target's Statement makes reference to Stanmore's 'Underlying EBITDA' in respect of FY17 and FY18, as well as guidance for FY19 underlying EBITDA. Underlying EBITDA is 'non-IFRS financial information' under ASIC Regulatory Guide 230 Disclosing non-IFRS information published by the Australian Securities and Investments Commission. The source for this information is Stanmore's 2018 Annual Report released to the ASX on 21 September 2018. Pages 29 and 30 of Stanmore's 2018 Annual Report includes a reconciliation of underlying EBITA for FY17 and FY8, an extract of which is set out below.

Underlying EBITDA reflects statutory EBITDA as adjusted to reflect the Director's assessment of the result for the ongoing business activities of the Group. These numbers have not been audited.

	Note	2018 $M	2017 $M
Profit/(loss) before income tax and net finance expenses		**18.826**	**15.743**
Depreciation and amortisation	2	5.207	3.332
Earnings before interest, depreciation and amortisation (EBITDA)		**24.033**	**19.075**
Adjustments for Underlying EBITDA			
Movement in impairment of The Range Development Project	9(a)	-	(8.512)
Impairment and write off of exploration assets	9(b)	0.008	0.917
Remeasurement of rehabilitation provision	14	(0.281)	1.357
Remeasurement of onerous contracts	13	(4.040)	(0.538)
Fair value movement contingent consideration	15	25.828	14.457
Underlying EBITDA		**45.548**	**26.756**

The source document for the FY19 underlying EBITDA guidance contained in Section 1.2(a) of the Original Target's Statement is the announcement released by Stanmore to the ASX on 19 November 2018 entitled 'FY19 Earnings Guidance'.

3.2 Coal Reserves and Coal Resources source document

Page 19 of the Original Target's Statement makes reference to a table of Stanmore's 'Coal Reserves and Coal Resources (100% Basis)'. The reserves and resources information in this table are dated as at June 2018 and is a summary of the more detailed reserves and resources information contained on pages 35 and 36 of the Original Target's Statement. Stanmore Shareholders can refer to pages 34-37 of the Original Target Statement for further information on the source document.

Since the issue of the Original Target's Statement, the Company has published an update to Isaac Down's Coal Resource estimate and a maiden Coal Reserve declaration. Refer to section 2 of this Supplementary Target's Statement for further information.

4 No change to your Director's recommendation

Your Directors continue to unanimously recommend that Stanmore Shareholders **REJECT** the Offer, by **TAKING NO ACTION**, for the reasons set out in Section 1 of the Original Target's Statement as supplemented by this Supplementary Target's Statement.

5 Shareholder Information Line

Stanmore Shareholders can call the Shareholder Information Line on 1300 970 086 (within Australia) or +61 1300 970 086 (outside Australia), between 8.30am and 5.30pm (AEDT) Monday to Friday if they have any queries in relation to the Offer. Authorisation

6 Authorisation

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of Stanmore.

Dated 21 December 2018

Signed for and on behalf of Stanmore Coal Limited by:

Stewart Butel

Chairman

Schedule 1

Competent Person Statement

The Coal Resource Estimate for the Isaac Downs Project has been prepared by a team of consultants under the guidance of Mr James Knowles. James Knowles is an employee of Measured Group Pty Ltd and holds a Bachelor of Science from the University of Sydney. James has more than 20 years of experience in the estimation of Coal Resources both in Australia and overseas. This expertise has been acquired principally through exploration and evaluation assignments at operating mines and exploration areas. The estimates of Open Cut Coal Resources for the Isaac Downs Project as at 31 December 2018 presented in this report have been prepared in accordance with the requirements of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Neither James Knowles nor Measured Group Pty Ltd have any material interest or entitlement, direct or indirect, in the securities of Stanmore Coal Ltd or any associated companies. Fees for the preparation of this report are on a time and materials basis only. James Knowles consents to the release of the report, in the form and context in which it appears.

The Coal Reserve Estimate for the Isaac Downs Project has been prepared by a team of consultants under the guidance of Mr Tony O'Connell. Tony O'Connell is an employee of Optimal Mining Solutions Pty Ltd and holds a Bachelor of Mining Engineering from the University of Queensland. Tony has over 20 years' experience relevant to the design, operation and reporting of open cut coal mines throughout Australia and the world. The estimates of Open Cut Coal Reserves for the Isaac Downs Project as at 31 December 2018 presented in this report have been prepared in accordance with the requirements of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Neither Tony O'Connell, Measured Group Pty Ltd nor Optimal Mining Solutions Pty Ltd has any material interest or entitlement, direct or indirect, in the securities of Stanmore Coal Ltd or any associated companies. Fees for the preparation of this report are on a time and materials basis only. Tony O'Connell consents to the release of the report, in the form and context in which it appears.

Appendix A: JORC Code, 2012 – Table 1

This Appendix details Section 1, 2 and 3 of the JORC Code, 2012 Edition Table 1.

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Vertical drillholes were used to obtain core samples of the coal seam and associated stone partings. • Sub samples based on brightness profiles and natural stone partings >5 cm thick were initially undertaken to determine geological/quality ply boundaries. After ply definitions were determined subsequent samples were taken at these ply boundaries and/or sub samples were combined to form these plies. • Core samples from drillholes were wireline geophysically logged with down-hole wireline gamma/density/calliper tools where possible to confirm sample recovery and ply representation. • Linear core recovery was calculated by dividing the measured length of the core by the drilled length. • Open hole rotary drilling for pilot holes and non-cored intervals provided chip samples for logging. • Geophysical logs were acquired to supplement the geological description of the drillholes, to ensure that the core recoveries were satisfactory (> 95%), to assist with correlation of the various seams and to demonstrate continuity of seam character. • Geophysical logging was carried out by external contractors and subject to their internal calibration, quality assurance and quality control procedures.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Vertical, 150 mm open hole air drilling using a Polycrystalline diamond bit was completed to approximately 3-6 metres above the target coal seam/working section. • Conventional 4-inch core (101.6 mm diameter) drilled on mud/water injection was completed on the remaining coal and associated stone partings to approximately 6 m below the base of the last target ply.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For all core sections of drillholes, samples were taken and visually assessed by the field geologists and placed in core boxes until wireline geophysical logs were run on the completed drillhole. • Once the geophysical logs were received, sampling of the core was undertaken to ensure correct sample intervals, recovery and representivity. Linear core sample recoveries were recorded. • Samples were double bagged in plastic and care was taken by the geologist to ensure all fines material was swept into the appropriate sample. • Conventional 4-inch core drilling produced good results in terms of sample recovery with most holes achieving >95% linear core recovery. • Minimum linear sample recovery cut-off (for use as a quality point of observation) was set at 95% of the mining ply/seam thickness.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All chip and core sections were visually inspected and logged, with details recorded in accordance with accepted industry standards and practices (e.g. CoalLog). • Where possible, core sections were geotechnically logged in accordance with accepted industry standards and practices (e.g. CoalLog). • All drill core was photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Sampling for analysis was undertaken on core samples. • Sampling of core was in accordance with accepted industry standards and practices (e.g. CoalLog). • Core was sampled in 50 cm increments or at ply/brightness profile boundaries by splitting the core with hammer and chisel. Core was placed into sealed plastic bags and then 200 L drums for transport to the laboratory. • Subsequently, individual core samples were composited as required to form a full ply or working section.

Criteria	JORC Code Explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 4-inch core was specifically adopted to provide sufficient coal material to undertake chosen coal quality analysis on >50 cm plies.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All coal quality and geotechnical analysis techniques are per Australian Standards and completed at NATA accredited laboratories. • All coal quality results were checked by cross plots and comparison to original geological logging for accuracy. • Down-hole geophysical logging tools are per industry accepted standards, with natural gamma, density, calliper and slimline sonic types run on all holes where possible. • Geophysical logging was carried out by external contractors and subject to their internal calibration, quality assurance and quality control procedures. All down hole tools were calibrated at a test well on a monthly basis, delivering +/- 5 cm accuracy.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data*	• Coal quality sample intervals and results were checked and correlated against lithological and geophysical logs. • Raw coal quality data was checked for internal consistency and consistency with the existing data set by checking cumulative totals and cross correlations. • Validation processes by a NATA registered laboratory were conducted for all samples as well as an internal statistical check for anomalies within the laboratory dataset. • Sample information was transferred from sample sheets completed in the field to the appropriate database at the time. • All data was checked against geophysics and is currently stored within a database. • All primary digital data is entered into a company database with physical copies being scanned and saved to a separate file server.
Location of data points	• *Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.*	• All survey associated with drill collars, conducted using high precision differential GPS with base station reference with an accuracy of +/- 20 mm.

Criteria	JORC Code Explanation	Commentary
	• *Quality and adequacy of topographic control.*	• All survey co-ordinates captured in AGD 1984 AMG Zone 55 (ESPG 20355). • Topographic control was captured using Lidar aerial survey in 2015, with an accuracy of +/- 20 mm. • Checks of the topography surface and drillholes was completed, with minor variances identified between the two data sets.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Geostatistical and classical statistical analysis of coal ply and working section parameters (thickness and ash) were used to assist in determining the variability of the deposit. • Non-core holes are spaced approximately 400 m and 600 m apart and core holes are generally spaced at between 500 m and 750 m apart. • The drillhole spacing has been deemed sufficient to define the areas of resource confidence quoted in this report. • Some seam compositing of raw samples has been undertaken based on geological boundaries.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples distributed along known coal seam strike and down dip to ensure unbiased sampling. • All drillholes used as points of observation were drilled as vertical holes, which is appropriate given the flat lying and stratiform nature of the coal deposits. • The principal coal quality attributes are controlled by stratigraphy rather than structure (faults, veins, joints etc.) and no sampling bias is expected to be generated by this orientation of data. Coal quality variability is interpreted to be influenced more by depositional environment than structure and vertical core holes provide unbiased sampling for analysis.
Sample security	• *The measures taken to ensure sample security.*	• Each sample was secured in plastic bag(s) and tagged with a unique sample ID. • Sample bags were loaded into a 200 L drum and a sample dispatch form is sent with the drum to the laboratory.

Criteria	JORC Code Explanation	Commentary
		• All drums were couriered to the laboratory by a commercial transport company. • A digital copy of the sample dispatch form is emailed to the laboratory; when the drum is opened the dispatch forms and drum contents are reconciled.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Several previous resource estimates have been completed by other parties and were reviewed prior to the commencement of the current resource estimate. • An internal review of modelling and estimation methods, assumptions and results has been conducted by Peter Handley, Principal Geologist of Measured Group Pty Ltd.

Section 2: Reporting of Exploration Results

<table>
<tr><th>Criteria</th><th>Explanation</th><th>Detail</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>• Coal Resources for the Isaac Downs Project are contained within Mineral Development Licence (MDL) 137 and portions of Exploration Permits for Coal (EPC) 728 and EPC 755.
• Tenure is held by Stanmore IP South Pty Ltd (a 100% owned subsidiary of Stanmore Coal Limited). Project tenure details are as follows:
•
<table>
<tr><th>Permit Number</th><th>Grant Date</th><th>Expiry Date</th><th>Sub-Blocks or Area</th></tr>
<tr><td>EPC 728</td><td>17/04/2001</td><td>16/04/2021</td><td>7</td></tr>
<tr><td>EPC 755</td><td>04/10/2002</td><td>04/09/2023</td><td>21</td></tr>
<tr><td>MDL 137</td><td>07/06/1993</td><td>30/06/2023</td><td>652 ha</td></tr>
</table>
</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Majority of exploration in MDL 137 prior to 2004 was conducted by BHP Mitsui. Appraisal of exploration drilling and resource assessment was conducted by JB mining in 2002, at which time 9 coal quality holes and 38 chip holes had been drilled in the tenure.
• The majority of the holes were not geophysically logged and topographic surface and collar relative levels were relatively inaccurate. Due to these issues, the majority of the deposit was classified as inferred.
• Drilling in EPC 755 has predominantly been conducted by Aquila Coal Pty Ltd and Bowen Central Coal. Appraisal of exploration drilling in EPC 755 was conducted by JB Mining in 2018 as a part of the Isaac Plains South Resource Statement.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• Within project area, economic coal is contained within the Permian Rangal Coal Measures (RCM). Locally, the RCM are unconformably overlain by Tertiary sediments and basalt flows and the sequence dips towards the east at around 2 degrees to 5.5 degrees.
• The deposit type is coal with the potential to produce a range of thermal, PCI, semi-soft to semi-hard coking coal depending on the selected beneficiation strategy.</td></tr>
</table>

Criteria	Explanation	Detail
		• The Leichhardt and Vermont seams hosts the resource, and typically have a thickness of up to 7.5 m. The coal seams are expected to be mined via dragline and truck and shovel methods. • Coal is weathered to an average of 20 m. • No known volcanic activity has materially impacted on the coal contained within the deposit.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:*
	  • *easting and northing of the drillhole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case*
		• Detailed drillhole intercepts have not been included as it is deemed commercially sensitive. This information may be supplied if requested.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All seams have been modelled as individual plies and partings and resources have been estimated and reported on a full seam basis. • Parent structure roofs and floors were created based on their respective uppermost and lowermost ply roofs and floors. • A parent seam was created wherever the adjacent plies could be merged based on this minimum interburden thickness of 0.5 m. • Samples have been aggregated within the modelling software to match the combined seam. Non-coal intervals greater than 0.3m have been excluded from aggregation. • Individual samples have been weighted by thickness and density (mass weighting). Laboratory determined air dried RD (**RD ad**) has been used for the density weighting.

Criteria	Explanation	Detail
Relationship between mineralisation widths and intercept length	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Seam thicknesses have been reconciled to geophysics to ensure accuracy. • Coal thicknesses shown are for downhole thickness. Coal resource modelling and estimation adjusts for seam thickness versus the apparent thickness modelled. • Thicknesses for each seam/ply were contoured and any bullseyes were investigated.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	• All appropriate diagrams are contained within the main body or appendices of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All available validated data has been included in the geological model, is reflected in the estimate and associated reporting. • The estimate and reporting are considered to be a balanced representation of the Coal Resources contained within the project area.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Regional aeromagnetic and gravity data hosted by the Queensland Department of Natural Resources and Mines was referenced when assessing regional structures that impact on the project area.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration drilling down dip to improve control on coal quality and structure trends, particularly beyond the LL1 split line and into the southeast extents of the proposed mineplan. • Exploration drilling to delineate the LL1 and LU split lines. • Further work is required to improve ply boundaries of the Leichardt Lower and the Leichardt Upper 1 seams. • Correlations of existing data revised to improve consistency of LUD picks across all drillholes. • Closer spaced drilling in preparation for future project development and mining activities, particularly along LOX lines, the proposed box-cut area and within initial mining areas.

Criteria	Explanation	Detail
		• Coal Quality recommendations as described by coal quality consultants MCQR.

Section 3: Estimation and Reporting of Coal Resources

Criteria	Explanation	Detail
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The geological database contains all hole surveys, drilling details, lithological data, and coal quality results and is the primary source for all such information. • Where possible, all original geological field logs (scanned or hard copy), down hole geophysics (LAS) files and hard copy logs, hole collar survey files, digital laboratory data and reports and other similar source data are maintained on in a project library and referenced within the database to provide an audit trail to this original source data. • A number of validations were undertaken on the database that help ensure consistency and integrity of data including, but not limited to: o relational link between geological, down hole geophysical and coal quality data; o exclusion of overlapping geological intervals; o restriction of data entry to the interval of the defined hole depth; o use only of defined rock type and stratigraphic codes; and o basic coal quality integrity checks such ensuring data is within normal range limits, that proximate analyses add to 100 percent. • Lithological logs, geophysical wireline logs, assay results and coal intersection depths were adjusted to geophysics before modelling and resource estimation. • Coal quality data checked against NATA laboratory reports where available prior to resource estimation.

Criteria	Explanation	Detail
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person has not visited the site, however, is very familiar with the geology and target coal seams of the surrounding areas, having previously worked on, and visited, adjacent projects. • Material geological assumptions have been reviewed by Stanmore technical staff.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The overall confidence in the geological interpretation of the deposit is reasonably high. This is due to low variability (both structural and coal quality) as evidenced by the laterally consistent seam dip, lack of structure and relatively homogeneous coal quality. • Areas of higher variability exist in the areas adjacent to local and regional scale thrust faulting which bound the deposit. • Regional scale geological mapping was also used as supporting information to confirm continuity of the deposit. • The geological interpretation is based on the integration of all drillhole, geophysics and assay data.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The deposit is open to the east, but the resource is constrained to the east by a vertical strip ratio cut-off limit of 20:1 (bcm per tonne of coal), the seam subcrop zone (at an average of 20 m depth of weathering) in the west and fault structure/s in the northeast. • The dimensions of the deposit are approximately 3 km north-south 2 km east-west.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.*	• The modelling and resource estimation was undertaken using a geological model created using standard estimation tools within Maptek's Vulcan v10 modelling software. The model was contained in HARP Block Model based on gridded structure and coal quality models. • Grid models were created using a node spacing of 20 m. • Seam structure was modelled using planar surface modelling algorithms. Coal Quality was modelled using a variation of the inverse distance algorithm for each assay for each ply and merged seam.

Criteria	Explanation	Detail
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	• Estimations were completed using the Advanced Reserves tool within the Vulcan software. This technique reports the aggregated volumes of blocks within the model chosen by specific criteria and modified by various variables contained within each block. • There are no known deleterious elements of economic significance. • Correlation between several coal properties has been undertaken (such as raw ash versus relative density) and reported. • The model was created from first principles and was validated by the visual inspection of modelled structure against drillholes in section; by visual analysis of modelled thickness and coal quality variables in plan view with any bullseyes investigated and validated; by determining the residual between the data point and the resultant model.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All tonnages are calculated using a coal density that has been adjusted according to the Preston & Sanders equation, assuming an in situ moisture of 4%.
Cut off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A raw ash % (ad) cut-off grade of 50% was used to distinguish between coal and rock material. • No weathered or oxidised coal was included in the Coal Resource estimate.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The assumed mining method is conventional open cut strip mining, utilizing dragline, excavators, dozers and mining trucks similar to adjacent Stanmore Coal Limited operations. • An economic cut-off for Coal Resources has been applied based on a high-level economic analysis undertaken by Measured, which determined that a strip ratio of 20:1 (bcm per tonne of coal) was appropriate to limit resources at depth. This was also influenced by the economic limits of Stanmore Coal Limited's open-cut mining operations at Isaac Plains Complex.

Criteria	Explanation	Detail
		• No minimum mining thickness is assumed for the Mineral Resources, although no coal plies are less than 0.3 m thick, which is commonly considered a thickness cut-off.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Recent work completed by Stanmore Coal Limited indicates that two beneficiation options exist for the coals contained in the project area: o Option 1 - "High Yielding" Primary Product delivering semi-soft / thermal products. o Option 2 - "High Quality" Primary Product delivering semi-hard (potential) / PCI (pulverised coal injection) products. • No other assumptions or factors have been used.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a Greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No environmental factors or assumptions have been considered. It is assumed that Stanmore Coal Limited will keep the tenures in good standing and operate within environmental approvals.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (i.e. vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density assumptions are based on relative density (**RD**) sample analysis results (reported on air dried moisture basis), which are moisture corrected (using the Preston & Sanders equation and 4% in situ moisture).
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of*	• The classification of resources is based on the spacing and distribution of coal quality holes (**Quality PO**) and of non-core

Criteria	Explanation	Detail
	input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	geophysically logged structure holes (**Structure PO**) along with other data including non geophysically logged drillholes. • Points of Observation for coal quality (**Quality PO**), were determined on a full seam basis for each seam using the following criteria: o Seam and/or ply interval cored, sampled and analysed; and o sample recovery was nominally a minimum of 95% per coal type within in a seam. Where sample recovery was less than this, the intersection was investigated, and a determination was made by the competent person as to whether the loss would have constituted a material difference to the assay result for that type for that seam. • Points of Observation for seam structure (**Structure PO**), were determined on a full seam basis for each seam using the following criteria: o Hole collar is surveyed; o coal seam has been geophysically logged; o seam has detailed lithological logging; and o hole has been included in the model. • All seam intersections which were deemed not to be a Structure PO but were included in the model were deemed to be an interpretive data point (**IDP**). • Statistical analysis conducted to determine optimal ranges for each resource category, consisted of general statistics and Variography based on the following domains and variables. o Seam thickness; and o Coal quality - raw ash, % air dried. • Following ranges were used for each category:

Criteria	Explanation	Detail
		Resource Category Ranges – Thickness <table><tr><th>Seam</th><th>Measured</th><th>Indicated</th><th>Inferred</th></tr><tr><td>LUD-LL1</td><td>700</td><td>1500</td><td>3250</td></tr><tr><td>LU</td><td>1500</td><td>3300</td><td>6200</td></tr><tr><td>LL</td><td>450</td><td>1050</td><td>4350</td></tr><tr><td>LL1</td><td>350</td><td>750</td><td>1500</td></tr><tr><td>VU1</td><td>700</td><td>1900</td><td>4200</td></tr><tr><td>VU2</td><td>1300</td><td>2550</td><td>5400</td></tr></table> *Resource Category Ranges – Raw Ash* <table><tr><th>Seam</th><th>Measured</th><th>Indicated</th><th>Inferred</th></tr><tr><td>LUD-LL1</td><td>600</td><td>1200</td><td>2500</td></tr><tr><td>LU</td><td>500</td><td>1150</td><td>3400</td></tr><tr><td>LL</td><td>800</td><td>1600</td><td>3300</td></tr><tr><td>LL1</td><td>400</td><td>750</td><td>1500</td></tr><tr><td>VU1</td><td>1000</td><td>2100</td><td>4400</td></tr><tr><td>VU2</td><td>600</td><td>1300</td><td>2950</td></tr></table> • Resource categories were extrapolated beyond the last line of Quality and Structure POs based on the following criteria: **Measured** o Extrapolation to half the resource category range distance for measured if seam continuity could be proven. **Indicated** o Extrapolation to half the resource category range distance for indicated as long as seam continuity could be inferred. **Inferred** o Extrapolation to half the resource category range distance for Inferred.

Criteria	Explanation	Detail
		• Categories defined to represent an area where, based on the competent person's observations of seam character and coal quality, the coal resource could be estimated with a high, moderate or low level of confidence. This was based on the understanding of the geological properties and controls of the deposit and was achieved using the following method and criteria. **Measured Coal Resource** o A polygon was drawn connecting the last line of Structure PO's if they were located within the coal quantity measured range distance of two other Structure PO's. o Polygon was adjusted to ensure that Structure PO's were within half the measured coal quality range from 2 adjacent Quality PO's. o IDP's used to adjust or expand this polygon if there was a high confidence in the area. o Extrapolation distances were applied. o Areas where, due to a lack of supporting data, it was deemed that resources could not be estimated with a high confidence were converted to either Indicated or Inferred. o Limiting factors were applied as described in the body of the report and summarised in this Table 1. **Indicated Coal Resources** o A polygon was drawn connecting the last line of Structure PO's if the they were located within the coal quantity indicated range distance of two other Structure PO's. o Polygon was adjusted to ensure that Structure PO's were within the half indicated coal quality range from 2 adjacent Quality PO's. o IDP's used to adjust or expand this polygon if there was a high confidence in the area. o Extrapolation distances were applied.

Criteria	Explanation	Detail
		○ Areas where, due to a lack of supporting data, it was deemed that resources could not be estimated with a high confidence were converted to Inferred. ○ Limiting factors were applied as described in the body of the report and summarised in this Table 1. **Inferred Coal Resources** ○ A polygon was drawn connecting the last line of Structure PO's if the they were located within the coal quantity inferred range distance of two other Structure PO's. ○ Polygon was adjusted to ensure that Structure PO's were within half the inferred coal quality range from 2 adjacent Quality PO's. ○ IDP's used to adjust or expand this polygon if there was a high confidence in the area. ○ Extrapolation distances were applied. ○ Limiting factors were applied as described in the body of the report and summarised in this Table 1. • The results of the resource classification appropriately reflects the Competent Person's view of the deposit.

Appendix B: JORC Code 2012 Edition – Table 1 for Isaac Downs Coal Reserve

This Appendix details section 4 of the Code 2012 Edition Table 1. Section 5 Estimation and Report of Diamonds and Other Gemstones' has been excluded as they are not applicable to this deposit and estimation.

Section 4 Estimation and Reporting of Ore Reserves

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr>
<td>Mineral Resource estimate for conversion to Ore Reserves</td>
<td>

Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.
Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.

</td>
<td>

The Coal Resource for Isaac Downs Mine (ID) (December 2018) was estimated by James Knowles, a full-time employee of Measured Group Pty Ltd.
Mr Knowles is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves."
The Coal Resource Estimate for Isaac Downs is:

<table>
<tr><th>Seam</th><th>Ply</th><th>Measured (Mt)</th><th>Indicated (Mt)</th><th>Inferred (Mt)</th><th>Total (Mt)</th></tr>
<tr><td rowspan="4">Leichhardt</td><td>L</td><td>9.9</td><td>2.3</td><td>0.1</td><td>12</td></tr>
<tr><td>LU</td><td></td><td>2.2</td><td>0.8</td><td>3</td></tr>
<tr><td>LL</td><td></td><td>2.2</td><td>0.4</td><td>3</td></tr>
<tr><td>LL1</td><td></td><td>1.5</td><td>1.5</td><td>3</td></tr>
<tr><td rowspan="2">Vermont Upper</td><td>VU1</td><td>5.6</td><td>2.9</td><td></td><td>8</td></tr>
<tr><td>VU2</td><td>1.0</td><td>0.9</td><td>1.6</td><td>4</td></tr>
<tr><td colspan="2">Grand Total</td><td>17</td><td>12</td><td>4</td><td>33</td></tr>
</table>

Mr Knowles' estimates have been used as the basis for the estimate of Coal Reserves for the Isaac Downs Mine.
Coal Resource estimates are inclusive of Coal Reserve estimates.

</td>
</tr>
<tr>
<td>Site visits</td>
<td>

Comment on any site visits undertaken by the Competent Person and the outcome of those visits.
If no site visits have been undertaken indicate why this is the case.

</td>
<td>

The Competent Person, Mr Tony O'Connell, has not visited the site recently, which is a greenfields site, however he has visited the adjacent Isaac Plains East and Isaac Plains Mines in the last 2

</td>
</tr>
</table>

Criteria	JORC Code Explanation	Commentary
		years. Mr O'Connell has also worked at the adjacent Poitrel mine which mines the same seams as Isaac Downs.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore* • *Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Mine planning for Isaac Downs has been undertaken to a pre-feasibility level of detail. Isaac Downs will be developed via similar methods to Stanmore's adjacent Isaac Plains East mine, which are common throughout the Bowen Basin. • The mining parameters and modifying factors that have been used are similar to the current Isaac Plains Mine and Isaac Plains East mines, but have been modified to suit the geometry of the Isaac Downs.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The pit designs for Isaac Downs were developed to cover all coal production that is currently expected to be economical. • Forecast sale prices were applied to the product tonnages to calculate the overall revenue generated by each coal solid. The total margin for each mining block and strip was calculated. The margin was then used to determine the economic limits for each pit.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.*	• The mining methodology considered for this estimate is: o a combination of cast, doze, dragline or truck & excavator to move waste into the adjacent strip or dump. The strip width selected is nominally 60m in the Isaac Downs Main pit and 80m in the Isaac Downs North pit. o Drilling and Blasting (D&B) of the insitu waste. o A targeted horizon of 40m of waste is allocated to the dragline. o Remaining waste is removed by dozer or truck and excavator. o Coal mining using excavators and rear dump trucks haul the coal to a ROM facility located on topography adjacent to the pit. It is anticipated that road trains will then haul the coal to the

Criteria	JORC Code Explanation	Commentary
	• *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	Isaac Plains Coal Preparation Plant (IPM CHPP) for washing, located approximately 12km to the north-west of Isaac Downs. ○ All parting greater 0.3m thick is mined separately. • The stripping methodology is the same as that currently used at Isaac Plains East. • Batter allowances that have been considered are: ○ Highwall (hard): 65º ○ Boxcut (hard): 45 º ○ Softwall (IP): 37º ○ Spoil Lowwall & Angle of Repose: 37º • Loss & Dilution factors used are: ○ Roof Loss: 0.075m ○ Floor Loss: 0.025m ○ Edge Loss: 0.25m ○ Other Loss (for faults): 3% ○ Roof Dilution: 0.05m ○ Floor Dilution: 0.05m ○ Edge Dilution: 0.25m ○ Dilution density: 2.2 t/bcm ○ Dilution ash: 75% • It has been assumed that the existing infrastructure at Isaac Plains, including the CHPP and rail loadout facility, will be used at Isaac Downs. • It has been assumed that the dragline from Isaac Plains and Isaac Plains East mine, a BE 1370, will be used at Isaac Downs.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical*	• The existing Isaac Plains CHPP is suitable to process the target seams. • Two high-quality products are planned to be generated at Isaac Downs - a primary product semi-hard coking coal with a target ash of 8% and a secondary PCI product with a target ash of 10.5%.

Criteria	JORC Code Explanation	Commentary
	domaining applied and the corresponding metallurgical recovery factors applied. • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	• The yield and product tonnages for Isaac Downs are based on recent wash simulations undertaken using yield and plant efficiency factors generated from historical performance of the Isaac Plains CHPP. • Forecast yields for the two coal types at Isaac Downs are based on the modelled forecast yield with an adjustment applied to achieve the higher quality products. • The average total yield for Isaac Downs is 64.5% on a ROM tonne to product tonne basis. • The primary semi-hard coking coal product is expected to make up 71% of the total product mix, with the remaining 29% being the secondary PCI product, however a conservative approach has been utilised for the Coal Reserve estimate with the split modified to 65% SHCC and 35% PCI.

Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• The tenements at Isaac Downs are a combination of Mineral Development Licences (MDL 137) and Exploration Permits Coal (EPC 728 and EPC 755).
		• The following Environmental Authorities cover the tenements at Isaac Downs:
		  ○ EPVX03766416 (MDL 137),
		  ○ EA0001288 (EPC 728),
		  ○ EPVX00880413 (EPC 755)
		• It is assumed that Isaac Downs will be able to acquire all environmental authorities as Stanmore's current operating sites, located near to Isaac Downs, have done so.
		• Onsite activities at Isaac Plains and Isaac Plains East mines are managed in accordance with the following:
		  ○ Environmental Management Strategy;
		  ○ Environmental management procedures for complaints, stakeholder interaction, water management, dams, air

Criteria	JORC Code Explanation	Commentary
		quality/dust, land (including permit to disturb, weed and pest control, and spills management), waste, blasting and safety; o IPM Mine environmental management plan; and o contractor's environment management plans. • Environmental risk assessments of the following aspects will need to be undertaken, in conjunction with relevant specialists: o Groundwater o Flood modelling o Water management o Air quality o Noise o Terrestrial ecology o Aquatic ecology. • Stanmore assesses and monitors environmental and approvals risks on an ongoing basis for their current mines and this is assumed to transfer across to Isaac Downs.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.*	• The majority of the infrastructure at Isaac Plains Mine will be used to support operations at Isaac Downs. The infrastructure at Isaac Plains includes: o Mine Infrastructure Area; o Workshop including surrounding laydown areas; o Light vehicle maintenance igloo; o Boiler makers area; o Fuel storage and distribution; o Administration Office (including parking areas); o Warehouse; o Emergency Response Facilities Equipment; o Fuel and Lubrication Facilities; and o Water Infrastructure (Raw, Potable & Process) • The current infrastructure at Isaac Plains Mine can process more than 3.5 Mtpa ROM, which is greater than the forecast production levels at Isaac Downs. • Future infrastructure requirements for Isaac Downs will include:

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>

Heavy vehicle haul roads to connect Isaac Downs to the existing haulage network at IPE and IPM;
new overhead power to support the dragline;
sediment dams to collect runoff from out of pit dumps;
pump and pipework to transfer water that may collect in the new pits to existing in-pit water storages; and
clean water drains to divert unnecessary water from entering the pit and dragline walk routes to be able to move the dragline between pits.
A levee along the southern fringe of the pit adjacent to the Isaac River.

</td></tr>
<tr><td>Costs</td><td>

The derivation of, or assumptions made, regarding projected capital costs in the study.
The methodology used to estimate operating costs.
Allowances made for the content of deleterious elements.
The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.
The source of exchange rates used in the study.
Derivation of transportation charges.
The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.
The allowances made for royalties payable, both Government and private.

</td><td>

All unit cost rates are in Australian Dollars.
All unit cost rates have been derived from recent contract and operating costs at Stanmore's adjacent operating mines, Isaac Plains and Isaac Plains East.

<table>
<tr><th>Unit Cost Item</th><th>Units</th><th>ID</th></tr>
<tr><td>Rehabilitation</td><td>$/ha</td><td>30,190</td></tr>
<tr><td>Waste Removal</td><td>$/bcm</td><td>2.98</td></tr>
<tr><td>Coal Mining</td><td>$/ROM t</td><td>9.80</td></tr>
<tr><td>Coal Processing</td><td>$/ROM t</td><td>5.86</td></tr>
<tr><td>Rail Freight</td><td>$/Prod t</td><td>7.71</td></tr>
<tr><td>Port Charges</td><td>$/Prod t</td><td>5.30</td></tr>
<tr><td>Site Costs</td><td>$/Prod t</td><td>9.50</td></tr>
<tr><td>Admin (& Royalty)</td><td>$/Prod t</td><td>20.44</td></tr>
<tr><td>Capital Costs</td><td>$/Prod t</td><td>5.50</td></tr>
</table>

Royalty charges were applied as follows:

up to and including $100 per tonne: 7.0%
over $100 up to including $150 per tonne: 12.5%
above $150 per tonne: 15.0%

</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• Forecast coal prices for Semi Hard Coking Coal (SHCC) and PCI is based on information provided by Stanmore and KPMG forecast long-term hard coking forecast. • The sale price for semi-hard coking coal is US$127.50/t with PCI sale price set to US$105/t.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• The two product coal types from Isaac Downs have been successfully marketed by several mining companies in the Bowen Basin and have been sold into export markets. • It would be reasonable to expect that the Isaac Downs will have no difficulty in successfully marketing future coal tonnes produced (SHCC and PCI). • Based on work completed to date, it is expected that the primary coal product produced by Isaac Downs will be superior to the current IPE and IPM product specifications. • Current estimates at Isaac Downs indicate that it will have a significantly lower product yield than IPM and IPE due to the targeting of the higher quality products.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• The deposit was assessed on a block-by-block basis with the total margin for each block calculated based on the unit costs and revenues detailed above. • The total margin for each strip was calculated to ensure a positive cash flow was achieved on a strip-by-strip basis.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• The mining tenure for Isaac Downs is Mining Development Lease MDL 137 and Exploration Permits Coal EPC728 and EPC 755, all of which are held by Stanmore Coal Limited.

Criteria	JORC Code Explanation	Commentary
		• Stanmore will continue to manage the IPE and IPM mining operations, which they have successfully done so to date, whilst developing and maintaining good relationships with key stakeholders and maintaining their social licence to operate.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• There are no known issues that impact might impact on the Coal Reserve Estimate and classifications of the Coal Reserves.
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Measured, Indicated and Inferred Coal Resources are estimated for Isaac Downs. • 99.8% of the Measured Coal Resources contained within the economic limit of the open-cut pit have been classified as Proved Coal Reserves, whilst 80.8% of Indicated Coal Resources have been classified as Probable Coal Reserves. • The Coal Reserve Estimate and classification of Coal Reserves reflect the Competent Person's view and assessment of the deposit.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• No audits or reviews have been completed on the Coal Reserve Estimate

Criteria	JORC Code Explanation	Commentary
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• No statistical or geostatistical procedures have been used in the estimation of Coal Reserves themselves. • The most significant areas of uncertainty in the Isaac Downs open-cut reserve estimate relates to the coal pricing and foreign exchange rate. However, these present forecasts are based on highly regarded industry experts in this field. • Small differences may be present in the totals due to the tonnage information being rounded so as to reflect the usual uncertainty associated with the estimate.