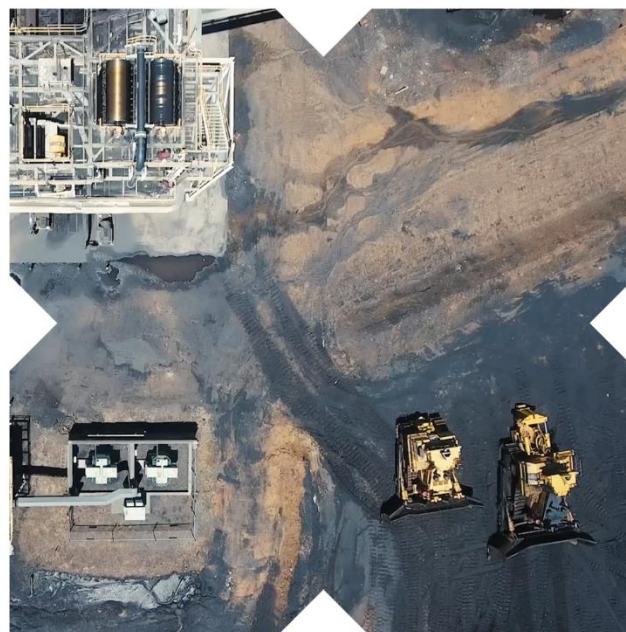
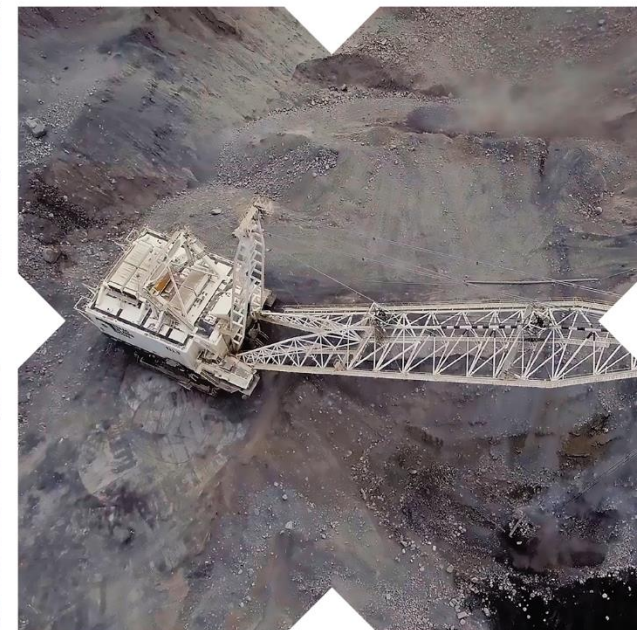
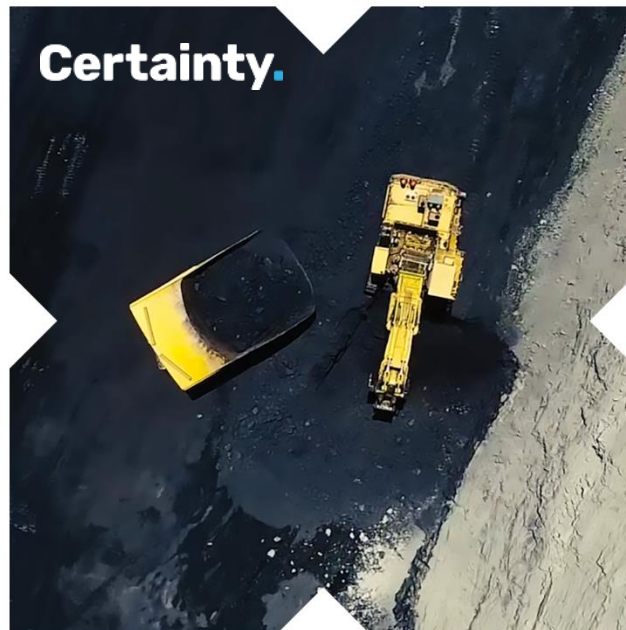


stanmorecoal

WILSONS RAPID  
INSIGHT  
CONFERENCE  
PRESENTATION

21 NOVEMBER 2019



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## Independent Australian coal company based in Queensland

Positioned predominantly in metallurgical coal (coal used in steel making) with a track record of delivery



## Isaac Plains Complex expansion achieved with demonstrated performance

Validation that the company can source, develop, operate and rehabilitate coal resources – steel making coal profile improving



## Isaac Plains Complex represents the company's platform asset

Certainty in near-term growth underpinned by existing capacity and low capital incremental growth options delivering competitive cost structures and long mine lives



## The 'combined effect' driving certainty in delivering returns to shareholders

The combination of the operating performance, a disciplined investment pipeline and the foundation of a fully prepared company drives focus on costs / margin / cash generation

### ASX CODE

SMR

### SHARE PRICE

A\$1.05<sup>1</sup>

### SHARES

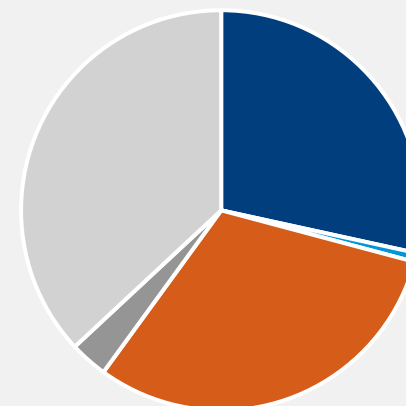
256,094,238

### MARKET CAP

\$269m<sup>1</sup>

1. AS AT 19 Nov '19

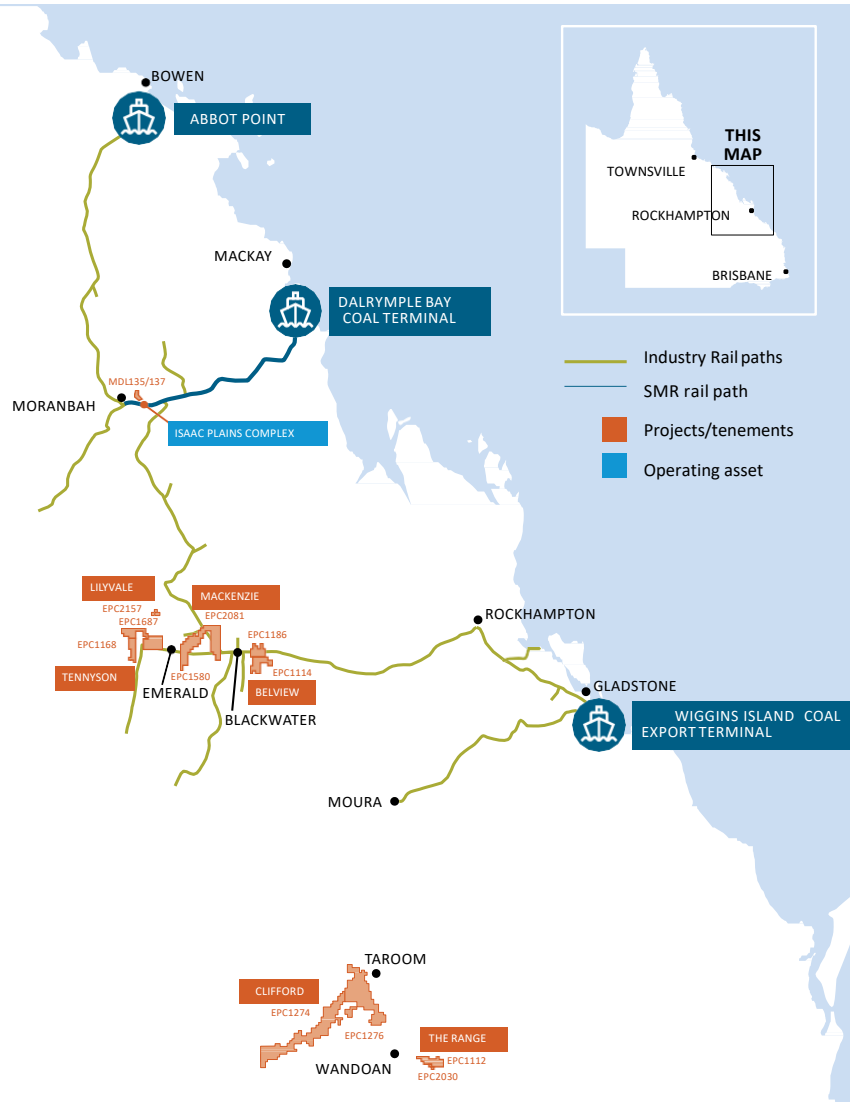
### SHARE OWNERSHIP



- Golden Energy & Resources
- Corporate
- Institutions
- Employees and Directors
- Private & Other

# Overview of Stanmore logistics

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## Operations and Projects

### Foundations in Metallurgical Coal

- Isaac Plains Complex (IPC) operational with CHPP capacity of 3.5Mt ROM<sup>1</sup> (target 2.4Mt product)
- IPC Marketable Reserves of 35.1Mt<sup>2</sup>
- SMR Total Resources of 1.7bn tonnes<sup>2</sup> across all projects



## RAIL

### Logistics to port matching IPC Infrastructure

- 177km to Dalrymple Bay Coal Terminal
- Stanmore has 2.4 Mtpa contracted
- Stanmore is part of the ILC organisation that monitors logistics across the Goonyella supply chain



## PORT

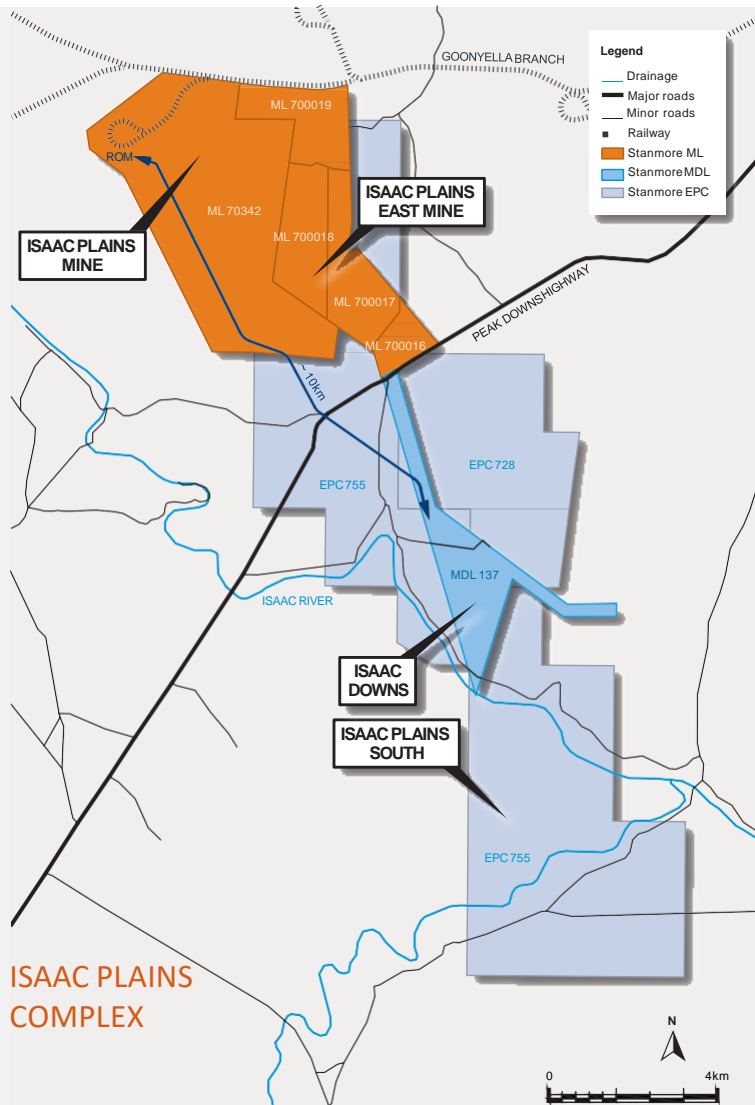
### Path to Market Secured

- 85 Mt capacity multi user port
- Stanmore has 2.4Mtpa contracted
- 2 x 1.2Mtpa capacity contracted tranches with a 5 and 10 year term and 'evergreen' rights



# Isaac Plains Complex – value accretive leverage

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## Operations

- Expansion with Isaac Plains East completed 2018 taking production from 1.2Mtpa to 2.4Mt product in FY19
- Guidance issued for FY20 at 2.35Mt
- Commitment to new 600 tonne excavator – now commissioned



## Development / Projects

- Isaac Downs acquired in 2018. Consenting and approvals underway – ToR issued for EIS 1 October 2019 – EIS completed
- IPE coking coal quality showing improved coking characteristics
- Isaac Plains South in exploration phase



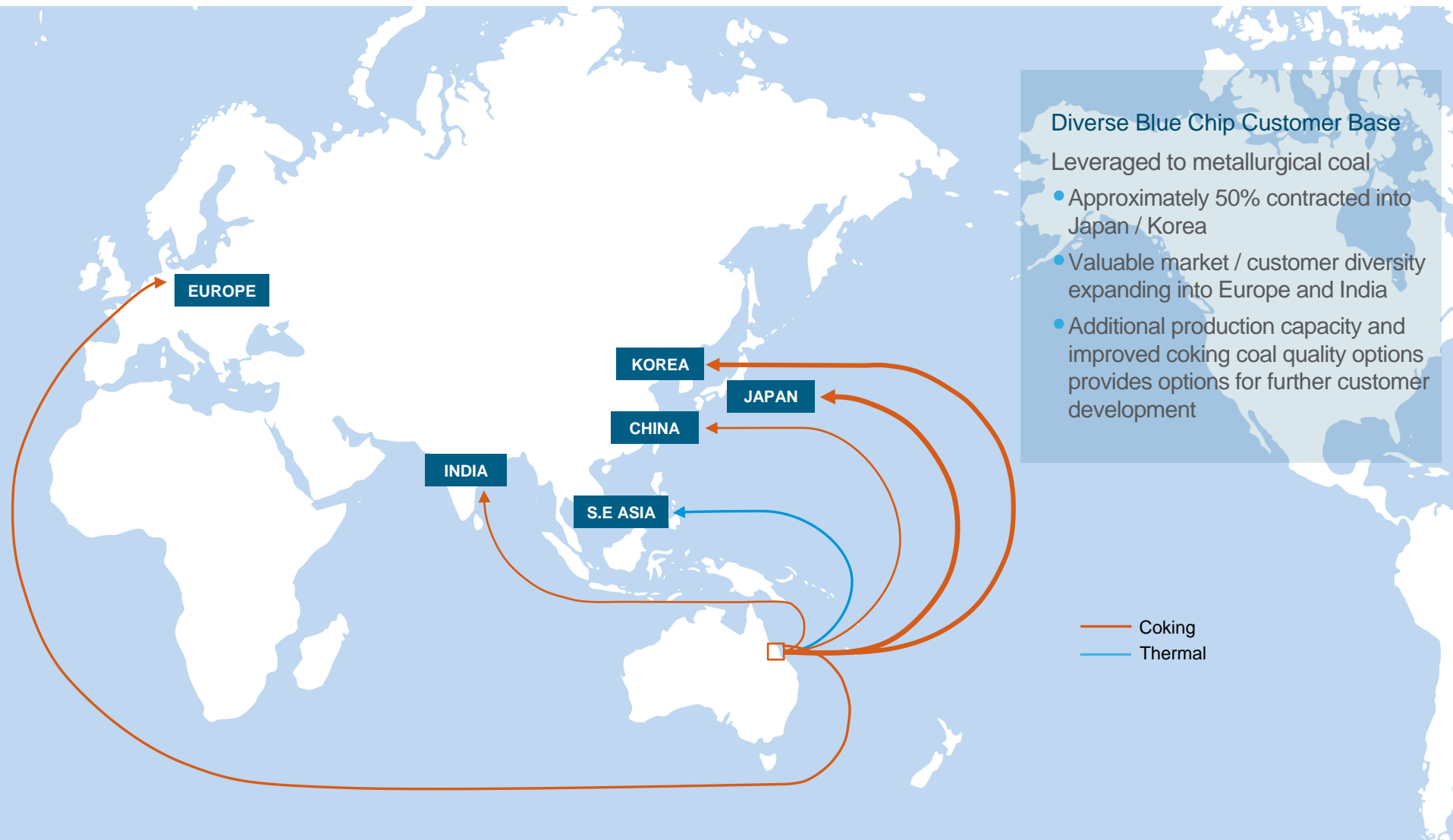
## Infrastructure / Equipment

- 100% owned CHPP<sup>1</sup> / Rail loop and infrastructure areas with 3.5Mt ROM<sup>2</sup> capacity
- CHPP introducing a pumped tailings solution – throughput improvements

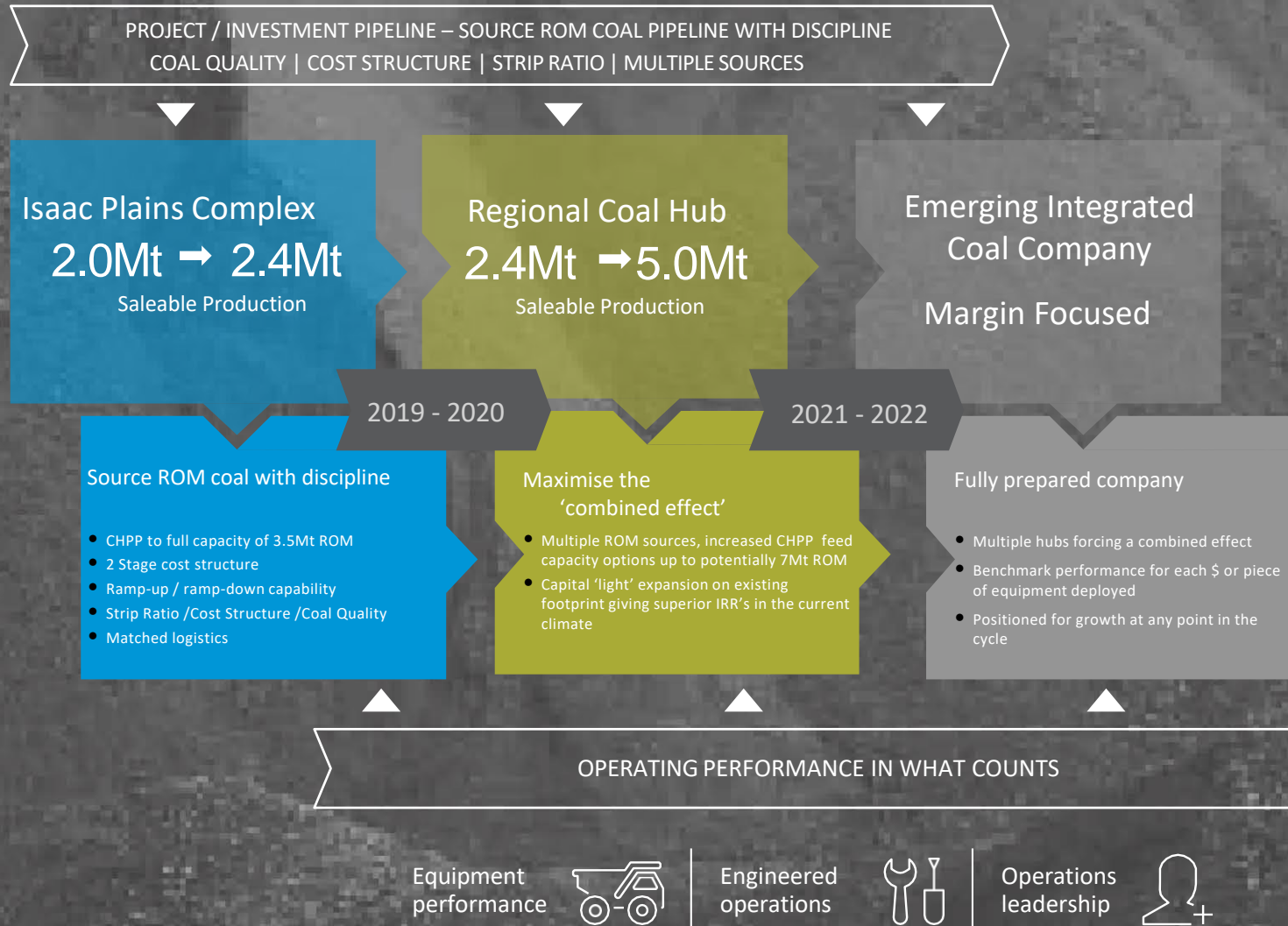


## Region

- Multi region presence in Queensland
- Incremental capacity increases available leading to a “combined effect” in value
- SMR footprint with a track record of sourcing, development, operating and rehabilitating

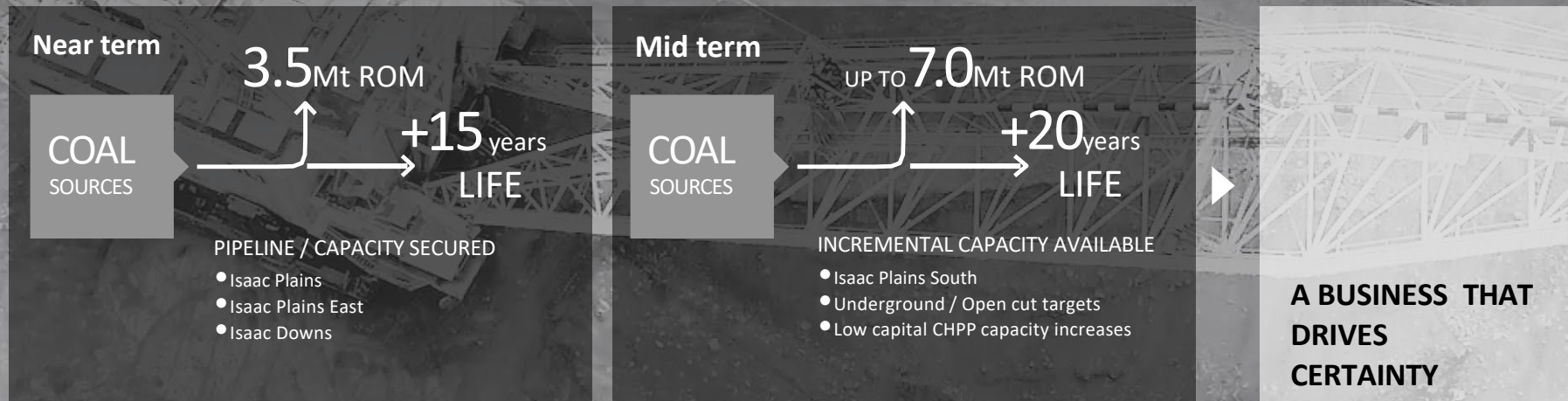


## THE COMBINED EFFECT

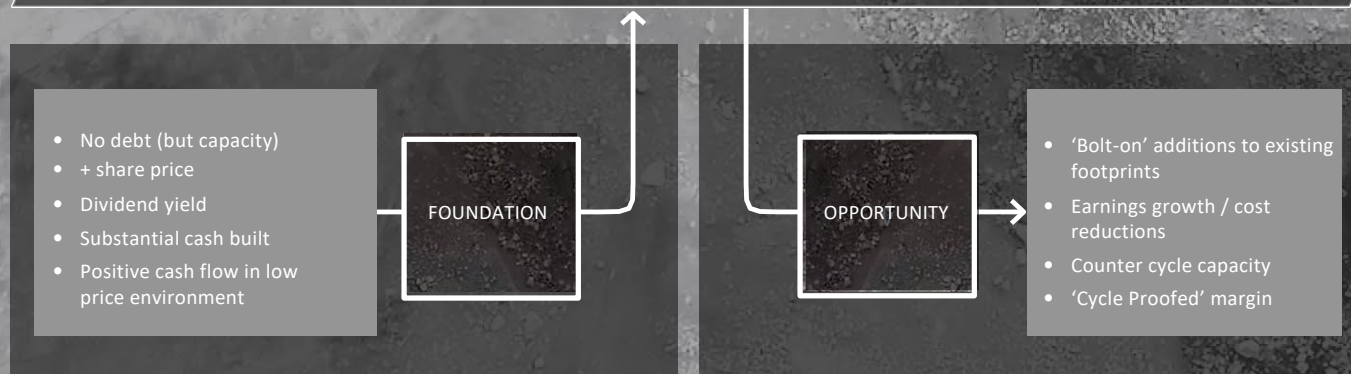




## SOURCE ROM COAL PIPELINE WITH DISCIPLINE



## A PREPARED COMPANY





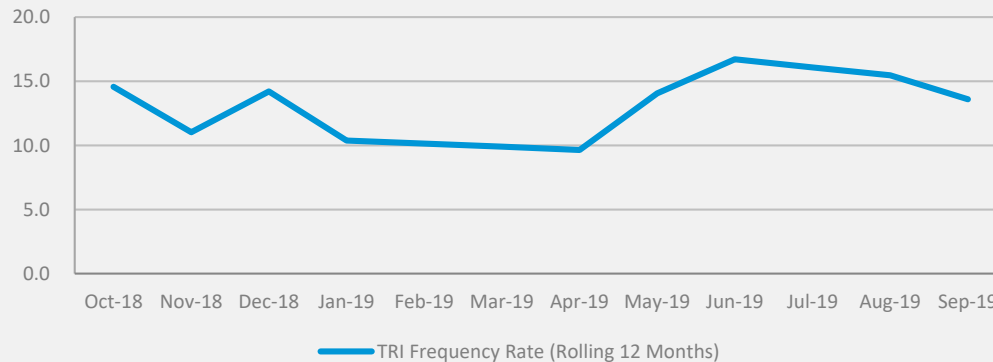
# Operations Performance

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Certainty.



## Stanmore Coal Safety Statistics Past 12 Months to Date



### Safety

- The Group undertook or managed 78,837 hours of activities directly and through its contractors during the September 2019 quarter. The Total Recordable Injury Frequency Rate improved to 13.6 over the quarter a 17% reduction.
- A 'safety reset' was rolled out across Stanmore's sites and head office during the quarter following six fatalities across the industry over the last 12 months. Stanmore chose to involve the entire corporate team in the safety reset, including our consultants.
- Stanmore has proactively engaged with Golding (mining contractor) to establish Lifesaving Rules and Fatal Risk Standards at Isaac Plains.

### Environment

- During the last quarter the company undertook 17Ha of recontouring and topsoiled 58Ha.
- Significant flood protection measures completed and certified.

### Community

- Stanmore has continued to support the communities in which we operate with multiple grants supporting important local community initiatives.



Isaac Plains Rehabilitation and Flood Protection

# Continuing Strong Operational Performance and Run Rates Pushing Infrastructure Capacities

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The quarters performance is on track to meet FY20 guidance of 2.35Mt production, costs of \$101/t ex. royalty are currently above guidance (of \$99.5/t) due to mining through a known faulted zone requiring 'softwalling' resulting in lower ROM mined in the quarter

Isaac Plains Complex  
2.0Mt → 2.4Mt  
Saleable Production

2019 - 2020

## Source ROM coal with discipline

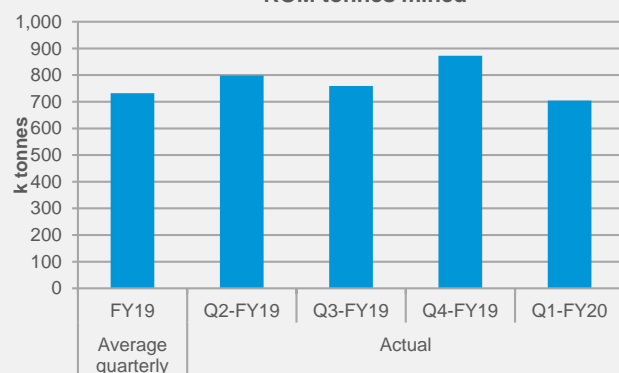
- CHPP to full capacity of 3.5Mt ROM
- 2 Stage cost structure
- Ramp-up / ramp-down capability
- Strip Ratio / Cost Structure / Coal Quality
- Matched logistics

## PRODUCTION AND SALES

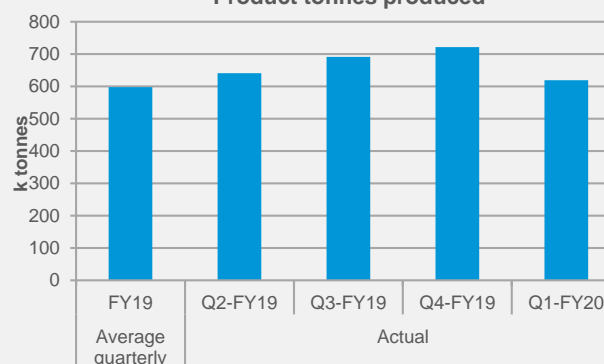
	Quarter Ended				
	Sep 2019	Jun 2019	Change %*	Sep 2018	Change %*
Thousands of tonnes					
ROM coal produced	704	872	(19%)	499	41%
ROM strip ratio (BCM/ROM t)	9.7	9.9	(2%)	9.9	(2%)
Saleable coal produced	619	721	(14%)	337	84%
Saleable coal purchased	-	16	n.a.	10	n.a.
Total coal sales	722	688	5%	319	127%
Product coal stockpiles	67	175	(61%)	111	(39%)
ROM coal stockpile	25	109	(77%)	159	(84%)

\* Note: Change is favourable/unfavourable

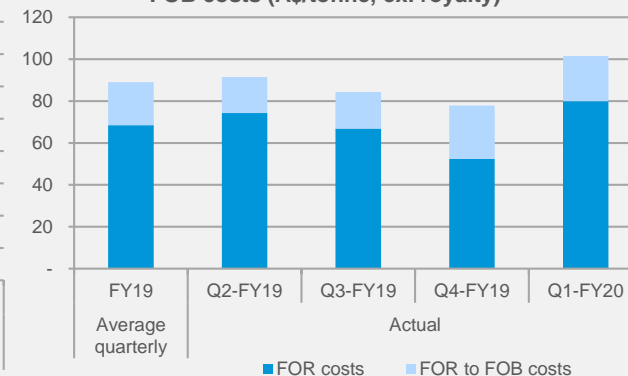
## ROM tonnes mined



## Product tonnes produced



## FOB costs (\$/tonne, ex. royalty)



ACHIEVED ON TRACK REQUIRED



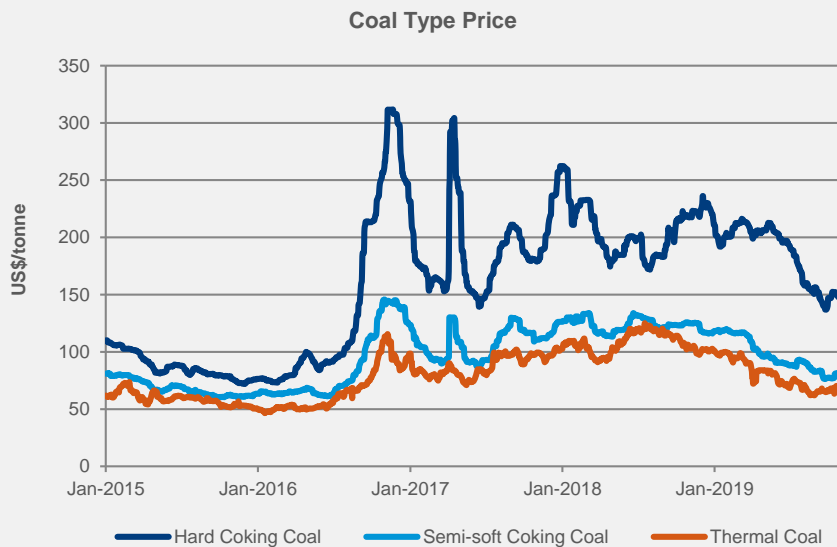
## Development and Outlook

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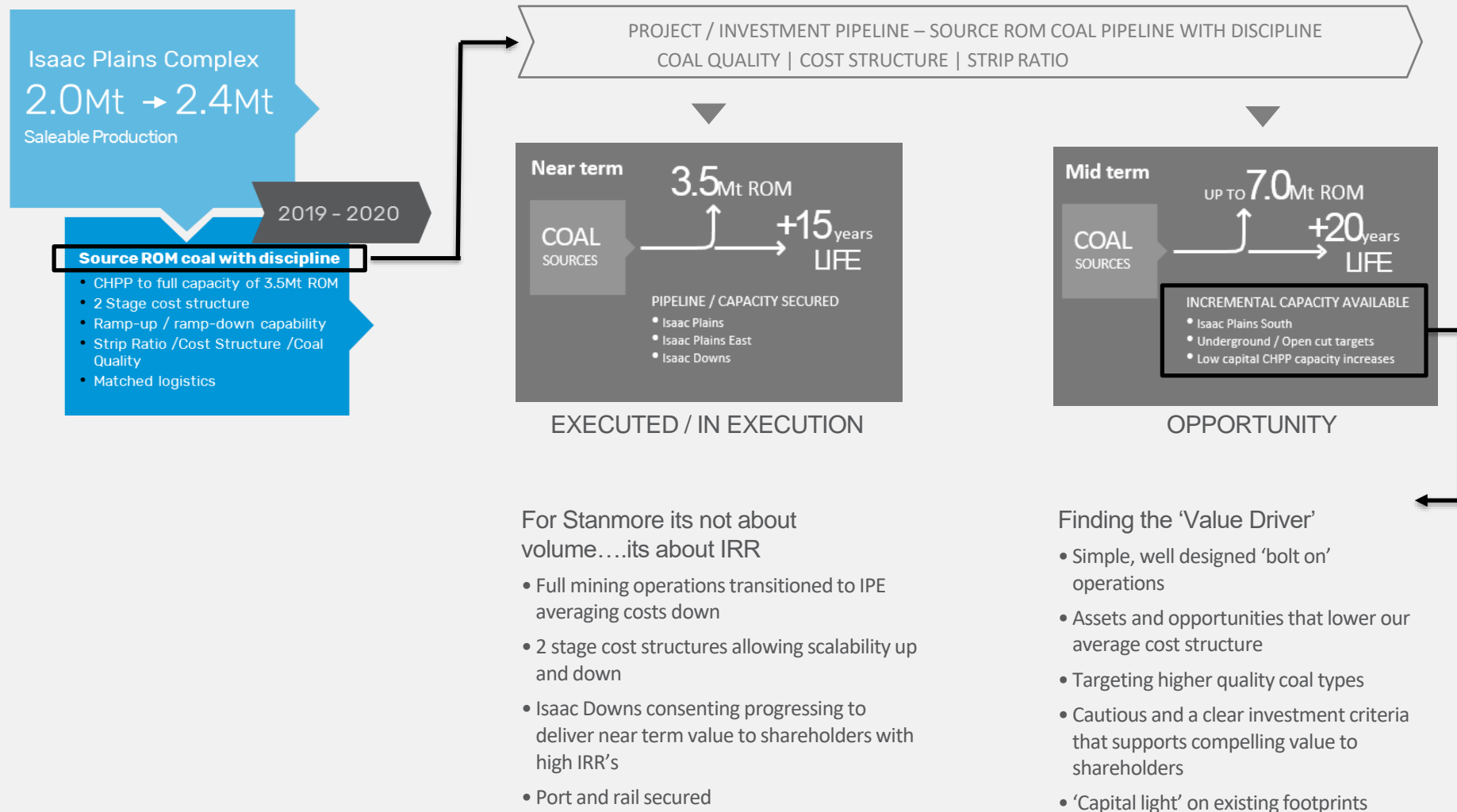


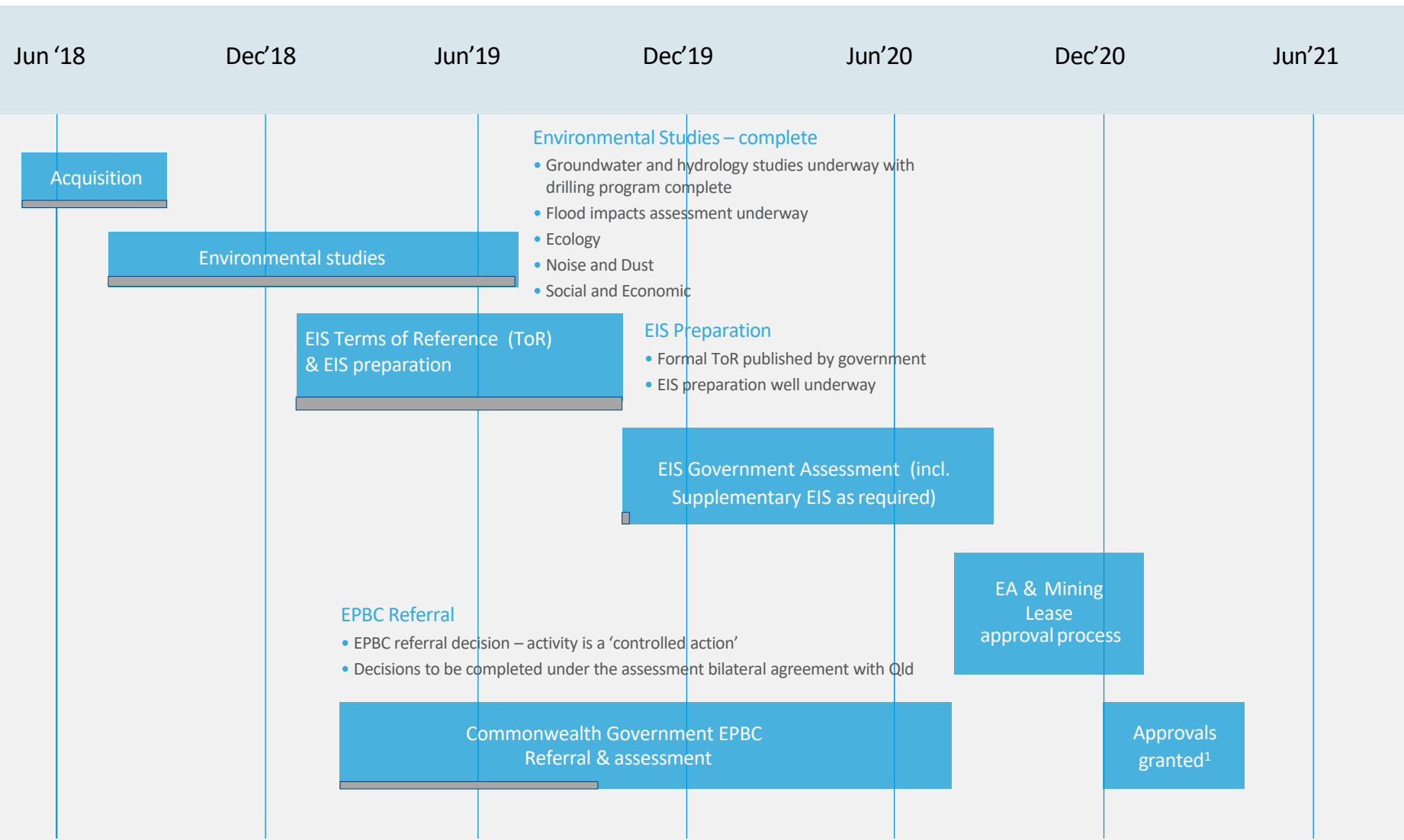
- Metallurgical coal pricing has seen some recent softening in hard coking coal pricing however forward prices provide support for the near term
- A combination of lower global investment in projects, continued strong Chinese steel output and metallurgical coal and coke production rationalisation has held pricing up over historical periods
- Potential pricing volatility is expected, however, with a large proportion of tonnage contracted into term customers, the Company expects its achieved prices to remain well above the company's cost of production
- Opportunities to enhance product quality will also support margins
- The expected higher ranking coking coals and lower strip ratio of Isaac Downs will see a considerable improvement in unit margins for Stanmore once operational

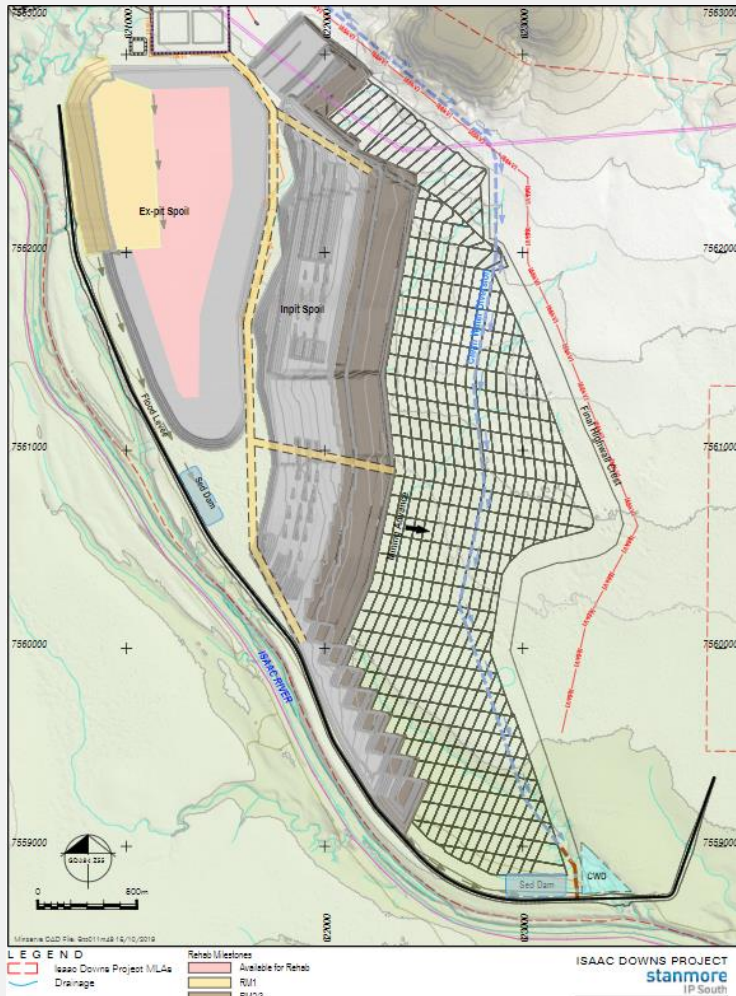
Stanmore Pricing Benchmark Summary (US\$/t, Financial Year)	Q3-19	Q4-19	Q1-20	Q2-20
Forward looking	131.0	126.5	124.0	107.0
Index based (backward looking)	130.0	129.0	115.0	TBC

# Disciplined near term and mid term growth options are key elements of our strategy

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## Schedule

- Final ToR (Terms of Reference) published by government on 2 October 2019
- EIS completed and currently being reviewed by government
- Approval process according to plan
- Tender for Bankable Feasibility Study issued
- EOIs received from contractors for the civil construction work scope
- Tender for a D&C contract with early contractor involvement has been issued

## Mine planning update

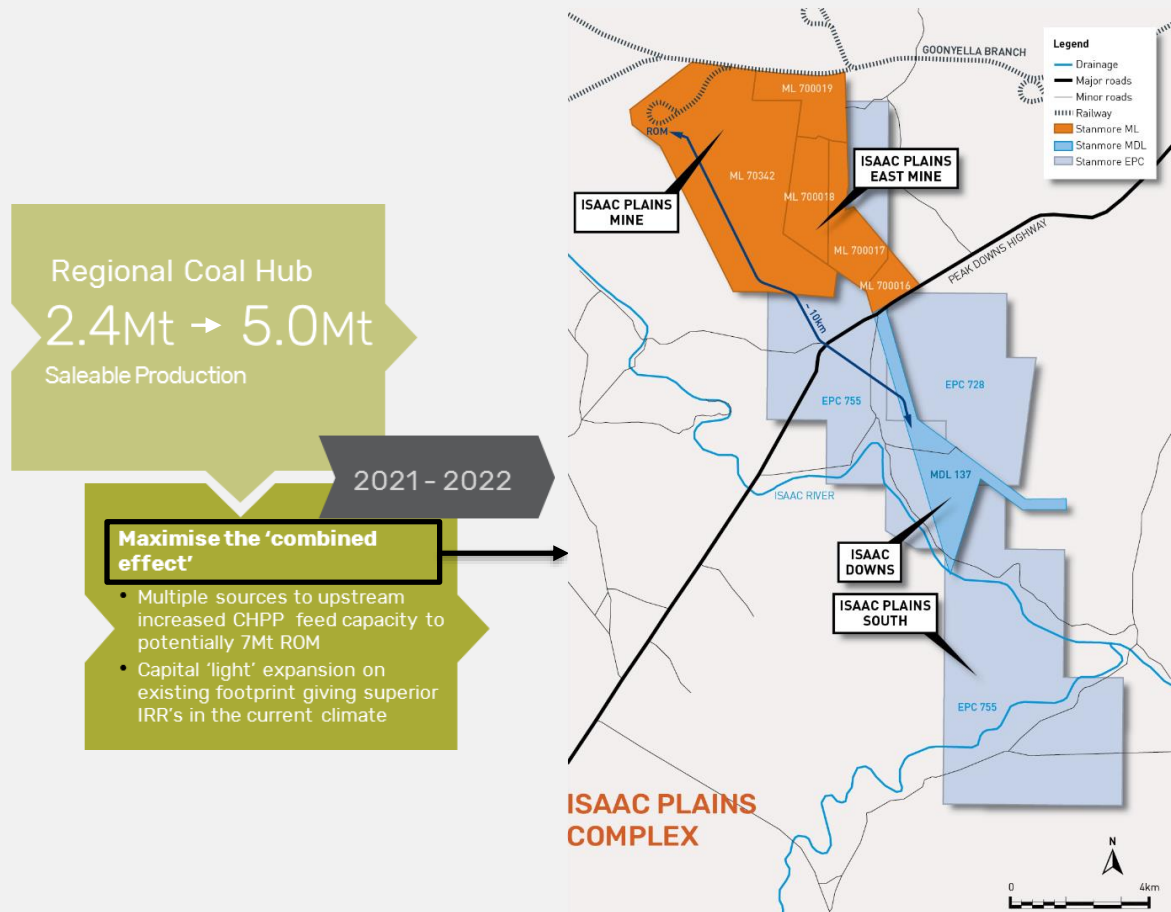
- Exploration required to support a Bankable Feasibility Study completed
- Washability and coal quality analysis ongoing
- Next phase of detailed mine planning work has commenced
- Stage Plan on left – Year 3

## Rehabilitation planned early

- Progressive rehabilitation and closure planning has been incorporated into the EIS in accordance with the expected requirements of recent legislation on progressive rehabilitation and closure plan (PRCP) schedules.
- The final landform has greater than 90% of the operational land returned to its pre-mining land use of grazing



# The 'Combined Effect' gives returns



## Headline Investment Criteria

- Underutilised infrastructure
- SMR presence
- Multi – operator region
- Met coal
- Assets others don't want or can't develop

## Added value is essential

- Infrastructure / asset grouping synergies
- Increase to EPS over 24 months
- Surrounding life / tenements
- Scalability (up and down)
- Synergy with existing operations / business
- Supports ROCE run rate
- Blending

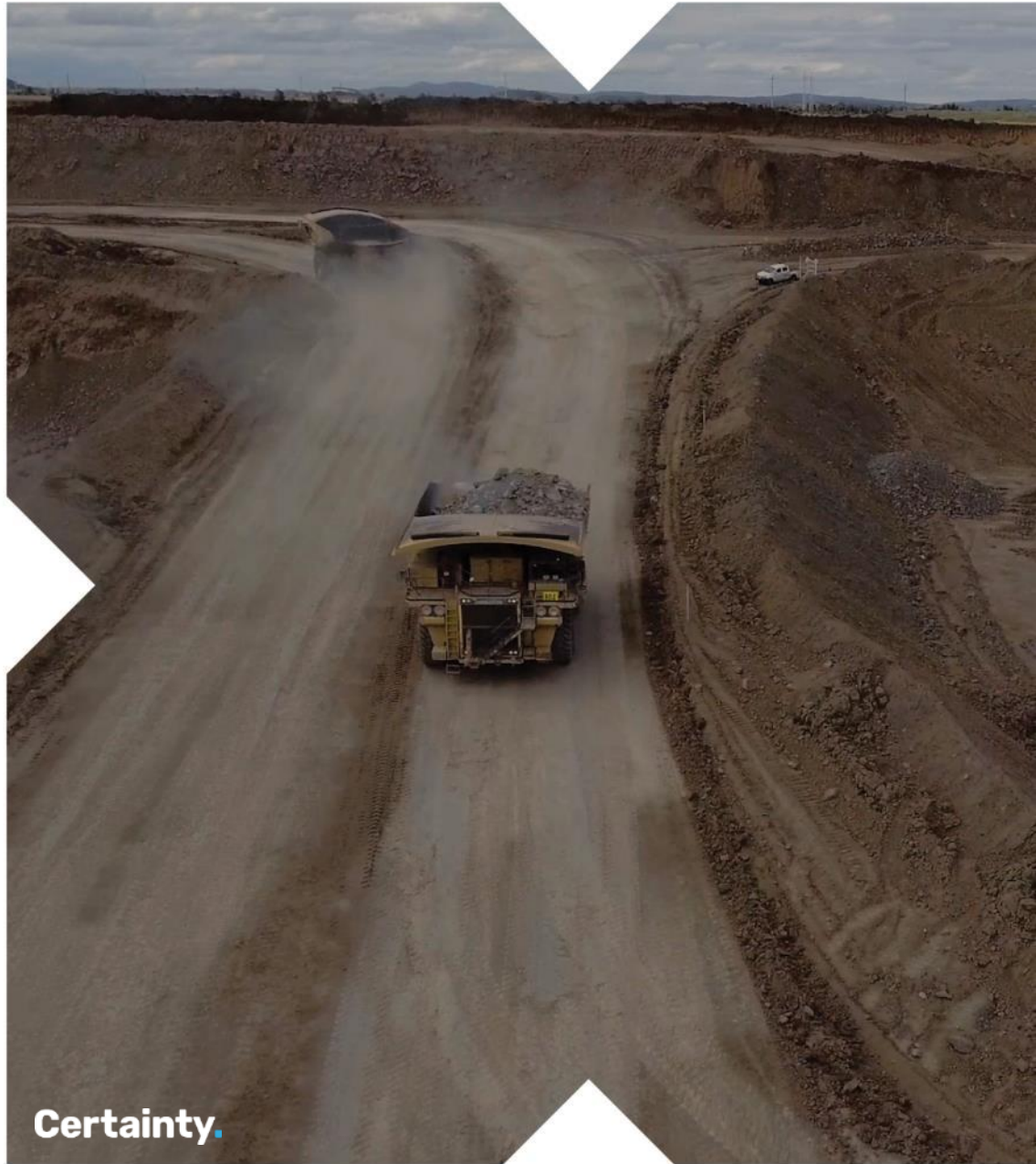
## Balance sheet and capital discipline

- Net cash held over the September quarter at \$90.7m, being a prudent level for projected future production profiles, dividend payment, and expected tax payments due 3rd quarter FY20
- The Dec Quarter will include a cash receipt from the financier of \$11.0m for the prepayment made during the Sept quarter for the CAT 6060 600 tonne excavator once it is commissioned.
- A final fully franked dividend of 8cps was paid on 31 October 19

BACKGROUND  
INFORMATION

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# Board of Directors

Wealth of experience creating the building blocks for a growing organisation

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## STEWART BUTEL

*Non-executive Chairman*

- 40 years of experience in operational management and board roles in the resources industry in New South Wales, Queensland and Western Australia.
- Stewart joined Wesfarmers Limited in 2000 as Managing Director of the Curragh mine, and was Managing Director of Wesfarmers Resources.
- He has held several directorships and was President of Queensland Resources Council.



## STEPHEN BIZZELL

*Non-executive Director*

- Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd.
- He was an Executive Director of Arrow Energy Ltd until its acquisition in 2010 by Shell and PetroChina for \$3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company.
- Stephen has considerable experience in the resources and energy sectors in Australia and Canada with various public companies.



## NEAL O'CONNOR

*Non-executive Director*

- 30 years of legal experience in private practice in Australia and the United Kingdom, and within the resources industry.
- He was Company Secretary and General Counsel of the global copper business unit of Xstrata plc, prior to which he was the General Manager Legal at MIM Holdings.
- He is currently a non-executive director of Mitchell Services (ASX: MSV) and Dingo Software.
- Neal is admitted to practice as a solicitor in Queensland and England and Wales. He is also a Member of the Australian Institute of Company Directors.



## JIMMY LIM

*Non-executive Director*

- 17 years' experience in finance and investment management in the metals and mining sector, with extensive industry relationships in Australia and globally
- Jimmy worked for EY and KPMG in Perth and JP Morgan in Melbourne, advising some of the world's largest miners.
- He moved to Morgan Stanley then Goldman Sachs to cover Metals and Mining in Asia ex-China.
- Mr Lim is a Fellow of FINSIA and holds an MBA and degrees in Engineering and Science from the University of Western Australia.



## DARREN YEATES

*Non-executive Director*

- Darren has over 30 years' operational management and board roles in Queensland and Western Australia.
- Darren's roles include CEO of GVK Hancock Coal, Acting Managing Director and Chief Operating Officer for Rio Tinto Coal Australia,
- Darren is currently a non-executive director of Emeco Holdings Limited and WorkPac Pty Ltd
- Darren is a Fellow of the Australian Institute of Company Directors.



## JON ROMCKE

### *Interim Chief Executive Officer*

- Current GM Development at Stanmore Coal – seamless step up to Chief Executive role. Extensive operations and business development experience.
- 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 changes required to successfully develop our business and provide our shareholders with great sustainable and cost-effective returns.



## IAN POOLE

### *Chief Financial Officer*

- 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 Bernie was responsible for feasibility studies and financial evaluation of new projects and brownfield expansions.



## BRENDAN SCHILLING

### *Group Manager – Marketing*

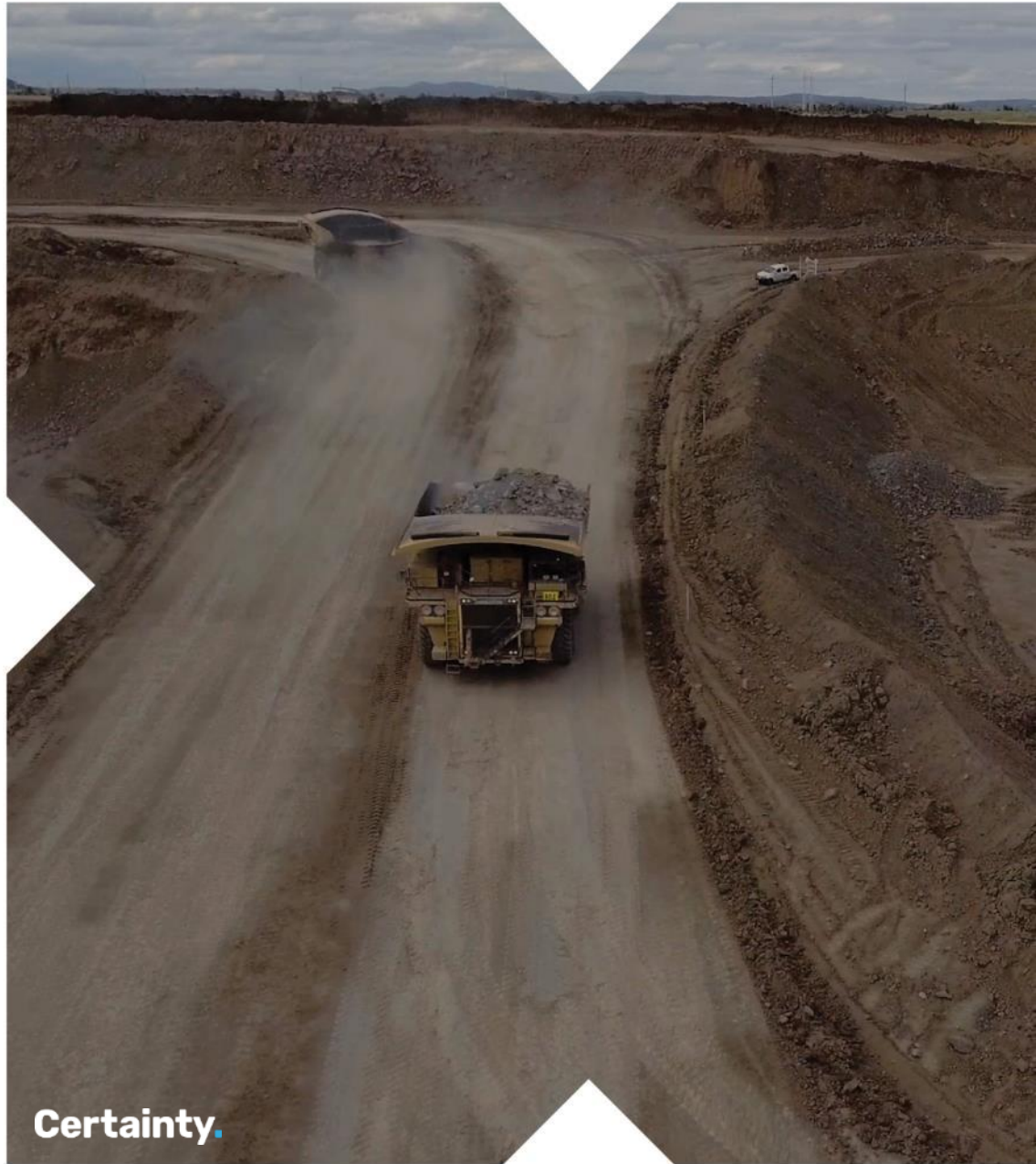
- Mr Schilling has over 14 years experience in marketing and logistics, primarily within the coal industry, throughout Asia-Pacific.
- Previously held senior marketing & business development roles with AMCI, Cockatoo Coal & Noble.
- Having delivered over 30 million tonnes of material to the global market to date, he has expertise in technical marketing, trading, logistics and possesses excellent relationships with Stanmore customer base
- He holds a Master of Business Administration, a Master of Marketing, a Bachelor of Business and is a graduate of the Australian Institute of Company Directors.



## Appendix A

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Stanmore Coal Limited is not aware of any new data that materially affects the information included in the relevant market announcement and, in the case of the case of estimates in the mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Please refer to the ASX announcement dated 30 August 2019 “2019 Annual Coal Resources & Reserves” for additional information on the Resources & Reserves in the tables on pages 22 & 23.

## Stanmore Coal - Coal Resources, June 2019

Project Name	Tenement	Coal Type *	Measured Resources	Indicated Resources	Inferred Resources	Total Resources	Competent Person	Report Date
Isaac Plains	ML 70342, ML 700018, ML 700019	C, T	22.2	21.3	9	52	A	May-18
Isaac Plains East	ML 700016, ML 700017, ML 700018, ML 700019	C	12.9	8.8	8	30	A	May-18
Isaac Downs	MDL 137, EPC 728	C, PCI	17.0	12.0	4	33	B	Mar-18
Isaac South	EPC 755	C, T	11.9	14.5	25	52	C	Jun-18
<b>Isaac Plains Complex</b>	<b>Sub Total</b>		<b>64.0</b>	<b>56.6</b>	<b>46</b>	<b>167</b>		
Clifford	EPC 1274, EPC 1276	T	0.0	200.0	430	630	D	Aug-16
The Range	EPC 1112, EPC 2030	T	18.1	187.0	81	286	A	Oct-12
<b>Surat Basin Complex</b>	<b>Sub Total</b>		<b>18.1</b>	<b>387.0</b>	<b>511</b>	<b>916</b>		
Mackenzie	EPC 2081	C, T	0.0	25.7	117	143	A	Nov-11
Belview	EPC 1114, EPC 1186, EPC 1798	C, PCI	0.0	50.0	280	330	A	Mar-15
Tennyson	EPC 1168, EPC 1580	T	0.0	0.0	139	139	A	Dec-12
Lilyvale	EPC 1687, EPC 2157	C	0.0	0.0	33	33	A	Feb-19
<b>Total Coal Resources</b>	<b>Sub Total</b>		<b>82.1</b>	<b>519.3</b>	<b>1126</b>	<b>1728</b>		

**\* Coal Types Potential Legend**

C - Coking Coal, semi-soft or greater potential

PCI - Pulverised Coal Injection

T - Export Thermal grade

**Competent Person**

A - Troy Turner - Xenith

B - James Knowles - Measured Group

C - Mal Blaik - JB Mining

D - Oystein Naess - Xenith

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Rounding to the nearest significant figure is applied to Total Resource Tonnes in the Inferred Category. This is deemed conservative and reflective of the Inferred Resource category confidence level and accounts for the minor differences in the overall total reported resources.

Note 3: All Coal Resources are reported on a 100% basis; Stanmore Coal's economic interest in Clifford is 60%, Mackenzie is 95%, and Lilyvale is 85%, all other tenure is 100% owned by Stanmore Coal.

## Stanmore Coal - Coal Reserves, June 2019

Project Name	Tenement	Coal Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Isaac Plains Open-cut	ML 70342	1.0	0.1	1.1	0.7	0.0	0.7	E	Aug-19
Isaac Plains East Open-cut	ML 700016, ML 700017, ML 700018, ML 700019	9.4	2.6	11.9	7.2	2.0	9.2	E	Aug-19
Isaac Plains Underground	ML 70342, ML 700018, ML 700019	0.0	12.9	12.9	0.0	9.4	9.4	F	Apr-18
Isaac Downs	MDL 137, EPC 728	17.0	7.5	24.5	11.2	4.6	15.8	E	Dec-18
<b>Isaac Plains Complex</b>	<b>Sub Total</b>	<b>27.3</b>	<b>23.1</b>	<b>50.4</b>	<b>19.1</b>	<b>16.0</b>	<b>35.1</b>		
The Range	EPC 1112, EPC 2030, MLA 55001	0.0	116.6	116.6	0.0	94.2	94.2	G	Jul-11
<b>Total Coal Reserves</b>	<b>Sub Total</b>	<b>27.3</b>	<b>139.7</b>	<b>167.0</b>	<b>19.1</b>	<b>110.2</b>	<b>129.3</b>		

## Coal Type Ratio - Coking:Thermal (% of Marketable Coal Reserve) Competent Person

Isaac Plains OC	69%:31%	E - Tony O'Connell - Optimal / Measured Group
Isaac Plains East OC	98%:2%	F - Mark McKew - Geostudy
Isaac Plains Underground	88%:12%	G - Richard Hoskings - Minserve
Isaac Downs	100% Coking	
The Range	100% Thermal	

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Totals may not be exact due to significant figure rounding.

Note 3: The Reserves quoted for The Range project were established in 2011 under the relevant JORC Code at the time and used a coal price of A\$120/tonne for benchmark NEWC thermal coal equivalent. These Reserves were supported by a Feasibility Study that assumed the completion of the Surat Basin rail to connect the mine to the Port of Gladstone.

Note 4: All Coal Reserves are reported on a 100% basis, and Stanmore Coal's economic interest in the tenure above is 100%.

Note 5: The IP & IPE Coal Resources above shows the May 2018 Coal Resource Report and does not include a reduction due to mining depletion during FY19 of approximately 3 Million tonnes