



23 May 2024

CHAIR'S AGM ADDRESS

Dear Stanmore Shareholders

Before I begin my address to shareholders, I would like to acknowledge the Barada Barna people, who are the Traditional Owners of the land on which we operate, and the Widi people who share some of the Country surrounding our South Walker Creek mine, and pay my respects to their Elders past and present and emerging. I would also like to pay my respects to the Yuggera and Turrbal people, who are the Traditional Owners of the land on which our corporate office is based.

Our aspiration is to create an organisation that focuses on safety and operational excellence. The safety of our people and everyone on our sites is the first and most important priority for everybody at Stanmore. Our safety culture is based on continuous learning and improvement with a focus on the quality of safety interactions and investigations. During the year we reviewed the standard of safety investigations across our assets, to identify where we can lift our capability as a Company to prevent recurrence of hazards and future incidents, particularly those that have been repeated.

We are transitioning our injury reporting statistics to Serious Accident Frequency Rate or SAFR, which is the Queensland coal mining regulator's preferred measure across the industry. Stanmore's SAFR for 2023 was 0.19, which was well below the reported industry average. The new measure will support our efforts to identify and mitigate the risks of serious accidents, and provide improved industry-wide comparison of safety performance. Regrettably, our 12-month average Total Recordable Injury Frequency Rate or TRIFR increased to 3.2 per million hours over the course of the year.

2023 has been a standout year for the business, and for the shareholders of Stanmore Resources. The Company delivered total shareholder returns of more than 40%, which was approximately three times the ASX300 average of 13.7%. The return to shareholders includes the November 2023 Special Dividend of US 5.82 cents per share. In addition, a fully franked 2023 Final Dividend of US 8.4 cents per share was paid in March 2024.

These market-leading returns were built on record operational performances across our portfolio, and outstanding financial results.

On 18 September 2023, Stanmore was added to the S&P/ASX 300 Index, and on 18 March 2024, we were added to the S&P/ASX 200 Index. This reflects a resounding endorsement of what we have achieved in transforming the business to become a leading resources company in Australia, creating value for our stakeholders through sustainable development.

In 2023, the Company achieved record operational performances across all of our mines. Revenue increased by 4 percent to US\$2.8 billion, compared to US\$2.7 billion in 2022. While we achieved new records for saleable production and sales volumes, average sales prices moderated from their peaks in 2022, which resulted in underlying EBITDA of US\$1.10 billion, compared to US\$1.46 billion the previous year.

The business generated operating cash flow of US\$737 million allowing us to strengthen the Company's financial position, ending 2023 with a net cash position of US\$126 million after commencing the year in a net debt position of US\$183 million providing Stanmore with a strong financial platform for capital management and achievement of our strategic priorities.

We also paid A\$835 million in royalties to the Queensland government during the year.

We continue to invest in exploration to identify opportunities to expand production at our existing operations. Our priority is to be able to mine in lower strip ratio areas which are close to our operating infrastructure, and therefore more profitable.

We have progressed our pre-feasibility works for the Lancewood hard coking coal project.

We also continue to pursue M&A projects that open new pathways to profitable growth and especially providing synergies to our existing infrastructures.

The highlight has been our acquisition of the Eagle Downs joint venture and Eagle Downs South tenements through two transactions, after the reporting period. Eagle Downs is a fully permitted option to develop a world class, high-quality hard coking coal underground project which complements our existing portfolio.

Last month, we also completed the sale of the southern area of the Wards Well tenements which realises additional value from the assets we acquired in 2022, and allows us to focus on the capital-efficient expansion opportunities in the northern part of the deposit and the Lancewood tenements.

Sustainability

Our vision is to be a leading resources company in Australia, creating value through sustainable development. This means conducting our operations in a responsible way that continually manages and seeks to minimise any adverse impacts on our people, communities and environment.

Over the course of 2023, we developed a number of foundational documents that will guide us to meet our sustainability goals. Our Sustainability Policy has been approved by the Board. We have also developed a comprehensive Social Performance Strategy and five-year Sustainability Roadmap, and we are continuing to develop our Decarbonisation Plan.

Mandatory climate-related financial reporting is likely to be required for ASX listed companies from 1 January 2025, which means Stanmore will first make these disclosures for the year ending December 2025. We have designed our climate risk management processes to align with the recommendations of the Task Force on Climate-Related Financial Disclosures and are well positioned for compliance with the new disclosure requirements.

The Commonwealth Government's Safeguard Mechanism was reformed to introduce new obligations and reporting requirements from 1 July 2023. Our Isaac Plains Complex, Poitrel and South Walker Creek mines are included in the mechanism and will be required to progressively reduce the intensity of their carbon emissions. The financial impact of this obligation will be a function of the emissions intensity of our mines as well as available abatement technologies, the cost of carbon offsets, and any future changes to the mechanism.

Governance

At today's meeting, one director, Jimmy Lim, retires by rotation and is standing for re-election.

Mr Mark Trevan resigned for personal reasons as a Director on 30 June 2023. I would like to sincerely thank him for his service to Stanmore Resources and his contribution to the Board.

Ms Keira Brennan was appointed to the Board as an Independent Non-Executive Director on 12 April 2024 to fill the vacancy created after Mr Trevan's retirement. Keira has more than 30 years' experience advising in the resources and energy sectors and is recognised as one of Queensland's leading lawyers in these industries. Shareholders will be asked to vote to confirm Ms Brennan's appointment at this meeting.

I will introduce Mr Lim and Ms Brennan during the proceedings of the meeting before shareholders will be asked to cast their votes on these resolutions.

Closing

On behalf of the Board, I would like to thank all of the staff, the leadership team, partners, advisors, Traditional Owners of the land on which we operate and all relevant stakeholders of Stanmore. The outstanding performance of the business during the year would not have been achieved without their hard work and dedication to the Company's success. I am especially grateful for their continuing commitment to the safe operation of our assets while delivering a record production year.

I would also like to thank my fellow directors for their continuing efforts to guide the direction and performance of the business in a standout year for Stanmore.

Finally, thank you to you, the shareholders of Stanmore Resources, for continuing to place your trust in the Board and leadership as stewards of the business, and for your support for our vision to build a world class, sustainable resources company.

Further information

Investors

investors@stanmore.net.au

Media

media@stanmore.net.au

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited controls and operates the South Walker Creek, Poitrel, Isaac Plains Complex and Millennium Complex metallurgical coal mines, as well as the undeveloped Wards Well, 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.