TRANSCRIPTION

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Operator:	Thank you for standing by, and welcome to the Stanmore Resources Limited June 2026 Quarterly Activities Report Investor Briefing. All participants are in a listen-only mode. There will be a presentation followed by a question-and-answer session. If you wish to ask a question, you will need to press the star key followed by the number 1 on your telephone keypad. I would now like to hand the conference over to Mr. Marcelo Matos, Chief Executive Officer and Executive Director. Please go ahead.
Marcelo Matos:	Thank you. Good morning, everyone. Thanks for joining us as we take you through our second quarterly activities report for 2026. With me today is Shane, our Chief Financial Officer. Overall, this has been an excellent quarter. Operations recovered well to deliver a rebound in ROM production following a weather-affected first quarter, and most importantly, this was achieved safely. This has supported year-to-date saleable production of 6.5 million tonnes, which is tracking comfortably within our reaffirmed full-year saleable production guidance. At this point in time, we are aiming to conclude the year at the upper end of the saleable production range, with the second-half production profile supported by healthy opening ROM stockpiles of more than 1.2 million tonnes and a significant pit pre-preparation works completed over the second quarter. On the project side, we submitted the environmental impact statement for the Isaac Downs extension project during the month of June to the Queensland and Commonwealth governments in line with our expected timeline. I will let Shane discuss in more detail, but we have also been busy on the corporate side with the completion of a refinance of our senior corporate debt facility. The

successful transaction received an overwhelming level of support that enhances the debt profile during a period of business and operational stability.

I will now move on to a summary of our safety and operational performance. I am pleased to report no serious accidents were recorded during the quarter, with the serious accidents frequency rate remaining steady at 0.5, which remains below the industry average for open cuts.

We remain laser-focused on maintaining this strong and consistent safety performance as we enter the second half, supported by our principal hazard management plans, which have been recently updated in line with Queensland legislation changes.

All three assets delivered a strong operational performance in the quarter, rebounding strongly from the wet weather disruption earlier in the year. At South Walker Creek, despite a 14-day routine shutdown of the CHPP in June and routine maintenance of one dragline, ROM and saleable production remained relatively stable quarter-on-quarter.

Moreover, the mine sequence at South Walker Creek has been set up such that the second quarter is likely to end up being the highest level of quarterly stripping and pit preparation activity for the year. With that in mind, and together with healthy closing ROM stocks as of 30 June, we are confident that South Walker Creek is positioned for a strong second-half performance.

Poitrel delivered another exceptional performance with ROM volumes of 2.1 million tonnes, an increase of 16% over the average of the last two quarters. A deferral of the CHPP shutdown from June to July meant that consistent wash plant feed was maintained, supporting a step-up in saleable production to 1.3 million tonnes, with the year-to-date saleable production of 2.5 million tonnes tracking ahead of our annual guidance run rate.

Isaac Plains Complex also saw the benefits of mine planning and improved weather management from the prior year, with ROM volumes recovering to 800,000 tonnes and saleable production steady quarter-on-quarter. As we move into the second half, Stanmore is taking on direct control of key mining activities at Isaac Downs. The operating model is transitioning from a full contract mining services scope into an equipment dry hire arrangement with

Stanmore assuming operating responsibility as we await the transition to the Isaac Downs extension.

As highlighted earlier, the EIS for the Isaac Downs extension was submitted in June in line with our planned schedule. Recent feedback from regulators on the submitted EIS has been positive, with the relevant department determining that the EIS can proceed to public notification stage. This means the EIS will be published for public consultation two months ahead of our ambitious schedule.

Meanwhile, we have been keeping up the pace on the Eagle Downs and Lancewood projects. The Eagle Downs development studies are progressing well and on track for completion within the first quarter of 2027. At Lancewood, we have received encouraging results from detailed interpretation of our 2025 3D seismic program.

Turning now to the coal markets. During the quarter, we saw premium hard coking coal prices trade between US$230 and US$245 per tonne. This was largely driven by ongoing supply constraints from Australian producers, while domestic metallurgical coal availability in China was also tightened following a major mine accident and subsequent mine closures and safety inspections, which remain ongoing.

The latter is rumoured to have impacted production for this year by around 20 million tonnes domestically in China and has contributed to keeping domestic coal prices stronger and very close to seaborne prices once adjusted to a netback FOB Australia basis. This is meaningful in the context of the overall size of the metallurgical market, particularly as it relates to the seaborne market, which is a smaller subset of the total met coal market.

Overall steel market conditions remained competitive through the quarter, with Chinese steel exports picking up pace despite the extension of safeguard measures in India, as well as blast furnace restart news and potential protectionist measures being implemented in Europe. For Stanmore specifically, we achieved an average sales price of US$154 per tonne over the quarter and US$153 per tonne across the first half.

When benchmarked against the simple average of the PLV index over the first half, this reflects an average realisation of approximately 65%. This is lower than the first half of 2025 and has been influenced by the slightly higher weighting towards PCI sales compared to last year, as well as lower relativities of the PCI index against the PLV index.

However, a straight comparison with the simple average of the indices in the quarter is not necessarily the correct way to estimate actual relativity, given the backward-looking nature of our sales contracts with respect to index pricing and quotation periods for specific shipments in a given period, meaning that price changes can take a little time to flow into our average sales prices.

With that, I will now hand over to Shane to update you on our financial position, guidance, and the refinance.

Shane Young: Thanks Marcelo. Looking at the balance sheet, Stanmore concluded the quarter with a consolidated cash balance of US$138 million, translating to net debt of $72 million. Our net debt position improved slightly on the March quarter, which, as Marcelo mentioned, is primarily a factor of the investment we've made into additional stripping during the second quarter, while our sales volumes and realisation of cash receipts continue to catch up from the weather impacts earlier in the year.

Furthermore, key non-operational cash flow items included capital expenditure of US$27 million, an increase on Q1 as we start to move into the typically drier months in Central Queensland, as well as our semi-annual debt repayments, including $35 million in scheduled principal repayments and $10 million in interest.

Total liquidity remains very strong at more than USD$400 million, including the renewal of our unsecured working capital facility from year prior to the end of the half. Regarding guidance, we have reaffirmed our full-year saleable production range and have no other changes to public guidance at this stage.

As per usual, we will provide a more fulsome update with our half-year results in August, including the release of actual year-to-date FOB costs and overall financial performance. Nonetheless, we are encouraged by the resilience shown by our operations in the first half and remind investors that our current 2026 cost guidance already incorporates a degree of anticipated macroeconomic cost impacts from a stronger Australian Dollar and higher fuel costs.

Finally, we are very pleased to have announced today the successful and oversubscribed refinance of our term loan and revolving credit facility subsequent to the end of June. The refinance encompasses an upsizing of the term loan from US$210 million to US$250 million, with a restructure to remove the US$35 million semi-annual amortisation and replace it with a bullet repayment due only at maturity in June 2029.

Furthermore, we have extended the tenure of our US$200 million revolving credit facility from Q3 2027 to Q1 2029, just prior to the maturity of the term loan. The interest rate margin on both facilities has been reduced by 100 basis points, or 1%, which reflects our operational track record, strong balance sheet, and an improving lender appetite for pure-play metallurgical coal producers, of which Stanmore is one of the very few such companies in the industry.

Furthermore, this transaction significantly enhances our short-term cash flow, which comes during a period of operational stability following a period of elevated capital expenditure and organic reinvestment, and as we continue to advance key development projects.

That concludes the prepared remarks for today's call. I will now hand over to the moderator so we can take your questions.

Operator: Thank you. If you wish to ask a question, please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you are on a speakerphone, please pick up the handset to ask your question. Your first question comes from Brett McKay with Petra Capital. Please go ahead.

Brett McKay: Good morning gents, thanks for the time this morning. Just a few questions from me. Just on the guidance side of things, Marcelo, you mentioned there that you are likely tracking to the upper end of the guidance, but obviously with the numbers presented for the half so far, very little to do to get to that upper end. What would you need to see to upgrade your production guidance for the year, and is that something that you might consider doing?

Marcelo Matos: Brett, at this stage, we are not considering an upgrade. As you see from the numbers, South Walker will have a stronger second half. We did have a 14-day CHPP shut in June, and that explains mostly, the performance of South Walker in the first half, given South Walker is producing just under, in average for the year, just under 600,000 tonnes per month, which means a 14-day shut is approximately around 300,000, which means South Walker will need to be, as we always explain in previous discussions, South Walker is limited mostly by the wash plant capacity, which means we are going to be running South Walker at full throttle during the second half.

Isaac this year is a bit of a different reality. I think Isaac is not CHPP constrained, it is going to be a ROM constraint going forward, given we are getting close to the economic limits of the asset. We did reduce the number of fleets, so in the second half, we are going to be running Isaac at a more steady-state setup going forward, with the dragline being the main anchoring piece of gear, and we are down to a single fleet and a swing digger.

So it is not very likely that we are going to see upside in ROM volumes going forward in Isaac Plains, where Poitrel is already running at the close to the top end or slightly above the top end of guidance on an annualised basis.

So if anything, I think performance in the second half, Poitrel will be a steady half-on-half performance, South Walker will be pretty much in line with guidance, constrained mostly by the CHPP, with Isaac running pretty much in line with guidance. So all-in-all, that means, I think we still expect to be within guidance, but as I said, around the top end of that upper range.

Brett McKay: Okay, that makes sense. Thanks, Marcelo. Just quickly on the capex side of things, just to clarify that $27 million noted of expenditure in the period. Does that include any of the pre-stripping or pit development work that you did do at South Walker in the period? Or is that outside and captured on the cost side of things, the opex side of things?

Marcelo Matos: A bit of catching up on the first half, Brett. In general, given the very wet first quarter. So that wasn't very surprising to see that. But if anything, what I can say is, the de-watering and de-mudding of the G&F pits in South Walker are progressing extremely well, ahead of plan, which is great, because as I said before, as part of that strategy of maximising, accelerating mining in the MRA2C area, that's an important -- it's important progress.

The earlier we conclude de-mudding and de-watering, the more we save with that project as well, because timing is money in activities like that. And I think it's going to set ourselves up well for 2027. But other than that, no, nothing -- no major deviations to plan other than catching up a bit on the first half pace of projects.

Brett McKay: Okay, just to clarify, do you know if much of that or if any of that was within that capex number, however, or was it more an opex charge for the period?

Shane Young: Yeah, there will be a little bit of capex, Brett, but that'll mainly come into the second half and beyond. So, we haven't had too much of an impact in the first half as a result of what we're doing there on the de-mudding.

Brett McKay: Understood. Thanks. And just finally, a bit of a -- maybe not a shift, but a little bit more information on some of the growth -- organic growth projects in the portfolio with the addition of Lancewood now, just some commentary around that.

Can you just remind us what the plan is there going forward in terms of the near and maybe the medium term as to how we should be thinking about that as a project and how it fits into the pipeline at this point in time, please?

Marcelo Matos: Brett, Lancewood, if you recall, maybe rewind two or three years, at that time we wanted to investigate the potential for us starting a small open cut ahead of any more meaningful future underground development.

We ruled out that option given the size -- the large size of a box cut that would be required. It would be a terrace pit, so a large strip ratio small open cut didn't prove attractive, and we just pivoted the work to try to understand the potential for a larger development underground, with the first step of the work being ruling out any potential fatal flaws around structure, which is faulting that would compromise the ability for us to have high-productivity longwall mining.

The 3D seismic campaign was quite successful as in it didn't identify any new significant structure relative to the ones that were already identified, which is great news. I think we will be advancing work in Lancewood. I think differently from other undergrounds, Lancewood, I think what would make a difference in a potential future development is access, because we wouldn't need to do a significant drift development for Lancewood.

We would be able to access the coal seam from a development standpoint from a box cut, which makes initial capital attractive. But on the other hand, for example, differently to Eagle Downs, it wouldn't have surface infrastructure. It would be a greenfield development from a surface standpoint.

It doesn't have approvals, so a big part of the work streams going forward will be doing a lot of the ecology and groundwater works in parallel to us, I think we do intend to put JORC reserves in the asset. So we're going to be doing work going forward to validate JORC reserves and complete a PFS, a pre-feasibility study, and advancing approvals in parallel. There's a lot of work that is needed to acquire data to support approvals and submission of an EIS.

So given the need for approvals, we are looking at something around three to four, five years at least before we can see any meaningful potential investment decision involving Lancewood. So I think it's great potential in terms of coal quality, probably the best we have in our portfolio, even relatively to Eagle Downs, but given the need to progress some a lot of this work, yeah, I think it sits a bit in the back from a schedule standpoint, but with a lot of focus and intention to progress that work as best as we can.

Operator: Thank you. Once again, if you wish to ask a question, please press star 1 on your telephone. Your next question comes from Glyn Lawcock with Barrenjoey. Please go ahead.

Glyn Lawcock: Good morning Marcelo. Marcelo, could you maybe just help us a little bit on the cost side? I know you're going to obviously update guidance next month, but generally you always give us in this production report just how the quarter's gone. Three months ago you lifted the cost guidance by about $5 to $6 a tonne. You made comments about Singapore gasoline oil futures curve.

Now if I look at where that is, it's probably tracking 20% above what you were thinking. So does that sort of maybe help us just think about the pushes and pulls on your cost base at the moment? How did the second quarter unfold and is the assumption you've got now maybe a little bit dated with what's now re-emerging in the Middle East? Thanks.

Marcelo Matos: Glyn, things are on track, that's as much as I can say for now, given we don't want to anticipate the release of the actual financials here in a few weeks. But we provided revised guidance. What I can say looking back to the first half, I think we are comfortable. We are not seeing any need to do any further revision to what we've done before.

If you look at the things we can control, I think everything is on track, with FX and diesel being probably the main uncontrollables going forward. If you just rewind two or three weeks ago, probably things were very comfortable as far as diesel prices are concerned. Obviously we need to watch, I think things are very volatile again with spot prices being a lot higher.

We did not have any effect of the QP (quality premiums) in June, for example. It is a lagging process with our suppliers, so those things are actually, they have a one-month lag on how spot prices materialise in our costs, including potential quality premiums. So we need to monitor, Glyn. For the moment, we are not seeing any need to do any meaningful revisions, and I think we are comfortable with what we've provided before as a range.

Shane Young: Yeah, we will reassess as we get closer to the end of August. A lot of things move very quickly as you know in this space, but as Marcelo said, we're comfortable with the range at this stage.

Glyn Lawcock: Yeah, but I mean I guess your assumption was 120, if I look at the SGO today it's probably more like 140 to 150. Is that right?

Shane Young: Yes, it's in that sort of range. I mean, I think it was about 110, so it is moving around quite a lot. I think even looking at the forward curve, we do have the benefit of some hedging kicking in in the second half, which sees us comfortable with the range that we have to be able to tolerate that adjustment, but we'll keep an eye on it.

Glyn Lawcock: And Shane, any change to the $0.70 to $0.80 a tonne for every $10 a barrel? Does that still sort of hold with what you're seeing flow through?

Shane Young: Yeah, maybe a touch lower if we look at a full-year average, just with the benefit of SGO first half actuals having gone through that. So yeah, it's maybe closer to sort of USD$0.50, USD$0.60, per USD$10 per barrel.

Glyn Lawcock: Okay, great. And then Marcelo, just obviously the Anglo opportunity's now come and gone. Is there anything else out there corporately that you can look at now? Is there anything underway or is it now just a complete focus internal now for the business, how you're thinking about looking forward?

Marcelo Matos: We're always looking at what's out there, Glyn, and yeah, I think there's a lot of work now that we need to do in the next couple of years on delivering on the ID extension project. I think fortunately we are so far all very positive. The EIS is going for public consultation without the need for an adequacy review, which is probably unheard of in Queensland, which was pretty good news, a testament for the good work that the team put, but also good relationship with working with the government departments here.

Eagle Downs, lots of work going to finalise that workstream by first quarter next year. Lancewood, as I said, some promising news, although just because of the approvals timetable quite a lot to do in that space. So obviously those are the things we can control, Glyn.

I think we do have good projects and good options organically. If something organic pops up that proves to be value accretive and complementary to the portfolio, we're always going to be active and exploring. I don't think there's anything out there now that is concrete happening, at least not that I'm aware of, nothing major.

As you know, we've done a lot of organic-type M&A, I'd like to say, in the past few years with the likes of Eagle Downs, the Isaac extension, which are small M&A that bolt on to our portfolio and complement what we have. They are not major transformational M&A, but things like that are always there, and I think we're always going to be very active in exploring those.

Glyn Lawcock: Well, I'm sure you'll see them before I see them, I'm sure. Thanks Marcelo.

Marcelo Matos: No worries.

Operator: Thank you. Once again, if you wish to ask a question, please press star 1 on your telephone. We'll now pause a moment for any final questions. We have a follow-up question from Brett McKay with Petra Capital. Please go ahead.

Brett McKay: Thank you, sorry there, I got cut off a moment ago. Just following up on that Lancewood question then, Marcelo. Can you just give us a quick indication or rough indication, I should say, of the timing of that PFS that you noted then?

Marcelo Matos: Sorry, I think I missed that. An indication of timing of what?

Brett McKay: Of the PFS. You mentioned in the commentary there that you were working on a PFS for Lancewood. Can you give us a rough idea of when you might release that?

Marcelo Matos: We want to finalise and conclude JORC reserves for the asset, so there's a bit of work to do in that space, develop options including surface and infrastructure. So I think we're looking probably at, all in all, we're talking probably around 18 months to a couple of years of work ahead of us, and approvals happening in parallel.

Brett McKay: Okay, that's great. Thank you.

Operator: Thank you. Your next question comes from Tim Elder with Ord Minnett. Please go ahead.

Tim Elder: Yeah, good morning, Marcelo and Shane, thanks for taking my question. Just a quick one on kind of the debt refinance piece. I'm interested to understand more of the rationale around the timing, and then obviously you've moved from a P&I repayment schedule to a bullet repayment. What's the plan with that extra $70 million in amortisation savings?

Shane Young: Yes, Tim, it's Shane here. Yes, look, I think we're obviously quite comfortable with the level of debt that we have and had at the beginning of this year as well. So, we took an opportunity with market sentiment improving, particularly for metallurgical coal producers, to look at a refi, part of what we call a mini-refi at this stage, where we're able to remove that amortisation, reduce our cost of debt, and get a bit more runway on the revolver.

I think what that does for us is it just puts us into what we would say is a very comfortable capital structure for the business going forward. So we have obviously some projects on the horizon, we have the Isaac Downs extension project coming up that will require a little bit of capex and investment, and so this just gives us flexibility in considering funding options for that.

Tim Elder: Thanks.

Operator: Thank you. There are no further questions at this time. I'll now hand back to Mr. Matos for closing remarks.

Marcelo Matos: Thank you for your questions and for joining today's call. I also extend my sincere thanks to all our employees and contractors whose hard work and commitment made these results possible. Look forward to speaking with you next month when we share more on our 2026 first-half performance in late August. Thanks all. Good day.

Operator: Thank you. That does conclude our conference for today. Thank you for participating. You may now disconnect.

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