



7 January 2022

UPDATE ON STANMORE'S US\$625 MILLION DEBT FACILITY

The Board of Stanmore Resources Limited ("Stanmore" or the "Company") (ASX:SMR) refers to its announcement dated 8 November 2021 in relation to the execution of a definitive agreement with BHP Minerals Pty Ltd ("BHP") to acquire BHP's 80% interest in BHP Mitsui Coal Pty Ltd ("BMC"), by way of purchasing all of the shares in Dampier Coal (Queensland) Pty Ltd (the "Target") (the "Acquisition").

As previously announced, part of the consideration for the Acquisition will be funded by way of a US\$625 million 5-year debt facility.

Stanmore is pleased to announce that it has now executed, through its wholly owned subsidiary Stanmore SMC Holdings Pty Ltd (the "Borrower"), definitive documentation with certain financiers advised or managed by Värde Partners, Canyon Capital Advisors LLC, Farallon Capital Asia Pte. Ltd., and other credit funds (together, the "Lenders") in respect of a US\$625 million debt facility ("Debt Facility").

The Debt Facility is a senior secured, first-lien amortising loan note facility which matures 5 years from first utilisation.

The Debt Facility is guaranteed by and secured against all assets of the Borrower (including 100% of the Borrower's shares in the Target). Subject to the Target obtaining any necessary financial assistance approvals, the Debt Facility will also become guaranteed by and secured against all assets of the Target (including its interest in BMC).

The facility is non-recourse to Stanmore.

Other key terms of the Debt Facility include:

- **Interest Rate:** fixed cash interest rate of 11.5% per annum paid quarterly in arrears;
- **PIK toggle:** paid-in-kind interest toggle to provide cashflow flexibility at the Borrower's election subject to certain conditions;
- **Commitment Fees:** 3.0% of the available amount;
- **Fixed Amortisation:** scheduled quarterly amortisation profile with bullet payment at maturity (of approximately 50% of the facility);
- **Cashflow Sweep:** annual sweep of residual excess cashflow starting at 25.0% and rising to 37.5% in periods of higher cashflow;
- **Non-Call Period:** 24 months after the first utilisation date with no pre-payment penalties for early repayment after this date;
- **Dividends from Borrower:** subject to conditions customary for a facility of this nature including that the borrower maintain a certain Net Leverage Ratio as at the date of the distribution;
- **Financial Covenants:** market based financial covenants including customary coverage ratios; and
- **Other terms:** warranties, indemnities, undertakings, change of control, fees, default fees and terms (including conditions precedent to drawdowns) which the Company considers usual for a transaction of this size and scope.

Approval

This announcement has been approved for release by the Board of Directors of Stanmore.

Further information

Investors

investors@stanmore.net.au

Media

media@stanmore.net.au

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited owns and operates the Isaac Plains Complex in Queensland's prime Bowen Basin region which includes the Isaac Plains Mine and processing facilities, the adjoining Isaac Plains East and Isaac Downs mining areas and the Isaac Plains Underground Project. 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. Stanmore Resources is a 50% shareholder in the Millennium and Mavis Downs Mine and holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.