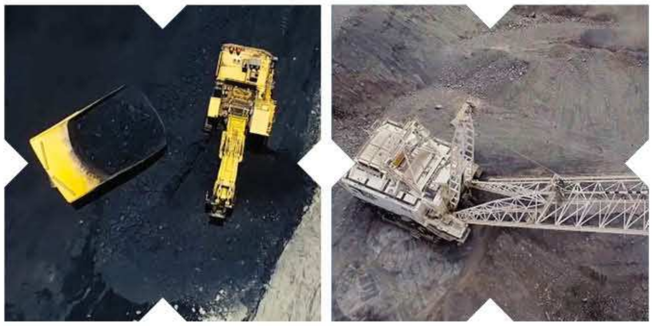

28 April 2021

CHIEF EXECUTIVE OFFICER'S AGM ADDRESS

I would like to open by welcoming our shareholders to today's Annual General Meeting. I also acknowledge the Barada Barna people who are the traditional custodians of the land where the Isaac Plains Mine Complex resides. It is my pleasure to present this update to shareholders as Chief Executive Officer of Stanmore.

FY20 REVIEW

Safety Performance

The health and safety of everyone at our mine site is the first priority of our operations and critical to the success of our business. I am pleased to report that the resources and efforts committed to implementing safety discipline and initiatives have led to a consistent track record of improved results and safety culture. Stanmore undertook or managed 400,819 hours of coal mining, drilling, exploration and mine development activities over the 6 months to 31 December 2020 (12 months to 30 June 2020: 890,628 hours) and recorded no lost time injuries, with five recordable injuries. The Total Reportable Injury Frequency Rate for the year was 5.85 per million hours, a material improvement relatively to our historical performance and to industry averages. I am encouraged by the consistent improvement in our safety performance results for the period which has been supported by several safety initiatives.

Operational & Financial Performance

During the six month period ending 31 December 2020, Stanmore focussed on maintaining our track record of operational delivery and extending the alternatives of coal sources to feed our Isaac Plains operating infrastructure. We have made progress against these objectives in spite of the impacts of the COVID-19 pandemic on our major markets.

The Company produced 1.49Mt of ROM (run of mine) coal production, which when annualised, is consistent with the 12 months to 30 June 2020 (3.02Mt) production level. Prime overburden removal was a 16% annualised decrease over last year's figure as a major dragline shutdown was undertaken in the period and excavator volumes were reduced to lower operating costs.

The Company pursued a relentless cash preservation and value or volume approach and adjusted our fleet configuration and mine plans to focus on lowering mining and processing costs. Product coal for the period totalled 1.092Mt, which when annualised is a rate of approximately 2.2Mt. Product yields were around 4% lower than the 12 months to 30 June 2020, resulting in a 9% reduction in product coal volumes from a record of 2.39Mt.

Total coal sales for the 6 month period to 31 December 2020 were 1.184Mt, which when annualised is 4% higher than the 12 month period to 30 June 2020, resulted mostly from the reduction of our product coal inventories during the period. The average sales prices achieved for the 6 month period to 31 December 2020 of $115.1 per tonne were adversely impacted by COVID-19 and ongoing Chinese restrictions on Australian coal. The average sales price achieved was $115.1/tonne, down from $159.5/tonne for the 12 months to 30 June 2020 (a 28% and $44.4/t reduction).

Underlying FOB (free on board) cash costs were $3.7/tonne higher than the 12 months to 30 June 2020 at $123.4/tonne, largely due to expected increased strip ratios and a loss in yields impacting tonnes (denominator). The impact of cost savings through reduction in excavator volumes and pre-strip in advance at high stripping ratio areas at Isaac Plains East will not be fully realised until 2021.

I am also pleased to say that, despite lower production and sales volumes in the recently concluded Mar 2021 quarter (to be released in our production report shortly), the cost control efforts and mine plan and fleet adjustments above explained enabled the reduction of our FOB cash costs per tonne improving our competitive position and ability to navigate the recent challenging market conditions.

Our rehabilitation program aim is to return all mined areas to grazing pasture. All rehabilitation areas are topsoiled and seeded with native flora and pasture species. During the financial period, we spent $3.9M recontouring 52 hectares of mined land, and top-soiling and seeding 62 hectares, contributing to our strong track record in this area. Of our disturbed land approximately 36% has been rehabilitated.

DEVELOPMENT AND OUTLOOK

Progressing Approvals for Future Operations

The development of the Isaac Downs Project is pivotal for the longevity of our open cut production volumes at competitive costs. The EIS process and associated work on regulatory approvals for the project were major undertakings in calendar year 2020. The EIS Assessment report has been published in March this year, and the approval process for finalising Environmental Authority conditions is underway. An exploration bulk sample test pit at the project site has commenced such that our existing long term customers can trial and test our products from the new Isaac Downs project area in their steel making facilities. Potential new customers will also be given the opportunity to test our coals from this test pit.

Stanmore is also in the process of finalising engineering designs for the key pieces of infrastructure required for the Isaac Downs Project, which include a haul road to link Isaac Downs to Isaac Plains, an underpass for the haul road to cross underneath the Peak Downs Highway, and mine infrastructure including flood protection levees and water dams. Mining operations will be progressively transitioned from Isaac Plains to Isaac Downs during the second half of 2021 and the first quarter of 2022, with the coal processing and train loading operations continuing at the Isaac Plains complex to support the new project.

Millennium Transaction

The Millennium transaction is expected to complete by the end of July 2021. Work by Stanmore to realise the value and synergies related to the project has commenced. I am looking forward to working closely with our 50:50 joint venture partner M Resources in the development and execution of the proposed restarted mining and rehabilitation activities which will contribute to further expansion of Stanmore's metallurgical coal portfolio within the Bowen Basin.

Restarting the Millennium and Mavis Downs Mine represents a low capital and quick to market investment opportunity in a high quality metallurgical coal asset, supported by access to existing critical infrastructure. Mining is planned to recommence from 3Q 2021 with planned production ramping up to 1.0mtpa, with coal washing undertaken at the Red Mountain Infrastructure coal handling and preparation plant (CHPP) via a fully executed toll washing and train loading agreement. The restart of the Millennium and Mavis Downs mine is expected to create an estimated 150 – 200 jobs, investment in underground expansions and completion of rehabilitation.

Change of Name and Stanmore Green

As our chairman indicated, we are changing our name to Stanmore Resources Ltd, with the aim of exploring diversified mining and renewable energy opportunities, while still focusing on the strengthening and growth of our core metallurgical coal business.

We are also establishing Stanmore Green with the vision of leveraging our assets and execution capabilities to explore and pursue other diversification opportunities in the renewable energy space offering synergistic and value add to our existing and future operations.

We intend to creatively partner with entrepreneurs and private investors and developers, research partners and governments to help identifying and executing opportunities which will also contribute to managing our emissions and carbon footprint, mitigating the environmental impact of our activities, and promoting social and economic development and improved living conditions to stakeholders within our area of influence. A number of projects and initiatives have already been identified with further work required to select and bring prospective initiatives to fruition. I look forward at upcoming AGMs to providing updates in this exciting and innovative space.

Outlook and guidance

Coal prices remain under ongoing pressure, aggravated by the impacts of the COVID-19 pandemic on global demand and the recent restrictions of imports of metallurgical coal by China. There has been some short term relief over the first quarter of 2021 although this has been offset by the recent strengthening of the Australian dollar, and the more recent decline in met coal prices.

A large proportion of Stanmore Coal's tonnage is sold on term contracts to long-standing customers in Japan, South Korea and India, which provides us with some insulation against demand volatility and spot pricing risks.

As stated in our Chairman's speech, we have witnessed demand and price recovery in thermal markets, supporting what are now historically high relativities between energy and metallurgical coals driving switching where viable towards thermal markets.

Independent analysis puts the current realised price for metallurgical coals below an adequate return for a number of Australian metallurgical coal mines. Forecasters also widely support a sustained improvement in industrial demand and growing steel production, driven primarily by India and South East Asia. Whilst China concurrently maintains i) high steel production and ii) also limits Australian imports – forcing a reliance on high-cost domestic production, the incentive for other seaborne producers to divert coals structurally to this market is expected to remain.

Based on these conditions, metallurgical coal markets are not factoring in expectations of further price decreases, and a return to normal levels is anticipated. The timing for this is sensitive to geopolitical outcomes, as well as the speed that producers chase higher returns from alternative markets.

Conclusion

While we are confident in the rebalancing in global seaborne metallurgical coal markets and normalisation of met coal prices, we are focusing on maintaining a healthy and strong relationship with our long-term customer base and on managing the areas we can control within our business, including relentless focus on health and safety and environment, disciplined cost control and project delivery, and prudent cash management.

In closing, I would like to take the opportunity to thank the team at Stanmore for their continued efforts. Implementation of strategy continues to be a collaborative effort and our employees and contractors both on site and in head office are committed to continued success and improvement.

Thank you also to my fellow Directors for their guidance and support in my role as CEO, and to our traditional owners, community, customers and shareholders for your continued support of Stanmore.

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About Stanmore Coal Limited (ASX: SMR)

Stanmore Coal Limited operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal Limited owns 100% of the Isaac Plains Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) and the Isaac Plains Underground Project. The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. In addition, Stanmore Coal Limited holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland's Bowen and Surat basins.

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