

TRANSCRIPTION

Company: Stanmore Resources Limited
Date: 25 August 2025
Duration: 40:43
Reservation Number: 10048041

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Operator: Thank you for standing by, and welcome to the Stanmore Resources Limited 2025 Half Year Financial Results 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 one on your telephone keypad.

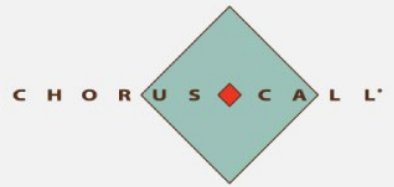
I would now like to hand the conference over to Mr. Marcelo Matos, Executive Director and CEO. Please go ahead.

Marcelo Matos: Thank you. Good morning, everyone. Thank you for joining the call today as we present our 2025 half year results. I'm joined here by Shane, our CFO. And we open today's presentation by running through the highlights of the first half on Slide number 3.

Overall, we are really pleased to present our half year results today, which demonstrates the resilience of our platform in light of the challenging first half operational conditions and a soft market environment generally.

Starting with safety, our rolling 12 months Serious Accident Frequency Rate reduced to the ultimate benchmark level of zero, which is very pleasing. This is a tremendous achievement for the business and reinforces our strong safety culture and our commitment to safety across all aspects of our business, including the benefits of our focus on targeting lead indicators. As pre-reported in our quarter list, saleable production was 6.5 million tonnes, which demonstrates the responsiveness of our portfolio.

On the financial side, despite the lower volumes, FOB cash costs reduced compared to the first half of 2024 and remained within the guidance range of 2025, supported by disciplined efforts across the platform. This helped to



support underlying EBITDA of US\$147 million, which was impacted by the decline in average realised prices from the prior comparative period.

Despite the pricing and weather impacts to our first half volumes, Stanmore continued to generate positive operating cash flows, supporting during the first half, the final payment of US\$61 million to shareholders declared with our 2024 annual results and US\$35 million of debt repayments under the term loan facility during the period.

Moving into the body of the presentation and starting with an overview of the key operational themes for the first half on Slide number 5. As discussed on our last two quarterly calls, the key operational theme for the first half of 2025 was the extraordinary level of rainfall that hampered operations from February to April.

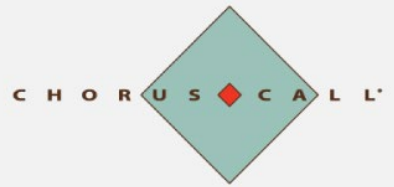
Per the chart, rainfall over this period far exceeded prior year averages, and our operations and logistics network required a significant amount of recalibration to react to these conditions and keep our full year guided production targets.

Remarkably, our site operations teams managed to navigate these adversities without any serious accidents, facilitating the return of our Serious Accident Frequency Rate to zero for the first time since 2023. We are proud of this achievement, and I would like to commend our site personnel for their unwavering discipline when it comes to continuously improving our safety management systems and processes.

On the cost side, the first half of 2025 marked the three-year anniversary of the acquisition of South Walker Creek and Poitrel. So we thought it is an opportune moment to reflect and highlight FOB cash cost performance over this period.

Pleasingly, since the full year FOB cash cost for '22 of US\$83 per tonne, FOB cash costs have increased just 5% over the entire three years to the mid-range of our initial 2025 guidance, despite the volume impacts resulted from wet weather.

Again, this is a testament to the quality of our assets and control cost efforts across the business undertaken this year in light of the subdued market conditions, ultimately facilitating the reduction in full year cost guidance earlier this year.



Moving on to some specific site highlights on Slide number 6. South Walker Creek's ramp-up following the completion of a significant capital investment program was temporarily thwarted by the wet weather early in the half. However, June showed early signs of the step change in production with record production and above nameplate feed rates achieved in the month, including over 1 million tonnes of ROM production in June alone.

Cost per tonne performance remained robust, reinforcing South Walker Creek's competitive cost position and resilience in various market conditions, whilst the average sales price was the highest of the portfolio with PCI relativities remaining stable throughout the period. We look forward to South Walker Creek continuing the ramp-up through the second half.

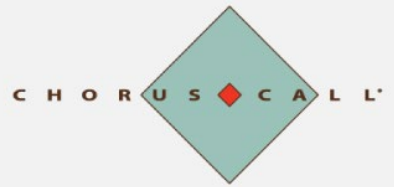
Poitrel had a standout half, increasing all production metrics on the first half of 2024 despite the wet weather challenges, supported by healthy opening ROM inventories early in the year. This performance is testament to the quality of the operation and site teams, but also demonstrates the fruits of our capital reinvestment into the Ramp-10 North box-cut completed in mid-2024.

The Isaac Plains Complex experienced the most challenging half with the wet weather impacting the single pit more so compared to the other assets. Despite the impacts to coal production, strong dragline performance over the period will support the recovery over the second half. Overburden removal will be a key focus over the course of the third quarter, which will then derisk coal recovery ahead of another wet season.

I will now turn to a consolidated view of this operating performance on Slide number 7. As can be seen from the saleable production chart, we have continued to grow volume output year-on-year and we remain on track for our previously stated guidance, albeit with a production profile weighted to the second half of the year and more specifically tail end towards the fourth quarter.

We have also seen our product mix adjust towards a higher proportion of PCI with increasing volumes at South Walker Creek, but also as a result of flexing our mix where possible to align with the prevailing market conditions.

For the first half, we saw a prioritisation of PCI costs, particularly at our Poitrel mine with PCI providing greater washing yields and relativities holding up



nicely, whilst Tier 2 low-vol hard coking coal relativities traded at much lower volumes compared to historical averages.

Encouragingly, through the completion of our major projects at South Walker Creek and Poitrel, consolidated strip ratios have begun to drop despite the expected increases at Isaac Downs. This is despite the weather impacts impacting coal flow during the first half with further declines expected for the remainder of the year.

Turning to the bottom right chart and despite inflationary impacts and the impact of the sales volumes on the denominator, we have been able to keep year-to-date unit costs flat to 2024 levels. Meanwhile, the average sales price in the first half has reduced by US\$36 per tonne compared to the 2024 full year average.

I'll now hand over to Shane, who will run through our financial performance on Slide number 8.

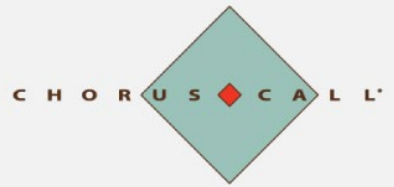
Shane Young:

Thanks, Marcelo. Overall, FOB cash costs are around US\$2 per tonne lower this half versus the first half of 2024, which is a remarkable effort given some of the challenges faced by the business. Notwithstanding the non-controllable impacts of inflation, currency movements and wet weather, we have lowered costs from the same period last year through a combination of savings initiatives and cost deferrals, as also mentioned in our quarterly production call.

We're also seeing the benefits of our recent capital investment program manifesting in lower costs from mining profile improvements at South Walker Creek and Poitrel following the completion of the MRA2C Creek diversion and Ramp-10 box-cuts at those mines, respectively.

While underlying EBITDA was negatively impacted by US\$280 million due to a combination of lower coal prices, foreign exchange, inflation and weather, Stanmore's cost improvement initiatives translated into a US\$52 million improvement from last year, allowing us to post half year 2025 underlying EBITDA of US\$147 million. Notwithstanding these efforts, the recovery process continues at our mines, and our 2025 performance will certainly be a tale of two halves, as I'll also speak to a little more later.

Now, let's cover off on our group level financial results on Slide 10. Slide 10 provides a brief snapshot of our financial results. It should be noted that many



of these comparisons to the first half of 2024 have been impacted by the material decrease in export coal prices with Stanmore's Actual Sales Price or ASP per tonne around 25% lower from US\$175 per tonne in H1 2024 to US\$132 per tonne in the same period this year as well as the significant wet weather contributing to 436,000 tonnes of lower sales half-on-half.

Given these significant headwinds, it is a remarkable achievement for Stanmore to have posted almost US\$150 million in both underlying EBITDA and operating cash flows for the first half of 2025. This has allowed Stanmore to maintain its strong balance sheet position with US\$181 million of cash-on-hand. That's almost AUD\$280 million at current exchange rates as well as US\$104 million of available liquidity as at June 30, 2025 -- sorry, US\$401 million of available liquidity.

With net debt of just under US\$100 million, Stanmore is well positioned to manage through the coal price cycle in the near-term, though we continue to remain vigilant during these times of uncertain economic conditions.

In terms of cash generation, let's turn to Slide 12 to discuss the movements in our cash balances over the half. This chart demonstrates that we generated around US\$115 million in operational cash flows after capital expenditures during the first half of 2025.

These cash flows included growth capital of US\$22 million for the tail end of the MRA2C and other projects from our recent capital investment campaign, but it also excludes -- it excludes the US\$25 million Eagle Downs stamp duty payment as discussed in our June quarterly results.

It is once-off in nature and treated as an investing cash flow on our cash flow statement and continues to progress through the Queensland Revenue Office objection process.

Further this cash generation, we have actually deleveraged the balance sheet further in the first half of 2025 with a US\$35 million scheduled term loan repayment and around US\$100 million of lease principal repayments.

Moreover, we have returned over US\$60 million to shareholders via a fully franked final 2024 dividend paid in March. This totals almost US\$100 million in debt repayment and shareholder returns combined in the first six months of this year.

In this context, while the Board did consider an interim dividend and applied our dividend policy targeting 50% of free cash flow after debt service to Stanmore's 2025 first half performance, it was ultimately decided to refrain from paying a dividend at this time given the heightened macroeconomic uncertainty currently being experienced by our industry.

Notwithstanding this, the Board remains committed to shareholder returns and will reapply the dividend policy at the end of the December 31 financial year, including a consideration of coal prices and industry conditions at that time.

Moving on to Slide 13 to discuss 2025 public guidance. Stanmore is pleased to reaffirm our full year guidance ranges at this time. As mentioned earlier on the call, as we recover from the significant wet weather experienced in the first half, 2025 has continued to be a tale of two halves in terms of production.

This has back ended our saleable production to later in the second half, as can be seen from the comparison of H1 actuals against the implied first half run rate illustrated on this slide.

Furthermore, while we remain confident of landing within the consolidated production range, not all mines are recovering at the same rate. Poitrel is currently towards the upper end of its guidance range, while Isaac Plains has considerably more recovery risk and is around the bottom end of its saleable production range for the full year.

Obviously, any production movements could also have an impact on cost guidance as a U.S. dollar per sales tonne metric insofar as production shortfalls result in any impact to sales volumes and depending on what happens with U.S. dollar -- U.S.-Australian dollar exchange rates, although at this stage, we are targeting to stay within the top end of the current cost guidance. Given the more modest capital profile in 2025 versus prior years, our capital expenditure guidance remains firmly on track as discussed further on Slide 15.

Slide 15 shows the considerable evolution in our capital profile from 2024 to 2025. Following a multiyear capital investment phase in our assets, we are now returning our capital profile to a more steady-state position for our business of between US\$80 million to US\$100 million per annum.

We do still have some projects in the second half, including the commencement of a tailings pumping project at Poitrel, which has a quick payback as it will help

mitigate considerable haulage costs for tailings and the E-Ramp box-cut in the newly completed MRA2C area at South Walker Creek, but these are at more modest levels than some of the capital projects we have delivered in recent years. Capital expenditure reductions are also consistent with efforts to respond to current market conditions and preserve cash through this point in the coal price cycle.

I'll now hand back to Marcelo to provide an update on our organic growth pipeline on Slide 16.

Marcelo Matos:

Thanks, Shane. You're all probably familiar with our organic project pipeline with various options for capacity replacement as well as growth opportunities as illustrated on this slide. While I'll talk more about the Isaac Downs Extension project shortly, Eagle Downs, for example, could be a perfect timed and well-positioned replacement for Poitrel in the long term once it is depleted around 2033, '34.

However, we could also bring forward the development of Eagle Downs if we find it as an attractive growth opportunity. This will depend on the conclusion of the ongoing work program as well as other important elements in any final investment decision, such as acceptable funding equation and obviously, a supportive market and regulatory policy condition.

We're also progressing studies in relation to Lancewood, and we'll soon start a seismic program to identify and rule out any potential structural flaws for a potential future underground development in what is a large premium hard coking coal prospect. These steps are also important to ensure we satisfy some of the conditions to retain the existing mining leads.

Moving on to Slide 17. We wanted to provide a little more colour on the Isaac Downs Extension project. As a reminder, this is a 15-year low strip ratio project that will provide life extension and ongoing infrastructure capacity utilisation at the Isaac Plains complex overall.

What makes it particularly attractive is that it is a low capital intensity project, leveraging existing major infrastructure, including the existing Isaac Downs dragline, the 600-tonne excavator and washing and loading infrastructure at either Isaac Plains or Poitrel.

When we look at how we bring this project online, we are currently preparing our submission for the environmental impact statement, which we will look to launch early next year. From this point, consultations take place with various stakeholder groups, and we expect this to go on for approximately two years before we move through to our investment decision and begin construction shortly thereafter.

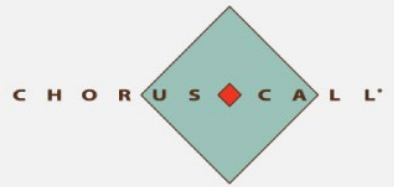
In assessing this time line and casting our minds back to when we brought the original Isaac Downs project online, from initial preparation of the submission through to first call was a record approval period of just two years. Things have just gotten tougher in the regulatory space since, but we believe that with the support of governmental authorities and various stakeholders, this remains a realistic time line for a project of similar footprint, and we will be doing everything in our power to deliver this outcome.

Ultimately, this is a brownfield life extension to our existing operations at Isaac Plains complex, and we see the existing operation at Isaac Downs coming to their natural conclusion towards the end of 2028 when we expect to face the economic limits in those pits. So the timing of this project fits nicely in that regard.

Finally, I'd like to conclude today's presentation with a quick synopsis of -- on how we see the current state of the metallurgical coal markets on Slide 19. As can be seen from the chart, prices over the course of 2025 have been reasonably range bound with PCI relativities rebounding from what were unsustainable levels in 2024 when they were as low as 50% of the premium low-vol hard coking coal.

An interesting dynamic, which can be seen at the bottom of the chart is the Australian premium FOB price adjusted back to Chinese domestic pricing netted back to FOB Australia. This netback pricing widened during 2025 to levels not seen since 2023.

This was before rumoured Chinese governmental intervention to enforce production limits by domestic mines, leading to the narrowing of this gap in the past few weeks, which in turn provides price support also to FOB Australia indices towards the end of the half.



When coupled with expected Indian monsoon restocking towards the -- post monsoon restocking towards the end of the third quarter and early fourth quarter, we expect there to be enough fundamentals to improve pricing over the rest of the year, and we have seen this already play out over the course of July and August.

Expanding on this further, we will review the short-term supply and demand themes in Slide 20. Chinese steel exports have remained at record levels throughout 2025, surpassing the monthly range in all months for the previous five years.

This has continued to pressure margins of steel producers in multiple regions, including India, with the flow-on effect to demand for Australian seaborne metallurgical coal being exacerbated by the displacement of supply from alternative regions such as Russia.

Partially offsetting this weak demand environment in the short term, we can see that Queensland exports have also been subdued through the first half of 2025 compared to historical levels with a combination of supply disruptions and weather providing price support.

While Queensland export volumes normalise to historical levels late in the half, we have seen pressure building on higher-cost producers along with reports of government support required for the Russian coal sector.

While there has been pressure during this stage of the price cycle, there is reason to be optimistic as we move to longer-term market outlook on Slide number 21.

Although the recent announcements out of China reporting robust GDP growth above 5%, along with the construction of the massive new Yarlung Tsangpo River dam in Tibet, obviously, they are welcome. Trade surpluses will continue to be a critical element in the government's GDP targets instead of any material new stimulus to drive increased steel consumption in China.

So we are not so confident that we will see a significant reduction in steel exports in the near term. As we have previously stated, India will underpin future seaborne demand from Australia and we can see Indian steel production continue its upward trajectory as the Indian economy continues to urbanise and grow nominal GDP at a rate in excess of 9% per annum.

This will require almost 47 million metric tonnes of additional metallurgical coal being imported each year by 2030 when compared to 2024 levels. There is evidence that India's restocking ahead of this year's monsoon season was lower than historic norms against an uncertain macroeconomic backdrop with reports of only 36 days of inventory as they enter the monsoon season.

But with a number of coke plants commissioning in the next 18 months and Indian's heavy reliance on the seaborne coal market, we see strong demand over the rest of the year and in following years, which should provide price support. This is further highlighted on the second chart, which highlights Australia production driving metallurgical coal exports globally at the expense of U.S. coal producers, which are expected to see further decline.

So there is reason to be optimistic with medium to long term fundamentals given continued economic growth in key markets, new steel and coke making capacity coming online in India, at the same time as mines being idled and new project pipelines stalling. On that note, I'll now hand over to the moderator to commence today's Q&A.

Operator: Thank you. If you wish to ask a question, please press star 1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star then two. If you are on a speakerphone, please pick up the handset to ask your question.

Your first question comes from Brett McKay, Petra Capital. Please go ahead.

Brett McKay: Good morning, gents. Thanks for your time this morning. Just firstly, given the strong second half that you're expecting, we're two months in now, can you provide any sort of colour as to how the months of July and August have gone as you sort of ramp up that production out of the wet weather you had earlier in the year?

Marcelo Matos: Brett, so far, so good. The recovery is underway. So July and August are tracking to plan. Important to say, though, as we already indicated that second half is also somehow a tale of two quarters. So we have a bigger fourth quarter than the third quarter.

There is a bit of catching up on waste volumes. If you look at the ratio of -- strip ratios between waste and coal flows, we will have a higher proportion of coal in the fourth quarter and obviously a higher strip ratio in the third quarter relatively

to the fourth quarter. So far, so good. I think we are tracking to plan, but with -- let's say, with a steeper recovery profile towards the fourth quarter.

Brett McKay:

Okay. Great. Thanks for that. And just on dividends, can you maybe provide a little bit more colour as to how we should be sort of thinking about this from a forecasting point of view going forward, given the final dividend for '24, I think, was larger than expected at the time.

I think it was over 100% payout ratio at the time. Clearly, we went through a pretty soft first half given the weather related impacts. But just going forward, isn't it sort of expected that it will be considered on a half-by-half basis, as you clearly stated.

However, is there some drive to have some consistency on a half-on-half basis going forward or will it simply be the macro and the macroeconomic conditions at that very point in time being the primary driver? Just interested in that balance between that consistent outlook versus that half-on-half focus?

Shane Young:

Yes. Thanks, Brett. Yes, I think it's -- obviously, the Board, when they sit down, the first thing they consider is the dividend policy, which is targeting that 50% of free cash flow after debt service. I think it's fair to say that there is a level of caution of supply perhaps at the interim basis versus the full year basis, just considering what the rest of the year looks like.

It actually ties in well with where we see production profiles with the weather seasons and pricing cycles. I think what influenced things at the beginning of the year and the final dividend for 2024 was a combination of some of the good years leading up to that and the retention of the 50% that wasn't paid out as dividends up until that time.

So the Board could be a little bit more -- let's say, a little bit more aggressive in terms of looking to apply our liquidity at that time and cash available at that time. What we're seeing now is just a little bit more uncertainty in coal prices and also risk around recovery.

I mean we're still expecting to recover and hit our guidance ranges, but more wet weather or other disruptions can impact on that as well. So I think it's just general caution around interim versus final. Notwithstanding that, we're absolutely committed to shareholder returns as we go forward.

Brett McKay: Okay. Thanks, Shane. Just finally, gents, just on Eagle Downs, just wondering if there is a price point at which -- let's just say on a PLV basis that, that moves forward in your priority list. Does it have to be at 200 or above for a sustained period of time before that becomes something that you maybe more aggressively pursue?

Marcelo Matos: Brett, I've made comments on Eagle Downs. I think I was -- I wanted specifically to emphasise that if you look at our existing operations and the production profile Eagle Downs could be perfectly timed to replace Poitrel in the long term, okay?

So if we look at that from that angle, it means that we have quite a lot of time, okay, to make sure that the project looks attractive. And if -- I mean, if an investment decision is taken a bit later, closer to the time when Poitrel ramps down, I think we will be in a pretty, let's say, healthy position, reasonably deleveraged. And we do hope, of course, that we're going to be seeing better market conditions compared to what we're seeing now, okay?

So timing works very well for us. There's no pressure for us to make any decision. I think the project is fully approved. And we are doing the work to be decision-ready. As I said a few times, there's no pressuring -- nothing pressuring us on making an investment decision. We just want to make sure we understand the project, its attractiveness and that we are ready.

I think the question is, do we want to bring it earlier, okay, than what would be a natural replacement of Poitrel in the long term. And I think to bring it earlier, I think we will need some strong reasons, okay? And some of these reasons may include supportive market conditions may include us having an attractive funding equation.

And if we bring it earlier, as I said before, we will need to do a bit of debottlenecking on our washing capacity given that it may have to be, let's say, ramping up at the same time that we're going to bring Isaac Downs extension to life, okay?

So what we are focusing on now, Brett, is, as I said before, getting the work done and make sure that we understand what we can expect out of the project. I wouldn't want to put a number here on what coal prices would need it to be for

the project to stack up. If everything goes well, it is a project that will be competitive. It will be a large scale underground.

So it has the potential to be very, let's say, cost competitive, especially by utilising our existing infrastructure, okay? What I can say is that we don't need creasy hard coking coal prices to justify good returns and good paybacks out of Eagle Downs. But obviously, we want to make sure that we fully understand what to expect out of the project.

Brett McKay: Okay, that's great. Thanks.

Operator: Your next question comes from Khyla Maher in Barrenjoey. Please go ahead.

Khyla Maher: Thanks. Good morning, team. Just the first one on costs. I know in the H2, we should see higher volumes and lower costs. And I appreciate you've already lowered cost guidance for 2025 earlier this year.

Just some thoughts on any more you could do -- any more changes you can make that are detrimental to the business? And I know last month, you said that you were working on the 2026 budget. Just any comments you can make there? And should we see lower unit costs in 2026? Thanks.

Shane Young: Yes. No, thanks for that. On costs, look, as we've mentioned and as you'll know from earlier in the year, we have already reduced our cost guidance once this year and delivering on cost savings to enable us to deliver on that new guidance range.

I think there will be and there are ongoing optimisation efforts, including making sure that we get the right level of productivities and optimising our logistics costs as well, which will lead to sort of more permanently lower run rates going forward.

I think what the biggest thing that we're mindful of in the second half is just making sure that we continue to produce and deliver on our production, which we're targeting to do.

And then obviously, those non-controllable with foreign exchange rates and keeping an eye on that. As you know, with our cost guidance, it's in a U.S. dollar per tonne basis.

We're starting our process for the 2026 budget. This is a typical time to sort of start kicking things off as we look forward to that period. At this stage, we're going into it with similar assumptions to what we had this year and looking to make permanent some of the cost savings that we've achieved. But it's probably too early at this stage to confirm a range for those levels.

Khyla Maher:

Yes. And just on the weather, just curious what the impact to date has been in the second half, especially in the last four weeks since the release of your quarterly report. I know Whitehaven have said they have had productivity issues in Queensland in July and August. So just curious as to see what you've been experiencing?

Marcelo Matos:

We did get a bit of rain, okay, unusual for this time of the year, but nothing disruptive. I think plans are on track, as I mentioned before. It is though a quarter of, as I explained, catching up on waste, okay? So there's a bit more stripping relatively to coal flows in Q3 compared to Q4.

But recovery is according to the plan. Isaac Plains, as we've been saying, is probably the one that's facing the biggest challenge given that the weather impact was probably a bit harsher on Isaac Plains compared to the other assets.

In Isaac Plains as well, coal flows that we get from the Pit 5 North operation, which is a small operation. I think we will see quite a larger volume of coal coming in Q4 relatively to the previous quarters.

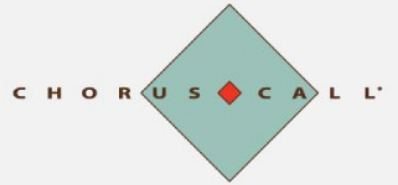
So there's definitely more challenging -- more challenge in Isaac Plains, okay, relatively to the other two. But so far, I think recovery is underway and no significant issues that we have seen in July and August.

Khyla Maher:

Great. And just one final one. In your presentation, the cash flow waterfall chart showed \$102 million of lease payments in the first half. Should we expect a similar level in the second half and then also again in 2026 around that \$200 million level? And how long should we see this go on for? Thanks.

Shane Young:

Yes. Look, I think that's a fair assumption to use that we'll see consistency in lease payments going forward. It will tail off over a kind of five-year period as those leases start to wind down. It just depends on the production beyond that period as we look to refresh fleets and other large heavy equipment that is leased.



Khyla Maher: Okay, great. Thank you.

Operator: 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. As always, I'd like to thank our employees and our contractors and the ongoing support of our investors. We look forward to connecting with you all over the coming days, and thank you for your company today.

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

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