

# 2024 Half Year Results

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## Strong 1H 2024 results

*"Stanmore's strong first half production performance has set up our portfolio well for the full year, with increased production at Poitrel forecasted to offset lower volume from Millennium, and full year production Guidance unchanged on a consolidated basis.*

*This has translated into higher sales and lower FOB cash costs for 1H 2024, flowing into a reduction in consolidated full year cost Guidance.*

*These improvements drove a first half underlying EBITDA of US\$375 million and operating cash flows of US\$208 million, enabling further deleveraging of the balance sheet and positioning Stanmore well for the future, as well as enabling the declaration of an interim dividend.*

*Having secured binding commitments to refinance our acquisition debt into new corporate debt facilities, will also strengthen our balance sheet, simplify our security structure and provide additional liquidity to the business overall.*

*In completing the 100% acquisition of the Eagle Downs project, Stanmore now has full control over the asset and can commence the detailed studies required to assess development and funding options.*

*Metallurgical coal prices moderated generally over the first half of 2024 compared to 2023, as supply conditions from East Coast Australia improved. PCI prices have recently strengthened relative to prime hard coking coal prices, with the company maintaining a strong forward sales program to be well placed through the second half of the year."*

*Marcelo Matos, Chief Executive Officer & Executive Director*

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## Highlights

- First half 2024 Run of Mine (ROM) coal mined of 9.4Mt, saleable production of 6.8Mt and total coal sales of 7.0Mt, with full year Guidance updated to reflect additional volumes at Poitrel and reductions at the Mavis UG post closure, and still maintain full year consolidated saleable production at between 12.8 to 13.6 million tonnes
- Underlying EBITDA of US\$375 million, with lower 1H 2024 FOB cash costs and full year cost Guidance reduced by \$6 per tonne to US\$93 to \$98 per tonne (excluding royalties), primarily due to higher full year sales volumes and the removal of the higher cost Mavis underground, with the cash benefit of lower FOB cash costs partially offset by higher leasing cash impacts
- Declaration of a fully franked interim dividend to shareholders of US 4.4 cents per share
- US\$404 million cash as at June 30, with net cash of US\$192 million after accounting for long-term debt, which we subsequently have binding commitments to refinance into a new US\$350 million term loan, US\$100 million revolving credit facility and restructured Contingent Instrument facilities by traditional commercial bank markets
- Significant progress on the 2024 capital program with completion of the Southern levee extension at Poitrel and well advanced on MRA2C works and the Dragline 27 AC conversion at South Walker Creek, with no change to full year capital Guidance
- Completion of the sale of the southern portion of Ward's Well, with approximately US\$134 million cash consideration received on April 16, 2024; and completion of the acquisition of 100% of the Eagle Downs project subsequent to period end

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## Safety

Stanmore's 12-month rolling Serious Accident Frequency Rate (SAFR) increased to 0.48 from 0.19 reported as at December 31, 2023, compared to the industry average of 0.56 (reported as at March 31, 2024, by Resources Safety and Health Queensland for Surface mines).

We also experienced an increase in hand and finger related as well as musculoskeletal recordable injuries and are constantly assessing our site existing procedures, focusing especially on recurring patterns. This includes improving on the quality of our investigations as well as on the quality of our field leadership engagement. In line with our proactive risk management strategy, we have finished a thorough review of principal hazards and critical control at our operations and are actively updating our site systems and Principal Hazard Management Plans for all recommendations made.

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## Consolidated Production & Sales Performance

		Year-to-Date	
		June-24	June-23
<b>ROM Coal Mined</b>	Mt	<b>9.4</b>	9.1
ROM Strip Ratio	Prime	<b>8.1</b>	8.0
<b>Saleable Coal Produced</b>	Mt	<b>6.8</b>	6.4
Sales of Produced Coal	Mt	<b>6.9</b>	5.9
Sales of Purchased Coal	Mt	<b>0.1</b>	0.1
<b>Total Coal Sales</b>	Mt	<b>7.0</b>	6.0

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## Consolidated Financial Performance

		Year-to-Date	
		June-24	June-23
Revenue	US\$M	<b>1,226</b>	1,493
EBITDA	US\$M	<b>407</b>	650
Underlying EBITDA	US\$M	<b>375</b>	650
Profit after tax	US\$M	<b>136</b>	340
Cash flow from operations	US\$M	<b>208</b>	395
Average sales price achieved	US\$/t	<b>175</b>	250
FOB cash cost (ex. royalties)	US\$/t sold	<b>91</b>	97
Capital expenditure	US\$M	<b>106</b>	46

Total Coal Sales increased to 7.0 million tonnes compared to 6.0 million tonnes in 2023 following improved production volumes and utilisation of strong inventory positions at December 31, 2023. Saleable coal produced increased to 6.8 million tonnes from 6.4 million tonnes which is at the top end of annualised volumes of Guidance range of 12.8 to 13.6 million tonnes previously provided in the Full Year Report and Accounts released by the Company on ASX on 26 February 2024 (**Guidance**). While the sales volume increase has driven profitability, the reduction in average realised sales price to US\$175/tonne has more than offset the increased sales volumes and reduced FOB cash cost per tonne to produce an Underlying EBITDA of US\$375 million.

Weather events (particularly in 1Q 2024) had an operational impact to 1Q 2024 compared to 1Q 2023, however operations recovered well with production targets achieved on an annualised basis as per Guidance. Performance

improvements from the coal logistics chains has assisted in driving the improved 1H 2024 sales volumes compared 1H 2023.

Cash generated from Operations decreased to US\$208 million from US\$395 million, following the reduction in average sales price received as well as an income tax payment made of US\$170m in June 2024 as anticipated.

FOB cash costs per tonne have decreased from the comparable period with robust sales and production volumes more than offsetting inflationary pressures, natural strip ratio increases, cost of expansion fleets at South Walker Creek, prioritisation of stripping at Poitrel and the higher cost Millennium complex, finishing the period lower than the Guidance range (US\$99/t to US\$104/t). Note that the cash impact of this improvement was partially driven by, and will be partially offset by, higher cash impacts of equipment leasing, that manifests in lease liability repayments, amortisation charges and interest costs.

Year to date capital expenditure is higher when compared to 1H 2023, due to the expansion projects in place at South Walker Creek including the MRA2C creek diversion, Y-South Pit Box-cut and the CHPP expansion. In contrast to 2023, in 2024 our capital expenditure was planned to be weighted towards the first half of the year, and remains on track to fall within the full year Guidance range (US\$165 to US\$185 million).

## Operational Highlights

### South Walker Creek

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	4.3	4.0
ROM Strip Ratio	Prime	7.2	8.3
Saleable Coal Produced	Mt	3.2	3.1
Total Coal Sales	Mt	3.2	2.9

Effective mining operations supported by optimised pit sequencing and healthy opening inventories has driven a robust production profile at South Walker Creek of 3.2Mt saleable coal, which is on plan for the full year. Wet weather early in the year did not materially impact on operations with lessons learned from 2023 assisting the mine response in 2024.

Strip ratio improvements and increases to ROM coal mined are a factor of pit sequencing and strong dragline performance in the period driving coal uncover rates. A quarterly record 8.6Mbcm in 1Q 2024 by the draglines has set the operation up for the remainder of the year. The 70-day shutdown to upgrade Dragline 27 to AC was successfully completed following the end of the 1H 2024 reporting period and following commissioning has recommenced at full production rates.

Coal sales were in-line with saleable production, supported by robust closing raw coal and product inventories.

### Poitrel

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	2.9	3.1
ROM Strip Ratio	Prime	9.5	8.1
Saleable Coal Produced	Mt	2.1	1.6
Total Coal Sales	Mt	2.3	1.6

The advancement of 786Kt of ROM coal from 1Q 2024 into 4Q 2023 strengthened opening ROM coal inventories and enabled strong wash plant utilisation driving improved saleable production performance compared to 1H 2023. This has also allowed Poitrel to prioritise overburden mining in 1H 2024, with 2H 2024 to focus more on coal production, building year end inventories and ultimately providing a similarly strong opening stock position for 2025. The higher stripping activities were also attributed to favourable digging locations, operational discipline and improvements in

equipment availability. Strip ratio increases are a consequence of the ROM coal brought forward into 4Q 2023, as well as from a reduction in capitalised volume from the Ramp 10 North (R10N) box-cut compared to prior period.

### Isaac Plains Complex

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	2.0	2.0
ROM Strip Ratio	Prime	8.9	7.2
Saleable Coal Produced	Mt	1.3	1.6
Total Coal Sales	Mt	1.3	1.6

Timing of ROM coal to the CHPP has impacted 1H 2024 saleable production, noting in 1H 2023, ROM coal haulage by road to our Red Mountain CHPP assisted production and sales. Increased utilisation in the latter half of 1H 2024 of the primary crushing unit at the CHPP has resulted in saleable production performance improvements driving confidence for improved performance in 2H 2024 in stronger ROM coal and saleable production volumes.

Strip ratios have increased in the period with a combination of overburden mining of Pit 5 continuing in 2024 before realising the majority of coal mined in 2025 and at Isaac Downs as mining continued down dip.

Improving mining fleet performance with a focus on the underpinning drivers is providing a high level of confidence on achieving mined volumes over the remainder of 2024.

## Projects

### South Walker Creek

#### *Expansion Project to 9.4Mtpa of ROM Coal & 7.0 Mtpa Saleable Production*

Development of the critical Y-South pit continues to progress well, with all expansion fleets of excavators and trucks fully operational with first coal mined from Y-South in August 2024. Y-South is expected to contribute 13Mt of low strip ratio and high yielding ROM coal adjacent to the CHPP.

The CHPP expansion project continues to progress with 100% of the construction packages awarded with initial hardstand construction, piling and foundation work completed and structural works well underway. The tie-in of the new plant module is planned to occur concurrently with the 14-day CHPP major shutdown scheduled for 4Q 2024. The project remains in line with cost forecasts.

#### *MRA2C Project*

The project continued to perform well, remaining ahead of program and below budget. All ancillary works are complete, with over 5.3 million cubic metres moved to July 31, 2024. Bulk earthworks are scheduled to be completed early 4Q 2024 with 82% of bulk earthworks already completed.

The first pit to be mined in the MRA2C area post conclusion of the creek diversion is E-North, where commencement of clearing and box cut waste are also subject to the sign-off of our Biodiversity Offset Management plans submitted to the Federal Environment regulators.

### Poitrel Southern Levee & Ramp 10 Box Cut

The Southern Levee Extension Project is now complete including receipt of levee certification ahead of schedule and below budget.

Stripping of the Ramp 10 North box cut area continued, with completion expected 3Q 2024, enabling Poitrel to maintain or lower strip ratios in R10N in 2025. There is a planned reduction in the fleet size that coincides with the completion of the box cut stripping.

## Isaac Plains Complex Pit 5 Development & MIA

Development of the small Pit 5 North continued in the period with various civil activities completed supporting pit establishment ahead of ongoing coal mining over the course of 2024 and 2025. Mining activities have faced challenging drill and blast conditions, which have contributed to an increase in strip ratio and blasting costs.

## Millennium Complex Underground Development

A total of 242Kt of ROM coal was mined in the period from underground operations, with 194Kt of saleable coal produced and net shipments of 206Kt.

As noted in a prior announcement, mining operations ceased on 28 June 2024 with the focus now on safely closing the Mavis E-Pit Underground mine and demobilising all contractors and equipment by end of 3Q 2024. As a result of the decision to close the operations at Mavis underground, a one-off, non-cash accounting impairment and restructuring charge of US\$59 million was taken at 30 June 2024.

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## Corporate & Guidance

### Cash

Stanmore concluded the period with a net cash<sup>1</sup> position of US\$192 million as at June 30, 2024. The sale of the southern portion of Wards Well to Peabody was completed, resulting in the receipt of approximately US\$134 million in cash consideration. Offsetting the cash receipt was an income tax payment in June 2024 of US\$170 million.

With a closing cash position of US\$404 million as at June 30, 2024, the balance sheet remains well positioned to meet future cash flow obligations.

### Financing

Stanmore paid the annual cash flow sweep under the terms of our Acquisition Financing Facility of US\$78 million during 1H 2024, which, together with scheduled amortisation payments of US\$30 million, reduced the principal balance of that facility to US\$210 million.

Also during the period, the Company extended the US\$70 million loan facility with Golden Energy and Resources Pte. Ltd. (GEAR) until 30 June 2026. This provides a continued source of additional liquidity for corporate purposes and general operating requirements as and when needed. The facility is currently undrawn.

Subsequent to the end of the half year, the Company successfully secured binding commitments to refinance the Acquisition Finance Facility, which will result in a new US\$350 million five-year amortising Term Loan Facility, US\$100 million Revolving Credit Facility and restructured Contingent Instrument facilities, with long-form legal documentation expected to be completed by the end of October 2024.

### Dividends

The Board of Directors of Stanmore have today resolved to declare a fully franked interim dividend of US 4.4 cents per share. This demonstrates the company's commitment to consistent shareholder returns, supported by the improved cash flow certainty established by our corporate refinancing.

The timing for the payment of this dividend is as follows:

- a) Declaration date: 26 August 2024
- b) Ex-Dividend date: 3 September 2024
- c) Record date: 4 September 2024

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<sup>1</sup> Unaudited net cash (debt) is calculated as the outstanding principal balance of any balance sheet debt facilities and finance leases, excluding lease liabilities accounted for under IFRS-16, less consolidated unrestricted cash on hand.

- d) Payment date: 18 September 2024
- e) Payment currency: Australian Dollars
- f) Foreign exchange: Reserve Bank of Australia published AUD/USD exchange rate at 4:00pm AEDT on Record Date

Full details are contained in the Appendix 3A.1 filed with the ASX on today's date.

## Other Corporate

The Company released its 2023 Sustainability Report on April 12, 2024. In addition, the Company also released its Modern Slavery Statement for the year ended 31 December 2023.

Subsequent to the end of the half year, agreements to acquire 100% of the Eagle Downs metallurgical coal Project from South32 and Aquila, together with the Eagle Downs South tenements from Aquila, were completed.

Subsequent also to the end of the half year, the Company announced it had entered into an agreement with the Queensland Government for funding under its Low Emissions Investment Partnership (LEIP) program towards a new 20MW gas to electricity power station at the South Walker Creek open cut coal mine.

## Guidance

Public Guidance for 2024 has been revised to reflect the Mavis Underground closure decision in the Millennium Complex, with consolidated saleable production now reflecting reduced annual output from this site. However, higher production from Stanmore's core operating sites is expected to fully offset this loss, reflecting the strong performance of Poitrel in particular, to keep full year saleable production Guidance unchanged.

FOB cash costs have been positively impacted by increased sales volumes and the removal of the higher unit cost of the Millennium Complex, resulting in a lower full year FOB cash cost range expected. Notwithstanding this, please note that this will be partially offset from a cash perspective by higher cash impacts of equipment leasing, manifested in lease liability repayments, amortisation charges and interest costs.

Full year capital expenditure Guidance is unchanged, with capital expenditure weighted more towards 1H 2024 vs. 2H 2024, as planned.

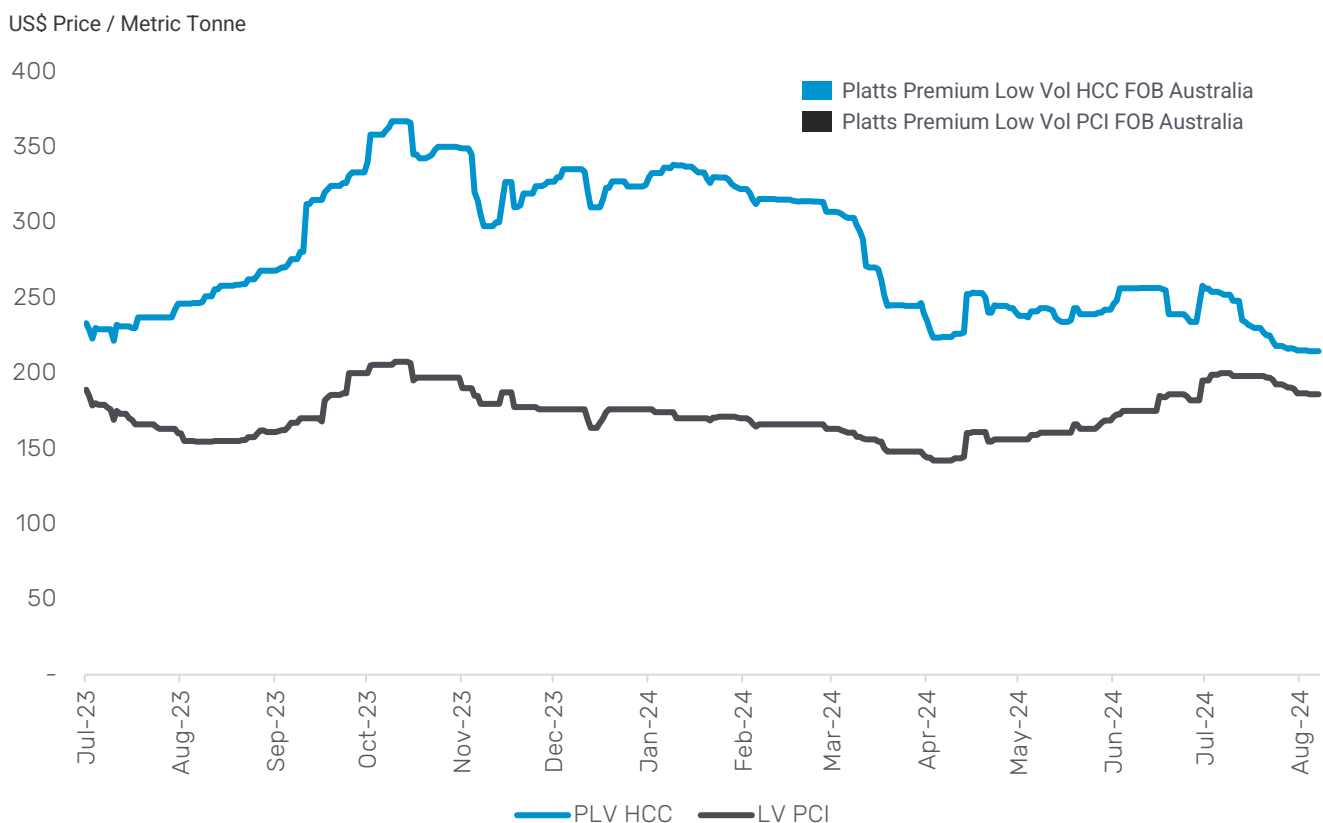
		Revised Guidance	February 2024 Guidance
<b>Saleable Production</b>	Mt	<b>12.8 – 13.6</b>	12.8 – 13.6
South Walker Creek	Mt	5.9 – 6.1	5.8 – 6.0
Poitrel	Mt	4.1 – 4.4	3.9 – 4.1
Isaac Plains Complex	Mt	2.6 – 2.9	2.6 – 2.9
Millennium Complex		0.2	0.5 – 0.6
<b>FOB Cash Cost</b>	US\$/t sold	<b>93 - 98</b>	99 - 104
<b>Capital Expenditure</b>	US\$ million	<b>165 - 185</b>	165 - 185

## Metallurgical Coal Markets

Following the high level of steel production through 2023 and early 2024, steel demand in China has not generally kept pace, and stimulus measures for the property sector have not been sufficient to return steel demand to balance. With improvement in supply conditions of coal mines in China, coal prices have responded and softened. Consequent surplus steel exports have generated steel price competition and affected regional steel prices in export markets, in turn affecting the production expectations for steel producers in the region. Chinese steel exports have contributed to a challenging steel pricing environment, however metallurgical coal demand remains generally stable.

The prime hard coking coal price closed the period at US\$234 after a weakening trend late in the period, attributable to a release of Australian prime hard coking coal cargoes as well as Indian demand retreating with onset of monsoon. An accident at a major Australian prime hard coking coal mine at the close of the quarter is still being understood by markets, although has contributed to a tightening sentiment, particularly towards the latter part of the year.

Announcements of further sanctions on Russian companies in 2Q 2024, restricted access to material of this origin in some markets that had been previously consuming it. In some instances, concerns for future security of supply are driving buyers back towards a preference for Australian material. This has contributed to a general decrease in availability of Australian PCI material through the quarter, supporting higher PCI relativities.



Notes: S&P Global Commodity Insights Platts Premium Low Vol HCC FOB Australia and Low Vol PCI FOB Australia indices: July 3, 2023, to August 23, 2024



## Summarised Production and Financial Statistics

		Year-to-Date	
		June-24	June-23
<b>ROM Coal Mined</b>	Mt	<b>9.437</b>	<b>9.120</b>
South Walker Creek	Mt	4.309	3.997
Poitrel	Mt	2.923	3.128
Isaac Plains Complex	Mt	1.963	1.995
Millennium <sup>1</sup>	Mt	0.242	-
<b>Strip Ratio</b>	Prime	<b>8.1</b>	<b>8.0</b>
South Walker Creek	Prime	7.2	8.3
Poitrel	Prime	9.5	8.1
Isaac Plains Complex	Prime	8.9	7.2
<b>Saleable Production</b>	Mt	<b>6.760</b>	<b>6.373</b>
South Walker Creek	Mt	3.195	3.106
Poitrel	Mt	2.084	1.621
Isaac Plains Complex	Mt	1.287	1.646
Millennium <sup>1</sup>	Mt	0.194	-
<b>Total Coal Sales</b>		<b>6.990</b>	<b>5.978</b>
South Walker Creek	Mt	3.245	2.856
Poitrel	Mt	2.276	1.562
Isaac Plains Complex	Mt	1.263	1.560
Millennium <sup>1</sup>	Mt	0.206	-
Sales – Coking Coals	%	34%	36%
Sales – PCI	%	59%	59%
Sales – Thermal Coals	%	7%	5%
<b>FOB Cash Cost (ex. royalties)</b>		<b>91</b>	<b>97</b>
South Walker Creek	US\$/t sold	75	80
Poitrel	US\$/t sold	100	136
Isaac Plains Complex	US\$/t sold	95	92
Millennium <sup>1</sup>	US\$/t sold	212	-
<b>Average Selling Price</b>		<b>175</b>	<b>250</b>
South Walker Creek	US\$/t	160	267
Poitrel	US\$/t	179	237
Isaac Plains Complex	US\$/t	201	231
Millennium <sup>1</sup>	US\$/t	217	-

<sup>1</sup> Note that Millennium's results were not consolidated into the 2023 results as Stanmore only gained control of the asset on December 22, 2023



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

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## Further Information

### Investors

Investors@stanmore.net.au

### Media

Media@stanmore.net.au

Our Brisbane corporate office is located on Turrbul and Jagera Country, on the banks of Meanjin, while our mining leases sit within Barada Barna, Jangga and Widi country.

Follow us on LinkedIn.



### About Stanmore Resources Limited (ASX: SMR)

*Stanmore Resources Limited controls and operates the South Walker Creek, Poitrel and Isaac Plains Complex metallurgical coal mines as well as the undeveloped Eagle Downs, Lancewood, Isaac Plains Underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources holds several additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins. The Company is focused on the creation of shareholder value via the efficient operation of its mining assets and the identification of further development opportunities within the region.*

# Results for Announcement to Market

## Appendix 4D – Period ended 30 June 2024

This document relates to Stanmore Resource Limited's (**Company**) results for the 6 months ended 30 June 2024.

Reporting period 6 months ended 30 June 2024

Previous reporting period 6 months ended 30 June 2023

	6 months to 30 June 2024	6 months to 30 June 2023	Change
	US\$m	US\$m	%
Revenue from ordinary activities	1,226.0	1,493.4	-18%
Profit/(loss) after tax from ordinary activities attributable to members	136.3	340.3	-60%
Net Profit/(loss) attributable to members	136.3	340.3	-60%

## Dividends paid and proposed

### Paid during the period

A fully franked 2023 final dividend of US 8.4 cents per share was declared on February 26, 2024 and paid on March 18, 2024.

### Declared after the period

A fully franked 2024 interim dividend of US 4.4 cents per share was declared on August 26, 2024 and will be paid on September 18, 2024.

## Explanation of key information and commentary on the results for the period

The reduction in profit for the financial period ended 30 June 2024 is primarily related to a decline in the sales price received for product during the financial period. Detailed commentary on the consolidated results and outlook are set out in the Operating and Financial Review section of the Directors' Report.

## Rounding of amounts to the nearest thousand dollars

The company satisfies the requirements of the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the ASIC relating to "rounding off" of amounts in the financial statements to the nearest hundred thousand dollars. Amounts have been rounded off in the financial statements in accordance with that ASIC Instrument.

## Net tangible assets per security

	30 June 2024	30 June 2023	Change
	\$	\$	%
Net tangible asset <sup>1</sup> per security	2.013	1.857	8%

<sup>1</sup> Net tangible assets include right of use assets with a carrying value of US\$448.4 million as at 30 June 2024 (30 June 2023: US\$310.9 million).

## Details of entities over which control has been gained or lost during the year

No Change

## Details of farm in arrangements

Name of Entity	30 June 2024	30 June 2023	Change
	%	%	%
Clifford Joint Venture – EPC 1274 and EPC 1276	60%	60%	-
Lilyvale Joint Venture Agreement – EPC 1687 and EPC 2157	85%	85%	-
Mackenzie Joint Venture Agreement – EPC 2081	95%	95%	-

## Compliance statement

The Consolidated Financial Statements upon which this Appendix 4D is based have been reviewed Ernst & Young, the Company's auditors.



**Stanmore Resources Limited**

ABN 27 131 920 968

**Interim financial report  
June 2024**

# *Stanmore Resources Limited*

ABN 27 131 920 968

## *Interim financial report - 30 June 2024*

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The interim condensed consolidated financial statements are the consolidated financial statements of the consolidated entity consisting of Stanmore Resources Limited and its subsidiaries. The financial statements are presented in United States Dollars.

Stanmore Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Stanmore Resources Limited  
Level 32  
12 Creek Street  
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 26 August 2024. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: [www.stanmore.au](http://www.stanmore.au)

**Stanmore Resources Limited**  
**Corporate directory**

**Directors**

Mr Dwi Suseno  
Non-Executive Director and Chair

Mr Marcelo Matos  
Chief Executive Officer and Executive Director

Mr Jimmy Lim  
Non-Executive Director

Mr Richard Majlinder  
Non-Executive Director

Mr Brett Garland  
Non-Executive Director

Mr Matthew Latimore  
Non-Executive Director

Ms Caroline Chan  
Non-Executive Director

Ms Keira Brennan (appointed 12 April 2024)  
Non-Executive Director

Mr Murray Smith  
Alternate Director for Matthew Latimore

**Secretary**

**Corporate directory**

Mr Rees Fleming

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12 Creek Street  
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**Share and debenture register**

Link Market Services  
Level 21  
10 Eagle Street  
Brisbane QLD 4000  
1300 554 474

**Auditor**

Ernst & Young  
Level 51  
111 Eagle Street  
Brisbane QLD 4000  
+61 7 3011 3333

**Stock exchange listings**

Australian Securities Exchange  
ASX Code: SMR

**Website**

[www.stanmore.au](http://www.stanmore.au)

## **Directors' report**

Your Directors present their report on the group consisting of Stanmore Resources Limited and the entities it controlled during the half-year ended 30 June 2024.

### **DIRECTORS**

The following persons held office as Directors of Stanmore Resources Limited during the financial period and up to the date of this report:

Mr Dwi Suseno, Non-Executive Director and Chair  
Mr Marcelo Matos, Chief Executive Officer and Executive Director  
Mr Jimmy Lim, Non-Executive Director  
Mr Richard Majlinder, Non-Executive Director  
Mr Brett Garland, Non-Executive Director  
Mr Matthew Latimore, Non-Executive Director  
Ms Caroline Chan, Non-Executive Director  
Ms Keira Brennan, Non-Executive Director (appointed 12 April 2024)  
Mr Murray Smith, Alternate Director for Matthew Latimore

The following person was the Company secretary of the Company during the financial year and up to the date of this report:

Mr Rees Fleming

### **PRINCIPAL ACTIVITIES**

During the period the principal continuing activities of the Group consisted of the exploration, development, production and sale of metallurgical coal in Queensland, Australia.

### **OPERATING AND FINANCIAL REVIEW**

Highlights of the Group's operations and results for the six-month period to 30 June 2024 are described below:

- Cash inflows from operations of \$207.5m (30 June 2023: US\$395.2m)
- Net profit after tax of \$136.3m (30 June 2023: \$340.3m profit)
- Underlying EBITDA (a non-IFRS measure) of \$374.9m (30 June 2023: \$649.7m)
- Cash and cash equivalents of \$403.7m as at 30 June 2024 (31 December 2023: \$446.3m),
- Run of mine coal produced (ROM) of 9.4Mt (30 June 2023: 9.1Mt)
- Saleable coal produced of 6.8Mt (30 June 2023: 6.4Mt)
- Sale of the Wards' Well southern tenement resulting in a gain on sale of \$96.0m



**Directors' report**  
(continued)

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**(a) Financial Performance**

	<b>Half-year</b> <b>30 June</b> <b>2024</b> <b>\$M</b>	30 June 2023 \$M
Revenue from contracts with customers	1,226.0	1,493.4
Other income and expenses	(1,002.0)	(974.4)
<b>Profit before income tax and net finance costs</b>	<b>224.0</b>	<b>519.0</b>
Finance income	13.6	10.3
Finance costs	(48.1)	(49.4)
<b>Net finance costs</b>	<b>(34.5)</b>	<b>(39.1)</b>
<b>Profit before income tax expense</b>	<b>189.5</b>	<b>479.9</b>
Income tax expense	(53.2)	(139.6)
<b>Profit after income tax expense</b>	<b>136.3</b>	<b>340.3</b>

**(b) Underlying EBITDA result (non-IFRS measure)**

Underlying EBITDA (non-IFRS measure) reflects statutory EBITDA (non-IFRS measure) as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Consolidated Entity. The items adjusted are determined to be not in the ordinary course of business and non-regular. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

	<b>Half-year</b> <b>30 June</b> <b>2024</b> <b>\$M</b>	30 June 2023 \$M
<b>Net Profit after tax</b>	<b>136.3</b>	<b>340.3</b>
<b>Add back:</b>		
Depreciation and amortisation expense	182.6	130.7
Income tax expense	53.2	139.6
Finance costs - net	34.5	39.1
<b>Earnings before interest, depreciation and amortisation (EBITDA)</b>	<b>406.6</b>	<b>649.7</b>
Gain on sale of Wards Well	(96.0)	-
Impairment charges	55.8	-
Closure and other non-regular costs	3.8	-
Acquisition and other transaction costs	4.7	-
<b>Underlying EBITDA</b>	<b>374.9</b>	<b>649.7</b>

**Directors' report**  
(continued)

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**(b) Underlying EBITDA result (non-IFRS measure) (continued)**

The Underlying EBITDA (non-IFRS measure) of \$374.9m for the 6-month period to 30 June 2024 was a \$274.8m decrease compared to \$649.7m for the 6-month period to 30 June 2023. The decrease in EBITDA was primarily due to a reduction in the average sales price achieved from \$250/t to \$175/t, which offset a decrease in FOB cash costs (ex. royalties) from \$97/t to \$91/t.

The primary drivers contributing to the Net Profit after Tax ("NPAT") result \$136.3m include:

- Gross revenue from coal sales decreased to \$1,226.0m for the period to 30 June 2024 from \$1,493.4m in the period to 30 June 2023. The decrease was driven by a decrease in the US\$ realised price to an average of \$175/t for the period to 30 June 2024 from \$250/t in the period to 30 June 2023.
- 1H FOB cash costs per tonne sold (excluding royalties) were \$91 (30 June 2023: \$97). FOB cash costs per tonne have decreased from the comparable period with robust sales and production volumes more than offsetting inflationary pressures, natural strip ratio increases, cost of expansion fleets at South Walker Creek, prioritisation of stripping at Poitrel and the higher cost Millennium complex. The 1H positive cash impact of lower FOB cash costs has been partially offset by an increase in cash outflows associated with leasing of \$4/t compared to the period ending 30 June 2023.
- Depreciation and amortisation costs increased broadly in line with production levels and capital expenditure levels.
- Impairment and closure costs of \$59.6m were expensed during the period associated with the decision to cease operations at Mavis Downs.

**(c) Cash flow**

	<b>Half-year</b>	
	<b>30 June</b>	30 June
	<b>2024</b>	2023
	<b>\$M</b>	<b>\$M</b>
<b>Cash at beginning of period</b>	<b>446.3</b>	432.4
Cash flows from operating activities	<b>207.5</b>	395.2
Cash flows from investing activities	<b>19.5</b>	(88.1)
Cash flows from financing activities	<b>(268.3)</b>	(316.1)
<b>Net decrease in cash held</b>	<b>(41.3)</b>	(9.0)
Effects of exchange rate changes on cash and cash equivalents	<b>1.3</b>	2.5
<b>Cash and cash equivalents at end of the half-year</b>	<b>403.7</b>	420.9

Cash inflows from operating activities decreased from \$395.2m for the period to June 2023 to \$207.5m for the period to 30 June 2024. The decrease is primarily due to reductions in cash receipts caused by a reduction in the average sale price, along with the 2023 final tax payment made in the period to 30 June 2024.

Cash inflows from investing activities increased by \$107.6m, driven by \$134.4m of receipts for the sale of the Wards Well tenement in the period to 30 June 2024. This has more than offset increased capital expenditure in the 6 months to 30 June 2024, due to the expansion projects at South Walker Creek.

**Directors' report**  
(continued)

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**(c) Cash flow (continued)**

Cash flows from financing activities decreased by \$47.8m to a net outflow of \$268.3m for the period to 30 June 2024. This is driven by a reduction in repayments of borrowings from \$265.9m for the period to 30 June 2023 to \$114.7m in the current period. These are in relation to the Stanmore SMC Pty Ltd financing facility. This is partially offset by \$75.7m of dividends paid during the 6 month period to 30 June 2024.

**(d) Health, Safety, Environment and Community Performance**

Stanmore remains committed to safety as its number one priority and strives towards our goal of everyone returning home safe each day.

Stanmore's 12-month rolling Serious Accident Frequency Rate (SAFR) increased to 0.48 from 0.19 reported as of 31 December 2023, compared to the industry average of 0.56 (reported as of March 2024 by Resources Safety and Health Queensland for Surface Mines).

We also experienced an increase in hand, finger and musculoskeletal related recordable injuries and are constantly assessing our site existing procedures, with specific focus on recurring patterns. This includes improving on the quality of our investigations as well as on the quality of our field leadership engagement. In line with our protective risk management strategy, we have finished a thorough review of principal hazards and critical control at our operations and are actively updating our site systems and Principal Hazard Management Plans for all recommendations made.

**(e) Operations**

		Half-year	
		30 June 2024	30 June 2023
Run of Mine coal produced	Mt	9.4	9.1
Run of Mine strip ratio	Prime Waste: ROM	8.1	8.0
Saleable coal produced	Mt	6.8	6.4
Sales of coal produced	Mt	6.9	5.9
Sales of purchased coal	Mt	0.1	0.1
Total coal sales	Mt	7.0	6.0

Total coal sales increased to 7.0Mt compared to 6.0Mt in H1 2023 following improved production volumes and utilisation of strong inventory positions at 31 December 2023. Saleable coal produced increased to 6.8Mt from 6.4Mt, which is at the top end of guidance range for annualised volumes of 12.8Mt to 13.6Mt previously provided in the Full Year Report and Accounts released by the Company on the ASX on 26 February 2024 (**Guidance**). While the sales volume increase has driven profitability, the reduction in average realised sales price to \$175/t has more than offset the increased sales volumes and reduced FOB cash cost per tonne to produce an underlying EBITDA of \$374.9m.

Weather events (particularly in 1Q 2024) resulted in operational impacts compared to Q1 2023, however, strong performance at the operations overcame the weather impacts and production targets on an annualised basis were achieved as per Guidance. Performance improvement from the coal logistics chains has assisted in driving the improved 1H 2024 sales volumes compared to 1H 2023.

Cash generated from operations decreased to \$207.5m from \$395.2m, following the reduction in average sales price received as well as an income tax payment made of \$169.6m in June 2024 as anticipated.

## **OPERATING AND FINANCIAL REVIEW (CONTINUED)**

### **(e) Operations (continued)**

FOB Cash Cost per tonne decreased from the comparable period with robust sales and production volumes more than offsetting inflationary pressures, natural strip ratio increases, cost of expansion fleets at South Walker Creek, prioritisation of stripping at Poitrel and the higher cost Millennium complex, finishing the period lower than the Guidance range (\$99/t to \$104/t). The cash impact of this improvement is partially offset by an increase in cash outflows associated with leasing of \$4/t compared to the period ending 30 June 2023.

Year to date capital expenditure is higher when compared to 1H 2023, due to the expansion projects in place at South Walker Creek including the MRA2C creek diversion, Y-South Pit Box-cut and the CHPP expansion. With expenditure weighted towards the first half of the year as planned, capital expenditure remains on track to fall within the full year Guidance range (\$165.0m to \$185.0m).

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

### **(a) Operations**

The continuing focus for Stanmore in 2024 will be to complete significant capital programs across the portfolio, particularly at our South Walker Creek mine including the MRA2C project, which provides access to lower strip ratio and higher yielding/quality ROM volumes, expansion activities at the CHPP to increase capacity to 9.4Mtpa, the addition of three excavator truck/shovel fleets providing matching mining capacity to 9.4Mtpa ROM including opening up the Y-South box cut and the conversion of Dragline 27 from DC to AC.

On 28 June 2024, the company announced the cessation of mining activities at Mavis Downs due to uneconomic conditions. Closure activities will take place with final sealing and demobilisation activities to be concluded by 30 September 2024.

We expect to see continuing pressure on our input costs through the second half of 2024.

The Company's net cash position continues to improve, increasing our Balance Sheet resilience and providing a strong platform for the future.

### **(b) Exploration and development**

On 6 February 2024, Stanmore announced the annual update to coal resources and reserves across the Group under the relevant Australasian Code for Reporting Exploration Results and Ore Reserves (JORC Code). The total Proved and Probable Coal Reserves across all tenements formally declared and published are now 372Mt, and the Marketable Coal Reserves are 281Mt.

On 13 August 2024, Stanmore announced that it had completed the acquisition of 100% of the Eagle Downs Metallurgical Coal Joint Venture, 100% of the shares of Eagle Downs Coal Management Pty Ltd and a 100% interest in the Eagle Downs South metallurgical coal tenements and associated assets. The focus at Eagle Downs will be to optimise the development plan to take a capital efficient approach to any development and investment decision.

The Group will continue to monitor and assess and prioritise its existing portfolio where they align to Stanmore's objectives and explore acquisition opportunities where it makes financial and commercial sense to do so.

### **(c) Other corporate**

On 25 August 2024, the Company received binding commitments from a group of financiers to refinance the BMC acquisition debt facility, which will result in a new US\$350.0m senior secured term loan and a US\$100.0m senior secured revolving debt facility, as well as contingent debt facilities. Completion of the refinance is expected to occur by the end of 3Q 2024.

**Directors' report**  
(continued)

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (CONTINUED)**

**(c) Other corporate (continued)**

A fully franked 2024 interim dividend of \$39.7 million (4.4 cents per share) has been determined since balance date by the directors. Further details of dividends on ordinary shares are set out in note 18 to the consolidated interim financial statements.

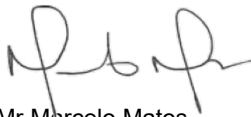
**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

**ROUNDING OF AMOUNTS**

The Company is of a kind referred to *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest hundred thousand dollars in accordance with the instrument.

This report is made in accordance with a resolution of Directors.



Mr Marcelo Matos  
Director

Brisbane  
26 August 2024

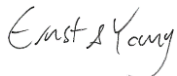
## Auditor's Independence Declaration to the Directors of Stanmore Resources Limited

As lead auditor for the review of Stanmore Resources Limited for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review.
- b. No contraventions of any applicable code of professional conduct in relation to the review.
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Stanmore Resources Limited and the entities it controlled during the financial period.

Yours sincerely,



Ernst & Young



Tom du Preez  
Partner, Brisbane

26 August 2024

## Condensed consolidated statement of profit or loss

		Half-year 30 June 2024 \$M	30 June 2023 \$M
	Notes		
Revenue from contracts with customers	2	1,226.0	1,493.4
Other income	3(a)	4.6	1.0
Other gains/(losses)	3(b)	96.0	(2.1)
<b>Total income</b>		<b>1,326.6</b>	<b>1,492.3</b>
Net coal inventory movements and coal purchases		(26.2)	23.9
Foreign exchange gains		27.1	12.6
Depreciation and amortisation expense		(182.6)	(130.7)
Impairment expenses	3(d)	(55.8)	-
Employee benefits expense		(71.4)	(59.5)
Materials and supplies		(174.7)	(159.6)
Operating expenses		(384.0)	(316.4)
Royalties expense		(171.9)	(285.2)
Other expenses	3(c)	(63.1)	(47.3)
<b>Operating profit</b>		<b>224.0</b>	<b>530.1</b>
Finance income	3(e)	13.6	10.3
Finance costs	3(e)	(48.1)	(49.4)
Share of profit/(loss) from associates net of tax	22(b)	-	(11.1)
<b>Profit before income tax</b>		<b>189.5</b>	<b>479.9</b>
Income tax expense	4	(53.2)	(139.6)
<b>Profit for the period</b>		<b>136.3</b>	<b>340.3</b>
Profit is attributable to:			
Owners of Stanmore Resources Limited		136.3	340.3
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		15.1	37.8
Diluted earnings per share		15.1	37.8

The above condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.



**Condensed consolidated statement of comprehensive income**

	<b>Half-year</b> <b>30 June</b> <b>2024</b> <b>\$M</b>	30 June 2023 \$M
<b>Profit for the period</b>	<b>136.3</b>	340.3
<b>Other comprehensive income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	<b>136.3</b>	340.3
Total comprehensive income for the period is attributable to: Owners of Stanmore Resources Limited	<b>136.3</b>	340.3

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

## Condensed consolidated statement of financial position

		30 June 2024 \$M	31 December 2023 \$M
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	403.7	446.3
Trade receivables	7	136.4	283.0
Inventories	8	180.6	182.7
Derivative financial instruments	15	3.2	6.1
Other current assets	9	34.3	31.5
Assets classified as held for sale		20.5	48.0
<b>Total current assets</b>		<b>778.7</b>	<b>997.6</b>
<b>Non-current assets</b>			
Financial assets at FV through OCI		25.0	25.0
Property, plant and equipment	10	1,514.4	1,497.2
Exploration, development and mine properties	11	991.9	1,043.1
Other non-current assets	9	38.2	42.5
<b>Total non-current assets</b>		<b>2,569.5</b>	<b>2,607.8</b>
<b>Total assets</b>		<b>3,348.2</b>	<b>3,605.4</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	284.5	338.5
Borrowings	13	75.7	137.0
Lease liabilities	14	118.4	134.8
Current tax liabilities		27.2	170.3
Employee benefit obligations	17	45.1	50.9
Provisions	16	157.0	156.8
<b>Total current liabilities</b>		<b>707.9</b>	<b>988.3</b>
<b>Non-current liabilities</b>			
Borrowings	13	138.1	178.9
Lease liabilities	14	348.4	325.0
Deferred tax liabilities	4	138.8	147.3
Provisions	16	200.9	212.4
<b>Total non-current liabilities</b>		<b>826.2</b>	<b>863.6</b>
<b>Total liabilities</b>		<b>1,534.1</b>	<b>1,851.9</b>
<b>Net assets</b>		<b>1,814.1</b>	<b>1,753.5</b>
<b>EQUITY</b>			
Share capital	20	616.4	616.4
Other reserves		(23.7)	(23.7)
Retained earnings		1,221.4	1,160.8
<b>Total equity attributable to owners of Stanmore Resources Limited</b>		<b>1,814.1</b>	<b>1,753.5</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Condensed consolidated statement of changes in equity

	Notes	Attributable to owners of Stanmore Resources Limited			Total equity \$M
		Issued Capital \$M	Other reserves \$M	Retained earnings \$M	
<b>Balance at 1 January 2024</b>		<b>616.4</b>	<b>(23.7)</b>	<b>1,160.8</b>	<b>1,753.5</b>
Profit for the half-year		-	-	136.3	136.3
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>-</b>	<b>136.3</b>	<b>136.3</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	18	-	-	(75.7)	(75.7)
<b>Balance at 30 June 2024</b>		<b>616.4</b>	<b>(23.7)</b>	<b>1,221.4</b>	<b>1,814.1</b>
		Attributable to owners of Stanmore Resources Limited			Total equity \$M
		Issued Capital \$M	Other reserves \$M	Retained earnings \$M	
Balance at 1 January 2023		616.4	(23.7)	740.9	1,333.6
Profit for the half-year		-	-	340.3	340.3
Total comprehensive income for the half-year		-	-	340.3	340.3
Balance at 30 June 2023		616.4	(23.7)	1,081.2	1,673.9

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Condensed consolidated statement of cash flows

	Half-year 30 June 2024 \$M	30 June 2023 \$M
<b>Cash flows from operating activities</b>		
Receipts from customers	1,362.6	1,549.5
Payments to suppliers and employees	(915.4)	(1,065.6)
Interest received	13.6	10.3
Interest and other finance costs paid	(39.8)	(32.9)
Income tax paid	(213.5)	(66.1)
<b>Net cash inflow from operating activities</b>	<b>207.5</b>	<b>395.2</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(106.0)	(45.7)
Payments for capitalised development, exploration and evaluation assets	(0.1)	-
Payments for mine property assets	(2.2)	-
Payments of vendor royalties	(1.6)	(3.3)
Proceeds from sale of exploration and evaluation assets	134.4	-
Repayment of/(issuance of) loans to related parties	(6.1)	-
Dividends received	1.1	1.0
Drawdown of loan principle by Joint Venture	-	(40.1)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>19.5</b>	<b>(88.1)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(114.7)	(265.9)
Payment of principal lease liability	(78.6)	(56.1)
Dividend paid	(75.7)	-
Refunds for refundable security bonds	-	5.9
Settlement of financial instruments	0.7	-
<b>Net cash outflow from financing activities</b>	<b>(268.3)</b>	<b>(316.1)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(41.3)</b>	<b>(9.0)</b>
Cash and cash equivalents at the beginning of the half-year	446.3	432.4
Effects of exchange rate changes on cash and cash equivalents	(1.3)	(2.5)
<b>Cash and cash equivalents at end of the half-year</b>	<b>403.7</b>	<b>420.9</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial statements are presented in US dollars.

Stanmore Resources Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of the Group are the exploration, development, production and sale of metallurgical coal in Queensland, Australia.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by Stanmore Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

### (a) Notes to the consolidated financial statements

A number of new or amended standards became applicable for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group.

### (b) Going concern

The Directors have considered projected cash flow information for the 12 months from the date of approval of these financial statements under multiple scenarios (which includes the ability to slow or defer spending), including conservative pricing forecasts and the Group's access to undrawn working capital facilities as disclosed in note 13. Based on this analysis, the Group is expected to continue to satisfy its obligations as and when they fall due.

Accordingly, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

### (c) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024.

Subsidiaries are all those entities over which the Company has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

## 2 Revenue

The Group derives the following types of revenue:

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Revenue from contracts with customers	1,226.0	1,493.4
<b>Total revenue from continuing operations</b>	<b>1,226.0</b>	<b>1,493.4</b>

### (a) Disaggregation of revenue from contracts with customers

The Group recognises revenue from the transfer of goods at a point in time in the following geographical regions.

	Half-Year 30 June 2024 \$M	30 June 2023 \$M
<b>Revenue from external customers</b>		
Metallurgical coal/Asia	802.2	1,071.9
Metallurgical coal/Europe	300.1	305.4
Metallurgical coal/South America	73.5	85.3
Thermal coal/Asia	50.2	30.8
	<b>1,226.0</b>	<b>1,493.4</b>

### (b) Recognition and measurement

Revenue from the sale of coal is recognised in the profit or loss when performance obligations have been met, which is deemed to be when control of the coal has been transferred from the Group to the customer. Typically, for free on board sales, the transfer of control and the recognition of a sale occurs when the coal passes the ship rail when loading at the port. For free on stockpile sales, the transfer of control will occur when the sales agreement is exercised.

### 3 Other income and expense items

#### (a) Other income

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Dividends	1.1	1.0
Other income	3.5	-
	<u>4.6</u>	<u>1.0</u>

#### (b) Other gains/(losses)

	Half-Year 30 June 2024 \$M	30 June 2023 \$M
Net gain on sale of held-for-sale assets	96.0	-
Other items	-	(2.1)
	<u>96.0</u>	<u>(2.1)</u>

#### (c) Breakdown of other expenses

	Half-Year 30 June 2024 \$M	30 June 2023 \$M
Operational accommodation and travel	26.2	21.6
Sales and marketing	33.8	23.0
Administration and other operational expenses	3.1	2.7
<b>Total other expenses</b>	<u>63.1</u>	<u>47.3</u>

#### (d) Impairment expense

	Half-Year 30 June 2024 \$M	30 June 2023 \$M
Impairment expense	55.8	-
<b>Total impairment expense</b>	<u>55.8</u>	<u>-</u>

On 28 June 2024, following a detailed strategic review, Stanmore announced its decision to cease operations at the Mavis underground from end of June and complete the transition by the end of Q3 2024.

As a result, management performed an impairment assessment of its associated assets, recognising a total impairment charge of \$55.8m.



### 3 Other income and expense items (continued)

#### (e) Finance income and costs

	Half-year 30 June 2024 \$M	30 June 2023 \$M
<i>Finance income</i>		
Interest	13.6	10.3
<b>Finance income</b>	<b>13.6</b>	<b>10.3</b>
<i>Finance costs</i>		
Interest paid	22.6	32.9
Interest amortisation unwinding	7.0	4.3
Interest charge - lease liability	18.5	12.2
<b>Finance costs expensed</b>	<b>48.1</b>	<b>49.4</b>
<b>Net finance costs</b>	<b>34.5</b>	<b>39.1</b>

#### 4 Income tax expense

##### (a) Income tax expense

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Current tax	61.7	155.5
Deferred tax	(8.5)	(15.9)
<b>Total current tax expense</b>	<b>53.2</b>	<b>139.6</b>

##### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Profit from continuing operations before income tax expense	189.5	479.9
Prima facie tax expense (30%) on profit/(loss) before income tax	56.9	144.0
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	-	3.5
Prior period taxes over/(under) recognised	(2.3)	(3.2)
Other	(1.4)	(4.7)
<b>Income tax expense/(benefit)</b>	<b>53.2</b>	<b>139.6</b>

##### (c) Deferred tax balances

##### (i) Recognised deferred tax assets and liabilities

	30 June 2024 \$M	31 December 2023 \$M
<b>The balance comprises temporary differences attributable to:</b>		
Deductible temporary differences	212.6	181.0
Assessable temporary differences	(351.4)	(328.3)
<b>Total net deferred tax liabilities</b>	<b>(138.8)</b>	<b>(147.3)</b>

## 5 Business combination

### Acquisition of MetRes Pty Ltd

On 21 December 2023, the Group acquired 50% of the ordinary shares in MetRes Pty Ltd from Marmilu Pty Ltd, taking its total shareholding to 100%.

Marmilu Pty Ltd is an entity controlled by Mr Matthew Latimore, a Director of Stanmore at the time of the transaction, and as such the acquisition was considered a related party transaction.

Initial consideration totalling A\$1 was paid, along with an uncapped royalty deed. Pursuant to this deed, royalties on life of mine coal sales will be payable to Marmilu Pty Ltd. These will be payable (except in case of peak coal prices) once Stanmore's net investments in the project have been returned, including Stanmore's existing loan previously provided to MetRes Pty Ltd.

Stanmore now controls the acquired entity with the transaction accounted for as a business combination by way of a step acquisition. This results in no uplift to the original 50% ownership in MetRes Pty Ltd.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	\$M
<b>Purchase consideration</b>	
Cash paid	-
Contingent consideration	-
Original investment in MetRes Pty Ltd	-
Settlement of pre-existing loan	47.9
Total purchase consideration	<u>47.9</u>

The assets and liabilities recognised as a result of the acquisition are as follows:

	Provisional Fair value \$M	Adjustments \$M	Provisional Fair value \$M
Cash	8.6	-	8.6
Trade and other receivables	7.8	-	7.8
Inventories	11.1	0.8	11.9
Property, plant and equipment	37.0	9.5	46.5
Capitalised development and exploration	48.9	(5.0)	43.9
Current tax receivable	5.3	(5.3)	-
Trade and other payables	(20.3)	-	(20.3)
Lease liabilities	(22.7)	-	(22.7)
Rehabilitation provisions	(22.6)	-	(22.6)
Royalty liabilities/contingent consideration acquired	(5.2)	-	(5.2)
Net assets acquired	<u>47.9</u>	<u>-</u>	<u>47.9</u>

### Acquisition-related costs

Transaction costs associated with the acquisition were expensed as transaction and transition costs in the period to December 2023 totalling US\$3.0m.

## 5 Business combination (continued)

### Acquisition of MetRes Pty Ltd (continued)

#### Significant estimate: contingent consideration

As part of the acquisition AASB 3 required the recognition of the additional consideration yet to be paid to the vendor, the value of which is dependent on the prevailing coal price exceeding certain targets. Further, repayment of the loan timing significantly impacts fair value.

As at 30 June 2024, a fair value of A\$0 has been recognised in relation to this contingent payment, based on expected future operating and market conditions over the assets anticipated life of mine.

## 6 Cash and cash equivalents

	30 June 2024 \$M	31 December 2023 \$M
<b>Current assets</b>		
Cash at bank and in hand	403.7	446.3

#### (a) Recognition and measurement

For the purposes of the consolidated statement of cash flows, cash and cash equivalents includes (1) cash on hand and at bank; (2) deposits held at call with financial institutions; (3) other short-term, highly liquid investments with original maturities of three months or less; that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

## 7 Trade and other receivables

	30 June 2024 \$M	31 December 2023 \$M
<b>Current assets</b>		
Trade receivables	113.9	239.4
Other receivables	3.1	1.2
GST receivable	19.4	42.4
	136.4	283.0

## 8 Inventories

	30 June 2024 \$M	31 December 2023 \$M
<b>Current assets</b>		
ROM coal inventories	59.0	52.7
Product coal stocks	58.5	70.7
Warehouse inventories	63.1	59.3
	180.6	182.7

## 9 Other assets

	30 June 2024 \$M	31 December 2023 \$M
<b>Other current assets</b>		
Prepayments	34.3	31.5
	30 June 2024 \$M	31 December 2023 \$M
<b>Other non-current assets</b>		
Prepayments	31.9	25.7
Security bonds	3.2	4.8
Other	3.1	12.0
	38.2	42.5

## 10 Property, plant and equipment

	30 June 2024 \$M	31 December 2023 \$M
<b>Plant and equipment</b>		
At cost	681.2	659.6
Accumulated depreciation and impairment	(238.1)	(195.5)
	443.1	464.1
<b>Land and buildings</b>		
At cost	366.8	362.3
Accumulated depreciation and impairment	(75.0)	(29.8)
	291.8	332.5
<b>Right of use asset</b>		
At cost	707.5	633.4
Accumulated depreciation and impairment	(259.1)	(174.4)
	448.4	459.0
<b>Capital work in progress</b>		
Capital work in progress	331.1	241.6
	331.1	241.6
	1,514.4	1,497.2

## 10 Property, plant and equipment (continued)

	Plant and equipment \$M	Land and buildings \$M	Right of use asset \$M	Capital work in progress \$M	Total \$M
<b>Half-year ended 30 June 2024</b>					
Opening net book amount	464.1	332.5	459.0	241.6	1,497.2
Additions	9.4	-	100.5	114.7	224.6
Disposals	-	-	(2.6)	-	(2.6)
Depreciation charge	(38.7)	(13.9)	(87.5)	-	(140.1)
Reclassifications	22.6	2.6	-	(25.2)	-
Impairment loss	(14.3)	(29.4)	(0.5)	-	(44.2)
Transfers to assets held for sale	-	-	(20.5)	-	(20.5)
Closing net book amount	443.1	291.8	448.4	331.1	1,514.4
	Plant and equipment \$M	Land and buildings \$M	Right of use asset \$M	Capital work in progress \$M	Total \$M
<b>Half-year ended 30 June 2023</b>					
Opening net book amount	457.6	247.5	269.3	128.9	1,103.3
Additions	0.1	-	90.8	45.6	136.5
Disposals	(0.2)	-	-	-	(0.2)
Depreciation charge	(36.0)	(8.4)	(49.2)	-	(93.6)
Reclassifications	6.6	-	-	(6.6)	-
Closing net book amount	428.1	239.1	310.9	167.9	1,146.0

## 11 Non-current assets - Capitalised Development and Exploration

	30 June 2024 \$M	31 December 2023 \$M
Exploration and evaluation assets	70.3	70.9
Mine properties	921.6	972.2
	<b>991.9</b>	<b>1,043.1</b>

	Exploration and evaluation \$M	Mine properties \$M	Total \$M
<b>Half-year ended 30 June 2024</b>			
Opening net book amount	70.9	972.1	1,043.0
Remeasurement of rehabilitation assets	-	(6.8)	(6.8)
Additions	-	0.4	0.4
Depreciation charge	-	(42.5)	(42.5)
Reclassifications	5.1	4.3	9.4
Impairment loss	(5.7)	(5.9)	(11.6)
Closing net book amount	<b>70.3</b>	<b>921.6</b>	<b>991.9</b>

	Exploration and evaluation \$M	Mine properties \$M	Total \$M
<b>Half-year ended 30 June 2023</b>			
Opening net book amount	68.9	1,177.6	1,246.5
Remeasurement of rehabilitation assets	-	(4.0)	(4.0)
Depreciation charge	-	(36.8)	(36.8)
Reclassifications	61.3	(61.3)	-
Closing net book amount	<b>130.2</b>	<b>1,075.5</b>	<b>1,205.7</b>

## 12 Trade and other payables

	30 June 2024 \$M	31 December 2023 \$M
<b>Current liabilities</b>		
Trade and other payables	77.3	93.1
Amounts due to associates	-	6.3
Accrued expenses	167.7	170.6
Other payables	14.5	6.5
Statutory payables	25.0	62.0
	<b>284.5</b>	<b>338.5</b>



### 13 Interest bearing loans and borrowings

	30 June 2024			31 December 2023		
	Current \$M	Non- current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Acquisition financing	64.5	138.1	202.6	131.2	177.6	308.8
Chattel Mortgage	2.0	-	2.0	1.6	1.3	2.9
Insurance premium funding	9.2	-	9.2	3.0	-	3.0
Working capital facility	-	-	-	1.2	-	1.2
Total interest bearing loans and borrowings	75.7	138.1	213.8	137.0	178.9	315.9

#### Financing facilities

	30 June 2024			31 December 2023		
	\$M			\$M		
	Facility Size	Facility Utilised	Facility Available	Facility Size	Facility Utilised	Facility Available
Acquisition financing	625.0	210.2	-	625.0	317.7	-
Secured Loans	153.1	-	153.1	154.2	-	154.2
Unsecured Loans from Related Parties	70.0	-	70.0	70.0	-	70.0
Other	14.0	11.2	-	29.7	7.1	2.3
	862.1	221.4	223.1	878.9	324.8	226.5

The "Acquisition Financing" facility matures 3 May 2027 and has a fixed interest rate of 11.5%. The facility may not be redrawn with repayments comprised of an annual sweep of residual excess cash flow and a fixed amortisation schedule.

The Secured Loans are comprised of a US\$120m revolving credit facility maturing 2 March 2025 and an A\$50m working capital facility maturing 3 May 2027. Both facilities remain undrawn as of 30 June 2024.

The Unsecured Loans from Related Parties is comprised of a US\$70m revolving credit facility with the Group's major shareholder, GEAR. The facilities maturity date was extended to 30 June 2026 during the period, with consideration comprised of a one-off 1.5% extension fee. Other commercial terms have remained in-line with the existing agreement, including being unsecured in nature, a fixed interest rate of 12% per annum and commitment fees on undrawn funds of 3% per annum.

Other financing facilities include A\$13.8m outstanding on a short-term group insurance premium funding and A\$3.0m outstanding on a chattel mortgage.

	30 June 2024 \$M	31 December 2023 \$M
<b>Facility Utilisation</b>		
Bank Guarantee Facilities	14.0	14.4
Surety Bonding Facilities	101.7	109.0
	115.7	123.4

## 14 Lease liability

	30 June 2024 \$M	31 December 2023 \$M
Lease liabilities current	118.4	134.8
Lease liabilities non-current	348.4	325.0
<b>Total lease liability</b>	<b>466.8</b>	<b>459.8</b>

### (a) Reconciliation of movements

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Opening balance	459.8	260.1
Additions	100.5	90.8
Depletions through settlement	(97.1)	(62.3)
Foreign exchange remeasurements	(14.9)	-
Interest expense	18.5	12.2
<b>Closing balance</b>	<b>466.8</b>	<b>300.8</b>

## 15 Derivative financial instruments

	30 June 2024 \$M	31 December 2023 \$M
Derivative financial assets	3.2	6.1
<b>Total derivative financial instruments</b>	<b>3.2</b>	<b>6.1</b>

## 16 Provisions

	30 June 2024			31 December 2023		
	Current \$M	Non- Current \$M	Total \$M	Current \$M	Non- current \$M	Total \$M
Rehabilitation provision	3.0	200.0	203.0	8.4	205.9	214.3
Contingent consideration	152.2	0.9	153.1	148.4	6.5	154.9
Onerous contracts provision	1.8	-	1.8	-	-	-
<b>Total provisions</b>	<b>157.0</b>	<b>200.9</b>	<b>357.9</b>	<b>156.8</b>	<b>212.4</b>	<b>369.2</b>

## 16 Provisions (continued)

### (a) Movements in provisions

Movements in each class of provision during the half-year, other than employee benefits, are set out below:

	Onerous contracts provisions \$M	Rehabilitation provision \$M	Contingent consideration \$M	Total \$M
<b>Half-year to 30 June 2024</b>				
Opening balance	-	214.3	154.8	369.1
Additions	1.8	-	-	1.8
Adjustments through remeasurement	-	(6.8)	(3.2)	(10.0)
Depletions through settlement	-	(2.2)	(1.0)	(3.2)
Unwinding of discount via profit and loss	-	4.4	2.6	7.0
Exchange differences	-	(6.7)	(0.1)	(6.8)
Carrying amount at end of period	1.8	203.0	153.1	357.9
	Onerous contracts provisions \$M	Rehabilitation provision \$M	Contingent consideration \$M	Total \$M
<b>Half-year to 30 June 2023</b>				
Opening balance	1.0	203.2	148.2	352.4
Additions - current period disturbance	-	(4.0)	-	(4.0)
Adjustments through remeasurement	-	-	(1.5)	(1.5)
Depletions through settlement	(1.0)	(3.0)	2.5	(1.5)
Unwinding of discount via profit and loss	-	(2.0)	(2.3)	(4.3)
Carrying amount at end of period	-	194.2	146.9	341.1

## 17 Provision for employee benefits

	30 June 2024 \$M	31 December 2023 \$M
Provision for annual leave	26.8	24.4
Provision for bonus	18.1	24.6
Provision for long service leave	0.2	1.9
	<u>45.1</u>	<u>50.9</u>

## 18 Dividends and franking credits

### (a) Ordinary shares

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Dividends provided for or paid	75.7	-

### (b) Dividends not recognised at the end of the half-year

	Half-year 30 June 2024 \$M	30 June 2023 \$M
Since the end of the half-year the Directors have recommended the payment of an interim dividend of 4.4 cents fully franked per fully paid ordinary share (2023: 0.0 cents). The aggregate amount of the proposed dividend expected to be paid on 18 September 2024 out of retained earnings, but not recognised as a liability at the half-year end, is	39.7	-

### (c) Franked credits

	Consolidated Entity Half-year 30 June 2024 \$M	30 June 2023 \$M
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2023 - 30.0%)	524.3	88.4

## 19 Earnings per share

### (a) Basic earnings per share

	Half-year 30 June 2024 Cents	30 June 2023 Cents
Basic earnings per share (cents)	15.1	37.8

Basic earnings per share is calculated by dividing the profit attributable to owners of Stanmore Resources Limited by the weighted average number of ordinary shares outstanding during the financial period.

### (b) Diluted earnings per share

	Half-year 30 June 2024 Cents	30 June 2023 Cents
Diluted earnings per share (cents)	15.1	37.8

## 19 Earnings per share (continued)

### (b) Diluted earnings per share (continued)

Earnings used to calculate diluted earnings per share are calculated by adjusting the amount used in determining basic earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (c) Weighted average number of shares used as denominator

	Half-year	
	30 June 2024	30 June 2023
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>901,391,634</b>	901,391,634

## 20 Equity securities issued

	30 June 2024 Shares	31 December 2023 Shares	30 June 2024 \$M	31 December 2023 \$M
Fully paid	<b>901,391,634</b>	901,391,634	<b>616.4</b>	616.4

## 21 Fair value measurements of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

### (a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2024 and 31 December 2023 on a recurring basis:

At 30 June 2024	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
<b>Financial assets</b>				
Derivative financial instruments held at fair value through profit or loss	-	3.2	-	3.2
Investments at Fair Value through other comprehensive income	-	-	25.0	25.0
<b>Total financial assets</b>	-	3.2	25.0	28.2
<b>Financial liabilities</b>				
Contingent consideration held at fair value through profit or loss	-	-	153.1	153.1
<b>Total financial liabilities</b>	-	-	153.1	153.1

## 21 Fair value measurements of financial instruments (continued)

### (a) Fair value hierarchy (continued)

At 31 December 2023

	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
<b>Financial assets</b>				
Derivative financial instruments held at fair value through profit or loss	-	6.1	-	6.1
Investments at Fair Value through other comprehensive income	-	-	25.0	25.0
<b>Total financial assets</b>	-	6.1	25.0	31.1
<b>Financial liabilities</b>				
Contingent consideration held at fair value through profit or loss	-	-	154.8	154.8
<b>Total financial liabilities</b>	-	-	154.8	154.8

**Level 1:** The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period. There were no other financial assets or liabilities carried at fair value as at 30 June 2024. There were no transfers between levels during the period.

All other financial instruments measured at cost materially approximate their fair value.

## 22 Interests in other entities

### (a) Material subsidiaries

The Group's material subsidiaries at 30 June 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principle place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	Ownership interest held by the group	
			30 June 2024 %	31 December 2023 %
Comet Coal & Coke Pty Limited	Coal exploration	Australia	100	100
Belview Coal Pty Ltd	Coal exploration	Australia	100	100
Mackenzie Coal Pty Limited	Coal exploration	Australia	100	100
	Trustee of Stanmore Employee Share Trust			
Stanmore Coal Custodians Pty Ltd	Share Trust	Australia	100	100
Emerald Coal Pty Ltd	Coal exploration	Australia	100	100
New Cambria Pty Ltd	Coal exploration	Australia	100	100
Kerlong Coking Coal Pty Ltd	Coal exploration	Australia	100	100
Stanmore Surat Coal Pty Ltd	Coal exploration	Australia	100	100
Theresa Creek Coal Pty Ltd	Coal exploration	Australia	100	100
	Coal exploration and mining			
Stanmore Wotonga Pty Ltd	and mining	Australia	100	100
Stanmore IP Coal Pty Ltd	Coal mining	Australia	100	100
	Coal exploration and mining			
Stanmore IP South Pty Ltd	and mining	Australia	100	100
	Coal exploration and mining			
Stanmore Bowen Coal Pty Ltd	and mining	Australia	100	100
	Coal exploration and mining			
Isaac Plains Coal Management Pty Ltd	and mining	Australia	100	100
	Coal exploration and mining			
Isaac Plains Sales & Marketing Pty Ltd	and mining	Australia	100	100
	Coal exploration and mining			
Stanmore SMC Holdings Pty Ltd	and mining	Australia	100	100
	Renewable energy			
Stanmore Green Pty Ltd	energy	Australia	100	100
Dampier Coal (Queensland) Pty Limited	Coal mining	Australia	100	100
Stanmore SMC Pty Limited	Coal mining	Australia	100	100
Red Mountain Infrastructure Pty Ltd	Coal mining	Australia	100	100
	Coal mining and exploration			
MetRes Pty Ltd	and exploration	Australia	100	100
	Coal mining and exploration			
Stanmore Corporate Holdings Pty Ltd	and exploration	Australia	100	100
	Insurance captive			
Windmill Insurance Company Limited	captive	Guernsey	100	-
	Coal exploration and mining			
Boomerang QLD Coal Pty Ltd	and mining	Australia	100	-
	Coal exploration and mining			
Echo QLD Coal Pty Ltd	and mining	Australia	100	-

## 22 Interests in other entities (continued)

### (b) Interests in joint arrangements

Set out below are the significant farm in arrangements of the Group as at 30 June 2024. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	Nature of relationship	Ownership interest held by the group	
			30 June 2024	31 December 2023
			%	%
Clifford Joint Venture	Australia	Farm in arrangement	60	60
Lilyvale Joint Venture	Australia	Farm in arrangement	85	85
Mackenzie Joint Venture	Australia	Farm in arrangement	95	95

## 23 Segment and revenue information

### (a) Description of segments

The Group has identified the operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers - CODM) in assessing performance and determining the allocation of resources and the financial information available to be reported to the Board.

The Group produces and sells metallurgical (as primary product) and thermal coal (as secondary product) in Queensland, Australia.

Accordingly, management currently identifies the Consolidated Entity as having one reportable segment.

## 24 Events occurring after the reporting period

### (a) Exploration and development

On 13 August 2024, Stanmore announced that it had completed the acquisition of 100% of the Eagle Downs Metallurgical Coal Joint Venture, 100% of the shares of Eagle Downs Coal Management Pty Ltd and a 100% interest in the Eagle Downs South metallurgical coal tenements and associated assets. The focus at Eagle Downs will be to optimise the development plan to take a capital efficient approach to any development and investment decision.

### (b) Refinancing of acquisition facility

On 25 August 2024, the Company received binding commitments from a group of financiers to refinance the BMC acquisition debt facility, which will result in a new US\$350.0m senior secured Term Loan and a US\$100.0m senior secured revolving debt facility, as well as contingent debt facilities. Completion of the refinance is expected to occur by the end of 3Q 2024.

### (c) Dividend recommendation

Refer to note 18(b) for the interim dividend recommended since the end of the reporting period.

No other matters or circumstance have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.



## Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 2 to 31 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date and
- (b) there are reasonable grounds to believe that Stanmore Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Mr Marcelo Matos  
Director

Brisbane  
26 August 2024

## Independent auditor's review report to the members of Stanmore Resources Limited

### Conclusion

We have reviewed the accompanying condensed half-year financial report of Stanmore Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 June 2024, the condensed statement of profit or loss, the condensed statement of comprehensive income, the condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the condensed half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as of 30 June 2024 and of its consolidated financial performance for the half-year ended on that date.
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Yours sincerely,

A handwritten signature in cursive script that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Tom du Preez.

Tom du Preez  
Partner, Brisbane

26 August 2024