



## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

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Date of Meeting: Wednesday, 25 May 2022  
Time of Meeting: 12:00pm (AEST)  
Place of Meeting: Hybrid meeting held at the offices of Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane, QLD, 4000 and online at <https://meetings.linkgroup.com/SMR22>

The business of the Meeting affects your shareholding and your vote is important.

This Notice and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

Should you wish to discuss the matters in this Notice, please contact the Company Secretary on email [cosec@stanmore.net.au](mailto:cosec@stanmore.net.au) or by phone +61 7 3238 1000.

Stanmore Resources Limited

ACN 131 920 968

## Business of the Annual General Meeting

Notice is given that the Annual General Meeting for Stanmore Resources Limited (ACN 131 920 968) (**Company**) will be held by way of a hybrid meeting on Wednesday, 25 May 2022 at 12:00pm (AEST) at the offices of Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane, QLD 4000 and online at <https://meetings.linkgroup.com/SMR22>.

Terms used in this Notice are defined in the Glossary forming part of the Explanatory Memorandum. The Explanatory Memorandum and the Proxy Form accompanying this Notice are incorporated in and comprise part of this Notice.

## Instructions for Attendance at Meeting & Voting

Shareholders can attend the General Meeting physically or online at the following link:

<https://meetings.linkgroup.com/SMR22>.

Shareholders (or proxyholders) who wish to attend the Meeting in person must register their attendance by 5:00pm (AEST) on Friday, 20 May 2022 by emailing the Company Secretary at [cossec@stanmore.net.au](mailto:cossec@stanmore.net.au) including your name, address and Shareholder Reference Number (SRN) or Holder Identification Number (HIN). Please note that to ensure appropriate social distancing, physical attendance at the Meeting will be limited to 50 persons, including the Directors.

The Company therefore strongly encourages Shareholders to attend the Meeting virtually. If doing so, the Company's Share Registry recommends logging onto our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Enter <https://meetings.linkgroup.com/SMR22> into a web browser on your computer or online device;
- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), which is printed at the top of the Voting Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

Shareholders electing to attend the General Meeting virtually are requested to participate via the Company's virtual General Meeting platform at <https://meetings.linkgroup.com/SMR22> or via the appointment of a proxy.

Further information on how to participate and vote virtually is set out in this Notice and the Online Platform Guide at <https://www.stanmore.net.au/AGM>.

## AGM Considerations and Shareholder Questions

Discussion will take place on all items of business to be considered at the General Meeting.

All Shareholders will have a reasonable opportunity to ask questions during the General Meeting in person or via the virtual General Meeting platform.

To ensure that as many Shareholders as possible have the opportunity to speak, Shareholders are requested to observe the following protocols:

- all Shareholder questions should be stated clearly and should be relevant to the business of the Meeting;
- if a Shareholder has more than one question on an item of business, all questions should be asked at the one time; and
- Shareholders should not ask questions at the Meeting relating to any matters that are personal to the Shareholder or commercial in confidence.

Shareholders who prefer to register questions in advance of the General Meeting are invited to do so. A Shareholder Question Form is also available on the Company's website:

<https://www.stanmore.net.au/agm>. Written questions must be received by the Company or Link Market Services Limited by 5:00pm (AEST) on Friday, 20 May 2022, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

# Stanmore Resources Limited

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## Ordinary Business

### Reports and Accounts for the year ended 31 December 2021

To receive and consider the annual financial report of the Company for the year ended 31 December 2021, together with the Directors' Report, the Remuneration Report and the Auditor's Report.

### Resolution 1: Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

*'That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the year ended 31 December 2021 be adopted.'*

#### Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

### Resolution 2: Election of Director – Mr Brett Garland

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That Mr Brett Garland, who was nominated by the Directors in accordance with rule 11.4(b) of the Constitution and agrees to his election as a Director of the Company, be elected as a Director of the Company.'*

### Resolution 3: Election of Director – Mr Matthew Latimore

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That Mr Matthew Latimore, who was nominated by the Directors in accordance with rule 11.4(b) of the Constitution and agrees to his election as a Director of the Company, be elected as a Director of the Company.'*

### Resolution 4: Election of Director – Ms Caroline Chan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That Ms Caroline Chan, who was nominated by the Directors in accordance with rule 11.4(b) of the Constitution and agrees to her election as a Director of the Company, be elected as a Director of the Company.'*

## Special Business

### Resolution 5: Financial assistance

To consider and, if thought fit, to pass the following resolution as a special resolution:

*'That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given to the grant of what may constitute financial assistance by Dampier Coal (Queensland) Pty Ltd ACN 008 428 180 (**Dampier Coal**) in connection with the acquisition by Stanmore SMC Holdings Pty Ltd ACN 653 931 223, being a wholly-owned subsidiary of the Company, of all of the shares in Dampier Coal, and all elements of that transaction that may constitute financial assistance by Dampier Coal for the purposes of section 260A of the Corporations Act 2001 (Cth), as detailed in the Explanatory Memorandum to this Notice.'*

### Resolution 6: Constitution Update

To consider and, if thought fit, to pass the following resolution as a special resolution:

*'That, for the purposes of section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Constitution be amended to comply with recent changes to Listing Rules with*

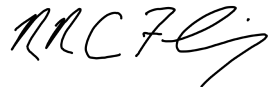
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*regards to “restricted securities” and to permit the Company to hold general meetings using virtual meeting technology, as detailed in the Explanatory Memorandum to this Notice.’*

The attached Explanatory Memorandum is incorporated into and forms part of this Notice. Detailed explanations of the background and reasons for the proposed resolutions are set out in the Explanatory Memorandum.

By order of the Board of Directors.

A handwritten signature in black ink, appearing to read 'R. Fleming'.

**Rees Fleming**  
**Company Secretary**

**Dated 26 April 2022**

## Notes

### Eligibility to Vote

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snap-shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Board has determined that the registered holders of fully paid ordinary shares at 7:00pm (AEST) on Tuesday, 24 May 2022 will be taken to be holders of ordinary shares for the purposes of the Meeting and accordingly, will be entitled to attend and vote at the Meeting.

### How to Vote

Shareholders may vote by:

- (a) Attending the Meeting in person. You must register your attendance with the Company (see '*Instructions for Attendance at Meeting & Voting*' above) in order to attend in person. Due to capacity restrictions in order to comply with social distancing requirements, it's possible that all Shareholders wishing to attend in person may not be able to attend. Therefore, the Company recommends that you attend the Meeting virtually.
- (b) Using the online platform. We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:
  - Enter <https://meetings.linkgroup.com/SMR22> into a web browser on your computer or online device;
  - Securityholders will need their Securityholder Reference Number or Holder Identification Number, which is printed at the top of the Voting Form; and
  - Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 12:00pm (AEST) on Wednesday, 25 May 2022 and the time at which the Chairman announces the closure of voting.

More information about online participation in the Meeting is available in the Online Platform Guide at <https://www.stanmore.net.au/AGM>.

- (c) Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

### Voting by Proxy

An eligible Shareholder can vote in person at the Meeting or appoint a proxy or, where a Shareholder is entitled to two or more votes, two proxies. Where two proxies are appointed, a Shareholder may specify the number or proportion of votes to be exercised by each proxy appointed. If no number or proportion of votes is specified, each proxy appointed will be taken to exercise half of that Shareholder's votes (disregarding fractions).

An appointed proxy need not themselves be a Shareholder.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 12:00pm (AEST) on Monday, 23 May 2022.

Proxy Forms can be submitted in four ways:

- **Online** at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
- By **mail** to Link Market Services at the following postal address:  
**Stanmore Resources Limited**  
**C/- Link Market Services Limited**  
**Locked Bag A14**  
**Sydney South NSW 1235**  
**Australia**
- By **facsimile** to +61 2 9287 0309 in Australia

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- By hand to:  
**Link Market Services Limited**  
**1A Homebush Bay Drive**  
**Rhodes NSW 2138**  
or  
**Link Market Services**  
**Level 12, 680 George Street**  
**Sydney NSW 2000**

Instructions on how to complete the Proxy Form are on the reverse of the Proxy Form attached to this Notice.

If a Proxy Form is signed by an attorney, a Shareholder must also send in the original or a certified copy of the power of attorney or other authority under which the Proxy Form is signed.

## Undirected Proxies

The Chairman of the Meeting intends to vote undirected proxy votes in favour of all resolutions (subject to the voting exclusions below).

## Voting by Corporate Representative

A Shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply with section 250D of the Corporations Act and evidence of his or her appointment must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

## Voting by Attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. An attorney need not themselves be a Shareholder.

The power of attorney appointing the attorney must be signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

## Voting Exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote in particular ways, and the Company must disregard particular votes cast by or on behalf of certain persons, on the below resolution to be considered at the Meeting. These voting exclusions are described below.

## Resolution 1: Remuneration Report

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 1:

- by or on behalf of any KMP member whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time the resolution is voted on at the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the resolution:

- in accordance with a direction in the proxy appointment; or

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- by the Chairman of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member.

## **Resolutions**

Resolutions 1, 2, 3 and 4 require Ordinary Resolutions, which means that, to be passed, the item needs the approval of a simple majority of the votes cast by Shareholders entitled to vote on the resolution.

Resolutions 5 and 6 require a special resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

## Explanatory Memorandum

This Explanatory Memorandum (including any annexures) forms part of the Notice convening the Annual General Meeting of Stanmore Resources Limited to be held at 12:00pm (AEST) on Wednesday, 25 May 2022.

### Financial Statements and Reports

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company and its consolidated entities for the most recent financial year (namely the year ended 31 December 2021) will be laid before the Meeting. Shareholders will be provided with the opportunity to ask questions about the reports.

The Company will not provide a hard copy of the Company's 2021 Annual Report for the year to 31 December 2021 to Shareholders unless specifically requested to do so. The Company's 2021 Annual Report for the year to 31 December 2021 is available on its website at [www.stanmore.net.au](http://www.stanmore.net.au).

There is no requirement for a Shareholder resolution on this item. Accordingly, there will be no resolution put to the Meeting.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chairman about the management of the Company or to the Company's auditor, Ernst & Young, if the question is relevant to:

- the content of the auditor's report; or
- the conduct of the audit of the annual financial report to be considered at the Meeting.

Written questions from Shareholders must be submitted by 5:00pm (AEST) on Friday, 20 May 2022, and can be submitted online, by mail, by fax or in person (as set out on the top of the Shareholder Question Form).

### 1 Resolution 1: Remuneration Report

The Remuneration Report is required to be considered by Shareholders in accordance with section 250R of the Corporations Act.

The Remuneration Report for the year ended 31 December 2021:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and other KMP;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the other most highly remunerated KMP; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and other KMP.

The Remuneration Report, contained in the Company's 2021 Annual Report for the year ended 31 December 2021, is available on the Company's website at [www.stanmore.net.au](http://www.stanmore.net.au).

Shareholders will have an opportunity to ask questions and make comments about the Remuneration Report at the Meeting. Ordinary Shareholders will be asked to vote on a resolution to adopt the Remuneration Report. Under the Corporations Act, the vote on the resolution is advisory only and does not bind the Board or the Company. The Board will take the discussion at the Meeting into consideration when determining the Company's remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.

**Directors' recommendation:** *Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report) and that each Director (or any closely related party of a Director) is excluded from voting their shares on the resolution (as described in the 'Voting exclusions' section of the Notes to the Notice), the Directors unanimously recommend that Shareholders vote in favour of the adoption of the Remuneration Report.*



## 2 Resolution 2: Election of Director – Mr Brett Garland

The ASX Listing Rules and the Constitution require that there must be an election of directors at each annual general meeting.

In accordance with ASX Listing Rule 14.5 and rule 11.2(a) and 11.4(b) of the Constitution, the Directors have nominated Mr Brett Garland for election and Mr Garland accepts the nomination.

Mr Garland has worked in the Australian Mining Industry for over 44 years and has held numerous management and executive management positions, including Executive Vice-President Production – Macarthur Coal, Project Executive, New Saraji – New Hope Group, Managing Director – Caledon Coal and Chief Executive Officer – Baralaba Coal.

Mr Garland served from 2005 until 2015 as a member of the Queensland Ministerial Advisory Committee for the Queensland Coal Mining Safety & Health Act.

Mr Garland has advised international governments on mine safety following significant mining accidents.

Mr Garland is currently the Director of the Minerals Industry Safety & Health Centre, which is part of the Sustainable Minerals Institute at the University of Queensland. The Centre is structured around the delivery of post-graduate industry based education and Research into the continual improvement in health and safety in the resource industry.

Mr Garland has also been a member of the Queensland Mines Rescue Board for over 10 years and is the current Chairman.

Mr Garland is a Mining Engineer by profession, holding the following qualifications:

1. Bachelor of Engineering (Honours) from the University of Wollongong in New South Wales, Australia.
2. Executive Masters in Business Administration from the Queensland University of Technology.

Mr Garland also holds qualifications as a Certified Coal Mine Manager in New South Wales & Queensland. He is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Chartered Professional with the AusIMM.

The Directors consider Mr Garland to be an independent Director.

***Directors' recommendation:*** *The Directors unanimously recommend that Shareholders vote in favour of Mr Brett Garland's election as a Director.*

## 3 Resolution 3: Election of Director – Mr Matthew Latimore

The ASX Listing Rules and the Constitution require that there must be an election of directors at each annual general meeting.

In accordance with ASX Listing Rule 14.5 and rule 11.2(a) and 11.4(b) of the Constitution, the Directors have nominated Mr Matt Latimore for election and Mr Latimore accepts the nomination.

Mr Latimore is Chairman and President of M Resources, a rapidly growing and agile company involved in investment, marketing, and trading of metallurgical coal. M Resources also operates metallurgical coal mines in Queensland, Australia.

Prior to establishing M Resources, Mr Latimore held the position of General Manager for Sales and Marketing at Wesfarmers Ltd.'s Curragh coal mine. In this role, Mr Latimore was responsible for global sales to steel mills and domestic and international power utilities. Mr Latimore also was a director of Curragh Coal Sales Pty Ltd.

Mr Latimore has held various positions with Mitsui & Co (Australia) Pty Ltd in Brisbane, Sydney and Tokyo, working on joint ventures including Atlantic Richfield and BHP Mitsui Coal.

Mr Latimore and his associated entities currently hold 61,593,804 Shares, representing voting power in the Company of approximately 6.8% (as set out in Stanmore's retail offer booklet dated 10 March 2022).

The Directors do not consider Mr Latimore to be an independent Director.

**Directors' recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of Mr Matthew Latimore's election as a Director.*

#### 4 Resolution 4: Election of Director – Ms Caroline Chan

The ASX Listing Rules and the Constitution require that there must be an election of directors at each annual general meeting.

In accordance with ASX Listing Rule 14.5 and rules 11.2(a) and 11.4(b) of the Constitution, the Directors have nominated Ms Caroline Chan for election and Ms Chan accepts the nomination.

Ms Chan has over 20 years of experience in commercial and investment banking, and corporate commercial roles. Most recently, Ms Chan was Head of Institutional Bank Western Australia & South Australia for Westpac Banking Corporation, based in Perth. Prior to this, she spent 16 years in Sydney in various roles including Chief Operating Officer of Corporate & Institutional Banking at Westpac Institutional Bank. Before joining Westpac, Ms Chan gained transaction and commercial experience through roles in M&A at Deutsche Bank, Acquisition Finance at NM Rothschild, and commercial roles at Singtel Optus and Perth Airport.

Ms Chan was a Board member of Loreto Nedlands, and Chair of its Finance Committee from 2016-2021. Ms Chan is a WA Business News 40 under 40 Winner, and is a passionate advocate for inclusion and diversity initiatives. She holds Bachelor of Laws and Bachelor of Commerce (Accounting & Finance) degrees from the University of Western Australia, a postgraduate Diploma in Applied Finance & Investment from the Securities Institute of Australia, and is a Member of the Australian Institute of Company Directors.

The Directors consider Ms Chan to be an independent Director.

**Directors' recommendation:** *The Directors unanimously recommend that Shareholders vote in favour of Ms Caroline Chan's election as a Director.*

#### 5 Resolution 5: Financial Assistance

##### 5.1 Background

Pursuant to a share sale agreement between SMC as purchaser (a wholly-owned subsidiary of the Company), BHP Minerals Pty Ltd ACN 008 694 782 (**BHP**) as seller, and the Company and Golden Energy and Resources Limited as guarantors, SMC will acquire all of the shares in Dampier Coal (completion currently scheduled to occur on 3 May 2022) (**Acquisition**).

Resolution 5 relates to the giving of what may be regarded as financial assistance, to which section 260A of the Corporations Act will apply, by Dampier Coal (Queensland) Pty Ltd ACN 008 428 180 (**Dampier Coal**) in connection with the Acquisition.

This resolution must be passed under section 260B(2) of the Corporations Act, as the Company will be the ultimate holding company of Dampier Coal upon completion of the Acquisition, which requires the Company to pass a special resolution approving Dampier Coal financially assisting Stanmore SMC Holdings Pty Ltd ACN 653 931 223 (**SMC**) in connection with the Acquisition.

## 5.2 Transaction overview

Dampier Coal currently holds an 80% interest in BHP Mitsui Coal Pty Ltd ACN 009 713 875 (**BMC**).

Further detail regarding the Acquisition is set out in the Company's ASX announcement dated 8 November 2021.

Immediately after the Acquisition, the Company will be the listed holding company of Dampier for the purposes of section 260B(2) of the Corporations Act.

By a loan note subscription agreement between SMC as issuer and certain financiers advised or managed by Värde Partners, Canyon Capital Advisors LLC, Farallon Capital Asia Pte. Ltd. and other credit funds (together, the **Lenders**), it is proposed that the Lenders will make up to US\$625 million available to SMC to fund the Acquisition (**Facility Agreement**). Further detail regarding the Facility Agreement is set out in the Company's ASX announcement dated 7 January 2022.

It is proposed that SMC's obligations under the Facility Agreement will be secured by a general security deed granted by SMC in favour of a security trustee acting on behalf of the Lenders (**SMC General Security Deed**). The SMC General Security Deed will, among other things, grant a security interest over all present and after-acquired property of SMC, including the shares on issue of Dampier Coal. SMC will also provide a guarantee in favour of the Lenders under the Facility Agreement (together with the SMC General Security Deed, the **SMC Security**).

It is further proposed that, within 90 days of completion of the Acquisition, Dampier Coal will accede to the Facility Agreement as an obligor. As a condition to that accession, Dampier Coal will enter into a general security deed in favour of a security trustee acting on behalf of the Lenders (**Dampier General Security Deed**). The Dampier General Security Deed will, among other things, grant a security interest over all present and after-acquired property of Dampier Coal, including its shareholding in BMC. In addition, upon acceding to the Facility Agreement, Dampier Coal will also provide a guarantee in favour of the Lenders, guaranteeing all of SMC's obligations under the Facility Agreement (together with the Dampier General Security Deed, the **Dampier Security**).

The Dampier Security (together with the SMC Security) will secure all amounts owing by SMC and Dampier Coal (as security provider and guarantor) to the Lenders from time to time.

Pursuant to the Facility Agreement, SMC has undertaken to procure the accession to the Facility Agreement and entry into the Dampier General Security Deed by Dampier Coal. If this does not occur within 90 days of completion of the Acquisition, a default will occur under the Facility Agreement. This would enable the Lenders to, among other things, cancel the commitments under the Facility Agreement and declare all or any amounts provided by them under the Facility Agreement as being immediately due and payable.

The granting of the Dampier Security may constitute the giving of financial assistance by Dampier Coal to which section 260A of the Corporations Act applies, as described more fully at paragraph 5.3 below. Under section 260B(2) of the Corporations Act, Dampier Coal may provide financial assistance only if, among other things, the assistance is approved by a special resolution passed at general meeting of the company that will be, at the time immediately following the Acquisition, the listed holding company of Dampier Coal. In these circumstances, that company is Stanmore.

## 5.3 Financial assistance

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in that company, or a holding company of the company only if the financial assistance:

- does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- is approved by shareholders under section 260B; or
- falls within a limited number of exemptions under section 260C of the Corporations Act, none of which apply to the Acquisition.

The granting of the Dampier Security by Dampier Coal in favour of the Lenders as required under the terms of the Facility Agreement may constitute the giving of financial assistance by Dampier Coal, to which section 260A of the Corporations Act will apply, by virtue of the following:

- it is proposed that the Lenders will make the funds available to SMC under the Facility Agreement which will be used to fund part of the amount payable by SMC to BHP on completion of the Acquisition;
- the Dampier General Security Deed will secure, and (upon its accession to the Facility Agreement and subject to Shareholder approval) Dampier Coal will guarantee SMC's obligations under the Facility Agreement and its execution is, in effect, a condition to the provision of the funds by the Lenders under the Facility Agreement; and
- in addition, in the future Dampier Coal may:
  - make available its cash flows or other assets in order to enable SMC or other guarantors under the Facility Agreement comply with their payment and other obligations to the Lenders;
  - transfer assets to, or assume other liabilities of other subsidiaries or related parties of SMC;
  - agree to amend the Facility Agreement or the Dampier Security which may include more onerous obligations;
  - provide additional guarantees or security, including mortgages and/or charges;
  - subordinate intercompany claims; and
  - provide other financial assistance in connection with the Acquisition, including for any refinancing,

(together, the **Proposed Financial Assistance**).

The Directors have considered the requirements of section 260A of the Corporations Act and decided to seek shareholder approval.

Under sections 260B(1) and 260B(2) of the Corporations Act, the Proposed Financial Assistance may be given by Dampier Coal if it is approved by way of special resolution of:

- the shareholders of Dampier Coal. Since SMC will be the sole shareholder of Dampier Coal upon completion of the Acquisition, the relevant shareholder resolution for Dampier Coal pursuant to section 260B(1) of the Corporations Act will be passed immediately following the conclusion of this Meeting; and
- as Dampier Coal will be a subsidiary of the Company (being a listed holding company upon completion of the Acquisition), the Shareholders, with that resolution being the subject of Resolution 5 of the Notice.

#### 5.4 Effect of the Proposed Financial Assistance

The Proposed Financial Assistance, if given, will result in Dampier Coal incurring (among other things) liabilities under the Dampier Security in relation to, among other liabilities, SMC's liabilities under the Facility Agreement.

The Directors believe that obtaining funds under the Facility Agreement is the most efficient form of financing available to fund the Acquisition, with the remainder to be funded through the Company's cash reserves.

The Facility Agreement and associated arrangements are a critical component of the funding sources for the Acquisition. The Acquisition is transformational for Stanmore.

The requirement for Dampier Coal to provide the Dampier Security is considered customary and consistent with market practice for financing transactions of this type such as the Acquisition. If a default was to occur under the Facility Agreement (including as a result of the failure to pay principal or interest or otherwise comply with any undertakings), the Lenders would be entitled to enforce the Dampier Security against Dampier Coal and the SMC Security against SMC. The amount claimed could potentially exceed the resources available to Dampier Coal or SMC to make payment.

In addition, enforcement of the Dampier Security or the SMC Security might trigger cross-default provisions in other financing arrangements and permit other counterparties to terminate those contracts, which could materially prejudice the interests of the Company.

The Directors do not currently believe that SMC, or any of the other obligors to the Facility Agreement (including Dampier Coal upon completion of the Acquisition) are likely to default in their obligations under the Facility Agreement, SMC General Security Deed, Dampier General Security Deed or other related documents.

## **5.5 Approval of the Proposed Financial Assistance**

Resolution 5 is proposed as a special resolution and will be passed if at least 75% of the votes cast by Shareholders entitled to vote are in favour of Resolution 5.

## **5.6 Prior notice to ASIC**

As required by section 260B(5) of the Corporations Act, copies of the Notice and this Explanatory Memorandum as sent to Shareholders were lodged with ASIC prior to their dispatch to Shareholders.

## **5.7 Disclosure**

Shareholders have been informed of the above matters in accordance with section 260B(4) of the Corporations Act. The Directors consider that this Explanatory Memorandum contains all material information known to the Company that could be reasonably required by Shareholders in deciding how to vote on Resolution 5.

**Directors' recommendation:** *The Board unanimously recommends that Shareholders vote in favour of Resolution 5.*

# **6 Resolution 6: Constitution Update**

## **6.1 Background**

Section 136(2) of the Corporations Act provides that a company may modify its constitution if the company passes a special resolution. A special resolution must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Resolution 6 is proposed as a special resolution and will be passed if at least 75% of the votes cast by Shareholders entitled to vote are in favour of Resolution 6.

If Resolution 6 is passed by the requisite majority, the Constitution will be amended to insert rule 7.8 as a new provision of the existing Constitution and to amend rule 3.8.

## **6.2 Use of virtual meeting technology**

Resolution 6 proposes to amend the Constitution to account for recent developments in law and general corporate practice for ASX-listed companies around the use of virtual meeting technology to host meetings of Shareholders.

The *Corporations Amendment (Meetings and Documents) Act 2022* amends the Corporations Act to allow for meetings of members to be held physically, as a hybrid or, if expressly permitted by the entity's constitution, virtually (provided that members, as a whole, are given a reasonable opportunity to participate in the meeting).

The Company's current Constitution does not permit the holding of wholly virtual general meetings. The Company would like to amend its Constitution to ensure that the Company will be able to take advantage of the increased flexibility and accessibility the virtual meetings provisions

offer in respect of general meetings, especially in light of recent unforeseeable events that have highlighted the need for companies to be able to adapt quickly.

The Directors believe the proposed amendment is an important step in ensuring the Company's Shareholders can continue to exercise their rights to participate in and vote at meetings with minimal disruptions in the event of future movement and gathering restrictions caused by the COVID-19 pandemic or otherwise.

Virtual meetings are those which are held entirely online utilising audio or audio and visual communication technology. Meetings may also be convened where a component is held in a physical location and individuals who cannot or do not wish to attend in person can participate by virtual means, which are referred to as hybrid meetings.

### 6.3 Restricted Securities

The Directors also propose amending rule 3.8 of the Constitution to comply with the latest changes to Listing Rule 15.12 with regards to "restricted securities".

ASX requires certain more significant holders of restricted securities (e.g. related parties, promoters, substantial holders, service providers and their associates) and their controllers to execute a formal escrow agreement in the form Appendix 9A of the Listing Rules. However, for less significant holdings (e.g. non-related parties and non-promoters), ASX has amended the Listing Rules to allow the Company to rely on its constitution to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C of the Listing Rules advising them of these restrictions, rather than requiring restriction agreements to be signed.

Although the Company does not presently have any restricted securities on issue, the Directors consider it prudent to update the Constitution to ensure it complies with these new requirements.

### 6.4 Amendments to the Constitution proposed by Resolution 6

It is proposed that the Constitution be amended by adding the following underlined wording to rule 3.8:

#### **"3.8 Restricted Securities**

*If at any time any of the share capital of the Company is classified by ASX as Restricted Securities, then despite any other provision of this Constitution:*

- (a) the Restricted Securities must not be disposed of during the relevant escrow period (except as permitted by the Listing Rules or ASX);*
- (b) the Company must refuse to acknowledge a disposal (including registering a transfer) of the Restricted Securities during the escrow period (except as permitted by the Listing Rules or ASX);*
- (c) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the relevant escrow period applicable to those Securities;*
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on the Restricted Securities during the relevant escrow period (except as permitted by the Listing Rules or ASX); and*
- (e) during a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement or this rule 3.8, the holder of the Restricted Securities is not entitled to any dividend or distribution, or to exercise any voting rights, in respect of the Restricted Securities for so long as the breach continues.*

It is also proposed that the Constitution be amended by inserting a new rule 7.8:

**“7.8 Use of technology at general meetings**

*Notwithstanding anything else contained in this Constitution:*

- (a) subject to the Corporations Act and the Listing Rules:
  - (i) the Company may hold a general meeting using any virtual meeting technology approved by the directors that gives the members (as a whole) a reasonable opportunity to participate and enables them to vote on a show of hands, on a poll or otherwise, as the case may require; and*
  - (ii) a meeting conducted using such virtual meeting technology may be:
    - (A) held concurrently at one or more physical venues and using virtual meeting technology; or*
    - (B) not held at any specified physical venue and held as a wholly virtual meeting,***
- and participation in such a meeting will constitute presence as if in person at such a meeting;*
- (b) if the directors elect to use virtual meeting technology for a general meeting of the Company, the directors will determine the type of virtual meeting technology to be used, and for the purposes of rule 7.3(b), the notice of meeting must set out the details of the virtual meeting technology for the general meeting;*
- (c) if before or during a general meeting any technical difficulty occurs such that the members do not have a reasonable opportunity to participate, the chair may:
  - (i) adjourn the meeting for a reasonable period until the technical difficulty is remedied; or*
  - (ii) where a quorum remains present (either at the place at which the chair is present or by virtual meeting technology as contemplated by this rule 7.8) and able to participate, continue the meeting (subject to the Corporations Act);**
- (d) in no circumstances shall the inability of one or more members to access, or to continue to access, virtual meeting technology affect the validity of a meeting or any business conducted at a meeting, provided that sufficient members are able to participate in the meeting as are required to constitute a quorum;*
- (e) for the purposes of rules 7.7(a)(ii), 7.7(a)(iii), 8.2(a)(ii), 8.5(a) and 10.11(b), a reference to ‘place’ also includes a reference to any virtual meeting technology used, where a general meeting is being held in accordance with this rule 7.8; and*
- (g) nothing in this rule 7.8 is to be taken to limit the powers conferred on the chair under the Corporations Act and this Constitution.”*

**Directors’ recommendation:** *The Board unanimously recommends that Shareholders vote in favour of Resolution 6.*

# Stanmore Resources Limited

ACN 131 920 968

## Glossary

The following terms used in the Notice and Explanatory Memorandum are defined as follows:

**Acquisition** means the acquisition by SMC of all of the shares in Dampier Coal.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means the ASX Limited or the securities exchange operated by it (as the case requires).

**ASX Listing Rules** means the official listing rules of the ASX as amended from time to time.

**BHP** means BHP Minerals Pty Ltd ACN 008 694 782.

**BMC** means BHP Mitsui Coal Pty Ltd ACN 009 713 875.

**Board** means the board of Directors of the Company from time to time.

**Chairman** means the person appointed Chairman of the Meeting.

**Company** means Stanmore Resources Limited ACN 131 920 968.

**Constitution** means the constitution of the Company as amended from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time.

**Dampier Coal** means Dampier Coal (Queensland) Pty Ltd ACN 008 428 180.

**Dampier General Security Deed** means the general security deed to be granted by Dampier Coal in favour of a security trustee acting on behalf of the Lenders which will, among other things, grant the SMC Security.

**Dampier Security** means the security interest to be granted by Dampier Coal under the Dampier General Security Deed over all of present and after-acquired property of Dampier Coal, including its shareholding in BMC.

**Directors** means the directors of the Company from time to time.

**Explanatory Memorandum** means this explanatory memorandum.

**Facility Agreement** means the loan note subscription agreement between SMC (as issuer) and the Lenders for up to US\$625 million.

**KMP** means key management personnel.

**Lenders** means certain financiers advised or managed by Värde Partners, Canyon Capital Advisors LLC, Farallon Capital Asia Pte. Ltd. and other credit funds.

**Meeting** or **General Meeting** means the Annual General Meeting of Shareholders to be held on 25 May 2022 as convened by the accompanying Notice.

**Notice** means the notice of meeting giving notice to Shareholders of the Meeting, accompanying this Explanatory Memorandum.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast by those entitled to vote on the resolution.

**Proposed Financial Assistance** has the meaning given in paragraph 5.3.

**Proxy Form** means the proxy form accompanying the Notice.

**Shareholder** means a holder of Shares.

**Shares** means fully paid ordinary shares in the Company.

**SMC** means Stanmore SMC Holdings Pty Ltd ACN 653 931 223.

**SMC General Security Deed** means the general security deed to be granted by SMC to secure its obligations under the Facility Agreement in favour of a security trustee acting on behalf of the Lenders.



Stanmore Resources Limited

ACN 131 920 968

**SMC Security** means the s security interest grated by SMC under the SMC General Security Deed over all present and after-acquired property of SMC, including the shares on issue of Dampier Coal and the guarantee in favour of the Lenders under the Facility Agreement.



Stanmore Resources limited

ABN 27 131 920 968

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Stanmore Resources limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150



### ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Stanmore Resources limited and entitled to participate in and vote hereby appoint:

### APPOINT A PROXY

☐ the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (Brisbane Time) on Wednesday, 25 May 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **Offices of Norton Rose Fulbright, Level 21, 111 Eagle Street, Brisbane, QLD, 4000** or logging in online at <https://meetings.linkgroup.com/SMR22> (refer to details in the Virtual Annual General Meeting Online Guide). To access the **Notice of Annual General Meeting** this can be viewed and downloaded at the Company's website at [www.stanmore.net.au](http://www.stanmore.net.au).

**Important for Resolution 1:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

For Against Abstain\*

For Against Abstain\*

1 Remuneration Report

☐ ☐ ☐

5 Financial assistance

☐ ☐ ☐

2 Election of Director –  
Mr Brett Garland

☐ ☐ ☐

6 Constitution update

☐ ☐ ☐

3 Election of Director –  
Mr Matt Latimore

☐ ☐ ☐

4 Election of Director –  
Ms Caroline Chan

☐ ☐ ☐

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

SMR PRX2201N

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (Brisbane Time) on Monday, 23 May 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Stanmore Resources limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\*During business hours Monday to Friday (9:00am - 5:00pm)