



4 April 2022

A\$110M COMMITMENT LETTER EXECUTED FOR BMC FACILITY POST-COMPLETION OF ACQUISITION

Stanmore Resources Limited (“Stanmore” or the “Company”) (ASX: SMR) refers to its previous announcements regarding its agreement with BHP Minerals Pty Ltd to acquire BHP’s 80% interest in BHP Mitsui Coal Pty Ltd (“BMC”) (the “Acquisition”).

Further to Stanmore’s disclosure regarding the negotiation of bank guarantee facilities in the investor presentation dated 3 March 2022, the Board of Stanmore is pleased to announce that it has now executed a binding commitment letter in respect of an aggregate A\$110 million facility (comprising a A\$60 million bank guarantee facility and A\$50 million working capital facility) to be provided by the Sydney branch of a global financial institution, to BMC (the “BMC Facility”).

The BMC Facility will only be made available following completion of the Acquisition, currently scheduled to occur on 3 May 2022 and the funds made available to BMC.

The Company intends to utilise the BMC Facility for security required under some long term contracts such as rail and port agreements for the Poitrel and South Walker Creek operations with various service providers, and for working capital if and when required at a BMC level.

The BMC Facility will be secured against all assets of BMC and its wholly owned subsidiary, Red Mountain Infrastructure Pty Ltd, including mortgages over key mining tenements held by BMC.

The BMC Facility will be documented in long-form definitive documentation and will include conditions precedent to drawdown which are customary for facilities of this nature. The documentation is currently under negotiation and further details will be announced following signing of those definitive documents.

In addition to the BMC Facility, Stanmore has also negotiated and is in the process of securing a further facility to support the remaining contractual performance guarantee requirements of ~A\$60m at BMC. This facility will also be at a BMC level for use by BMC and secured against BMC assets.

Stanmore is also required to pay an adjustment amount to BHP to adjust for the BMC working capital balance at completion. The adjustment amount is likely to be higher than initially anticipated due to record high coal prices and unforeseeable geopolitical issues impacting demand for BMCs product. The Company is considering alternatives for funding any unanticipated additional amounts. The Company will provide further updates on material developments in respect of the funding of the completion adjustment payment prior to completion.

Approval

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

Further information

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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.