stanmore

2023 Half Year **Financial Results** Release

SIX MONTHS ENDED 30 JUNE 2023

14 AUGUST 2023

Important Information

Forward-looking statements

This document contains certain “forward-looking statements”. The words “forecast”, “estimate”, “like”, “anticipate”, “project”, “opinion”, “should”, “could”, “may”, “target” and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. Although due care and attention has been used in the preparation of forward-looking statements, such statements, opinions and estimates are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Other than where required by law, Stanmore does not undertake to publicly update or review any forward-looking statements whether as a result of new information or future events.

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JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee’s Australasian Code for Reporting of Mineral Resources and Ore Reserves (“JORC Code”). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code compliant ore reserves and mineral resources being “Ore Reserves” and “Mineral Resources” respectively), they may not comply with the relevant guidelines in other countries and in particular do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators ("Canadian NI 43-101 Standards"); or SEC Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission (“SEC”). You should not assume that quantities reported as “resources” will be converted to reserves under the JORC Code or any other reporting regime or that Stanmore will be able to legally and economically extract them.

Mineral resources and reserves

This presentation contains estimates of Stanmore's ore reserves and mineral resources. The information in this presentation that relates to the ore reserves and mineral resources has been extracted from the ASX release by Stanmore titled “2022 Annual Coal Resources and Reserve Summary” dated 27 February 2023, published as part of the Annual results and financial statements on 27 February 2023 and prepared by Competent Persons in accordance with the requirements of the JORC Code. Copies of these announcements are available at www.asx.com.au.

Stanmore confirms that it is not aware of any new information or data that materially affects the information included in those announcements and, in relation to the estimates of Stanmore's ore reserves and mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed. Stanmore confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant announcement.

1H2023 Highlights

First half results driven by strong operating performance to further strengthen Stanmore's position following acquisitive period

Safety TRIFR[1]

2.5

Steady TRIFR[1] rate maintained through the integration of SMC[2] assets

Saleable Production[3]

6.4 Mt

Strong operating performance despite wet weather headwinds

FOB Cash Cost[4]

97 US$ /t sold

Reflective of below run-rate sales from logistics constraints

Underlying EBITDA[3]

650 US$ m

Strong margins bolstered by high prices early in the first half

Operating Cash Flow[3]

395 US$ m

Used to deleverage the balance sheet and continue value accretive capital projects

Net Cash[5]

70 US$ m

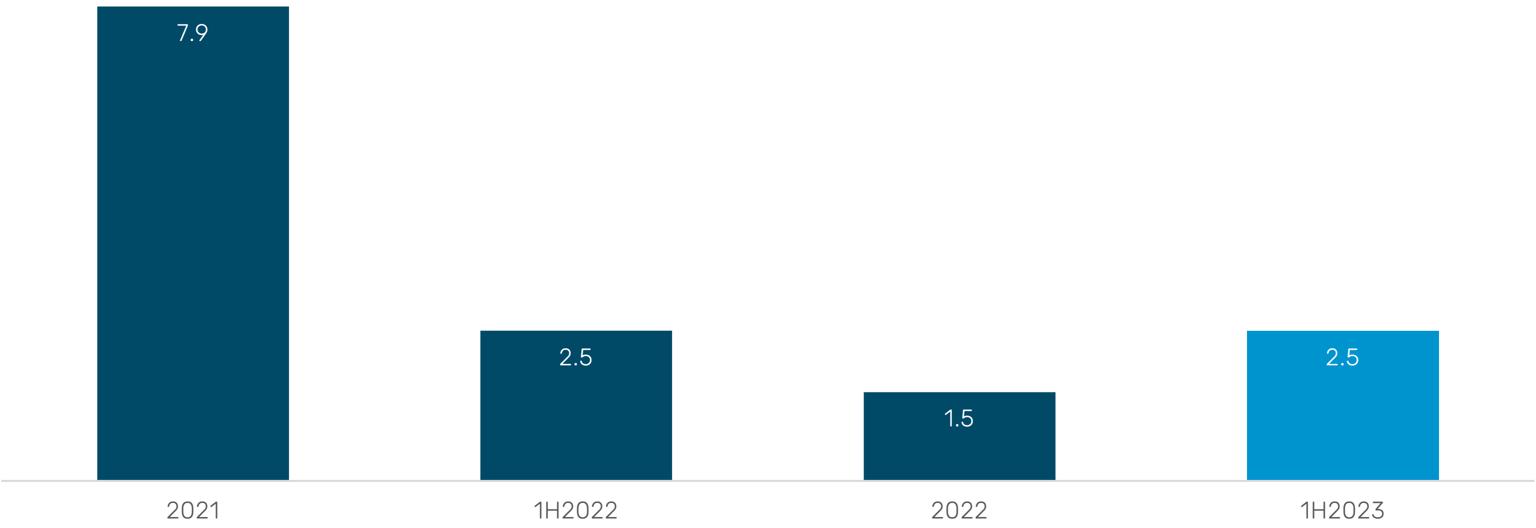
Net Cash[5] position achieved in under 12-months from the SMC[2] acquisition

Safety and Sustainability

Health & Safety

Stanmore remains committed to safety as its number one priority

Rolling 12-Month TRIFR[1]



- Commitment to safety demonstrated by stable TRIFR[1] since 1H2022, despite the significant increase in workforce and ongoing integration activities following the acquisition of SMC[2]
- Eight recordable injuries in the period – although well below industry average, there is a continued focus to improve lead safety indicators, with particular emphasis on the quality of our field interactions and investigations
- We proactively continue to improve our existing processes, systems and knowledge sharing across the business to maintain our safety track record

Our Sustainability Journey

Our vision is to be a leading resources company in Australia, creating value through sustainable development

1. Environment

We are committed to striking the balance between safeguarding our natural environment and resources and meetings our operational requirements

- Commissioned the first of three hydropanel installations to supply drinking water at the Isaac Plains Complex
- Water tactical plan being developed across operating sites
- Understand and manage requirements under the Safeguard Mechanism

2. Social

Fostering strong connections with our communities and people is fundamental to the success and legacy of our organisation

- Partnership with Mental First Aid Australia rolled out across all sites, supporting a predominantly FIFO workforce
- NAIDOC[7] celebration partnership with Action Drill and Blast to showcase Barada Barna artworks
- Aboriginal traineeship program at Poitrel ongoing

3. Governance

Our robust and transparent governance processes and frameworks ensure we act in the best interest of all stakeholders

- Annual Modern Slavery Statement submitted in June 2023 in conjunction with management and procurement training
- Code of Conduct, field leadership and workplace anti-harassment training rolled out

Sustainability Pathway

Materiality Topics aligned to the United Nations Sustainable Development Goals. Aligning to TCFD[6] standards

"With our established sustainability pathway in place, our sustainability initiatives are gaining momentum"

Highlights

Committed to making a positive contribution in our local communities

> The collaboration with Action Drill and Blast to have traditional artwork by local Barada Barna artist, William Wailu, is a fantastic way to recognise the traditional owners of the land on which we operate

Marcelo Matos
CEO & Director

> Originally announced in March 2022, Stanmore is pleased to announce that the first of three solar-water hydro panels have been commissioned at Isaac Plains Complex. The innovative technology is expected to preserve 12 million litres of water over the life of the project

Damian Zagel
GM, Growth & Sustainability

Royalties contribution to State Government

Royalties Paid[9]

359 US$ m

1H2022

108 US$ m

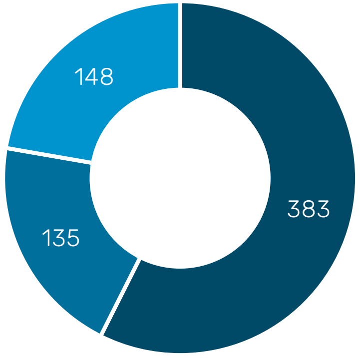
- 232% increase in royalties paid compared to 1H2022, with a full six months of SMC[2] sales plus the new QLD Government royalty regime (effective 1 July 2022) now incorporated

Operating Performance

Operational Highlights

Robust operating performance to overcome wet weather, whilst logistics underperformance limited sales

1H2023 EBITDA[a] by Asset (US$m)



South Walker Creek

- Multiple production records set during the half, including blast volume, total stripping and CHPP feed of 37.7Mbcm, 42.3Mbcm and 4.2Mbcm respectively
- Asset operating at steady-state production level with an expansion project approved during 1H2023 to debottleneck the CHPP and increase mine capacity

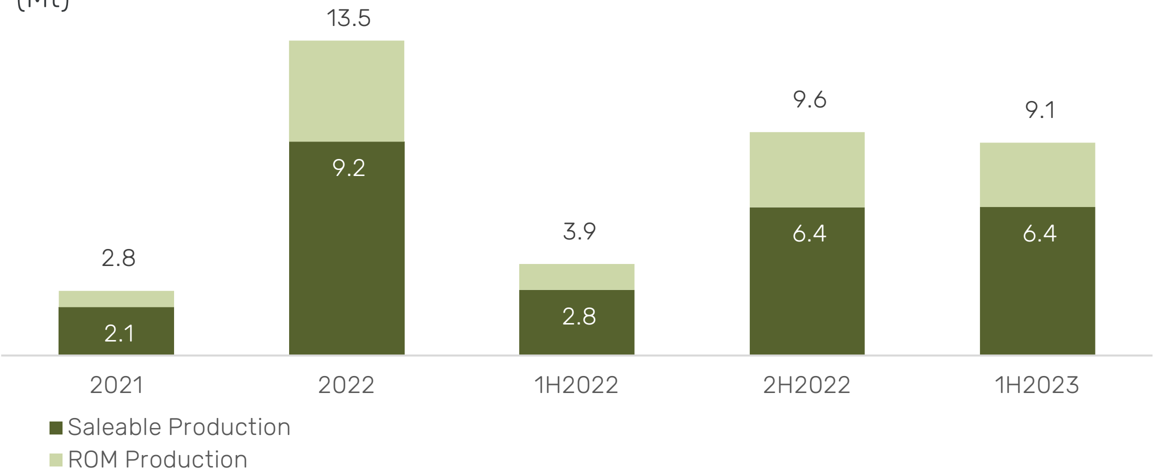
Poitrel

- Drill and blast as well as total material movement records were achieved in 2Q2023, supporting stabilisation of the mine plan and recovery from the 1Q2023 wet weather events
- Toll washing of 371Kt of Isaac Downs coal and 190kt of third-party coal highlights the synergistic infrastructure position and opportunities for product flexibility and optimisation

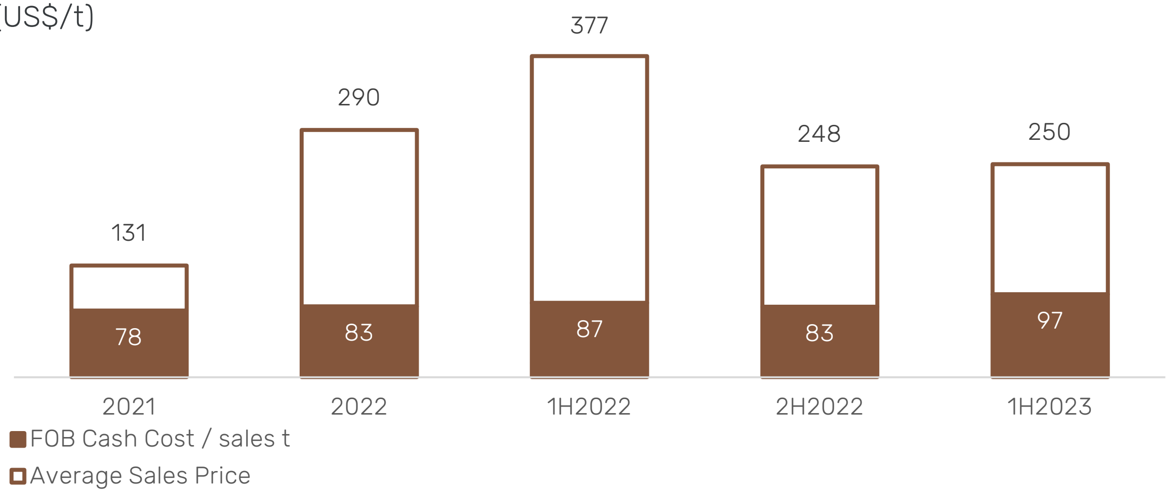
Isaac Plains Complex

- Set to achieve record annual saleable production in 2023 despite the significant wet weather in 1Q2023 – supported by the recently upgraded CHPP and haulage of coal to Red Mountain
- Development of Pit-5 North to commence in 2H2023 – a total resource of approximately 1.4Mt run-of-mine production to be mined over two years

Production[3] (Mt)



Average Sales Price and FOB Cash Cost[4] (US$/t)



Notes: a Aggregate not including share of profit/(loss) from associates net of tax, foreign exchange gains and losses , corporate, exploration and other

1H2023
Sales[8]

2.9Mt

3.0Mt 2H2022

1H2023
FOB Cash Cost[4]

US$80/t

US$75/t 2H2022

1H2023 Average Selling Price

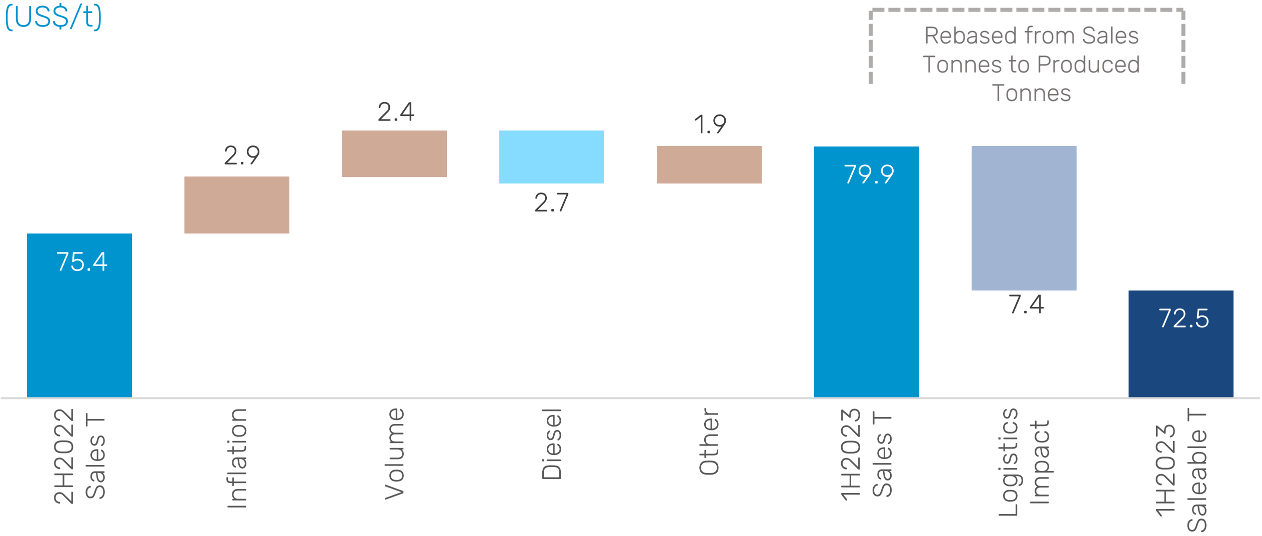
US$267/t

US$262/t 2H2022

South Walker Creek

Multiple production records supporting stable cost base on a saleable tonne produced basis

FOB Cash Cost Walk Forward Analysis[4]
(US$/t)

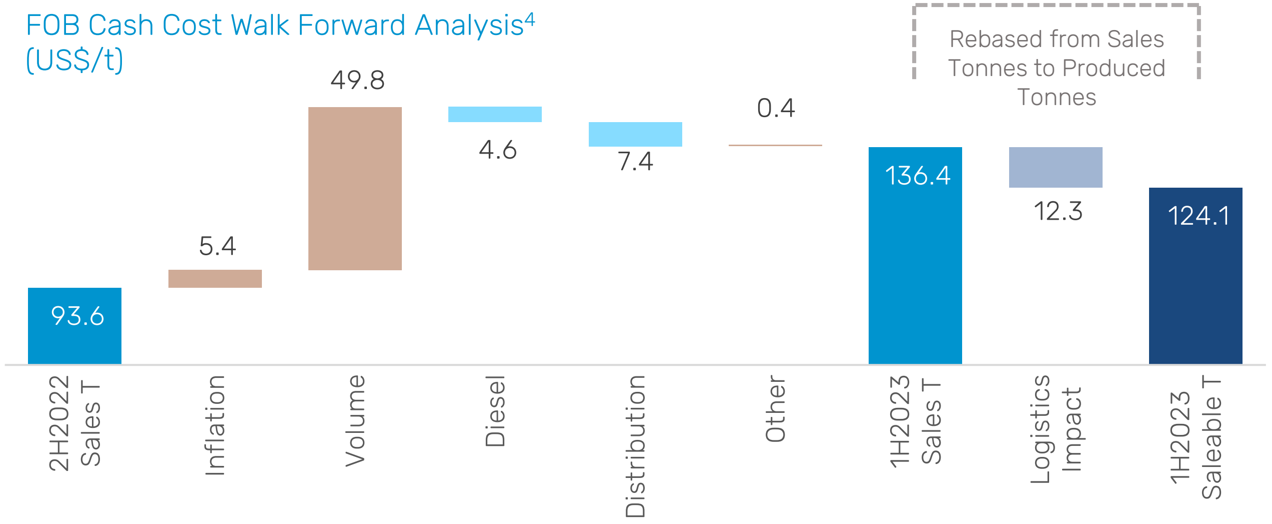


- Asset operating at steady-state production with costs primarily impacted by general inflation in 1H2023
- Lower unit costs by US$7.4/t when re-based to saleable tonnes, demonstrating impact of the logistics congestion over the period
- MRA2C has commenced and once complete (currently scheduled for first coal in early 2025), the cost base will benefit from the comparatively lower strip mining, as well as shorter haulage and yield improvements

Poitrel

Temporary cost impact with lower first half sales volumes from mine sequencing and previous coal flow prioritisation

FOB Cash Cost Walk Forward Analysis[4] (US$/t)



- Combined with the logistics constraints, pit set-up activities materialised in lower than run-rate sales, with a corresponding temporary impact to unit costs that was partially offset by lower diesel prices and costs of distribution
- The pit set-up activities were required as a result of prioritisation of coal flow during the high price environment in 2H2022, which has led to higher inventory stripping required in 1H2023
- Furthermore, Ramp-10 box-cut activities have been rescheduled as a part of the wet weather recovery plan, with some volumes delayed from 1H2023 to 2H2023

1H2023 Sales[8]

1.6Mt

2.3Mt 2H2022

1H2023 FOB Cash Cost[4]

US$136/t

US$94/t 2H 2022

1H2023 Average Selling Price

US$237/t

US$232/t 2H2022

1H2023 Sales[8]

1.6Mt

1.2Mt 2H2022

1H2023 FOB Cash Cost[4]

US$92/t

US$79/t 2H2022

1H2023 Average Selling Price

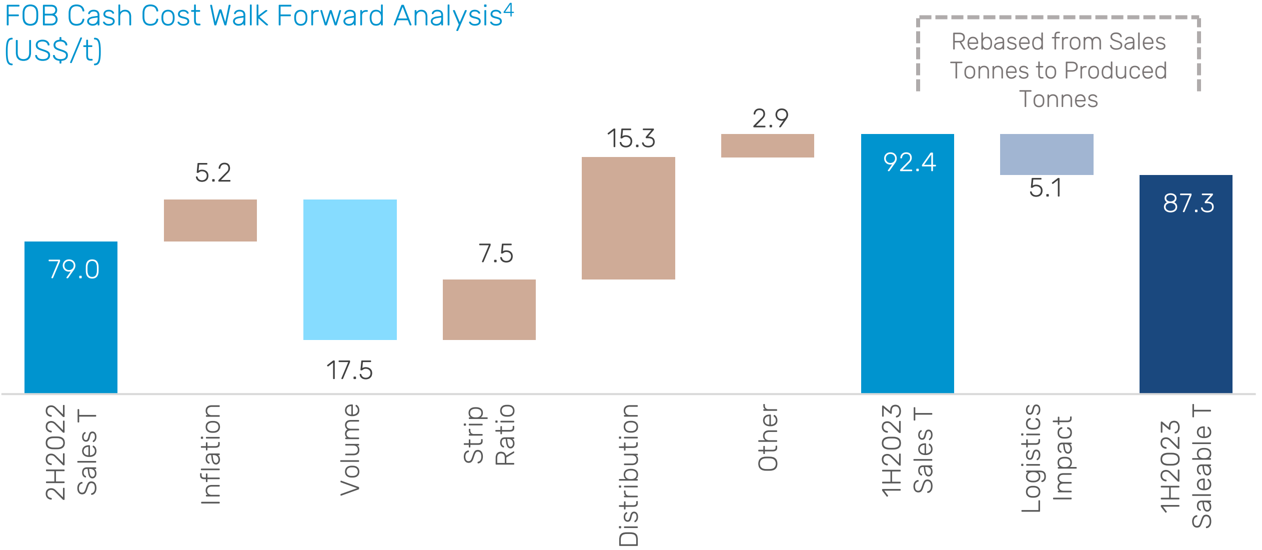
US$231/t

US$243/t 2H2022

Isaac Plains Complex

Building to a record year for sales with increased processing capacity and logistics flexibility

FOB Cash Cost Walk Forward Analysis[4] (US$/t)



- Record half-year sales volumes driven by high closing inventories for 2022, the recently upgraded CHPP and haulage of run-of-mine coal to the Red Mountain CHPP
- Higher unit costs impacted by higher strip ratio mining in accordance with the anticipated mine plan
- Red Mountain haulage and increased allocation of sales tonnes to Abbot Point resulted in higher distribution costs for the half

Consolidated Financial Performance

Financial Scorecard

Net cash[5] position achieved in under 12-months from acquisition of SMC[2]

Metric	Value	Comparison period	Comparison value
Revenue	1,493 US$ m	1H2022	1,096 US$ m
Underlying EBITDA[3,9]	650 US$ m	1H2022	726 US$ m
Operating Cash Flow[3,9]	395 US$ m	1H2022	563 US$ m
Cash Balance[10]	421 US$ m	2022	432 US$ m
Total Debt[5,10]	351 US$ m	2022	620 US$ m
Net Cash[5,10]	70 US$ m	2022	(188) US$ m

Summary of Financial Performance

Earnings remained robust in normalising price environment and despite logistics headwinds

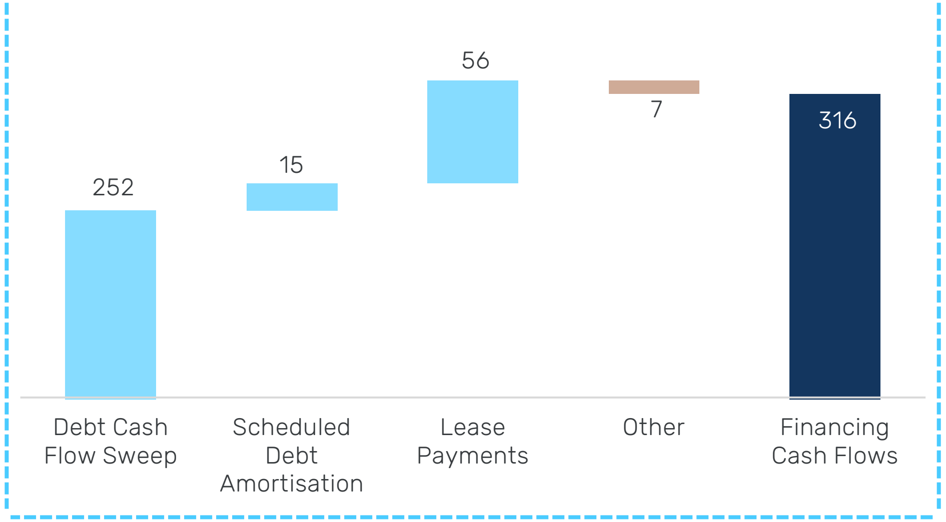
Profit and Loss Statement[3,9] (US$m)	1H2023	1H2022
Total Income	1,492	1,097
Expenses	(843)	(371)
Underlying EBITDA	650	726
Underlying EBITDA Margin	*44%*	*66%*
Depreciation & Amortisation	(131)	(58)
Non-Operating Adjustments[11]	-	(291)
Profit / (Loss) Before Income Tax & Finance Expenses	519	377
Net Finance Costs	(39)	(24)
Income Tax Expense	(140)	(121)
Profit / (Loss) for the Six Months	340	233
Basic Earnings per Share (cents/share)	37.8	32.4

- Revenue generation was driven by extra four months of ownership of the SMC[2] assets – partially offset by lower commodity prices, and wet weather and ongoing logistics impacts on 1H2023 sales volumes
- Lower underlying EBITDA margin reflective of the normalised price environment, albeit continues to demonstrate the consistency of the low-cost operating platform
- Higher translation of earnings to net profit and EPS without one-off non-operating adjustments previously incurred in relation to the acquisition of SMC[2]; partially offset by higher depreciation and financing costs from a full six months of SMC[2] ownership

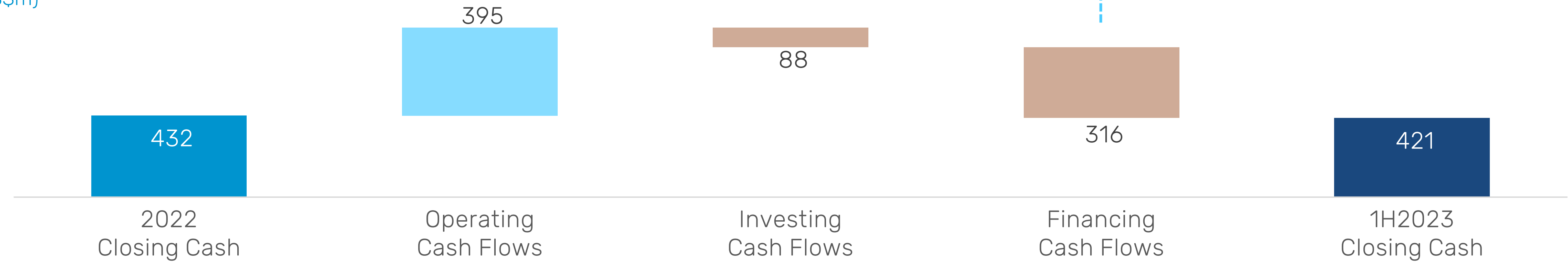
Cash Flow and Capital Management

Balance sheet deleveraged and positioned to withstand short-term market uncertainty

- Operating cash flows of US$395 million used to support significant deleveraging of 43% of the acquisition financing facility, reducing the outstanding principal balance by US$267 million
- Liquidity maintained with the extension of the US$70 million GEAR[12] loan for 12-months, on a now unsecured basis
- In light of expected capital commitments in 2H2023, softening commodity markets and uncertain global economic conditions, the Board has concluded that no interim dividend is to be declared



Cash Flow Statement
(US$m)



Projects & Organic Growth

Capital Projects

A significant pipeline of potential projects across the portfolio to build a strong future

Final Investment Decision

Asset	Exploration	Technical Studies	Internal Investment Case and Approvals	Project Construction	Mining Operations

Environmental / Approval Timeline

Asset	
Isaac Plains Pit-5 North	Construction 2H2023
Mavis Downs - MetRes JV	Underground Development
South Walker Creek MRA2C	Estimated first coal in 2025
Poitrel Ramp-10 Box-Cut	Estimated first coal in 2025
South Walker Creek Expansion	Estimated Completion in 2025
Isaac Plains Underground	Further studies before moving to Final Investment Decision
Lancewood	ML, feasibility studies to confirm size, economics and infrastructure
Wards Well	ML, large capital investment required to develop significant HCC underground Resource
Nebo West	ML, satellite pit located east of South Walker Creek requiring further studies
Bee Creek	ML, satellite pit located north-east of South Walker Creek requiring further studies
Poitrel West	EPC, life extension project located in the Western sub-crop of existing ML
Isaac Plains South	EPC, life extension project requiring further studies

Operating Brownfield Greenfield

South Walker Creek Expansion Project

Continued investment in the mine to enable a step change in production to realise greater potential

~6 Mtpa

Current Saleable Production Capacity

~7 Mtpa

Targeted Saleable Production Capacity by early 2025

Environmental Approval

EA amendment to increase cap on run-of-mine production to 9.4Mtpa approved 2Q2023 (previously 8.4Mtpa)

Debottleneck CHPP

Debottlenecking of the CHPP to 1,200 tph (previously 1,050 tph) via the construction of a dense media cyclone modular plant adjacent to existing CHPP

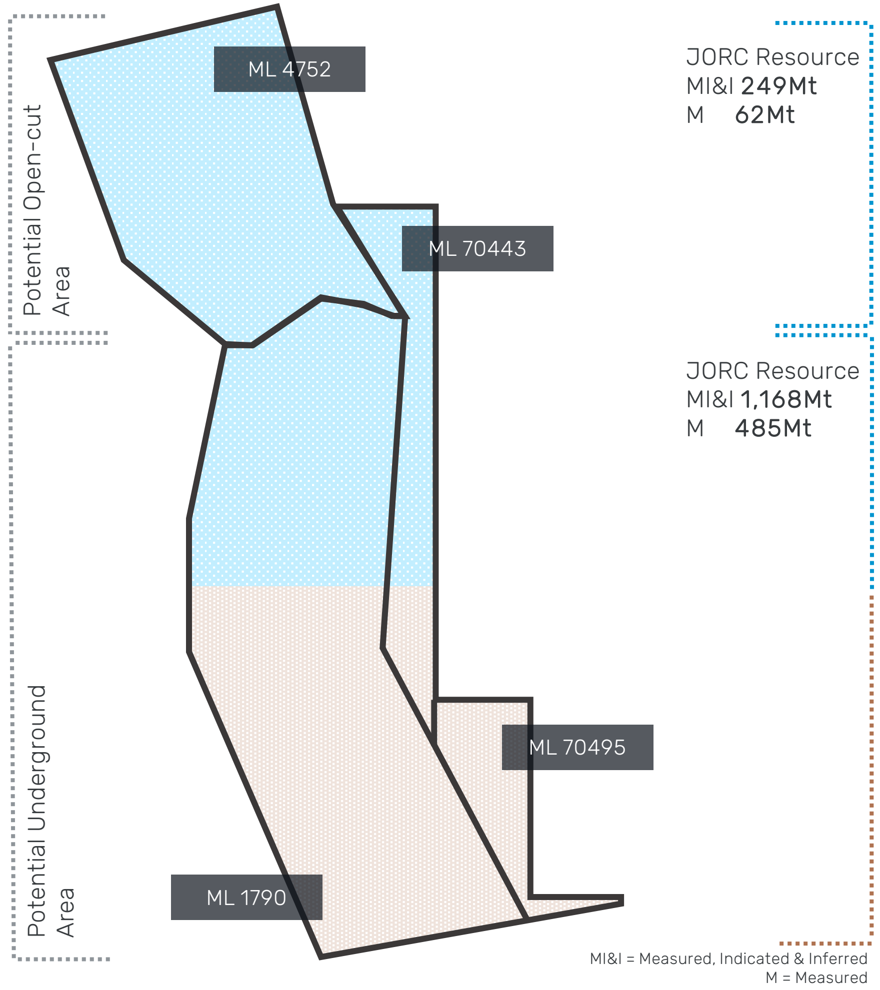
Uplift Production

Introduction of up to three additional excavator fleets to increase annualised mining capacity across the mine by mid-2024, in-line with the de-bottled CHPP

US$69 million in capital expenditure primarily to support the CHPP expansion, as well as the construction of a new maintenance workshop and upgrades to the mining industrial area to support increased volumes

Lancewood

An open cut opportunity in one of the last undeveloped premium hard coking coal deposits



Lancewood Area

- Opportunity identified for a potential low cost of entry 2-3 excavator fleet 10-15 year open-cut operation within the Moranbah Coal Measures. Could serve as a first step whilst further studies and an investment decision is made on the underground developments in the area
- A conceptual mining study was completed 2Q2023 identifying the potential open cut targeting the GU and GM seams, with more detailed mine planning optimisation, infrastructure design work and valuation modelling to continue through 2H2023
- Further studies, including ground & surface water modelling and early ecology works have commenced to support the environmental approval processes. Exploration and Seismic programs currently active over the area to collect more data for the next phase of the project

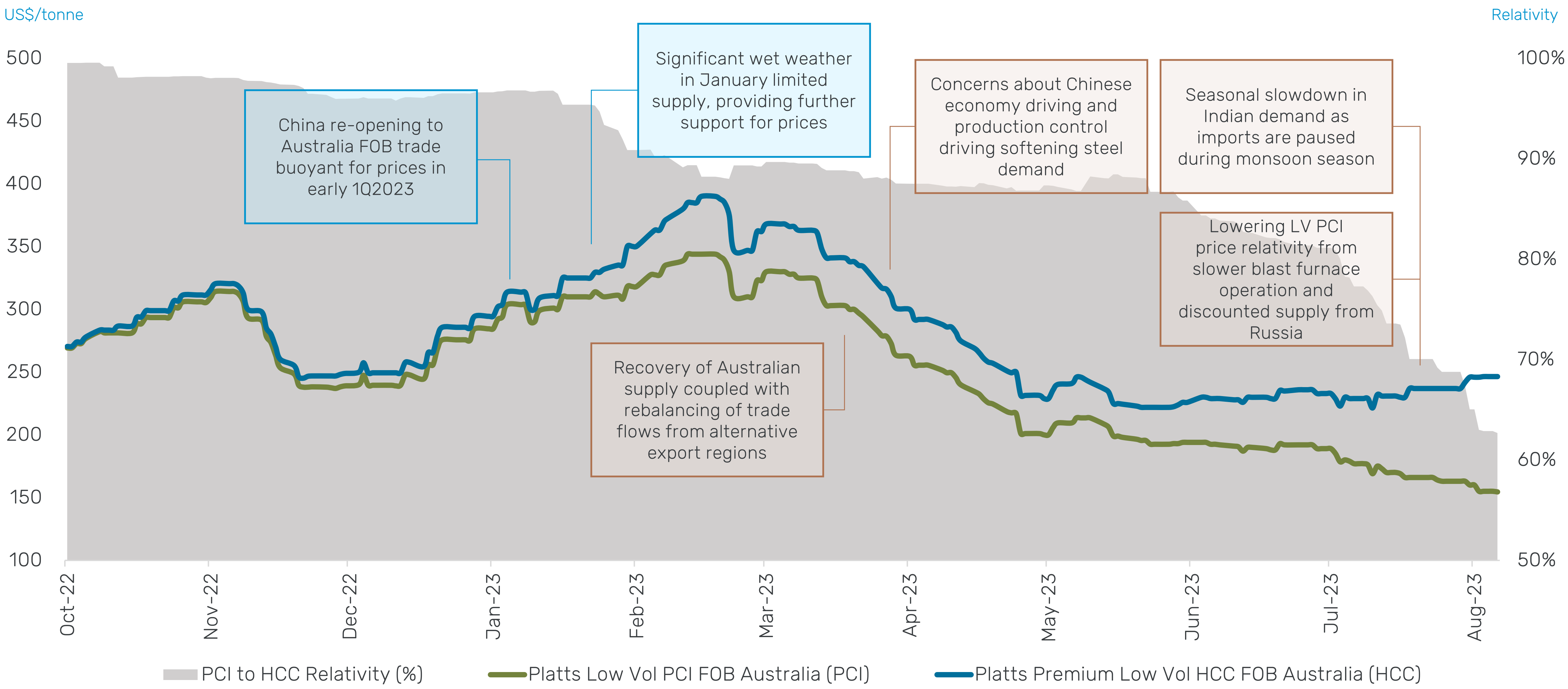
Wards Well Area

- Located exclusively on the southern approved mining lease with JORC Resource of 1,168Mt, including 485Mt of measured premium coking coal resource
- Northern part of the deposit potentially to be combined with Lancewood for underground development off exposed highwalls
- Long lead development pathway required to achieve production from the target area
- Longer-term investment prospect with major capital expenditure to establish infrastructure

Market Conditions & Outlook

First Half Metallurgical Coal Prices

Dynamics characterised by initial supply constraints followed by softening global economic conditions



Source: *S&P Global Commodity Insights Platts Premium Low Vol HCC FOB Australia Low Vol PCI FOB Australia indices: 1 Oct 2022 to 8 Aug 2023"*
S&P Global Commodity Insights, ©2023 by S&P Global Inc.

Short-Term Outlook

Signs of PCI floor emerging with catalysts for near-term upside limited

Supply – Increased Russian PCI trade penetration to result in saturation of traditional markets

Australia

- Third quarter has initially seen slowdown in prime coal availability from scheduled maintenance and production issues
- Logistics underperformance expected to persist into third quarter, extending supply constraints

Russia

- Increased trade into India, China and SEA expected to continue through second half
- Limited ability to further increase discounting to Australian PCI, with mine net back realisation understood to be at an unsustainable level

North America

- Rebalancing of trade flows with thermal market switching no longer profitable
- Supply remains elevated with strong exports to Europe expected to continue with Russian sanctions

Demand – softening end-use steel demand driving lower blast furnace utilisation

China

- Tight steel margins to continue with softening steel demand and possible production controls through 2H2023
- Potential stimulus has seen some improvement in sentiment through late July
- Reopening of AUS FOB HCC price differential to domestic HCC

India

- Increased PCI imports from Russia to continue whilst discount to Australian PCI persists
- Nonetheless, India purchasing was robust into June and is anticipated to strengthen following the resumption of procurement activity post monsoon season

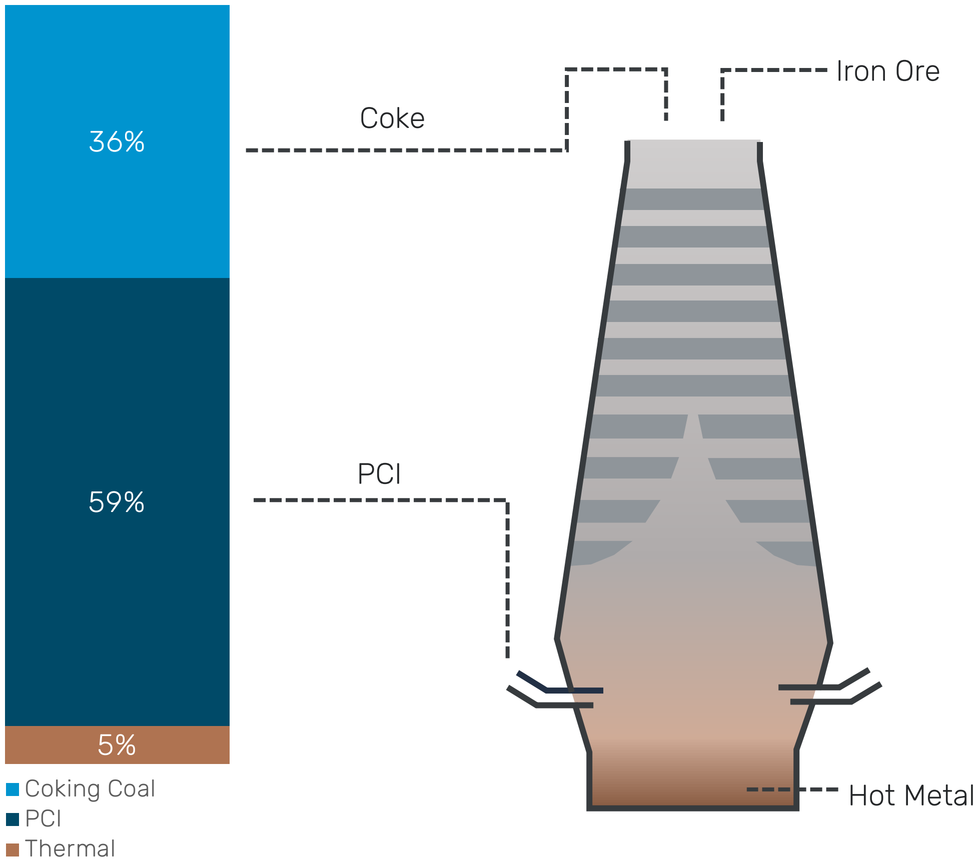
Rest of World

- JKT subdued with soft rebound in automotive and construction sectors as well as weakening European demand
- European BOF[13] utilisation low and impacted by production issues

Long-term Value Proposition for Metallurgical Coal

Steel demand expected to continue increasing, coupled with growing blast furnace fleet capacity

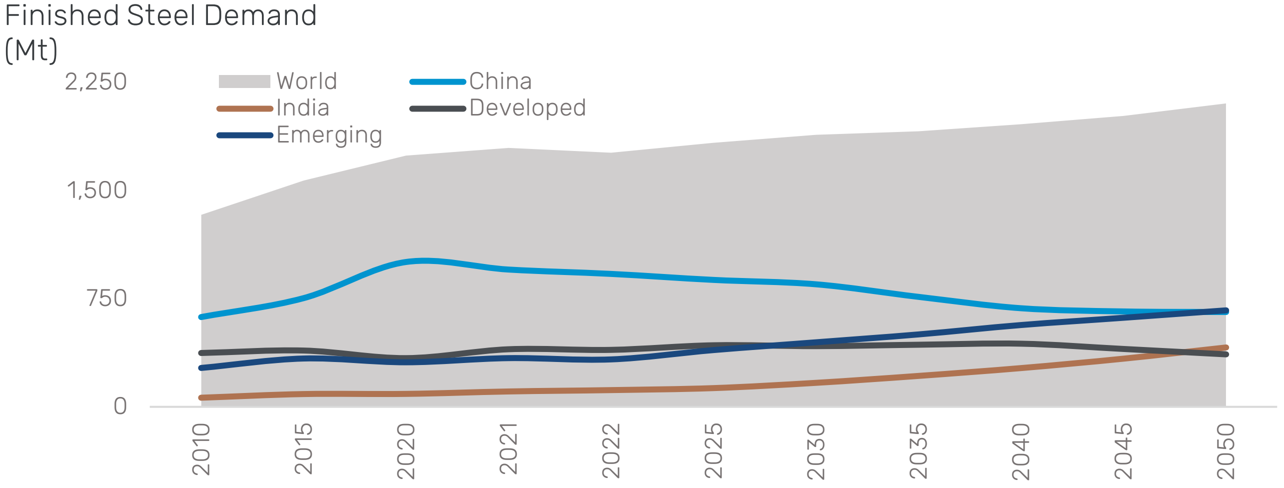
Metallurgical Coal Remains a Key Input to Steel Making

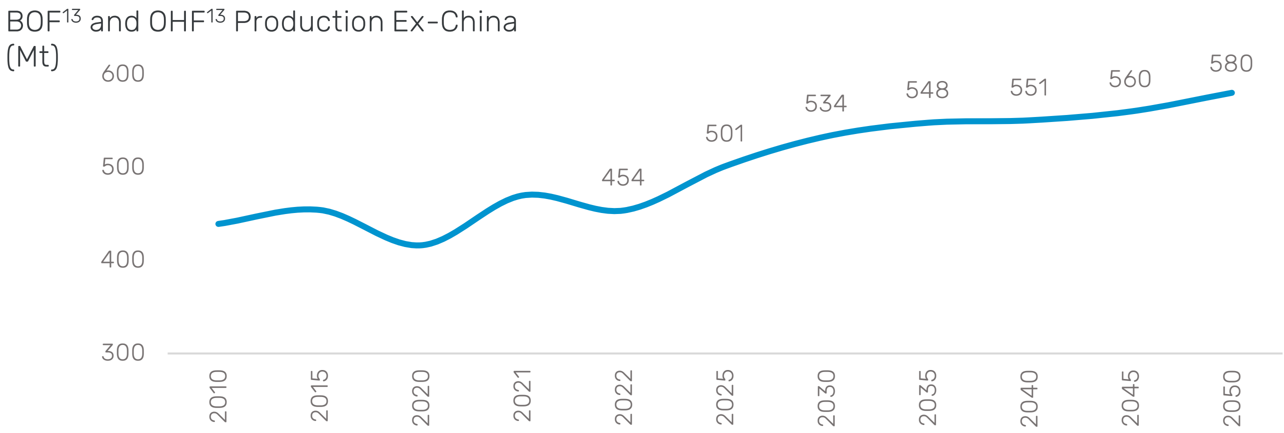


Stanmore's 1H2023 Coal Product Mix (Mt)

Simplified Conventional BOF[13]

Robust Long-Term Steel Demand Fundamentals



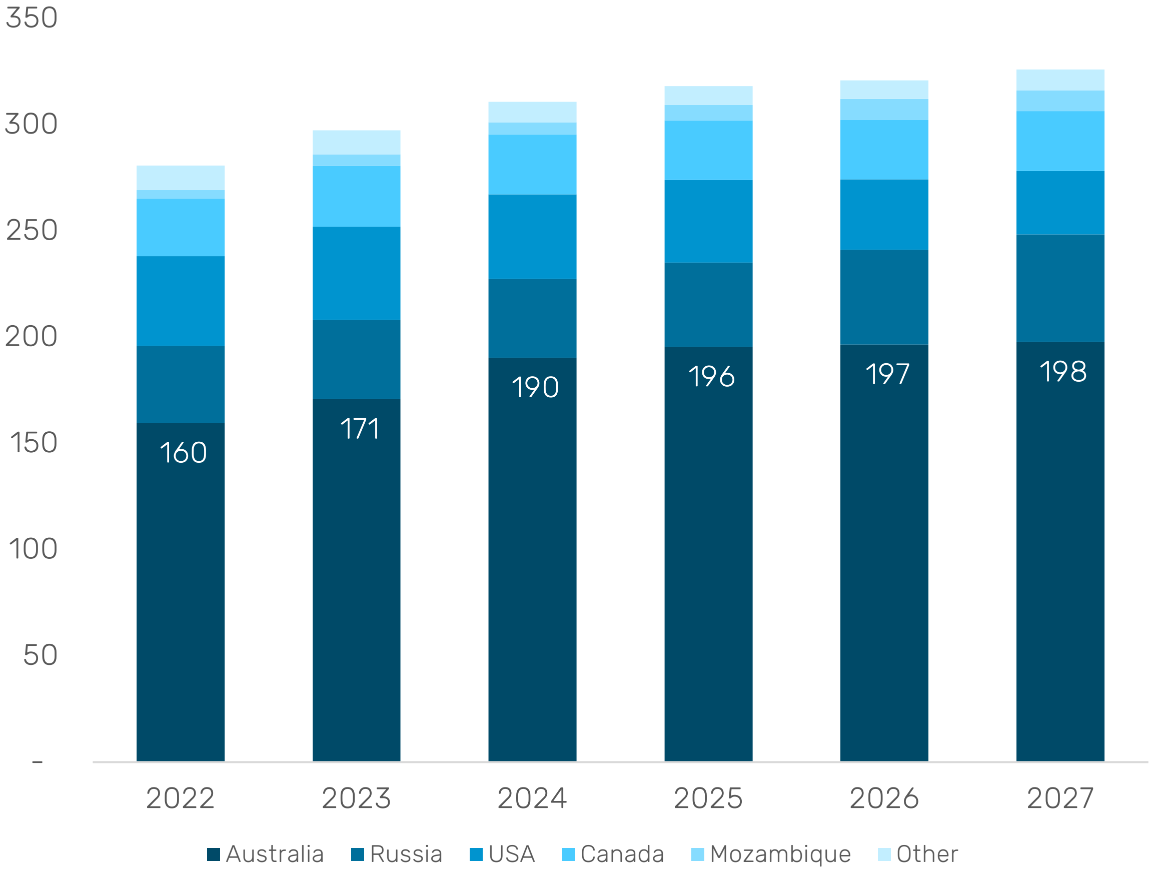


Source: CRU

Growing Export Market to Meet Demand Expectations

Australia to remain the primary exporter of high quality metallurgical coal

Forecast Metallurgical Coal Exports (Mt)



Source: CRU

Supply Side

1. Projections call for additional 38mt metallurgical coal exports from Australia between 2022 and 2027 against more challenging reserve conditions generally

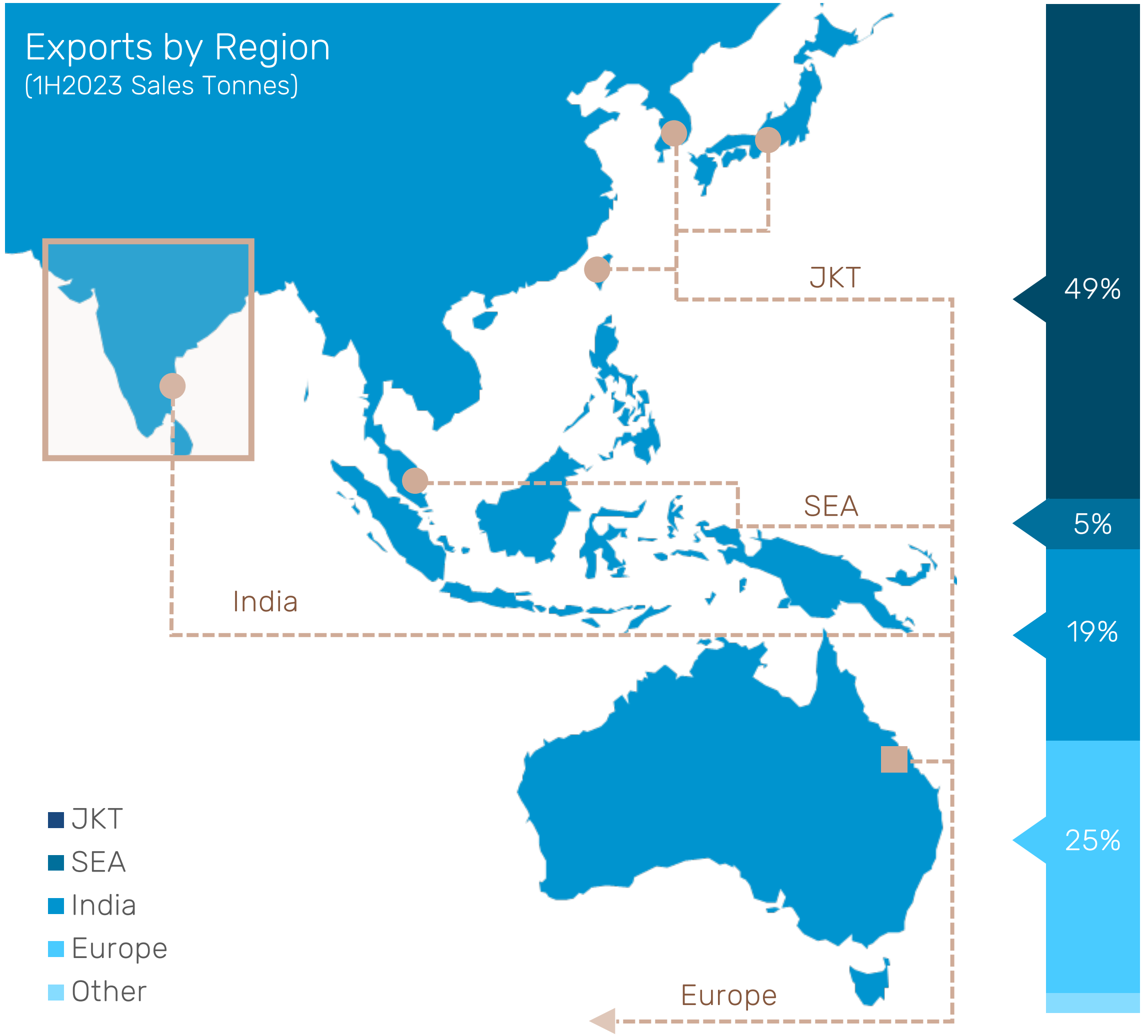
2. Supply expansion challenged by: capital exit by majors, infrastructure constraints, regulatory pressure (ESG costs and approvals) and labour (availability and productivity)

3. Supply security concerns are back as a strategic concern for consumers: Evidenced by Japanese and Korean investment proposals

4. Supply underperformance risks remain a key theme with the market sensitive to supply disruptions

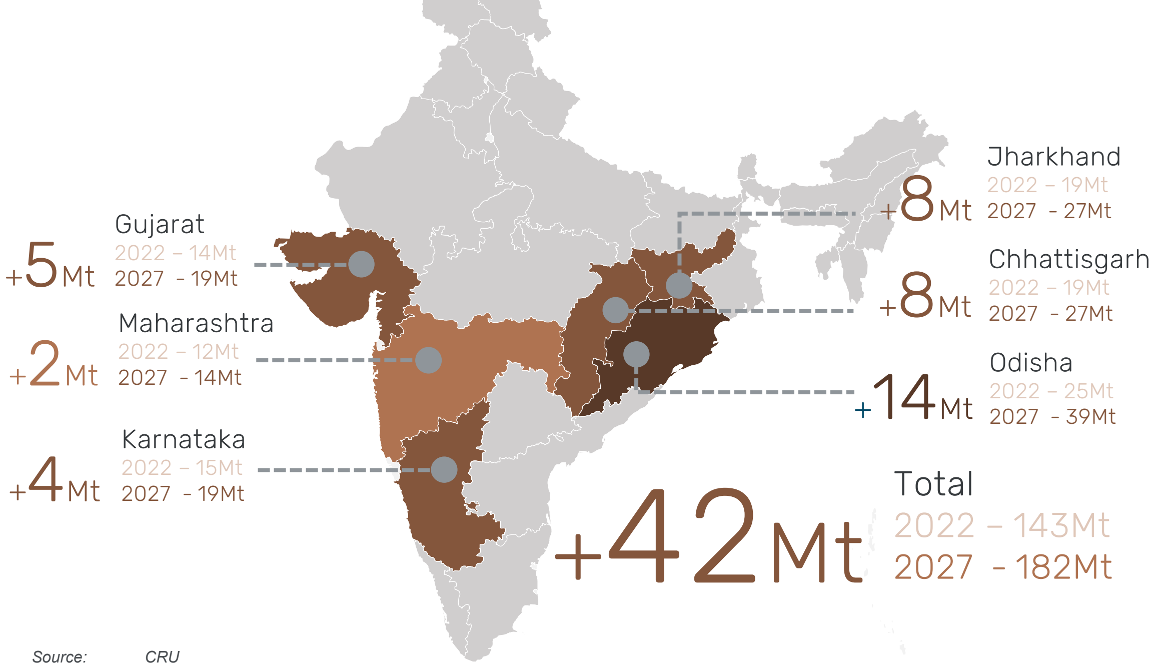
Global Customer Base

Customer mix strategically balanced for long-term reliability and growth



India Steel Making Capacity Growth

- Stanmore stably produces low ash coking coals with low wall pressure, ideal for Indian coke blends
- Stanmore produces PCI in the right grades to fit with target blend and blast furnace parameters for SEA and Indian markets
- Positioned well with term relationships to expand along with blast furnace expansion plans



Source: CRU
Note: Figures may differ due to rounding

Guidance

Guidance and Outlook

Forecast to achieve up to 13Mtpa production, supported by normalising costs in the second half

		2022 Actual	1H2023 Actuals	2H2023 Guidance	2023 Guidance
Saleable Production[3]	**Mt**	**9.2**	**6.4**	**5.9 - 6.6**	**12.3 - 13.0**
South Walker Creek	Mt	4.0	3.1	2.8 - 3.0	5.9 - 6.1
Poitrel	Mt	2.8	1.6	2.0 - 2.2	3.6 - 3.8
Isaac Plains Complex	Mt	2.4	1.6	1.1 - 1.4	2.7 - 3.0
FOB Cash Cost[4]	US$/t	83	97	83 - 89	87 - 93
Capital Expenditure	US$	82	46	130 - 150	175 - 195

Note: Assumes average AUD/USD for 2H2023 guidance of 0.6950, in-line with consensus
All figures presented on a nominal basis and may differ due to rounding
Investors are cautioned not to place undue reliance on the forecasts provided, particularly in light of the general volatility in coal prices as well as the significant uncertainty surrounding global inflation and global economic outlook

Saleable Production[3]

- South Walker Creek at steady state for 2H2023 to achieve nameplate by full-year
- Poitrel to normalise following lag impact of coal prioritisation during 2022 high coal price environment
- Isaac Plains forecast to achieve record full-year saleable production

FOB Cash Cost[4]

- Inflationary impacts ongoing across the portfolio, with some stabilisation expected 2H2023
- 1H2023 FOB cash cost[4] per sales tonne to stabilise with higher sales tonnes through the second half
- Pit-5 development at Isaac Plains Complex to commence 2H2023 and impact costs with 3.1Mbcm of 2H2023 waste removal ahead of first coal in 2024

Capital

- Total project/once-off capital spend of US$100-120m for 2023, with step-up of spend in 2H2023 due to the rescheduling of Poitrel Ramp-10 and ramp-up of MRA2C and the South Walker Creek expansion

Footnotes

1. Total Reportable Injury Frequency Rate (TRIFR), measured per million hours (industry average used is 12 month rolling average)
2. Stanmore SMC Pty Ltd (SMC), formerly BHP Mitsui Coal Pty Ltd
3. 100% consolidated, with physical statistics excluding the MetRes JV, whilst financial statistics are accounted for an equity basis only
4. FOB cash cost per tonne sold (excluding third party coal purchases) and excluding inventory movement, royalties, purchased coal and non-operating foreign exchange balance sheet remeasurements
5. Aggregate Debt includes the outstanding principal of any balance sheet loans and finance leases, excluding lease liabilities accounted for under IFRS-16, premia funding and any marked-to-market hedging positions. Net Cash (Debt) is calculated as Aggregate Debt less unrestricted cash.
6. Task Force on Climate-Related Financial Disclosures
7. NAIDOC, National Aboriginal and Islanders Day Observance Committee
8. Including third party coal purchases
9. 1H2022 comparison figures approximate a 1 January, 2022 to 30 June 2022 average AUD/USD of 0.7195 and a 30 June 2022 closing rate of 0.6889
10. 2022 comparison figures approximate a 1 January, 2022 to 31 December 2022 average AUD/USD of 0.6947 and a 31 December 2022 closing rate of 0.6775
11. Non-Operating Adjustments includes takeover costs, remeasurement of onerous contracts and rehabilitation provisions and fair value movement in contingent consideration
12. GEAR, Golden Energy and Resources Limited
13. BOF, Blast Oxygen Furnace and OHF, Open Hearth Furnace

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