stanmore

2024 Half Year **Financial Results** Release

Six months ended 30 June 2024

26 AUGUST 2024

Important Information

Forward-looking statements

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

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JORC Code

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

Mineral resources and reserves

This presentation contains estimates of Stanmore's ore reserves and mineral resources. The information in this presentation that relates to the ore reserves and mineral resources has been extracted from the ASX release by Stanmore titled “2023 Annual Coal Resources and Reserve Summary” dated 26 February 2024, published as part of the Annual results and financial statements on 26 February 2024 and prepared by Competent Persons in accordance with the requirements of the JORC Code. Copies of these announcements are available at www.asx.com.au.

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

1H2024 Key Highlights

Safety

0.48 SAFR[1]

Compared to industry average of 0.56[2]

Saleable Production

6.8Mt

Tracking in-line with upper end of full-year guidance

FOB Cash Cost[3]

91 US$/t

A decrease of 6% vs. 1H2023, supported by strong volumes

Underlying EBITDA[4]

375 US$ m

Reflecting normalised pricing environment

Dividend

4.4 US cps

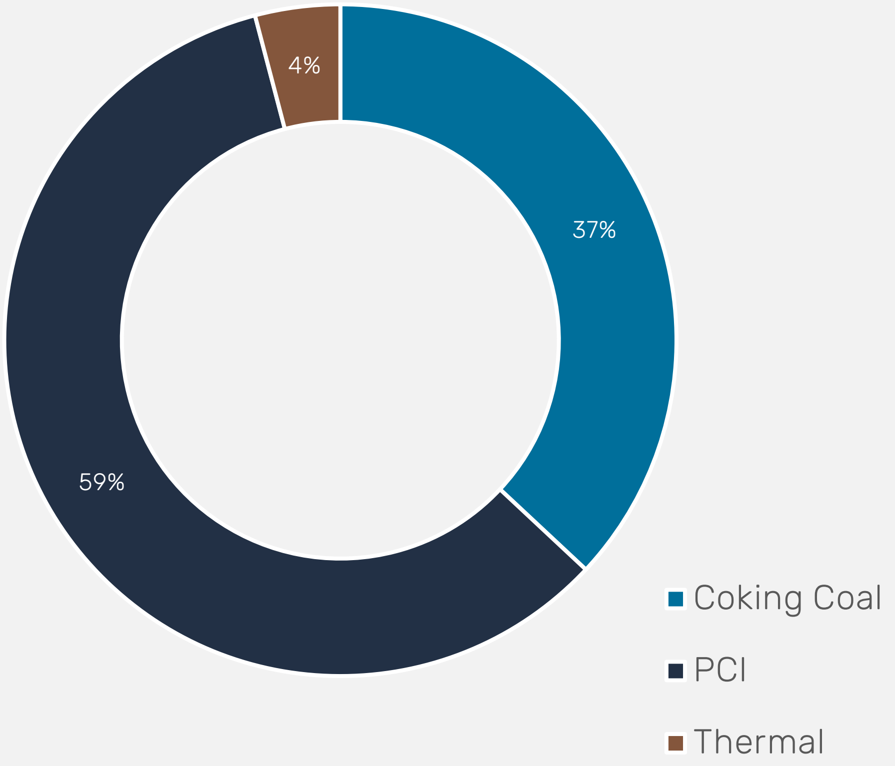
Providing consistent shareholder returns

Metallurgical Coal Markets

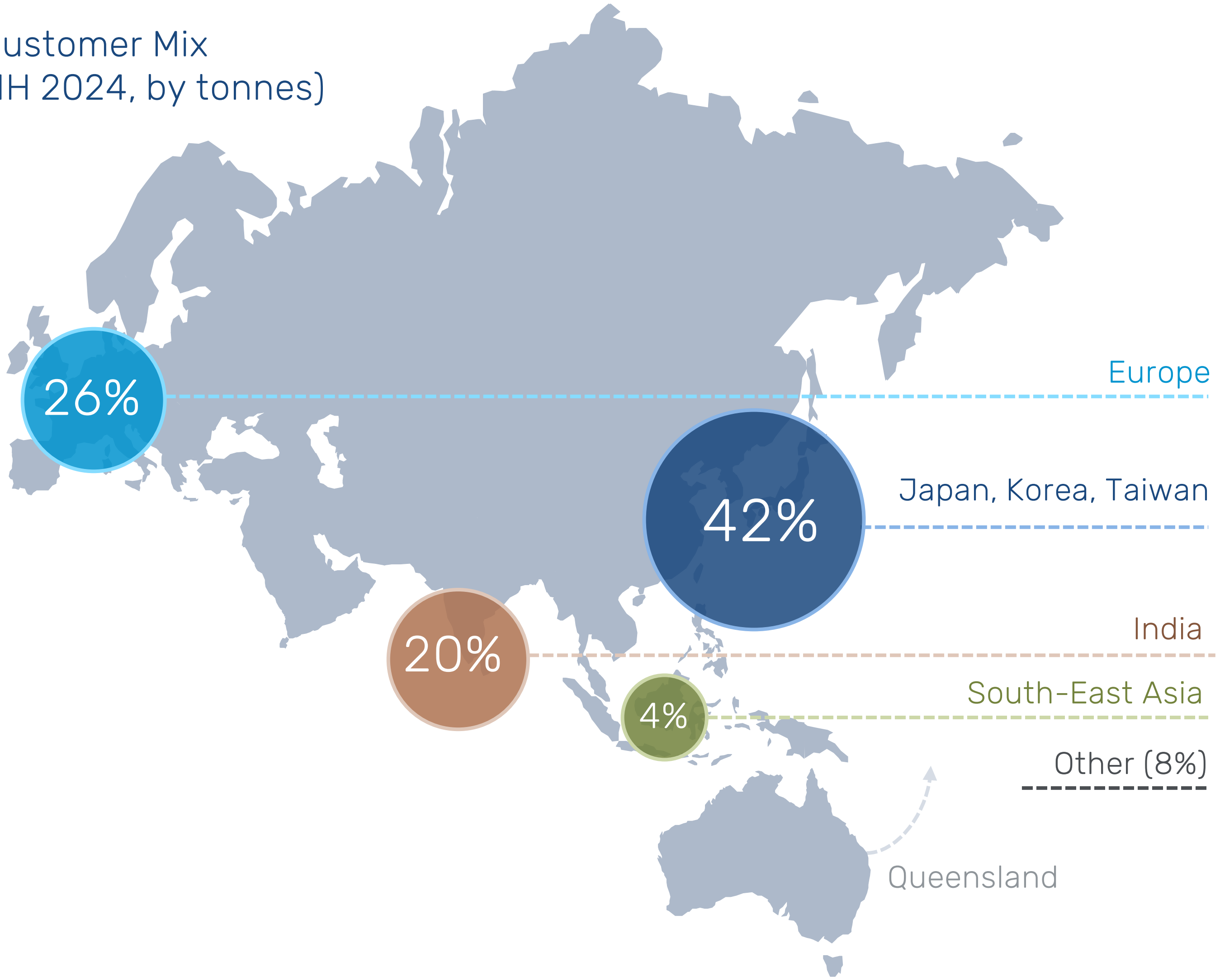
Product Mix and Customer Base

Continued focus on traditional markets, with India and SEA set for growth

Product Mix
(1H 2024, by revenue)

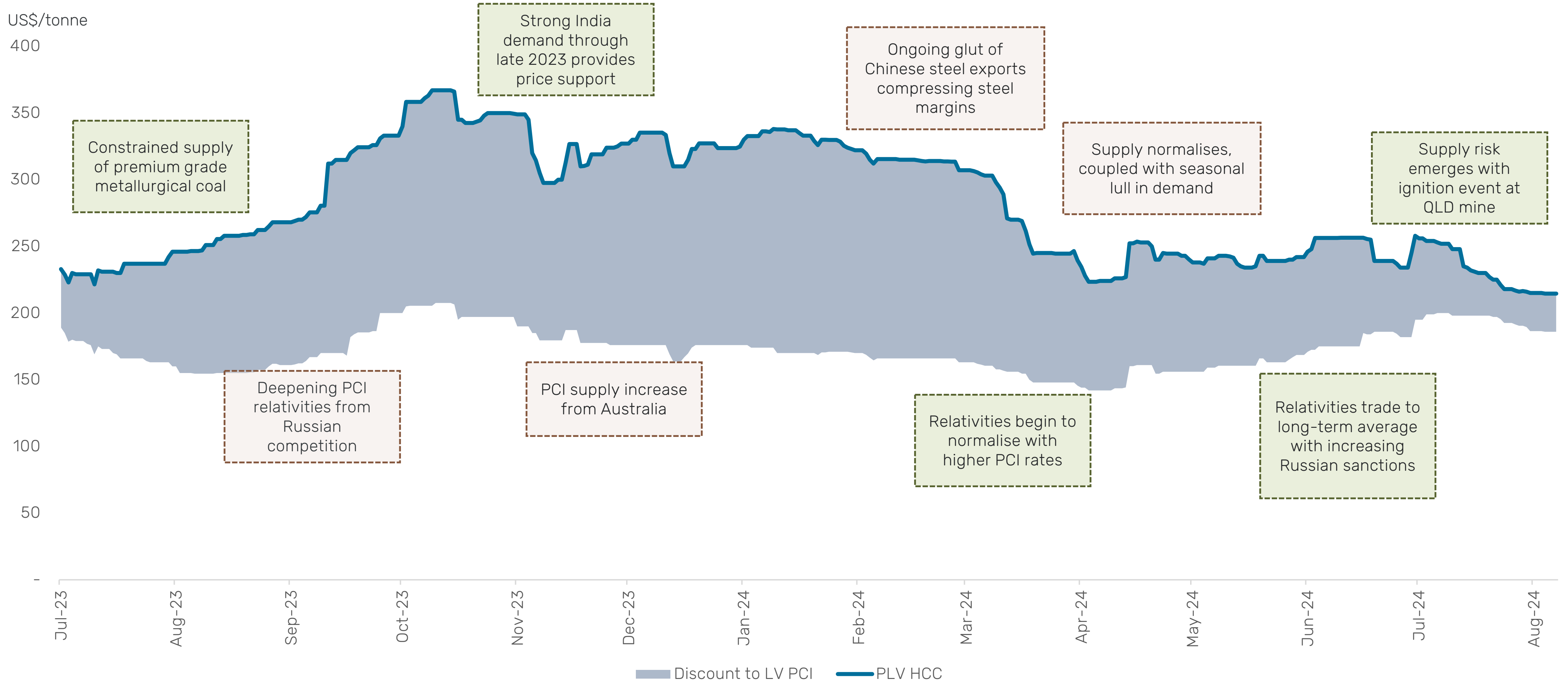


Customer Mix
(1H 2024, by tonnes)



Historical Price Trends

Metallurgical coal market range-bound, with PCI relativities normalised

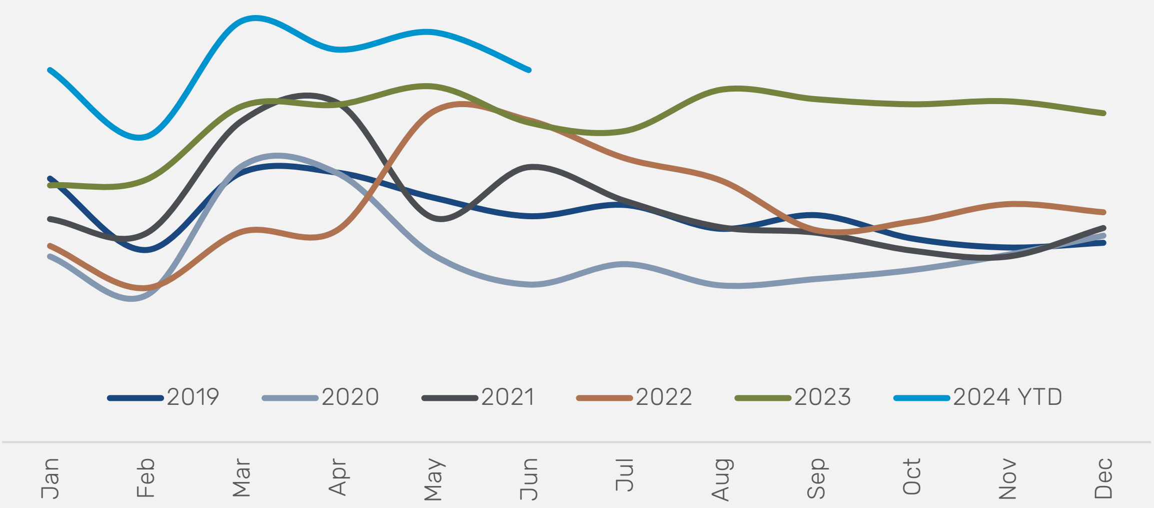


Source: *S&P Global Commodity Insights Platts Premium Low Vol HCC FOB Australia and Low Vol PCI FOB Australia indices July 3, 2023, to August 23, 2024"*
S&P Global Commodity Insights, ©2023 by S&P Global Inc.

Short-Term Market Drivers

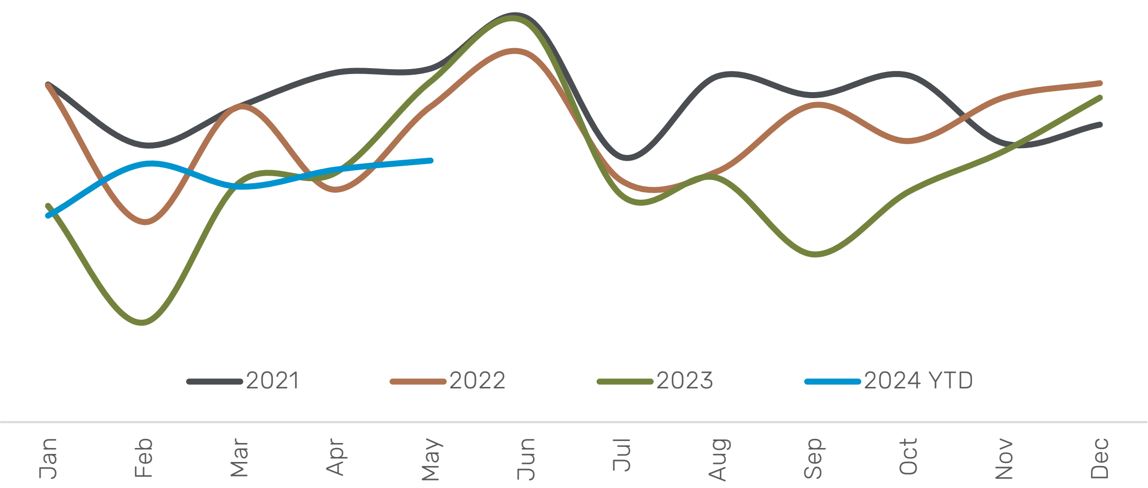
Competitive steel export market driven by China, impacting seaborne metallurgical coal

Chinese Monthly Finished Steel Exports (Mt, Annualised)



- Chinese steel exports, which primarily utilise domestically sourced and Mongolian metallurgical coal have remained elevated throughout 2024, compressing steel margins across the board
- This has supressed demand from importing hubs across Asia, flowing through to seaborne metallurgical coal markets

Australian Monthly Metallurgical Coal Exports (Mt, Annualised)



- Offsetting weaker steel market conditions, Australian supply of metallurgical coal has remained tight, and below seasonal trend of prior years
- Risks remain skewed to the upside with recent supply interruptions for premium grade products
- Structural deficit forecast in the medium term, with large-scale investment required to support new supply

Sources: *China NBS*
S&P Global Commodity Insights, ©2023 by S&P Global Inc.

Operating Performance

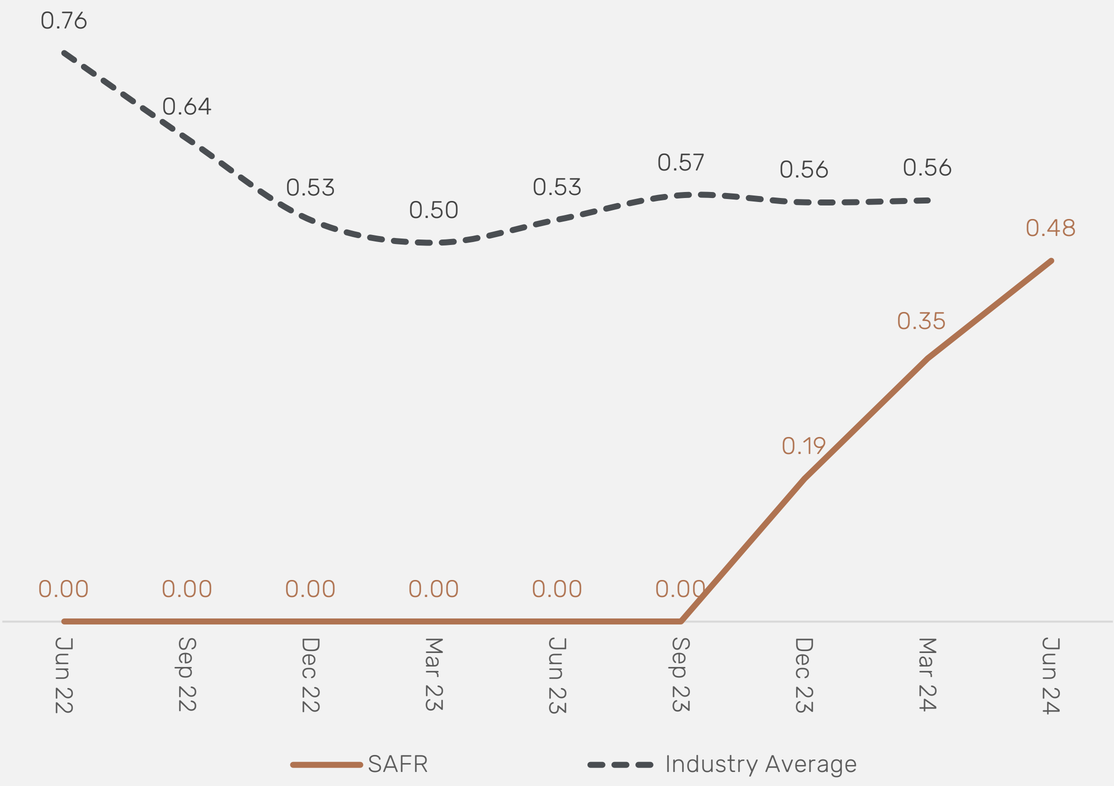
Safety & Sustainability

We acknowledge that our operations have a direct impact on the environment and the communities in which we operate, and we are strongly committed to minimising this impact

Health and Safety

- SAFR[1] increased from 0.19 as of December 31, 2023, to 0.48 as of June 2024
- In response to this trend, Stanmore has sought to improve the quality of our investigations and procedures, as well as conducting targeted campaigns, leadership engagement and a safety reset during the first half
- Safety is our number one priority and Stanmore remains committed to maintaining strong safety procedures

SAFR[1] and Industry Average

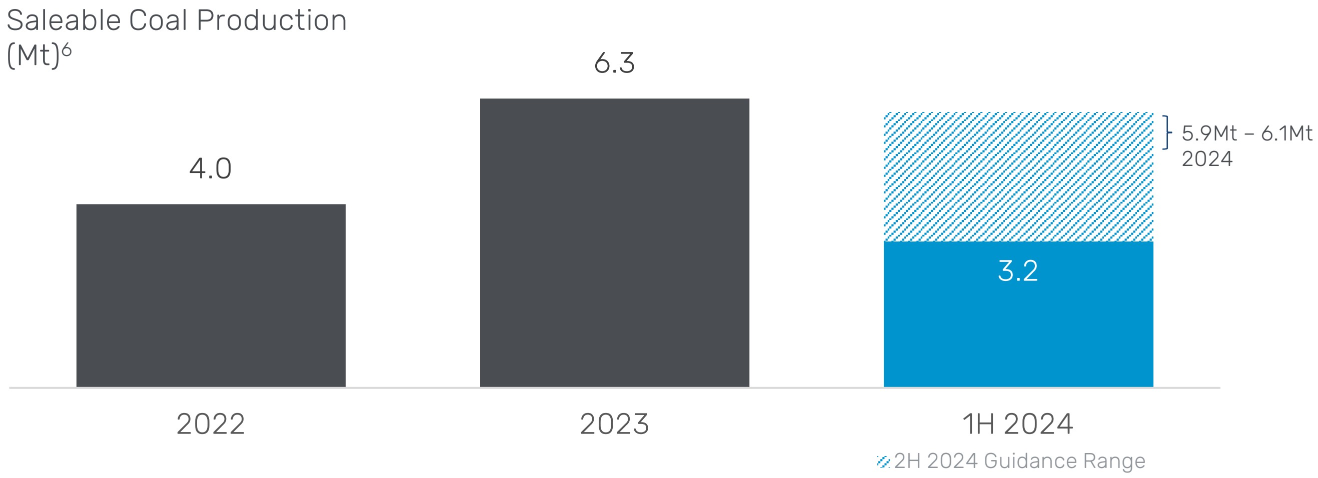


> 2023 Sustainability Report released during 1H 2024, demonstrating the **step change** in our sustainability journey

- Sustainability Policy endorsed
- Five-year Sustainability Roadmap prepared
- Climate reporting and alignment of risk management processes to TCFD recommendations
- Decarbonisation Plan drafted
- Reconciliation Australia formal endorsement of Stanmore's inaugural RAP at the 'Reflect' stage
- Water Resilience Strategy developed

South Walker Creek

Production performance remaining strong amidst continuing mobilisation of expansion fleets



- Record blast volume and total stripping of 43.3Mbcm and 45.4Mbcm respectively
- Mobilisation of three expansion fleets enabling box-cut activities at Y-South ahead of first coal in August
- Strong opening stockpiles along with consistent production performance have supported clean coal production for 1H 2024 ahead of annualised guidance

Poitrel

Consistent coal production despite focus on stripping during first half

Sales

2.3Mt

1.6Mt 1H 2023

FOB Cash Cost[3]

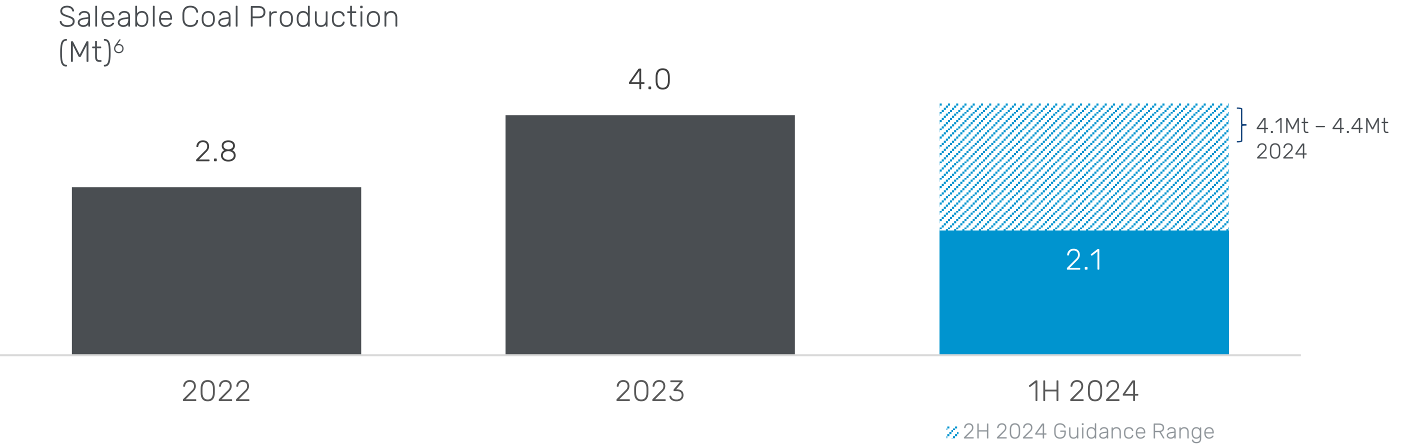
100 US$/t

US$136/t 1H 2023[6]

ASP

179 US$/t

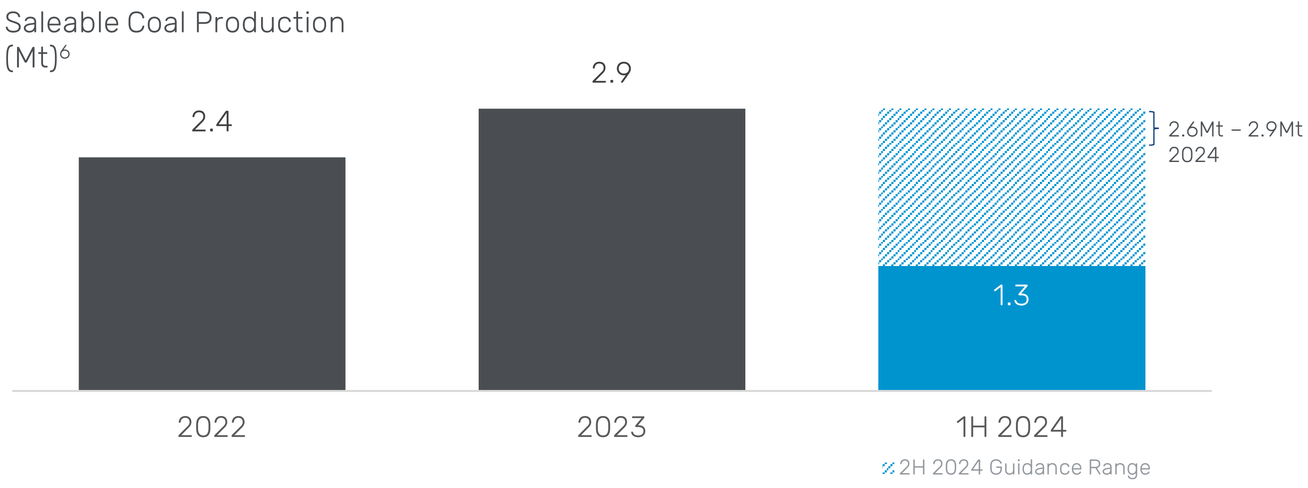
US$237/t 1H 2023



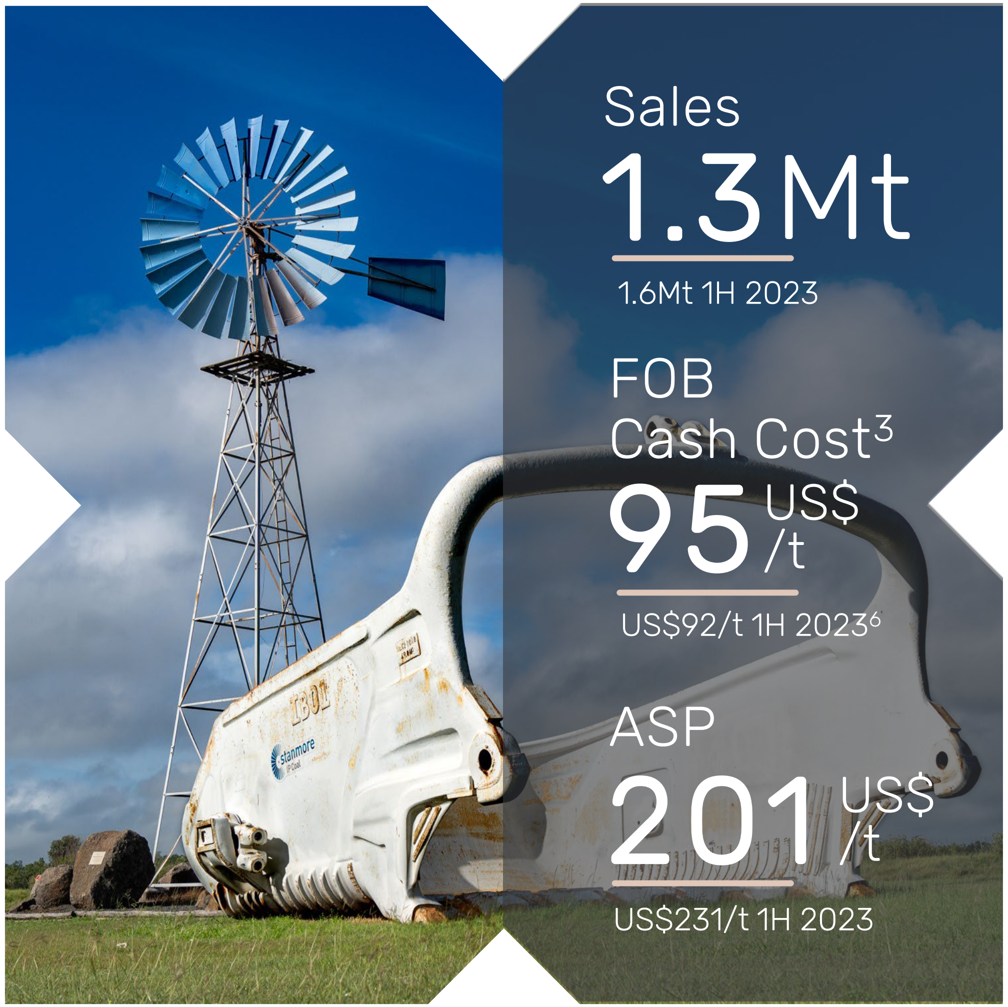
- Strong opening stocks from the advancement of ROM coal in 2023 supported mitigation of wet weather events early in 2024
- Pit set-up activities increased stripping in 2024 with strong opening coal stocks allowing the opportunity to catch up on stripping
- Accelerated R10N Box Cut activities with 7th Fleet in operation to assist with completion by 3Q 2024

Isaac Plains Complex

Recovery of coal production, following wet weather early in the period to maintain guidance



- Strong saleable coal production recovery in the second quarter 2024, with coal production in-line with guidance despite wet weather impacts in early 2024
- Stripping at Pit-5 and mining in overthrust area at Isaac Downs have increased strip ratios which remains aligned to plan
- Dragline performance remained strong despite wet weather impacts



Financial Results

Financial Scorecard

Ongoing strength in financial performance, enhancing balance sheet strength and shareholder returns

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Total Income

1,327 US$ m

1,492 US$ m 1H 2023[6]

Underlying EBITDA[4]

375 US$ m

650 US$ m 1H 2023[6]

Operating Cash Flow

208 US$ m

395 US$ m 1H 2023[6]

Net Cash[5]

192 US$ m

70 US$ m 1H 2023[5]

Refinancing Commitments[7]

450 US$ m

With commercial lending markets

Dividend

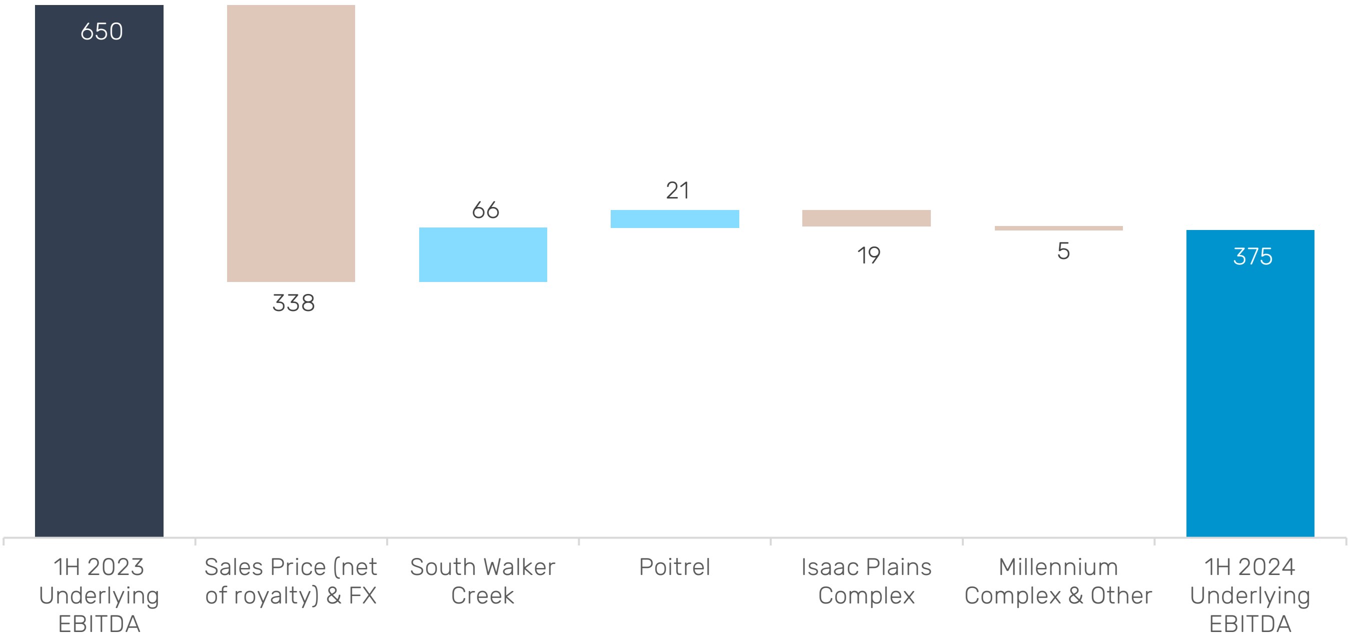
4.4 US cps

Adding to trailing twelve-month total shareholder returns of 50%[8]

Underlying EBITDA Walk Forward

Robust EBITDA performance with strong volumes partially offsetting the impact of lower prices

Underlying EBITDA[4] Walk-Forward (US$m)



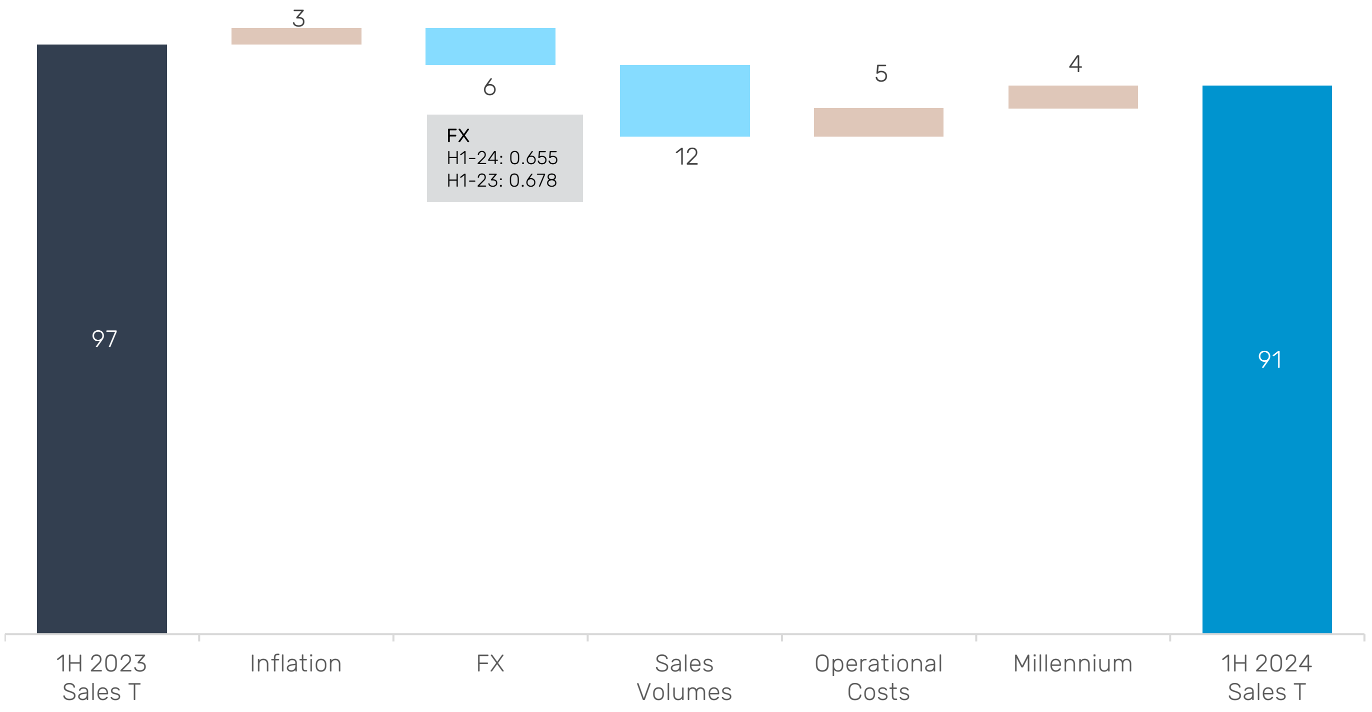
- Normalised price environment, with Average Sales Price reducing US$75/t compared to 1H 2023, partially offset by lower average FX
- South Walker Creek mine continues to perform strongly with higher sales and ROM coal production off the back of the ramp up towards expansion capacity
- Positive Underlying EBITDA[4] impact at Poitrel due to higher clean coal production and sales in 1H 2024, flowing from strong ROM coal mining performance in 2H 2023 allowing a drawdown from stockpiles
- Isaac Plains impacted by lower sales in 1H 2024 due to lower comparable opening stockpile positions, along with higher planned strip ratios from mining of Pit 5 and overthrust area at Isaac Downs

FOB Cash Cost Walk Forward

Cash costs lower year-on-year, with comparative period impacted by timing

- Inflationary impacts were offset by lower average FX half-on-half
- Higher volumes half-on-half across South Walker Creek and Poitrel, with lower sales at Isaac Plains
- Higher operational costs against the comparative period, with additional costs of SWC Expansion fleet, prioritisation of stripping at Poitrel due to strong ROM performance at end of 2023 and increasing strip ratios at the Isaac Plains Complex from Pit 5 mining
- Lower FOB cash costs compared to 1H 2023, partially offset by higher cash outflows associated with leasing of approximately US$4/t
- Inclusion of Millennium Complex in 1H 2024 post-acquisition; with the announcement to close this operation disclosed in late June, due to geological challenges and market conditions

FOB Cash Cost Walk Forward Analysis[3] (US$/t)



Summarised Financial Results

Strong volumes support earnings generation despite lower pricing environment

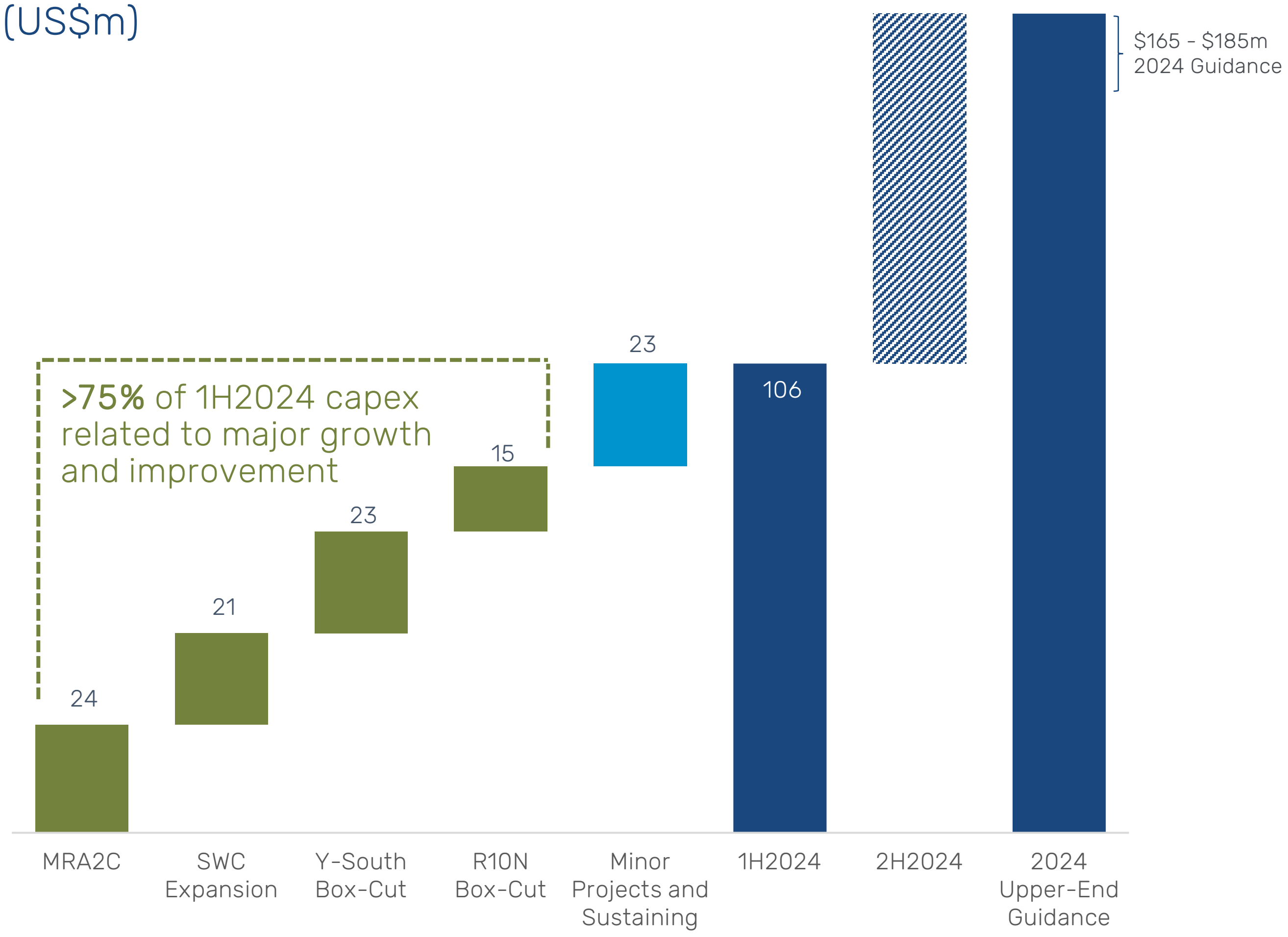
Profit and Loss Statement[6]	1H 2024	1H 2023
Total Income	1,327	1,492
Underlying EBITDA[4]	375	650
Underlying EBITDA Margin[4]	*28%*	*44%*
Non-Operating Adjustments[9]	32	-
EBITDA	407	650
Depreciation and Amortisation	(183)	(131)
Profit / (Loss) Before Income Tax and Finance Expenses	224	519
Net Finance Costs	(35)	(39)
Income Tax Expense	(53)	(140)
Profit / (Loss) for the Six Months	136	340
Basic Earnings per Share (US cents / share)	15.1	37.8

- Revenue from coal sales 18% lower year-on-year, with higher sales volumes offsetting a 30% reduction in Average Sales Price
- Underlying EBITDA margins remained healthy, supported by lower FOB cash costs[3] and higher sales volumes, with costs impacted by easing inflationary pressures and somewhat alleviated logistics constraints
- Total income bolstered by a net gain on the sale of the southern portion of Wards Well ($96m), with the EBITDA impact partially offset by impairment and closure costs ($60m) related to the Mavis Downs Underground
- Cumulative Earnings per Share of 119 US cents / share in the 24 months since 2H 2022, reflects over 50% of the period-end share price[10]

Capital Expenditure

Major project spend weighted more heavily toward 1H 2024

Capital Expenditure Build-Up (US$m)

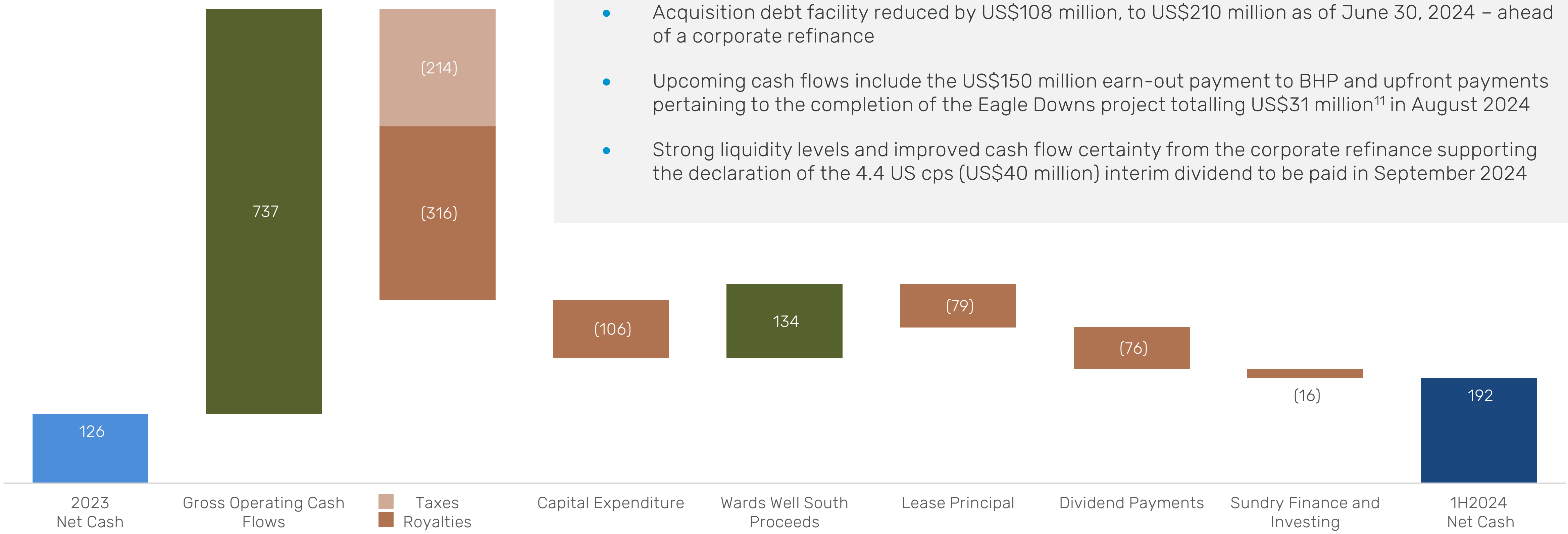


- Capex in line with full-year guidance range, noting heavier weighting of project spend planned for the first half
- MRA2C (SWC) – 85% of Creek Diversion work completed, with 2 of 3 levees completed ahead of planned delivery for 1Q 2025
- SWC Expansion – the CHPP expansion project continues to progress with 100% of the construction packages awarded with initial hardstand construction, piling and foundation work completed and structural works well underway
- Y-South Box-Cut (SWC) – 70% of volume moved in 1H 2024 with remaining overburden movement planned for 3Q 2024 and first coal produced in late August 2024
- R10 Box-cut (Poitrel) – Significant development progress in 1H 2024 with development on track to be completed ahead of schedule in 3Q 2024 (previously planned for 2025)

Cash Flow and Balance Sheet

Growth in net cash position further enhances strength of balance sheet

Cash Flow Walk Forward[5] (US$m)

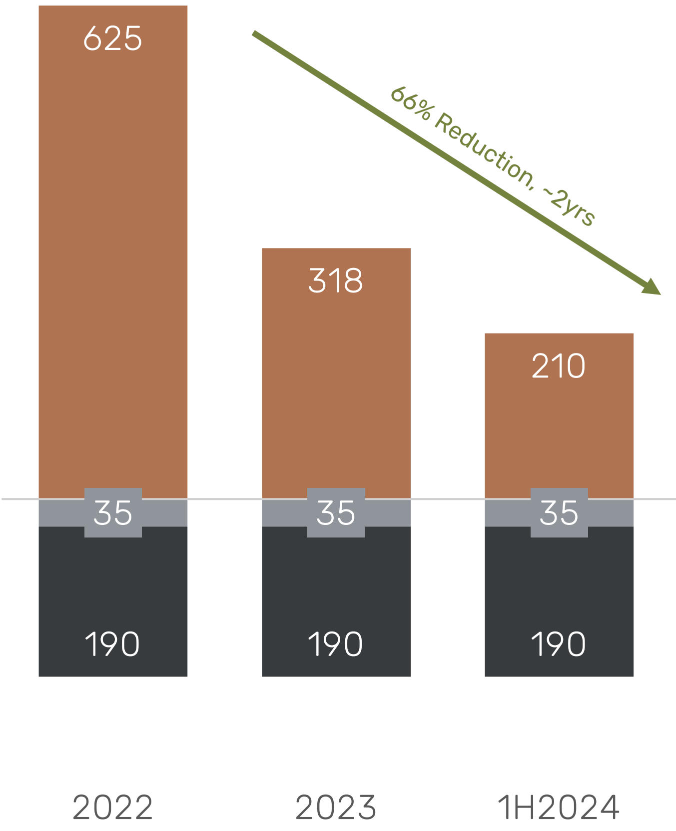


- Numerous one-off cash flows settled during the first half, including a US$170 million tax payment relating to a prior period and US$134 million in proceeds (net of FX) from the sale of the southern portion of Wards Well
- Acquisition debt facility reduced by US$108 million, to US$210 million as of June 30, 2024 – ahead of a corporate refinance
- Upcoming cash flows include the US$150 million earn-out payment to BHP and upfront payments pertaining to the completion of the Eagle Downs project totalling US$31 million[11] in August 2024
- Strong liquidity levels and improved cash flow certainty from the corporate refinance supporting the declaration of the 4.4 US cps (US$40 million) interim dividend to be paid in September 2024

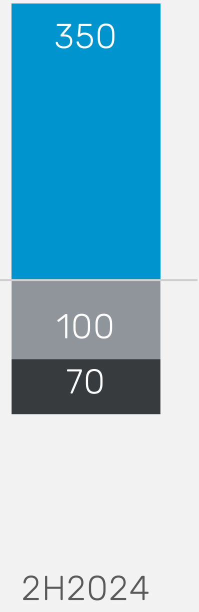
Corporate Refinance

Stanmore has closed a comprehensive process to establish new senior corporate facilities to refinance existing debt

Previous Financing Structure (US$m)[12]



Refinanced Debt Facilities (US$m)



- Stanmore is pleased to announce that it has received binding commitments to refinance the balance of the Acquisition Finance Facility with a US$350m Term Loan Facility and US$100m Revolving Facility
- The US$350m Term Loan Facility is an amortising loan with a five-year maturity
- The US$100m Revolving Facility has a three-year maturity
- The facilities were refinanced with a syndicate of commercial banks and financial institutions on terms customary for the commercial bank market and reflect a significant improvement on the terms of the existing Acquisition Finance Facility
- Stanmore's ability to access these banking markets demonstrates our unique competitive advantage as a pure-play metallurgical coal player
- Liquidity has also been preserved via the unsecured GEAR facility renewal for an additional two years

Core Debt
- Acquisition Debt
- New Term Loan

Revolving Facilities
- Bank Liquidity
- Non-Bank Liquidity

Production and Cost Guidance

Guidance updated for higher sales volumes and closure of Mavis Downs Underground

		1H 2024	Previous Guidance[13]	Current Guidance[14]
		Actuals	2024	2024
Saleable Production	Mt	6.8	12.8 – 13.6	12.8 – 13.6
South Walker Creek	Mt	3.2	5.8 - 6.0	5.9 – 6.1
Poitrel	Mt	2.1	3.9 – 4.1	4.1 – 4.4
Isaac Plains Complex	Mt	1.3	2.6 - 2.9	2.6 – 2.9
Millennium Complex	Mt	0.2	0.5 – 0.6	0.2
FOB Cash Cost[3]	US$/t	91	99 - 104	93 – 98
Capital Expenditure	US$	106	165 – 185	165 – 185

Saleable Production

- 1H 2024 meeting upper-end of guidance on an annualised run-rate
- Guidance range adjusted for South Walker Creek and Poitrel, with improvements in Poitrel production largely offsetting the closure of Mavis Downs Underground

FOB Cash Cost[3]

- Lower FOB costs driven by higher sales and removing Mavis Downs costs, although cash impact will be partially offset by higher lease cash flows

Capital

- No change to capital guidance, with full-year program remaining on-track

Projects & Growth

Capital Investment Program and Organic Growth Pipeline

Significant progress of growth and improvement projects at South Walker Creek & Poitrel

2022

Acceleration of Essential Projects

US$230m

Major projects **approved** to provide future cost certainty

- R10N Box-Cut US$85m
- MRA2C Creek Diversion US$125m
- Dragline AC Upgrade US$20m

2023

Further Investment to Support Growth

US$133m

Additional projects **approved**, primarily to support SWC Expansion

- SWC Expansion (+1Mtpa product tonnes) US$69m
- Y-South Box-Cut US$32m
- R30 Flood Levee US$32m

2024

Execution and Project Delivery

US$30m

In expected **funds saved** upon project delivery compared to original approved budget

- R30 Flood Levee, R10N Box-Cut, Dragline AC upgrade, Y-South Box-Cut and SWC CHPP expansion to be delivered in 2024
- Delivery of MRA2C planned for 1Q 2025

Future

Significant Portfolio Growth Projects

>4bt

tonnes of JORC Resources, primarily comprised of high-quality coking coal development assets

- Eagle Downs, Lancewood and Isaac South present medium-term development opportunities for replacement volumes and portfolio growth
- Operating assets to revert to predominantly sustaining capital on a look-forward basis

Capital Projects Highlights

Update on key South Walker Creek Projects

South Walker Creek Gas to Power Project

Major milestone in meeting our decarbonisation objectives

20 MW

On-site gas power generation, equivalent to powering ~24,500 homes per annum[15]

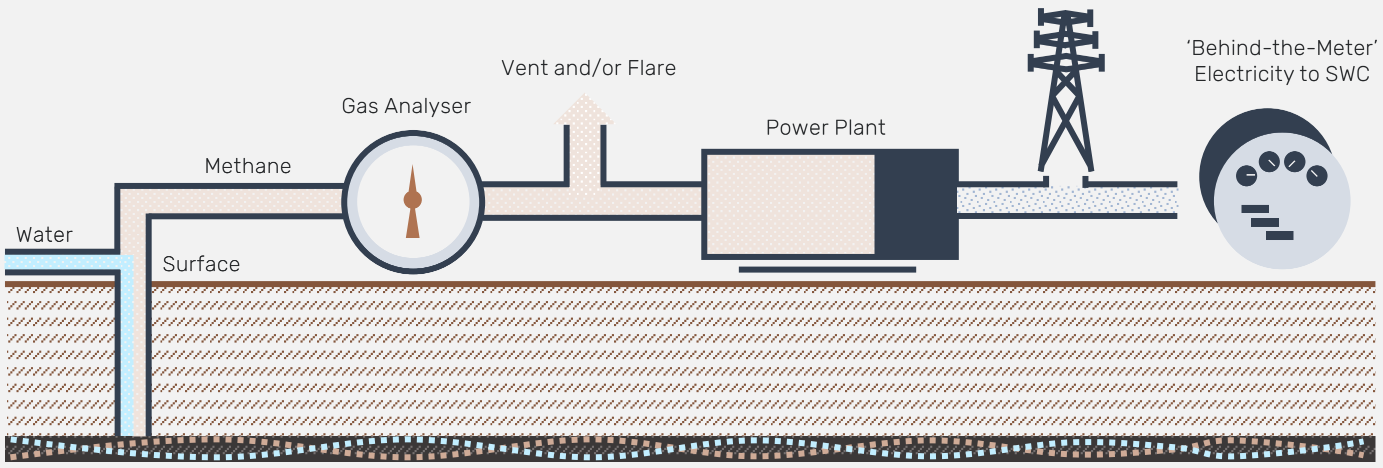
15 yr PPA

Long term PPA that will provide a stable power price and enable reduction in future emissions

LEIP

Supported by funding from the Queensland Government

Simplified Process Diagram



Project Highlights & Funding

- Project for a new gas to electricity project at South Walker Creek
- Supported by the Queensland Government's Low Emissions Investment Partnerships program
- Critical element of Stanmore's decarbonisation plan, aiming to capture fugitive emissions and create a long-term self-sufficient source of power
- Construction expected to be completed by 2027, providing commercial scale electricity generation for at least 15-years
- Strategic joint-ventures developed to de-risk technical aspects of the project outside Stanmore's core skill set

Acquisition of Eagle Downs

Large Premium Hard Coking Coal Resource Strategically located nearby Stanmore's Existing Assets

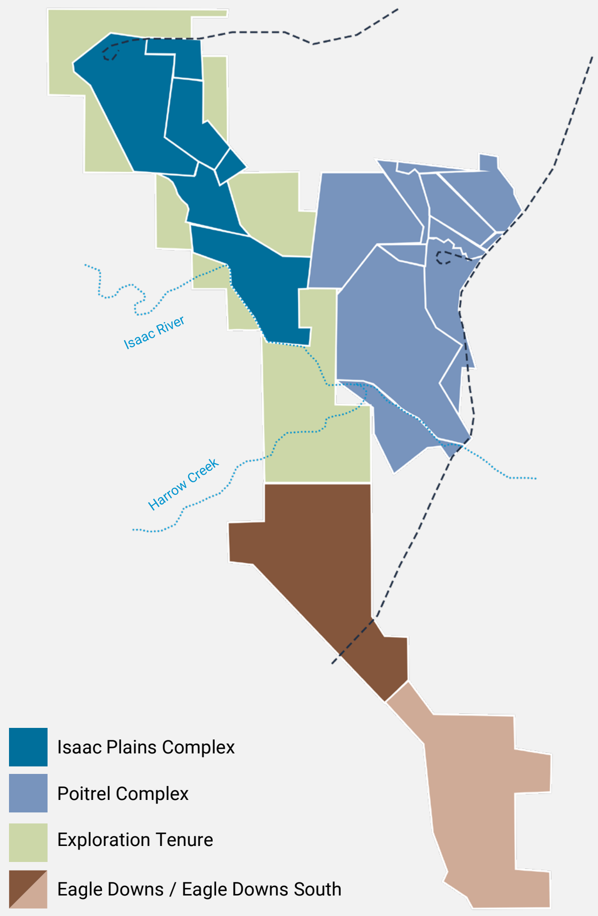
Transaction Overview

- Stanmore announced transactions to acquire a 100% interest in the Eagle Downs (ED) and Eagle Downs South (EDS) projects[16]
- Consideration comprised of US$31 million upfront[11], future deferred consideration and royalty streams
- Completion announced August 13, 2024

Strategic Rational

- Fully permitted underground coal development project, strategically located adjacent to Stanmore tenure and operating assets, including established infrastructure
- Low upfront cost to obtain optionality for one of the last remaining undeveloped areas, targeting the Moranbah Coal Measures in the Bowen Basin
- Substantial, well defined resource base of 1,567Mt and reserves of 292Mt[16]
- Premium low volatile hard coking coal with potential production rates in the range of 4.0 – 6.0 Mtpa via longwall mining methods[16]
- Unencumbered from legacy logistics arrangements with optionality to minimise capital by utilising Stanmore infrastructure at the Isaac Plains Complex and Poitrel

Tenure Location



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Glossary of Terms and Footnotes

Term	Meaning
A$	Australian Dollar
AC	Alternating Current
ASP	Average Sales Price
BOF	Blast Oxygen Furnace
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
ED	Eagle Downs
EDS	Eagle Downs South
FOB	Free on Board
FWD	Forward
FX	Foreign Exchange
HCC	Hard Coking Coal
Kt	Thousand Tonnes
LEIP	Low Emissions Investment Partnership
Mbcm	Million Bank Cubic Metres
Mt	Million Tonnes
MW	Mega Watts
PCI	Pulverised Coal for Injection
PLV HCC	Premium Low Volatile Hard Coking Coal
PPA	Power Purchase Agreement
R10N	Ramp-10 North
RAP	Reconciliation Action Plan
ROM	Run-of-mine
SAFR	Serious Accident Frequency Rate
SEA	South-east Asia
SWC	South Walker Creek
TCFD	Task Force on Climate-Related Financial Disclosures
TSI	The Steel Index
TSR	Total Shareholder Returns
US$	United States Dollar
YoY	Year-on-Year
YTD	Year-to-Date

1. Serious Accident Frequency Rate (SAFR), measured per million hours (industry average used is 12 month rolling average)
2. Reported as of March 31, 2024, by Resources Safety and Health Queensland
3. FOB cash cost per tonne sold (excluding third party coal purchases), including IFRS-16 lease accounting and excluding inventory movement, royalties, purchased coal and non-operating foreign exchange balance sheet remeasurements. Walk-forward figures may differ due to rounding.
4. Underlying EBITDA excludes non-operating adjustments, comprised of one-off transaction costs and gains, impairment charges and closure and other non-regular costs
5. Aggregate Debt includes the outstanding principal of any balance sheet loans and finance leases, excluding lease liabilities accounted for under IFRS-16, premia funding and any marked-to-market hedging positions. Net Cash (Debt) is calculated as Aggregate Debt less unrestricted cash. Walk-forward figures may differ due to rounding.
6. 1H 2023 comparison figures approximate a January 3, 2023, to June 30, 2023, average AUD/USD of 0.6676 and a June 30, 2023, closing rate of 0.6630. 2022 comparable saleable production figures comprise 8-months of production only.
7. Refer to ASX Announcement “Refinance of Debt Facilities" dated August 26, 2024
8. Total Shareholder Returns from June 30, 2023, to June 30, 2024, assuming for dividend reinvestment and excluding franking credits
9. Non-Operating Adjustments for 2024 includes: one-off transaction gain on sale of Wards Well of US$96 million, offset by impairment charges of US$55.8 million, closure and other non-regular costs of US$3.8 million, and acquisition and other transaction costs of US$4.7 million.
10. Closing share price as of June 28, 2024, of A$3.54/sh and closing AUD/USD of 0.6624
11. Refer to ASX Announcement "Completion of Eagle Downs Transactions" dated August 13, 2024. AUD/USD converted at closing rate on date of completion of 0.6594
12. Assumes AUD/USD of 0.7000 to convert A$50 million working capital facility for illustrative purposes
13. Assumes average AUD/USD of 0.6825 for 2024, in-line with guidance disclosed on February 26, 2024. All figures presented on a nominal basis and may differ due to rounding. Investors are cautioned not to place undue reliance on the forecasts provided, particularly in light of the general volatility in coal prices as well as the significant uncertainty surrounding global inflation and global economic outlook
14. Assumes average AUD/USD of 0.6623 for 2024, in-line with consensus. All figures presented on a nominal basis and may differ due to rounding. Investors are cautioned not to place undue reliance on the forecasts provided, particularly in light of the general volatility in coal prices as well as the significant uncertainty surrounding global inflation and global economic outlook
15. Refer State of the Energy Market 2023, published by the Australian Energy Regulator
16. Refer to ASX Announcements "Stanmore Resources to Acquire 50% interest in Eagle Downs" dated February 12, 2024, and "Stanmore Resources to Acquire Remaining 50% Interest in Eagle Downs and 100% Interest in Eagle Downs South" dated April 5, 2024