Creating a leading global metallurgical coal producer

Investor Presentation
3 March 2022

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Important Information

This presentation is dated 3 March 2022 and has been prepared by Stanmore Resources Limited (**Stanmore** or **Company**). This presentation has been prepared in connection with Stanmore's proposed acquisition of an 80% interest in BHP Mitsui Coal Pty ltd (**BMC**) by acquiring all of the shares in Dampier Coal (Queensland) Pty Ltd (**Proposed Acquisition**); and proposed underwritten A$694m (approximately US$506m) offer of new fully paid ordinary shares (**New Shares**) in Stanmore, comprising a pro rata 7 for 3 accelerated renounceable entitlement offer to certain eligible shareholders of Stanmore and certain institutional investors in selected jurisdictions (Offer). The distribution of this presentation in jurisdictions outside of Australia, Singapore and New Zealand may be restricted by law and any such restriction should be observed. Refer to Appendix B, International Offer Restrictions, beginning on slide 45 of this presentation for further details about international offer restrictions.

Summary Information

The information in this document does not purport to be complete nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the Corporations Act 2001 (Cth). This presentation should be read in conjunction with Stanmore's most recent financial report and Stanmore's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, including the announcement "Stanmore Resources to Acquire BHP's 80% interest in BMC" released on 8 November 2021, which are available at www.asx.com.auand on Stanmore's website: https://stanmore.net.au/.

All information in this presentation relating to BMC, including in relation to historical production, mineral resource and ore reserve estimates, historical costs, life of mine plans and other historic financial information has been sourced from BHP Group. Stanmore has conducted due diligence in relation to the BMC business and the Acquisition, but has not independently verified all such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating to BMC. Mitsui (the holder of a 20% interest in BMC) may have a different interpretation of the underlying data and may release differing production or costs guidance and other information to the market. Nothing in this presentation can be relied on as implying that there has been no change to any information relating to BMC since the date of this presentation, or as a representation as to future matters in relation to BMC and its projects. BHP Group has not prepared this presentation, does not make any statement contained in it and has not caused or authorised its release. BHP Group expressly disclaims any liability in connection with this presentation, and any statement contained in it, to the maximum extent permitted by law. To the extent that information included in this presentation relates to BHP, BMC or their operations, BHP, BMC and their related entities have no responsibility in respect of that information and make no warranty, representation or promise in respect of that information or any other aspect of this presentation. BHP, BMC and their related entities have no responsibility, duty or obligation to any investor in or shareholder of Stanmore. Certain market and industry used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. The GEAR related information has been provided by GEAR and is the responsibility of GEAR. None of Stanmore, its directors, officers or advisers assume any responsibility for the accuracy or completeness of the GEAR information.

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This presentation 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. All statements other than those of historical facts included in this presentation are forward-looking statements. These forward-looking statements include statements regarding the Proposed Acquisition, including but not limited to, statements regarding the expected benefits of the Proposed Acquisition and the anticipated timing, completion and effects (including any expected synergies) of the Proposed Acquisition, statements about the Company's plans, strategies and objectives, statements about the industry and the markets in which the Company and BMC operate and statements about the completion of the Offer. 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.

Important Information

Although due care and attention has been used in the preparation of forward-looking statements, such statements, opinions and estimates represent the Company's current views with respect to future events and are necessarily based on assumptions and contingencies that are inherently subject to significant business, economic, competitive, political and social risks and uncertainties, certain of which are summarised under Appendix C, Risks, beginning on slide 51. The forward-looking statements included in this presentation are not guarantees or predictions of future performance, involve subjective judgement and analysis and 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 involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Stanmore and its Relevant Parties, and which could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or any projections and assumptions on which those statements are based. **Recipients are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.** 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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Financial information

Certain financial information and measures included in this presentation are (i) "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" and (ii) "non-GAAP financial measures" under Regulation G issued by the US Securities and Exchange Commission (**SEC**), and are not recognised under Australian Accounting Standards (**AAS**) and International Financial Reporting Standards (**IFRS**). Therefore, the non-IFRS/non-GAAP financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Stanmore believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business. However, Recipients should note that the non-IFRS/non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Recipients are therefore cautioned to not place undue reliance on any non-IFRS/non-GAAP financial information included in this presentation. Stanmore has a financial year that ends on 31 December of each year.

The presentation also includes financial information relating to BMC. The financial information for BMC has been sourced from BMC or its representatives or associates from statutory accounts, financial statements and unaudited management accounts. While steps have been taken to confirm that information, no representation or warranty, express or implied, is made as to its fairness, currency, accuracy, adequacy, reliability or completeness.

This presentation includes certain pro forma financial information (to reflect the impact of the Proposed Acquisition). The pro-forma financial information included in this presentation is for illustrative purposes and is not represented as being indicative of Stanmore's (nor anyone else's) views on its future financial condition and/or performance or any scale benefits, synergies or opportunities that may be realised as a result of the Acquisition. The pro forma financial information has been prepared on the basis set out on slide 37 of this presentation. The pro forma financial information included has not been subject to audit or review. The pro forma financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the SEC.

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 estimates of 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 (ii) SEC Industry Guide 7 and the new SEC mining property disclosure requirements contained in Subpart 1300 of Regulation S-K under the US Securities Act of 1933 (**US Securities Act**)(**Subpart 1300 of Regulation S-K**), which governs disclosures of mineral reserves in registration statements filed with the SEC.

You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code, or under SEC Industry Guide 7 or Subpart 1300 of Regulation S-K or any other reporting regime or that these amounts can be legally and economically exploited.

Important Information

Ore reserves and mineral resources reporting

This presentation contains estimates of Stanmore's Ore Reserves and Mineral Resources, as well as statements about BMC's Mineral Resources and Ore Reserves. The information in this presentation that relates to the Ore Reserves and Mineral Resources of Stanmore has been extracted from the ASX release by Stanmore titled “December 2021 Annual Coal Resources & Reserves Summary” dated 16 February 2022, published as part of the Annual results and financial statements on 16 February 2022. The information that relates to BMC has been extracted from the ASX release by BHP Minerals Pty Ltd (**BHP**) titled “BHP Annual Report 2021” dated 14 September 2021 and the Table 1 information provided by BHP and attached to the ASX Announcement by Stanmore on 8 November 2021 “Stanmore resources to Acquire BHP’s 80% interest in BMC”. 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 and BMC’s Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant announcements 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. Stanmore and its advisors will continue to work on providing an independent assessment of Mineral Resources and Ore Reserves as normally required under listing rules in Singapore and Indonesia.

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Investment risks

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of Stanmore and its directors. Stanmore does not guarantee any particular rate of return or the performance of Stanmore, nor does it guarantee the repayment of capital or any particular tax treatment. You should have regard to the risk factors outlined in Appendix C Risks beginning on slide 51 of the presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.

Advisers

Petra Capital Pty Ltd is acting as lead manager and underwriter to the Offer (**Underwriter**). A summary of the key terms of the underwriting agreement between Stanmore and the Underwriter is provided in the announcement Partially underwritten accelerated renounceable entitlement offer to raise approximately US$506 million to part fund BMC acquisition released on 3 March 2022.

None of Stanmore’s advisers nor the Underwriter, or their related bodies corporate or affiliates, or their respective officers, employees, agents or representatives (**Adviser Parties**) have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation, make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. The Adviser Parties, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representation regarding, and take no responsibility for, any part of this presentation. Readers agree, to the maximum extent permitted by law, that they will not seek to claim against or hold the Adviser Parties liable in any respect in connection with this presentation or the Offer.

General

Statements made in this presentation are made only as at the date of this presentation. Stanmore does not have any obligation to update this presentation. The information in this presentation remains subject to change without notice. Stanmore reserves the right to withdraw the Offer or vary the timetable for the Offer without notice. In consideration for being given access to this presentation you confirm, acknowledge and agree to the matters set out in this notice and disclaimer and any modifications notified to you and/or otherwise released on ASX.

Unless specified otherwise: Stanmore has presented information in this presentation in relation to BMC, including Mineral Resource and Ore Reserves, production, earnings, and financial information, on a 100% basis. While Stanmore is only acquiring BHP’s 80% interest in BMC, BMC will be a Stanmore subsidiary post-Acquisition and Stanmore will consolidate BMC’s financial performance for the purposes of its group accounting.

This presentation has been authorised for release to ASX by the Stanmore Board of Directors.

Glossary

ASX	Australian Securities Exchange
BHP	BHP Minerals Pty Ltd
BMC	BHP Mitsui Coal Pty Ltd
BMC Assets	Poitrel and South Walker Creek operating mines, Wards Well development project, and Red Mountain CHPP
CHPP	Coal handling and preparation plant
Company or Stanmore	Stanmore Resources Limited
Dampier Coal	Dampier Coal (Queensland) Pty Ltd
DBT	Dalrymple Bay Terminal
DSS	PT Dian Swastatika Sentosa Tbk
EBITDA	Earnings before interest, tax, depreciation and amortisation
EGMS	Extraordinary general meeting of shareholders
Entitlement Offer or Offer	A partially underwritten accelerated renounceable entitlement offer of 7 New Shares for 3 Shares held on the Record date to raise A$694m (approximately US$506)
ESG	Environment, social and governance
FIRB	Foreign Investment Review Board
FOB	Free on board
GEAR	Golden Energy and Resources Limited
GEMS	PT Golden Energy Mines Tbk
Golden Investments	Golden Investments (Australia) Pte Ltd
Ha	Hectare
HCC	Hard coking coal
HPCT	Hay Point Coal Terminal
ID	Isaac Downs Open Cut
IPC	Isaac Plains Complex
IPUG	Isaac Plains Underground development project

JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	Joint venture
kt	Kilo tonnes
Met Coal	Metallurgical Coal
Millennium	Millennium and Mavis Downs Mine
Mitsui	Mitsui and Co Ltd and Mitsui and Co (Australia) Ltd
Mt	Million tonnes
Mtpa	Million tonnes per annum
New Shares	Shares to be issued under the Entitlement Offer
NQXT	North Queensland Export Terminal
PCI	Pulverised coal injection
QLD	Queensland
Record Date	7 March 2022
RMI	Red Mountain Infrastructure Pty Ltd
ROM	Run of mine
Shares	Fully paid ordinary shares in the capital of the Company
SGX	Singapore Stock Exchange
SPA	The Sale and Purchase Agreement dates 8 November 2021, between amongst other parties BHP and Stanmore
Stanmore SMC	Stanmore SMC Holdings Pty Ltd
SWC	South Walker Creek
TERP	Theoretical ex-rights price
Transaction or Acquisition	Stanmore Resources limited acquisition of BHP's 80% interest in BHP Mitsui Coal Pty Ltd through the acquisition of all shares in Dampier Coal (Queensland) Pty Ltd by Stanmore SMC Holdings Pty Ltd
TSA	The Transition Service Agreement to be entered into between BHP and Stanmore

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stanmore

01 Introduction

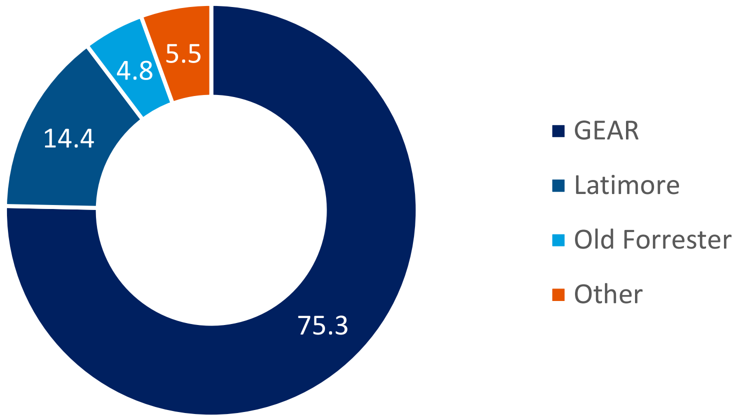
Stanmore ASX Snapshot

Stanmore on track to become a leading Australian supplier of metallurgical coals to global markets

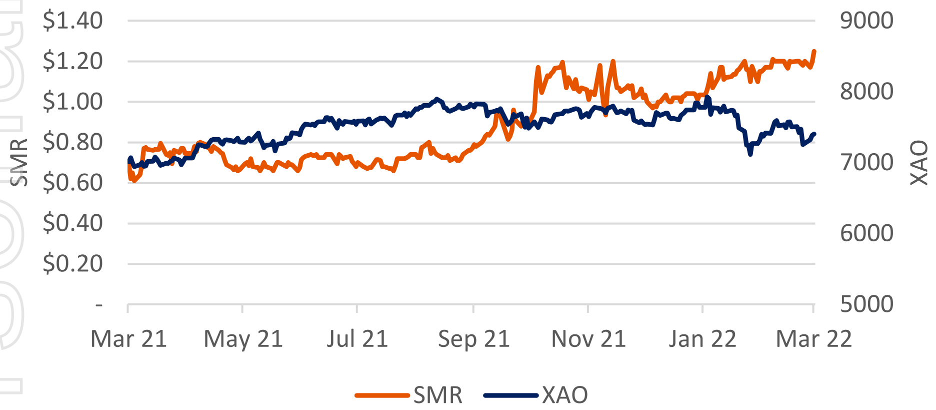
Overview

- Australian incorporated public company listed on the ASX in 2009
- Supportive major shareholder: Golden Energy and Resources Limited (GEAR), an established and successful SGX listed mining investment house
- Defined strategy to build a leading metallurgical coal business
- Owns and operates the Isaac Plains Complex
- 50% JV participant in Millennium and Mavis Downs mine

Stanmore current ownership (%)



Stanmore Share Price and Capitalisation



Stanmore Capitalisation as at 2 March 2022 (pre BMC acquisition)		
Total Issued Ordinary Shares	*m*	270.4
Market Capitalisation at A$1.25	*A$m*	338

Source: IRESS, company announcements

Overview of Stanmore

Stanmore on track to become a leading Australian supplier of metallurgical coals to global markets

- Definitive agreement with BHP to acquire its 80% interest in BMC (8 Nov 21), which owns the South Walker Creek and Poitrel operating mines and the Wards Well underground development project
- Following acquisition SMR will have:
  - Four mines and three wash-plants within ~50km radius with the ability to increase production with limited development and ramp-up risk
  - A combined 13Mt of met coal production capacity[1], and ~171Mt of marketable met coal reserves (100% basis)[2]

Wards Well Development

Undeveloped underground HCC project

MINE TYPE: Underground

South Walker Creek

Open-cut coal mine producing high quality, low volatile PCI coal for export

MINE TYPE: Open cut

CAPACITY: 6.3Mt

MINE LIFE: 25+ years

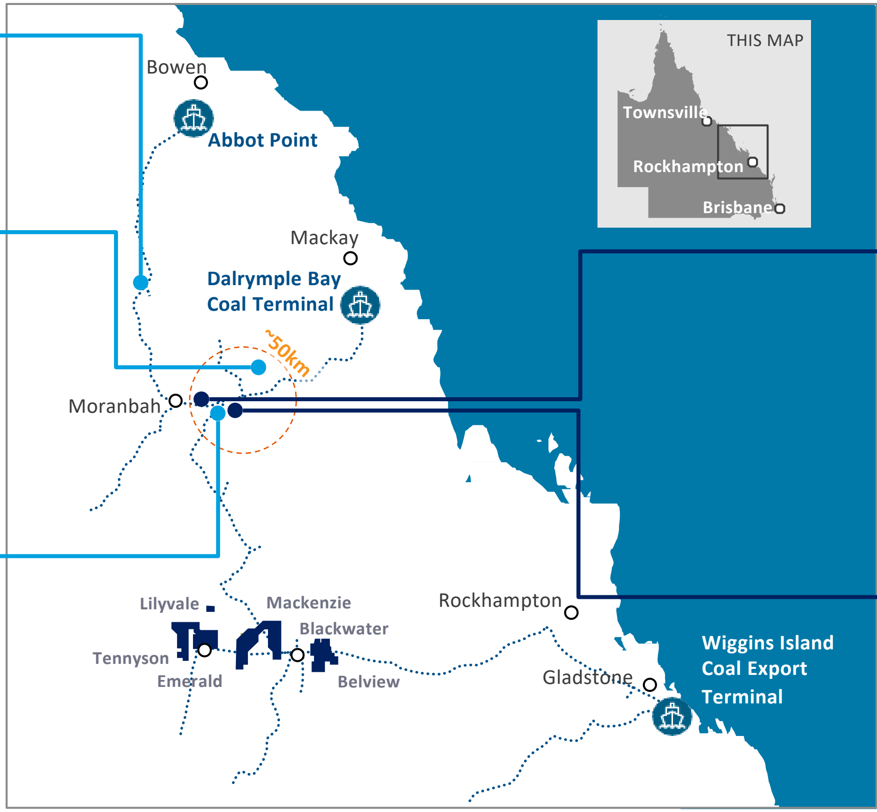
Poitrel

Open-cut coal mine producing a mix of HCC and PCI (approximately 35%) coal primarily for export

MINE TYPE: Open pit

CAPACITY: 4.2Mt

MINE LIFE: 10+ years



Rail paths

BMC Operations

Other Stanmore Tenure

Isaac Plains Complex

Producing metallurgical coal complex comprising Isaac Plains East, Isaac Downs and an underground development project

MINE TYPE: Open cut

CAPACITY: 2.4Mt

MINE LIFE: ~20 years

Millennium and Mavis Downs

HCC / PCI mine acquired by Stanmore in 2021.

MINE TYPE: Open cut, Auger and Underground

MINE LIFE: ~11 years

Note: 1 BMC consolidated on a 100% basis

2 Stanmore reserves as at 31 December 2021, BMC reserves as at 30 June 2021. BMC consolidated on a 100% basis. Includes 50% of Millennium and Mavis Downs.

Business Update

2021 was a transitional year for Stanmore, ending with the successful transition to Isaac Downs and the transformational agreement to acquire an 80% interest in BMC

May 2020

GEAR Completes acquisition of 75% interest in Stanmore

- New board appointed

October 2020

Bankable Feasibility Study completed for the Isaac Downs

- Study revealed production levels of ROM coal matching the 3.5Mt nameplate capacity of the Isaac Plains CHPP

December 2020

Start of Isaac Downs Exploration Bulk Sample Pit

- BSP facilitated testing of proposed product coal cargos with key international customers to enable a rapid transition to Isaac Downs
- Low strip-ratio helped maintain profitability during tough market conditions

April 2021

50% acquisition of Millennium and Mavis Downs Mine

- Stanmore and M Resources enter a 50 / 50 JV to acquire the Millennium and Mavis Downs mine from Peabody
- Opportunistic acquisition completed in low coal price environment

July 2021

Isaac Downs mining lease approved by QLD government

- Isaac Downs project is now de-risked with all regulatory approvals received and capital projects executed
- Construction of project infrastructure commences

November 2021

Acquisition of 80% interest in BMC

- Acquisition will create a leading global metallurgical coal producer with a strong earnings track record

2022

BMC Acquisition

- Entitlement Offer to be completed
- Acquisition debt funding in place
- Target completion in 2Q CY22

2022 Strategic Priorities			
Deliver on de-risked Isaac Downs project	Commence production at Millennium Underground	Integrate BMC assets	Realise synergies & value at BMC

Investment highlights

SCALE

Stanmore will become one of the largest global producers of metallurgical coal[1]

VALUE

US$508m BMC 2H CY21 EBITDA[2]

Focused on capturing value from three de-risked cash generating operating assets

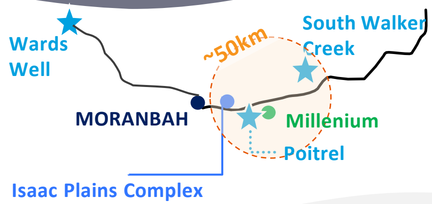
ASSETS & PEOPLE

High quality, long life, well capitalised assets backed by an equipment rich business and experienced people

WORLD CLASS PRODUCT

Strong products including benchmark PCI at South Walker Creek, supported by a significant contract book and global customer base

SYNERGIES



Potential to realise operational synergies between Stanmore and BMC, including via access to BMC's infrastructure portfolio

ESG COMMITMENT

Stanmore is committed to operate in an environmentally and socially responsible manner

Note: 1 See slide 26 for further details.
2 BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.

Experienced board and management team

Stanmore is led and managed by an experienced board and management team

BOARD

Dwi Suseno
Chairman

Mr Dwi Suseno is the Executive Director and Group CEO of GEAR and has over 26 years of experience in management, commercial, finance in mining, resources as well as oil and gas related industries

Jimmy Lim
Director

Mr Lim has over 17 years of experience in finance and investment management in the metals and mining sector, with extensive industry relationships in Australia and globally

Mark Trevan
Director

Mr Trevan has extensive experience in the coal mining industry. Most recently, he was a Director and Deputy Chairman of the Wiggins Island Coal Export Terminal, and a Director and consultant at Caledon Coal

Richard Majlinder
Director

Mr Majlinder is the Chief Commercial Officer for Madison Group Enterprises. He was previously a Partner at professional services firm PwC and Head of Finance at Walt Disney Television.

MANAGEMENT

Marcelo Matos
Chief Executive Officer / Director

Mr Matos has over 24 years of experience in the mining sector with various senior roles in multiple geographies, including general management and operations, marketing, and business development in Australia, Asia, Brazil and Mozambique

Shane Young
Chief Financial Officer

Mr Young has over 21 years' experience in Accounting, Financial Planning & Analysis, Commercial, Corporate Finance, Treasury, Corporate Development and Governance roles in Australia and internationally

Leandro Pires
General Manager Operations

Mr Pires is a mining engineer with over 20 years' experience in the mining sector. Mr Pires has held several senior roles within significant international mining houses in Australia and internationally

Jon Römcke
General Manager Development

Mr Romcke has over 35 years of experience in underground and open pit mining operations in the coal and iron ore mining industry. He has held several senior roles within significant international mining houses

The Stanmore board and management team are committed to good corporate governance as outlined in the Company's Corporate Governance Charter published on 16 February 2022

New Vision, Mission Statements and Company Values

Stanmore's Vision

To be a leading resources company in Australia, creating value to our stakeholders through sustainable development

Mission Statements

- Genuine care for our people, their safety, the environment and the stakeholders involved with our operations
- Achieve sustainable development by:
  - Having high standards and a strong safety and health culture
  - Responsibly managing and maximising extraction of our resources and reserves via best-in-class mining practices
  - Ensuring the continuity of our business by fostering and developing growth and reserve replacement initiatives
  - Developing projects in the renewable energy space to support our existing businesses reducing our carbon and emissions footprint
- Building and fostering a culture of an agile, entrepreneurial and simple organisation
- Focusing on continuous improvement and operational excellence

Company Values

Commitment	We are committed to safety as number one priority and to always achieving the best possible outcome
Integrity	We do the right thing
Innovative	We develop processes/ideas that increase productivity and company growth
Continuous Improvement	We aim to continuously enhance ourselves and our operations
Positive Attitude	We display encouraging behaviour that builds and fosters lasting relationships
Loyal	We implement the company's core values in our day-to-day operations

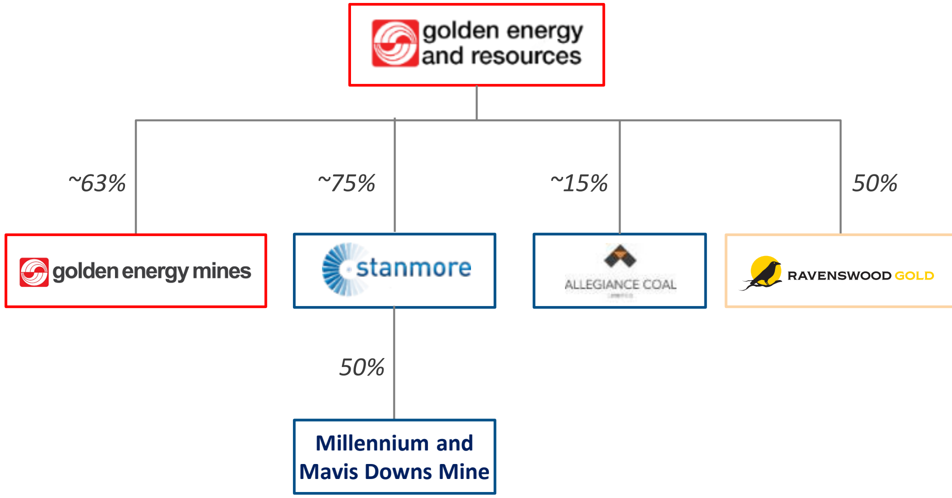
Overview of Golden Energy and Resources

Supportive major shareholder – an established and successful mining investment house

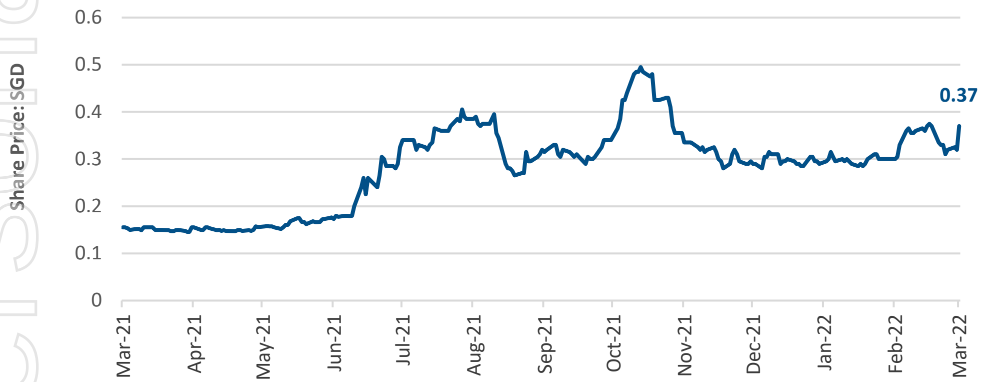
Overview

- Singapore listed investment company with investments including mining of coal through GEMS and Stanmore, and gold through JV company Ravenswood Gold, as well as various investments in renewable energy projects in Asia
- One of the fastest growing sustainable coal producers in Indonesia with production run rate of approximately 31Mt (including Stanmore's operations in 2021)
- GEAR has successfully made investments in the Australian natural resource space, having invested over A$500M in Australia since 2017
- Stringent target criteria for strategic long-term investment, focusing on non-substitutable and non-energy coal commodities
- Committed to investments in renewable energy projects and has comprehensive ESG policies and management systems implemented across the group
- Sinar Mas Group, one of the largest Indonesian conglomerates currently holds an 86.87% interest in GEAR via PT Dian Swastatika Sentosa Tbk
- Strong corporate governance with majority independent board of directors and robust internal control framework

Group Corporate Structure - Summary[3]



GEAR Share Price and Capitalisation[1]



GEAR Capitalisation as at 2 March 2022		
Share Price	SG$	0.37
Shares Outstanding	m	2,353
Market Capitalisation	**SG$m**	**871**
(+) Debt[2]	SG$m	555
(-) Cash	SG$m	(515)
(+) Minority Interests[2]	SG$m	226
Enterprise Value	**SG$m**	**1,136**

Note:
1 Market data sourced from IRESS as at 2 March 2022. Assumes USD:SGD FX of 1.36 (spot rate as at 2 March 2022).
2 Debt, cash and minority interests as at 31 December 2021. Net debt includes lease liabilities.
3 Group overview based on publicly available information. Does not include wholly owned subsidiaries of group entities.

02 The BMC Acquisition

Overview of BMC

BMC is an established business which has been in continuous operation for decades

Asset Overview

South Walker Creek

- Open-cut coal mine located approximately 35km west of Nebo in the northern region of the Bowen Basin
- Produces high quality, low volatile PCI coal for export
  - Commenced production in 1996
  - Stanmore life of mine plan supports 25+ year mine life
  - JORC Marketable Reserves of 98Mt and Resource of 689Mt (100% basis)

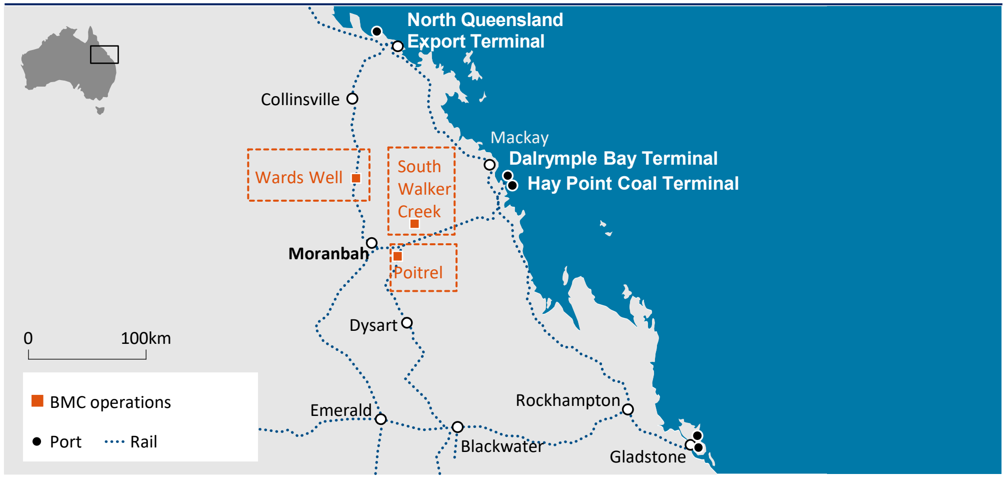
Poitrel

- Open-cut coal mine located approximately 20km southeast of Moranbah in the eastern flank of the Bowen Basin
- Produces a combination of HCC and PCI for export
  - Commenced production in 2006
  - Stanmore life of mine plan supports 10+ year mine life
  - JORC Marketable Reserves of 39Mt and Resources of 150Mt (100% basis)

Wards Well

- Wards Well is an undeveloped underground HCC project located in the Bowen Basin
  - 1,313Mt JORC Resources (100% basis)

Asset Location



BMC JORC Reserves and Resources[1] – 100% basis (Mt)

30 June 2021	Poitrel	South Walker Creek	Wards Well	Bee Creek and Nebo West	Total
Proved Reserve	24	87	-	-	111
Probable Reserve	24	36	-	-	60
Total JORC Reserve	**48**	**123**	**-**	**-**	**171**
Marketable Reserves	**39**	**98**	**-**	**-**	**137**
Measured Resource	42	237	-	-	279
Indicated Resource	49	273	1,164	9	1,495
Inferred Resource	59	179	149	84	471
Total JORC Resource	**150**	**689**	**1,313**	**93**	**2,245**

Note: 1 The information that relates to BMC has been extracted from the ASX release by BHP Minerals Pty Ltd titled “BHP Annual Report 2021” dated 14 September 2021

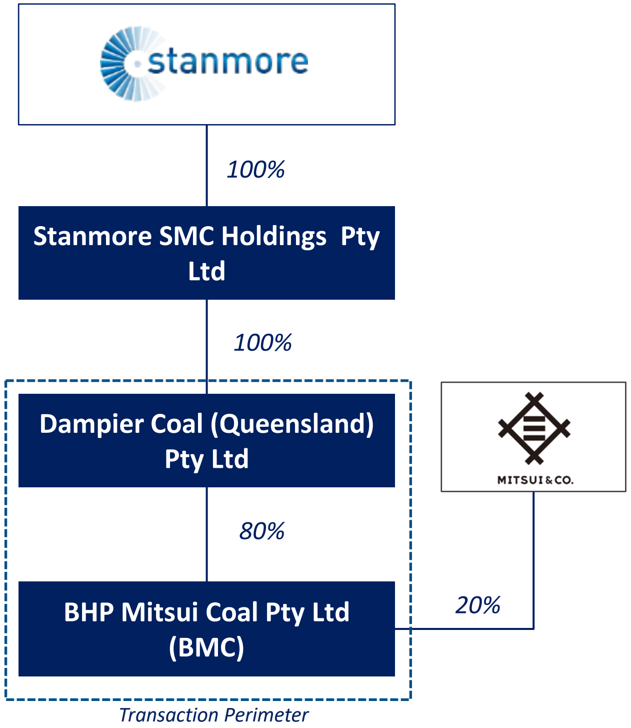
Transaction summary

Stanmore has signed a definitive share purchase agreement with BHP to acquire BHP's 80% interest in BMC

Transaction Summary

- Stanmore has signed a definitive share purchase agreement with BHP Minerals Pty Ltd ("BHP") to acquire BHP's 80% interest in BMC through the acquisition of all of the shares in Dampier Coal, by Stanmore SMC Holdings Pty Ltd, a newly incorporated wholly-owned entity, as the buyer under the agreement (the "Transaction" or the "Acquisition")
- The purchase price for the Transaction comprises
  - US$1,100 million payable on completion;
  - US$100 million payable six months post completion; and
  - Up to a maximum of US$150M based on a revenue sharing mechanism if the average sales price achieved is above a certain threshold over a two year period, payable within three months of the end of the testing period (expected in CY2024)
    - If the current HCC spot price persisted in the 2 year period post completion, the maximum US$150M earn-out would become payable
- Completion of the Transaction is expected in 2Q CY22
- All conditions precedent under the SPA have been satisfied
- BMC will continue to operate as an incorporated joint venture ("JV") between Stanmore (80%) and Mitsui (20%) in accordance with the framework set out in the BMC articles of association
- Stanmore will replace BHP as the party operating on behalf of the JV and will have a significant level of control in the JV, including the authority to appoint the majority of directors to the BMC board
- Stanmore is in the process of securing bank guarantee facilities to support the contractual performance guarantee requirements at BMC (expected facility limit of A$120m)
  - Definitive documentation is expected to be finalised ahead of completion of the Acquisition
- Further details on the Transaction, including key terms of the SPA, can be found in the announcement provided on the ASX platform and uploaded on the Company's website on 8 November 2021 and the "Material Contracts" summaries in page 40 - 41 of this presentation

Transaction Structure



Acquisition funding

The Acquisition is fully funded by a combination of committed debt and equity

Acquisition Funding	• The Transaction is intended to be funded through a combination of: – A new US$625 million senior acquisition debt facility with a consortium of lenders; – A partially underwritten A$694 (~US$506) accelerated renounceable pro-rata entitlement offer; and – Internal sources • GEAR via Golden Investments has committed to subscribe for US$300 million of its entitlements and is expected to hold a voting power in Stanmore of approximately 64% upon completion of the entitlement offer
Acquisition Debt Facility	• Definitive documentation for the US$625 million senior acquisition debt facility has been executed • Financial close is expected to occur on or around completion of the Transaction • Key terms of the acquisition facility are as follows: – US$625 million senior secured, first-lien amortising loan note facility maturing 5 years from first utilisation – Secured against the shares in Dampier Coal with no recourse to Stanmore – Fixed interest rate of 11.5% per annum – Paid-in-kind interest toggle and variable cashflow sweep to provide cashflow flexibility
Internal Sources	• Stanmore has additional corporate facilities and liquidity including: – US$70 million revolving facility with GEAR[3] – US$120 million revolving facility announced 3 March 2022[4] – Internal cash • The US$120 million revolving facility matures 3 years from the date of agreement and has a fixed interest rate of 8% per annum

Uses of Funds	US$m
Transaction Consideration[1,2]	1,200
Estimated Stamp Duty & Transaction Costs	100
Total Uses	**1,300**

Source of Funds	US$m
Acquisition debt facility	625
Entitlement Offer | GEAR Take Up	~300
Entitlement Offer | Underwritten Component	~206
Internal Sources	169
Total Sources	**1,300**

Note:
1 Excludes any purchase price adjustments.
2 Excludes earn-out payment. If payable, earn-out expected to be funded by cash generation of the Company and existing cash on balance sheet and would be payable in CY2024.
3 GEAR facility is currently fully drawn.
4 Expected to be used to fund working capital requirements, stamp duty and transaction costs.

Integration plan

Significant work has been undertaken to ensure day 1 operational readiness for the BMC assets

BMC Integration

- Acquiring fully functioning site operations with existing contracts and workforce and management teams. Some systems and applications being implemented for Day 1 operations handover
- Sales contract book for 2022 to be in place with key traditional customers by completion for significant portion of production volumes
- Stanmore to stand-up central functions for technical services (mid to long term planning and maintenance and HSE governance), procurement, finance, human resources, technology, and legal and compliance
- PricewaterhouseCoopers have been engaged to help manage the transition and the implementation of SAP systems
- Joint Separation Plan has been agreed with BHP and is under implementation
- The Transition Service Agreement ("TSA") has been negotiated with BHP and is expected to be signed on or around completion

Stanmore Operating Model for Integrated Business

- Stanmore's simple, lean and agile and capital light approach to be implemented in the integrated business to ensure alignment with the operating model principles below
- Site centric model and light overheads with central and corporate functions to support operations in delivering results
- Process simplification as an avenue for agility and unlocking of value
- Mine plans were developed from the bottom up and focus on value and margins
- Ensure business continuity and functioning organisation from Day 1 key priority given buoyant market and healthy margins
- Low hanging fruits to be tackled to start unlocking value from Day 1

BMC Integration and Operating Model Principles

- Safety Maintained
- Delivering Value and Realising Synergies
- Disciplined Cost Control
- Integration between sites to unlock improvement and savings
- Simple Operating Model
- Leverage scale to drive efficiencies
- Organisational agility to drive continuous improvement
- Employee value proposition for attraction and retention
- Governance and compliance to provide quality assurance

03 Equity Raising Overview

Equity Raising Overview

Entitlement Offer	• Approximately A$694 million (~US$506 million) partially underwritten pro-rata accelerated renounceable entitlement offer • Approximately A$694 million (~US$506 million) underwritten or committed in total – GEAR via Golden Investments has committed to subscribe for US$300 million of its entitlements and is expected to hold a voting power of approximately 64% in Stanmore upon completion of the entitlement offer[1]. GEAR has agreed to have its renounced rights accelerated and sold through the institutional bookbuild. • Petra to underwrite A$283 (US$206) million of the Entitlement Offer – Petra has confirmed to Stanmore that it has also received commitments from new institutional investors in respect of the total amount of its underwriting commitment.
Offer Price	• A$1.10 per share representing a: – 12.0% discount to last close on 2 March 2022 of A$1.25 per share – 3.9% discount to TERP of A$1.145 per share – 8.4% discount to 5 trading day VWAP of A$1.20 per share • Investment amounts to be in AUD or USD, and any investment amount in USD will be taken to be converted to AUD at the spot rate prevailing on the Institutional Offer Closing Date (currently expected to be 10am (Sydney time) 4 March 2022, and for that number of shares equal to the AUD equivalent amount divided by the Offer Price (subject to rounding). Investors must nominate the currency (ie AUD or US$) which they wish to settle in at the Institutional Offer Closing Date (expected to be 10am (Sydney time) 4 March 2022) – this nomination is irrevocable. • Stanmore has implemented a hedging strategy to protect the company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer
Offer Structure	• Retail component of the Entitlement Offer opens on 10 March 2022 and closes on 21 March 2022 • Entitlements commence trading on 7 March 2022 and cease trading on 14 March 2022 • Eligible retail shareholders will be sent a retail offer booklet containing information on how to accept the offer on or about 10 March 2022
Ranking	• New shares will rank equally with existing ordinary shares from their time of issue
Record Date	• 7 March 2022
Lead Manager	• Petra Capital is acting as Sole Lead Arranger, Lead Manager and Underwriter to the Entitlement Offer

Note: 1 Assumes GEAR will subscribe for approximately 374 million shares based on an AUD/USD exchange rate of 0.73, the spot rate at the date of this announcement.

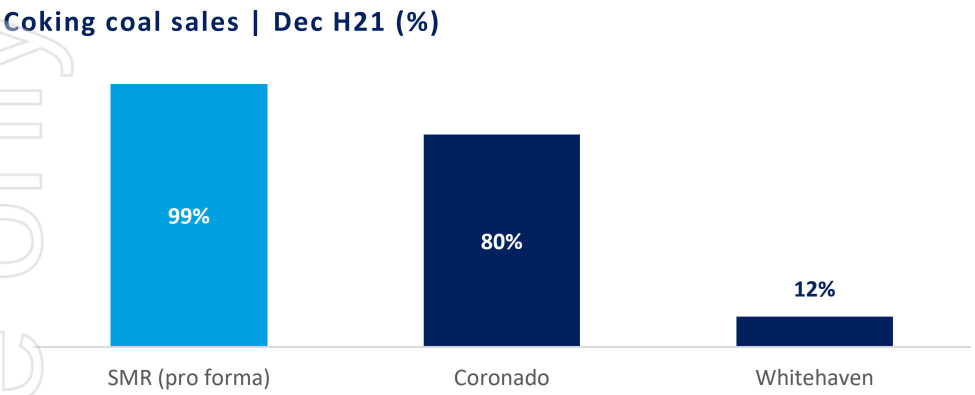
Key Dates

Event	Date[1]
Announcement of Entitlement Offer	3 March 2022
Institutional offer open	3 March 2022
Institutional offer closes	4 March 2022
Announcement of results of institutional offer (after market close)	4 March 2022
Trading resumes on an ex-rights basis (Entitlement trading on ASX begins (deferred settlement basis))	7 March 2022
Record Date	7 March 2022
Retail Entitlement Offer opens	10 March 2022
Last date of retail Entitlement trading on ASX	14 March 2022
Settlement date for institutional offer	15 March 2022
Shares issued under institutional offer	16 March 2022
Quotation of shares under institutional offer	17 March 2022
Close of retail offer	21 March 2022
Settlement date for retail offer	30 March 2022
Issue of securities to retail investors	31 March 2022
Quotation of shares issued under retail offer	1 April 2022

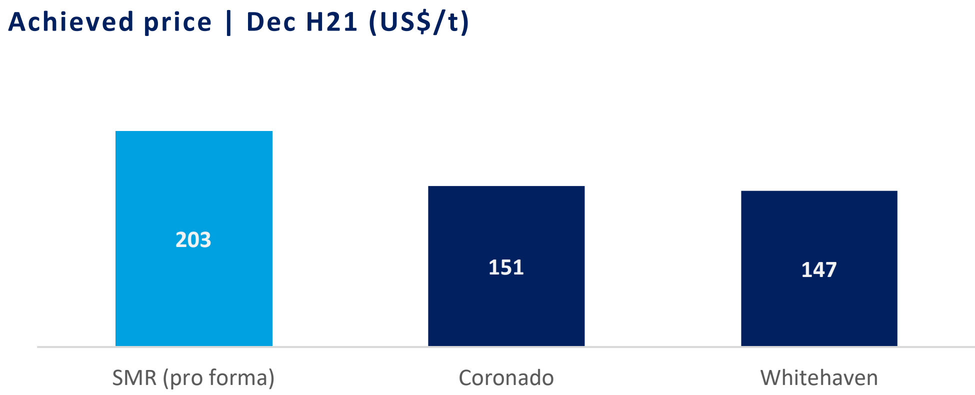
Note: 1 The above events, dates and times are indicative only and may be subject to change. Stanmore reserves the right to amend any or all of these events, dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Stanmore reserves the right to close any offer early or to extend closing dates, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation by ASX.

Premium Coking Coal Product

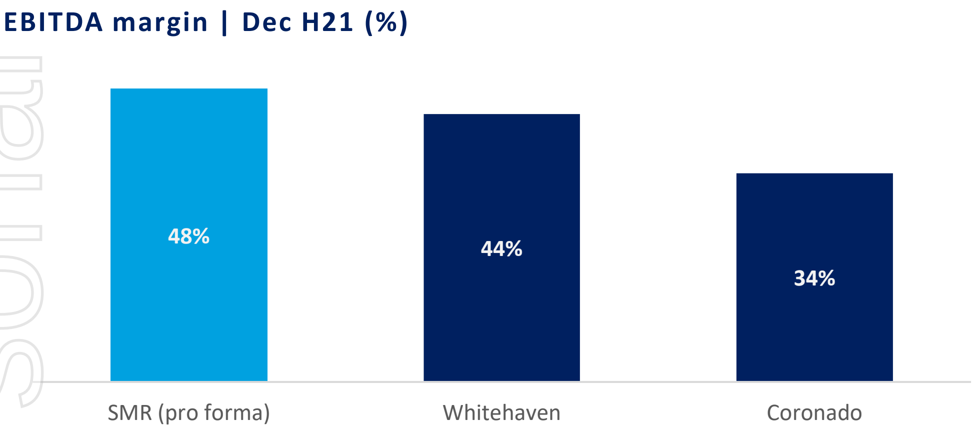
~100% coking coal production, significantly higher achieved pricing



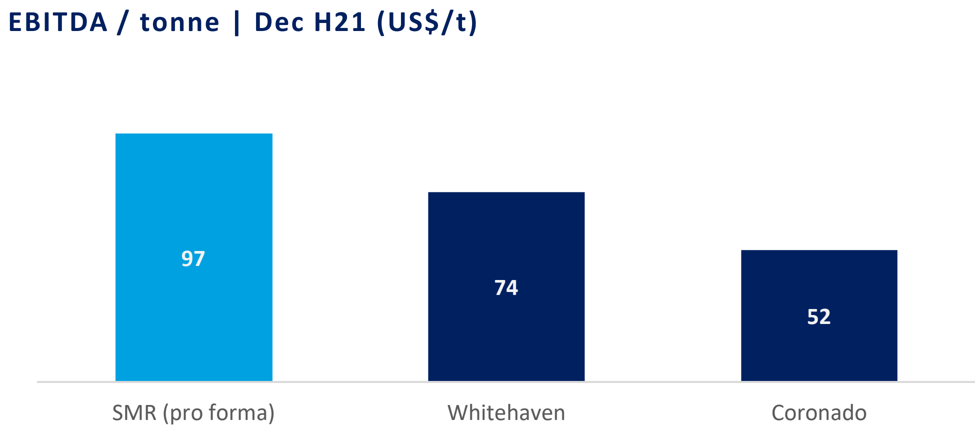
Stanmore's coking coal sales of ~100% is superior to ASX listed peers. This gives rise to favorable ESG fundamentals on a comparative basis



Stanmore receives a higher price relative to peers on an US$/tonne basis (A$200+/tonne) due to its superior coking coal exposure.



Superior EBITDA margin based on pro-forma Dec H21 numbers; a superior portion of coking coal sales is a key differentiator



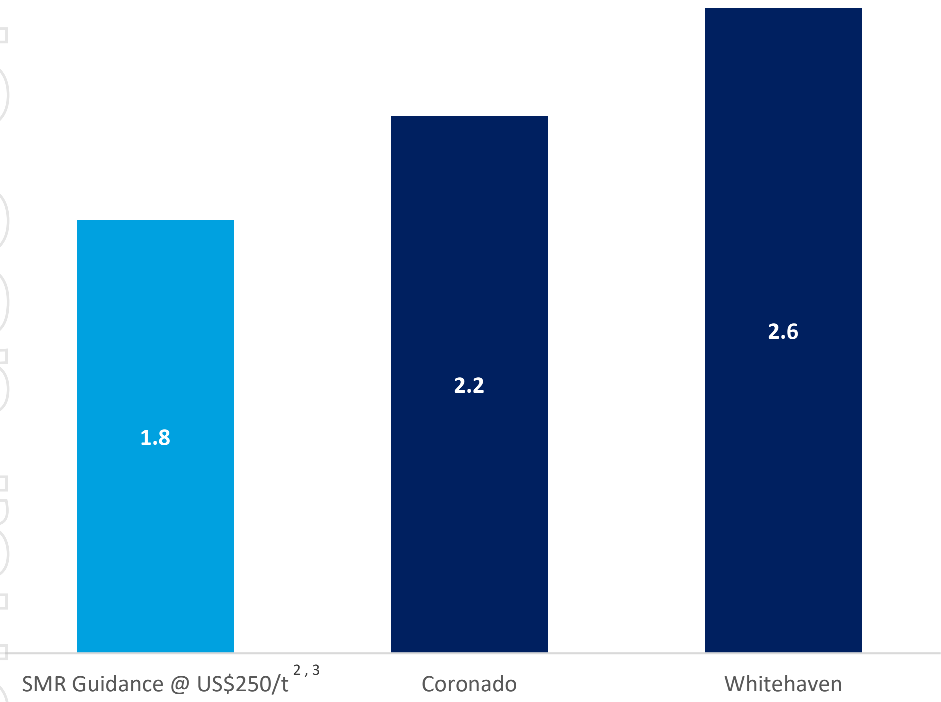
Higher EBITDA margin per tonne of coal based on pro-forma Dec H21 numbers

Source: Company reports and filings. AUD:USD FX rate of 0.73 used for the HY ending 31 Dec 2021. BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.

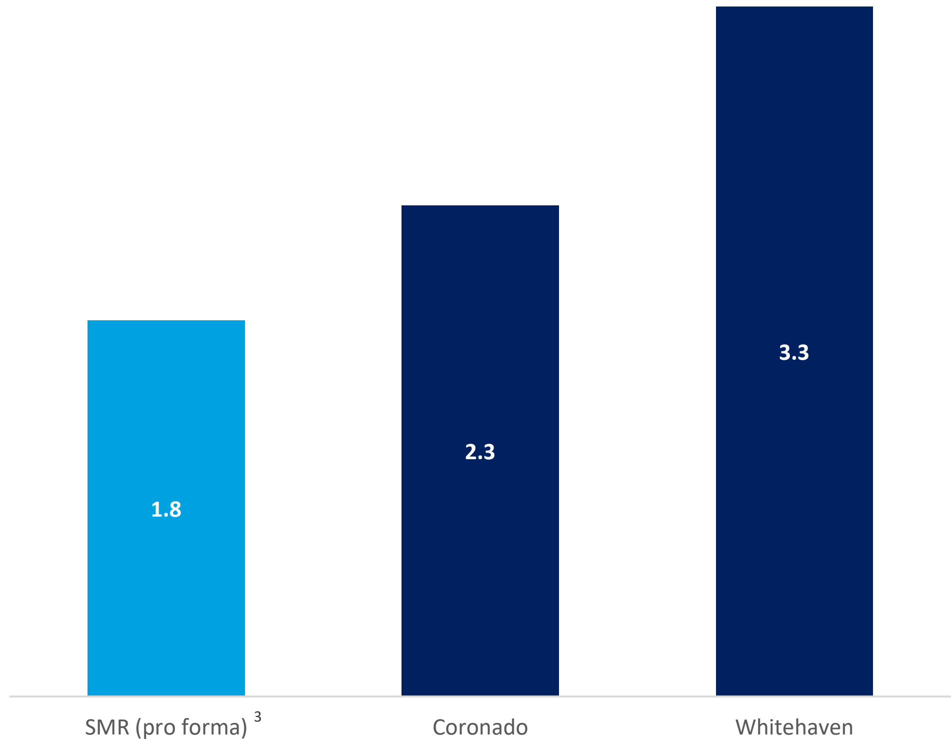
The offer price implies a forward EV / EBITDA multiple of 1.8x

Stanmore is competitive on an EV/EBITDA basis, giving rise to strong valuation upside, based on consensus

EV / CY2022 EBITDA (x)[1, 2, 3, 4, 5]



EV / EBITDA | Dec H21 pro-forma (x)[3, 4, 5]



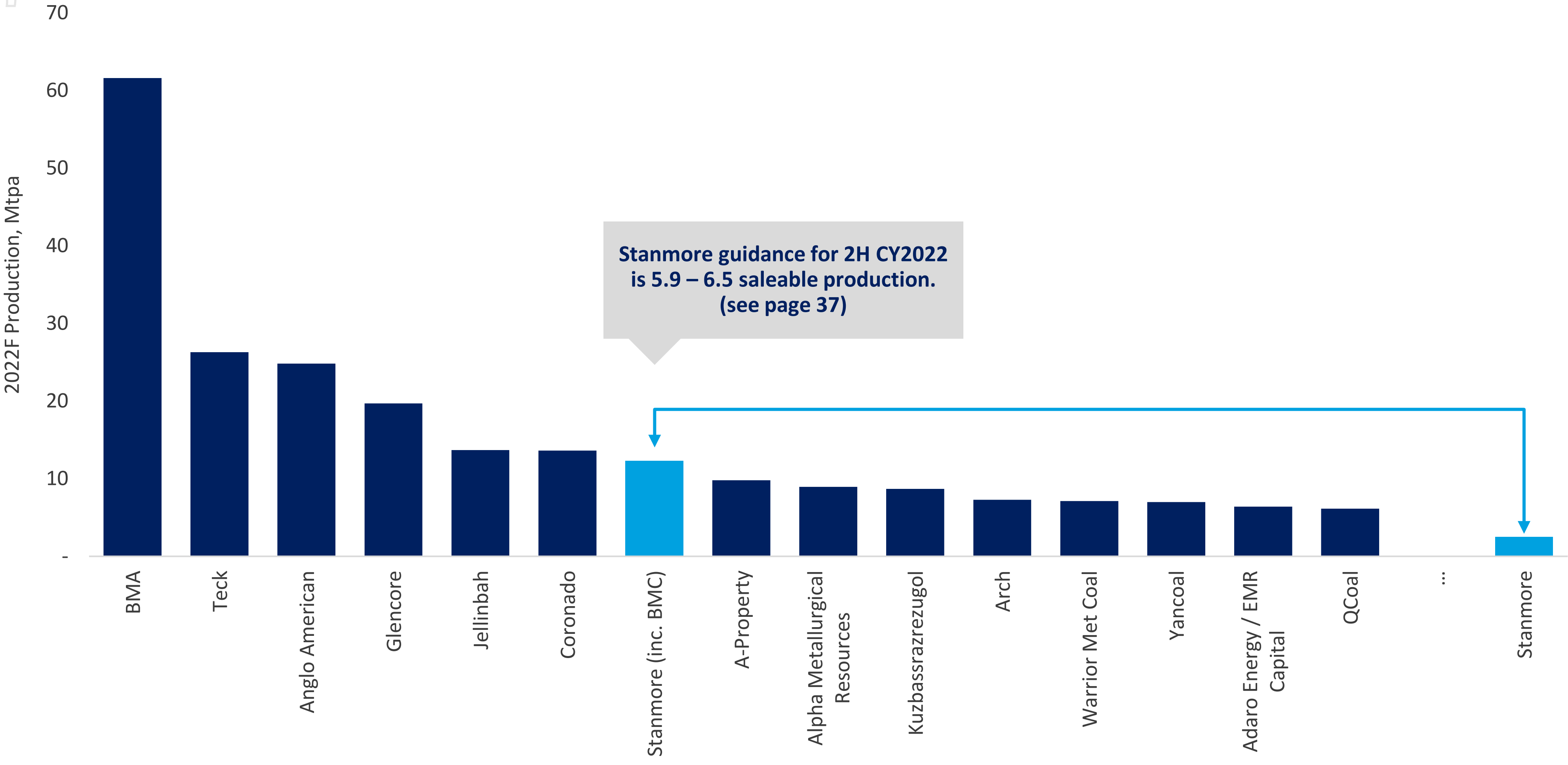
Note:
1. Peer EBITDA multiples calculated based on median broker forecast EBITDA calendarised to the calendar year ending 31 December 2022. Coronado consensus EBITDA based on reports published by 7 brokers. Whitehaven consensus EBITDA based on broker reports published by 11 brokers. Net debt for Coronado and Whitehaven as at 31 Dec 2021.
2. Stanmore pro forma multiple calculated using annualised 2H CY22 EBITDA, in line with methodology used to determine guidance, outlined on page 37 and using broker consensus coal price forecasts estimates for CY2022 (approximately US$250/tonne HCC benchmark pricing).
3. Stanmore multiple assumes 100% of BMC EBITDA and EV adjusted for a minority interest in BMC in line with the purchase price under the Transaction. BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.
4. Market data sourced from S&P Capital IQ and company reports and filings as at 2 March 2022. AUD:USD FX rate of 0.73 used for the HY ending 31 Dec 2021.
5. Analysis assumes AUD:USD exchange rate of 0.73 being the spot rate on 2 March 2022.

04 Investment Highlights

1 Scale

Stanmore will become one of the largest global producers of metallurgical coal

Top 15 seaborne metallurgical coal exporters 2022 (operator basis)



Source: 1 Wood Mackenzie, November 2021 dataset

2 Shareholder Value

Stanmore is committed to capturing value from three de-risked cash generating operating assets

Stanmore Capital Management Update

1 • Disciplined capital outlays planned in the first 5 years of BMC ownership

2 • Business well positioned to generate sufficient cash to service capital and debt requirements comfortably within debt covenants

3 • Stanmore will endeavour to distribute capital to shareholders subject to the capital requirements of the business

4 • Shareholder returns expected through share price growth, improved liquidity, distribution of dividends and the realisation of synergies with BMC

5 • The company will continue to explore options to optimise liquidity

6 • Refinancing of existing debt facilities possible in around two years

Stanmore Dividend Policy

Stanmore will target distributing 50% of available free cash of the parent entity defined as net cashflow from operating activities less capital expenditure and debt servicing (including interest and principal repayments) of the consolidated group and after allowing for sufficient liquidity required by the business. The Board will also consider additional shareholder returns in circumstances where surplus free cash is available. All dividend payments remain at the discretion of the Board.

Assets and people

The combined Stanmore and BMC portfolio will comprise three high quality, well capitalised assets backed by an equipment rich business and experienced people

Post Acquisition Stanmore and BMC Assets, Infrastructure and People

3 **CHPP Plants**	**3** **Draglines**	**13.55Mtpa** **Port Capacity**	**~600[1]** **Direct Employees (ex. Contractors)**
29 **Haul trucks**	**8** **Excavators**	**26** **Dozers**	**81,000 Ha** **Landholding**

IP CHPP Product Stacker

IP Dragline

Dalrymple Bay Coal Terminal

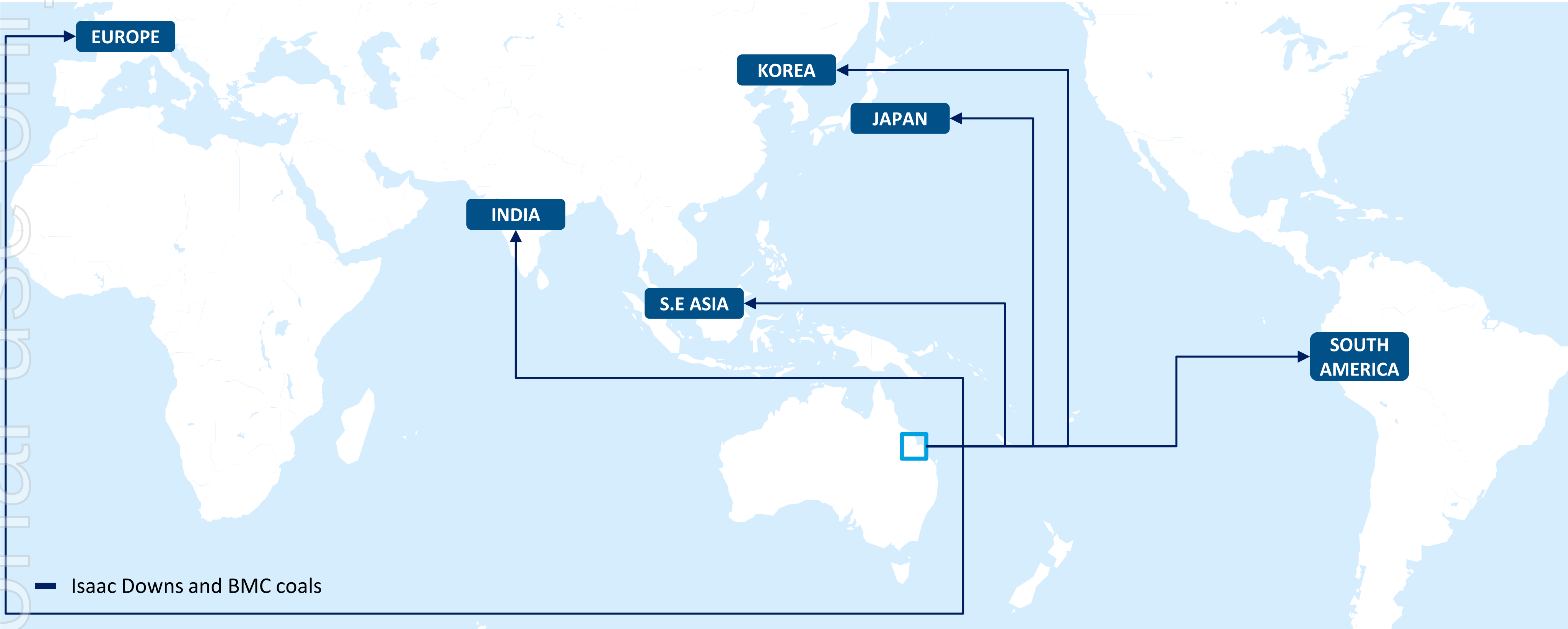
Scar tree relocation

Note: 1 Employee numbers subject to change to account for adjustments associated with the Transaction
2 Owned excavators and RDT trucks – SWC has a significant contractor fleet in addition to these numbers for overburden stripping

4 World class product

Stanmore produces a range of world class metallurgical coal products

Stanmore Product End Markets[1]



BMC Product Highlights

- Benchmark PCI at South Walker Creek
- Index linked product[2]
- Well established coals with well known market brands
- Overlap with Stanmore's existing customer base
- Competitive blend

Note: 1 BMC coals are known and supported in the Chinese market subject to trade restrictions.
2 Index linked products at South Walker Creek and Poitrel. Isaac Plains and Millennium products based on exposure to seaborne metallurgical coal pricing.

4

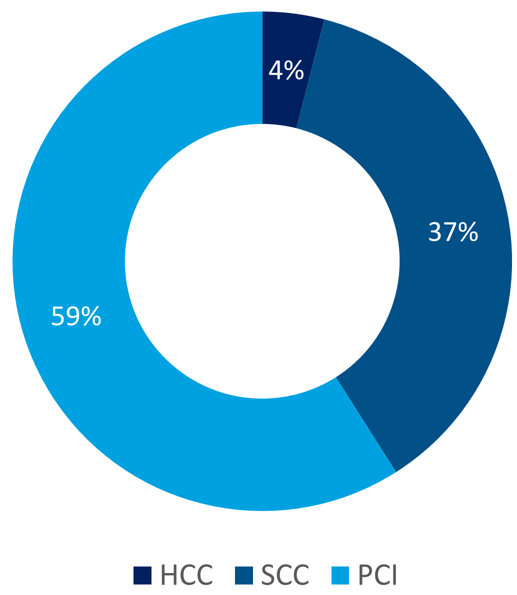
World class product

Stanmore post acquisition sales breakdown and product overview

Product Overview

Stanmore Isaac Downs	• Balanced exposure between – JSM long term benchmark; and – market relativity to PLV • Majority of sales performed with average price exposure over the year • Decreased exposure to JSM benchmark vs CY21
Millennium HCC	• Majority performed basis market relativity to Platts LV HCC over the year
Millennium PCI	• Balanced exposure between JSM long term benchmark, and market relativity to PCI indices at the time of delivery
BMC Poitrel Coking	• Anticipated to be based on market relativity to LV HCC indices
BMC PCI (Poitrel and SWC)	• Anticipated to be based on market relativity (quality adjusted) to LV PCI indices

SMR Pro Forma Expected Sales Breakdown (100% Basis)[1]



Note: 1 Assumed coal price relativities and product mixes are based on historical relativities discovered during due diligence. Stanmore has made a number of assumptions around the sales book and product mix it will inherit on Completion

4 World class product

Strong market outlook for metallurgical coal, including PCI

Historical benchmark prices (US$/t, nominal)

Source: S&P Global Platts and Wood MacKenzie market data

Supply and demand outlook

- **Record metallurgical coal prices**
  - Tight supply due to various supply issues in Australia, Russia, US, Mozambique, Canada and Mongolia over past several months
  - Strong demand from rebounding global industrial production and seasonal improvement in steel demand as supply recovers
  - Recent depletion of port inventories supports seaborne imports to China
- **Fundamentals still supportive**
  - Whilst supply expected to recover in the short term, medium to long term supply is limited by scarcity of economic deposits, difficulty in obtaining approvals or funding for new mine developments, and export infrastructure limitations
  - Significant increases in demand for steel infrastructure expected with growing pace of decarbonisation
  - Indian steelmakers announced US$11bn projects over next five years in response to government focus on infrastructure development
  - Despite strong fundamentals, some uncertainties around production and demand in China still remain

5 Synergies

The Transaction will unlock potential operational synergies for Stanmore

Source	Description	Potential Value Contribution
1 Coal Blending and Marketing	Opportunity for blending of the various products in the enlarged portfolio to maximise value in use and achieve a higher overall weighted average price across BMC and Stanmore	✓✓
2 Red Mountain CHPP Capacity	Utilisation of excess Red Mountain CHPP capacity for processing additional third party coals via ROM purchasing or toll washing	✓✓
3 Potential Millennium / Isaac Plains Expansion	Opportunity to expand Millennium or Isaac Downs productions given spare processing capacity at the Red Mountain CHPP	✓✓
4 Infrastructure Access	Potential to utilise strategic infrastructure at Poitrel for further inorganic consolidation or partnering with neighboring projects	✓✓
5 Streamlining and Simplification of Overheads	Simplification of operating model and associated processes, and reduced consolidated corporate functions and central support functions	✓

ESG Commitment

Stanmore is committed to operate in an environmentally and socially responsible manner

1

HEALTH AND SAFETY IS A CORE VALUE AT STANMORE

- Stanmore is committed to providing a culture that strives to meet its goal of no injuries and that everybody can return home each day, safe and healthy
- Stanmore has a good track record of safety performance at Isaac Plains and continuously develops initiatives to reduce risk and improve wellbeing

2

STANMORE BELIEVES IN THE SCIENCE OF CLIMATE CHANGE

- Business and operational risks associated with changes caused by climate change are included as part of Stanmore's business planning cycle
- Stanmore supports R&D projects and partners with entrepreneurs, universities, and governments to identify technologies that will help reduce the company's carbon footprint and support the goals of the Paris Agreement

3

STANMORE HAS A COMPREHENSIVE SET OF ESG POLICIES AND ASSURANCE PROCESSES

- Stanmore considers its scope 1, 2, and 3 emissions and reports its emissions in line with legislation
- Stanmore is committed to reducing its emissions and takes mitigating actions based on actual data from monitoring networks and seeks to develop new solutions to reduce emissions

4

BMC ESG PERFORMANCE UNDERGONE EXTENSIVE THIRD-PARTY DUE DILIGENCE

- BMC has received notice of Change Holder Review Allocation Decision under s35 and it is expected BMC will enter the financial provision scheme at completion

5

STANMORE ESTABLISHED STANMORE GREEN TO DEVELOP AND EXECUTE INITIATIVES TO REDUCE ITS CARBON FOOTPRINT

- Stanmore Green aims to develop projects in the renewable energy space to reduce carbon and emissions footprint
- Currently exploring a solar project and solar to water project at Isaac Plains, as well as early-stage studies on converting flare gas to hydrogen, to power mining vehicles
- The BMC acquisition will open even greater opportunities for developing renewable energy projects based on the footprint available around South Walker Creek and Poitrel

6

STANMORE HAS A PROVEN TRACK RECORD IN THE PERFORMANCE OF MINE REHABILITATION

- Stanmore has carried out effective and progressive rehabilitation at Isaac Plains, with 39% of all disturbed land already being rehabilitated
- Under Stanmore's ownership, BMC's approach to rehabilitation will be to rehabilitate affected footprint proactively, progressively and in line with regulatory requirements

7

STANMORE'S WATER AND WASTE MANAGEMENT IS TO A HIGH STANDARD

- Waste management hierarchy employed by Stanmore begins with waste avoidance as the number one objective, followed by waste re-use, waste recycling with waste disposal as a last resort
- Site water balance model developed by specialist water engineers to ensure appropriate water balance at Stanmore mines
- BMC sites already have a high standard of water stewardship and this will be integrated within Stanmore

8

STANMORE SUPPORTS A WIDE RANGE OF LOCAL COMMUNITY ORGANISATIONS AND ACTIVITIES THROUGHOUT CENTRAL QUEENSLAND

- Stanmore offers to the community social grants to local organisations and events, community living allowance, and on-selling of water capacity to regional council at discounted rates
- Stanmore recognises the First Nation Traditional Owners of the land on which it operates, which also overlaps with BMC related land, and has established a Reconciliation Action Plan Committee to guide ongoing positive activity and education. Stanmore retains an ongoing positive, consultative relationship with the local landowners

05 Financial Information

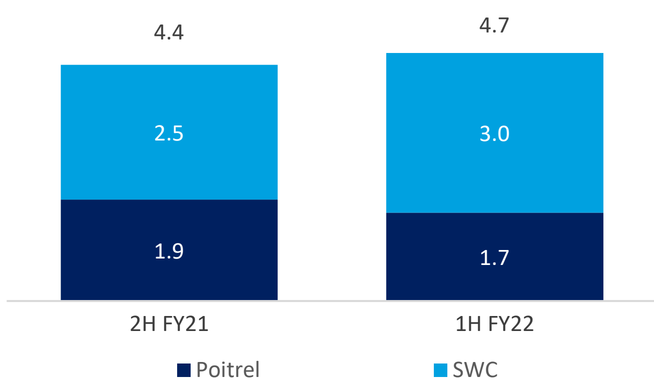
BMC Performance Update[1, 2]

Strong 1H FY22 performance driven by higher coal prices and overperformance at South Walker Creek

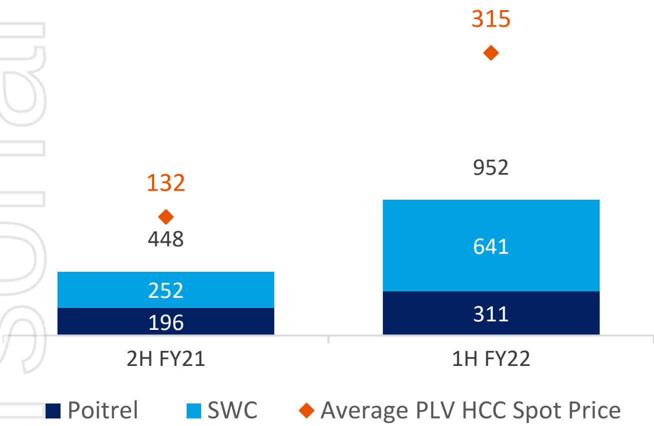
Commentary

- Improved 1H FY22 financial performance driven by significant increase in coal prices during the period
- **South Walker Creek**
  - Increased saleable production in 1H FY22 supported by strong performance from draglines and truck and shovel stripping operations
- **Poitrel**
  - Slightly reduced saleable production in 1H FY22 due to weather challenges and mine optimisation work

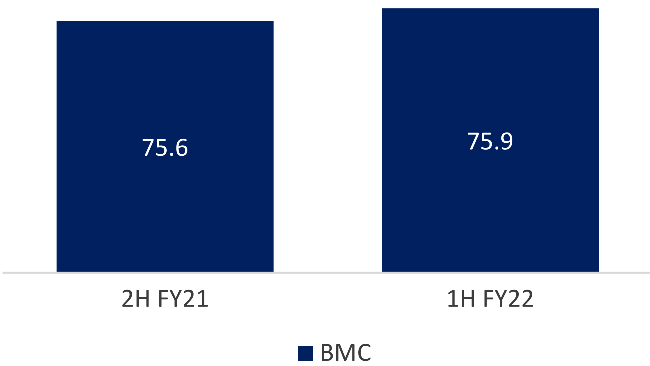
Saleable Production (Mt)



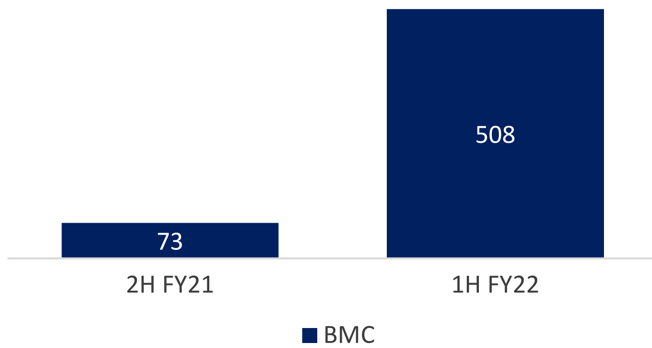
Revenue (US$m)[1, 4]



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



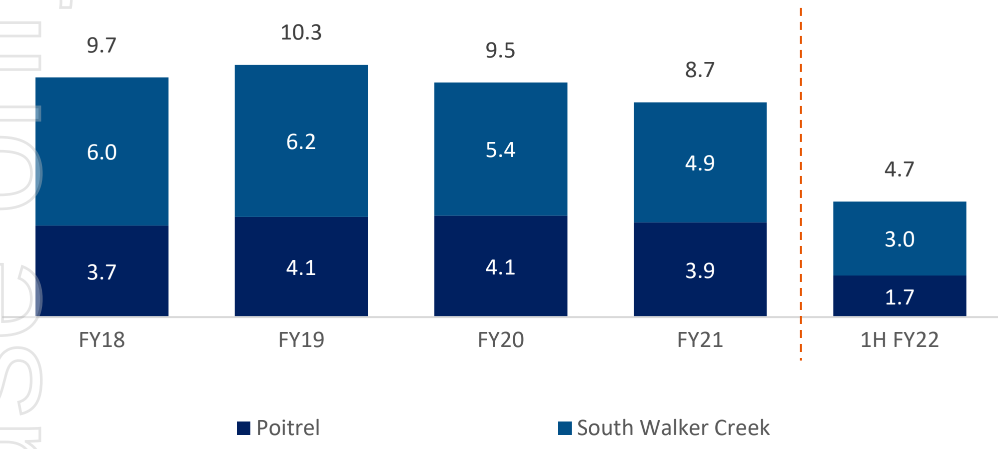
EBITDA (US$m)[1,]



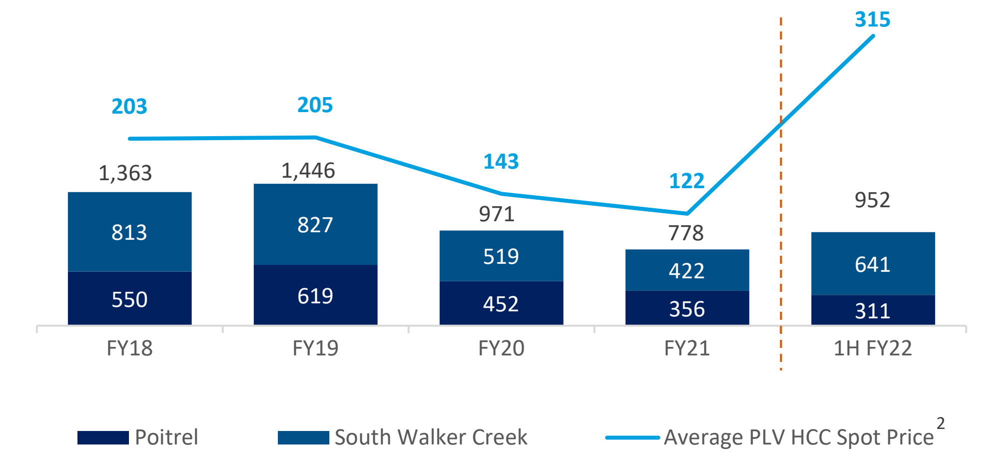
Note:
1 Analysis assumes a June financial year end.
2 2H FY21 and 1H FY22 performance per unaudited BMC management accounts. Results presented on a 100% basis.
3 FOB cash cost excludes royalties. Unit cost represents US$/t saleable production.
4 Premium Low Vol HCC FOB Aus Close index pricing per S&P Global Platts, ticker PLVHA00. Average of end of month pricing presented.

BMC historical operating & financial performance[1]

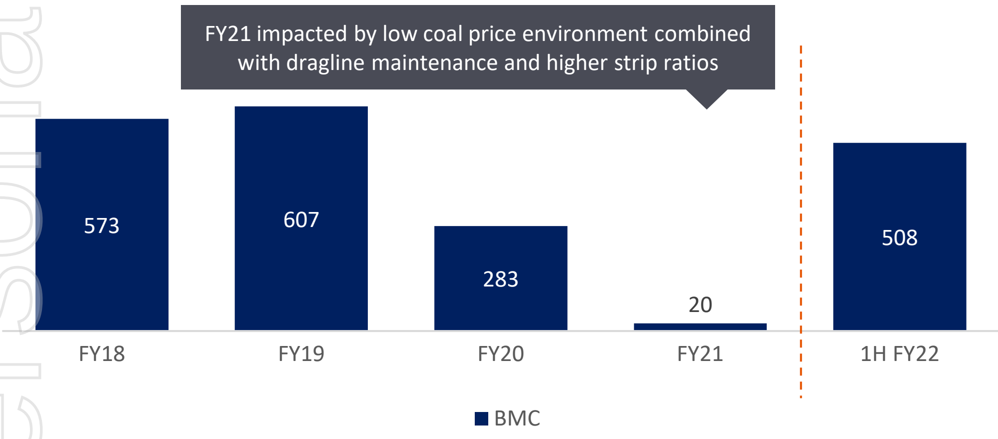
Saleable Production (Mt) – 100% Basis



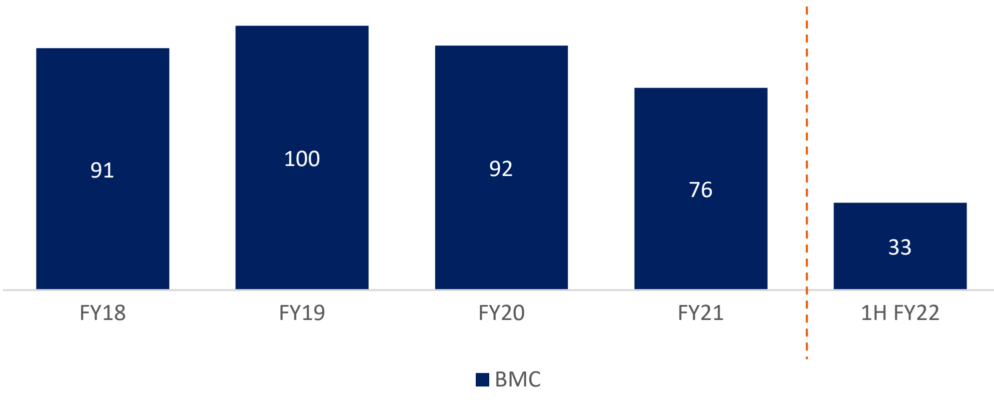
Revenue (US$m) – 100% Basis



EBITDA (US$) – 100% basis



Capex (US$m) – 100% Basis



Source: Financial data sourced from BMC statutory accounts and FY21 audited financial statements. Results for 1H FY22 are based on unaudited management accounts.

Note: 1 Analysis assumes 30 June financial year end.

2 Premium Low Vol HCC FOB Aus Close index pricing per S&P Global Platts, ticker PLVHA00. Average of end of month pricing presented.

Latest estimates

Stanmore guidance for key performance metrics[9]

			2 months to 30 Jun 2022[2, 3, 4, 6, 8]	6 months ending 31 Dec 2022[2, 3, 4, 6, 8]
Isaac Plains Complex	Saleable Production	Mt	0.4	1.2 - 1.3
Isaac Plains Complex	FOB Cash Cost ex. Royalties	US$/t		63 – 70
Poitrel (100% basis)	Saleable Production	Mt	0.7	1.9 – 2.1
Poitrel (100% basis)	FOB Cash Cost ex. Royalties	US$/t		85 – 90
SWC (100% basis)	Saleable Production	Mt	1.0	2.8 – 3.1
SWC (100% basis)	FOB Cash Cost ex. Royalties	US$/t		65 – 70
Stanmore Pro Forma[1]	Saleable Production	Mt	2.1	5.9 – 6.5
Stanmore Pro Forma[1]	Capital Expenditure – BMC	US$m		40 – 50
Stanmore Pro Forma[1]	Capital Expenditure – SMR Pro Forma	US$m		55 – 65
Stanmore Pro Forma[1]	EBITDA – HCC @ US$150/t[5, 10]	US$m		150 – 170
Stanmore Pro Forma[1]	EBITDA – HCC @ US$200/t[5, 10]	US$m		320 – 360
Stanmore Pro Forma[1]	EBITDA – HCC @ US$250/t[5, 10]	US$m		490 – 540
Stanmore Pro Forma[1]	EBITDA – HCC @ US$400/t[7, 10] (approx. current benchmark price)	US$m		900 - 1,100

BMC Capital expenditure includes some project capital for a creek diversion initiative. Stanmore Pro Forma capital expenditure includes project spend to complete the Isaac Downs project and CHPP upgrade

The Stanmore portfolio will consist of high-quality assets that are expected to demonstrate stable operating performance. Stanmore considers 2H CY2022 production to be representative of go forward performance for the business.[6]

Note:
1 Stanmore pro forma guidance consolidates BMC on a 100% basis and excludes Millennium and Mavis Downs (Stanmore ownership 50%).
2 Assumes AUD:USD exchange rate of 0.74 increasing to 0.75 in line with broker consensus.
3 All figures presented on a nominal basis assuming 1.8% p.a. CPI increasing to 2.0%.
4 Analysis excludes potential synergies associated with the Transaction.
5 EBITDA guidance excludes one-off expenses including integration costs.
6 Refer to page 52 for details of risk factors that may impact Stanmore and BMC operations
7 Refer to page 31 for historical coal prices relative to current spot price. These figures are based on a current spot price of US$400 for sales of HCC. This price represents neither a prediction or forecast. The current spot price is not representative of historic prices and may change which will impact guidance. There can be no guarantee of future commodity prices. In addition, much of Stanmore and BMC's sales are not sold at spot prices and the price achieved under long term contracts may be lower.
8 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 and disruption caused by the COVID-19 pandemic. The prices that Stanmore ultimately obtains for its products will be determined by various factors including prices in world commodity markets which have historically been subject to substantial volatility. Volatility in commodity prices creates revenue uncertainty and requires careful management of business performance. Stanmore cannot provide any assurance as to the prices that it will achieve for its coal sales in the future.
9 All assumptions and forecast estimates are based on Stanmore analysis.
10 HCC refers to the Platts Premium Low Vol HCC FOB Australia benchmark. EBITDA guidance ranges assume all coal sales entered in the same coal price environment noting that coals will be sold at a variety of discounts to the benchmark price. Stanmore has made a number of assumptions around the sales book and product mix it will inherit on completion.

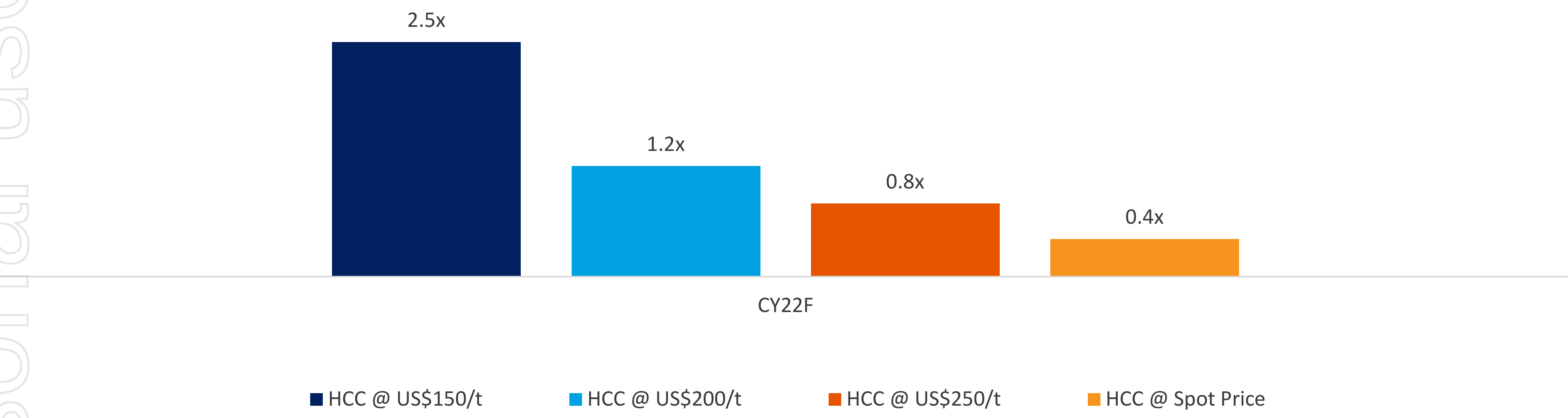
Pro forma post acquisition balance sheet

Stanmore expects to delever quickly post Acquisition if the current coal price environment persists

Pro Forma Stanmore Post Acquisition Balance Sheet and Credit Metrics

US$m[1]	SMR as at 31 December 2021	Acquisition Adjustment	Pro Forma at Completion[4]
Net Debt[2,3,4]	30	764	794

Pro Forma Net Debt / EBITDA[5]



Note:
1 Stanmore balance sheet converted to USD assuming an AUD:USD exchange rate of 0.73.
2 Debt includes interest-bearing loans and borrowings and excludes lease liabilities.
3 See sources and uses on p18 for further details of acquisition adjustments.
4 Assumes revolving credit facility fully drawn. Transaction consideration does not include any potential purchase price adjustments.
5 Pro forma Net Debt / EBITDA based on midpoint of EBITDA guidance ranges on page 37 and annualised to generate 12 month estimate.

06 Material Contracts

Material Contracts with regards to the Acquisition

Below is a summary of the key terms of the material contracts with regards to the Acquisition.

Share Purchase Agreement ("SPA")	• The SPA sets out the terms on which Stanmore SMC Holdings Pty Ltd, a wholly-owned subsidiary of Stanmore, agreed to acquire 100% of the shares in Dampier Coal (Qld) Pty Ltd. • Stanmore guarantees all obligations of Stanmore SMC Holdings Pty Ltd under the SPA. • GEAR guarantees Stanmore's obligation as guarantor with regards to the payment of the purchase price and any break fee, up to a maximum aggregate amount of US$600M (after deducting any other funding provided to Stanmore by GEAR or Golden Investments in connection with the Transaction) (**GEAR Guarantee**). • The GEAR Guarantee will only be payable in circumstances where Stanmore is unable to meet its purchase price obligations on or after completion, or fails to pay the break fee in circumstances where it has become payable. • Additional terms of the SPA can be found in the ASX announcement by Stanmore on 8 November 2021 entitled "Stanmore Resources to Acquire BHP's 80% interest in BMC."

Transitional Services Agreement ("TSA")	• It is a requirement under the SPA that Stanmore and BHP negotiate in good faith to agree the transitional services BHP will provide to Stanmore following completion under the SPA. Once agreed, the TSA must be signed by the parties prior to or at completion.
	• The TSA seeks to ensure an orderly transition of the BMC business to Stanmore.
	• Services which are anticipated to be provided under the TSA will include:
	    • access to an application based systems (SAP and Fiori) to support the performance by Stanmore's personnel of ongoing maintenance activities;
	    • remote inventory planning support and inventory master data management;
	    • procurement support services such as contract administration for existing contracts and master data management for new and existing vendors; and
	    • finance services.

Underwriting Agreement	• Petra Capital has been engaged as Lead Manager and Underwriter of the Entitlement Offer and will underwrite approximately A$283 million of the Entitlement Offer • The underwriting agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights. Stanmore has indemnified the Underwriter and certain associated persons against losses in connection with the Entitlement Offer. • Petra Capital will be paid a lead arranger fee of $250,000 and a placement and underwriting fee of 1% of the underwritten proceeds from the Entitlement Offer (not including any funds received from GEAR or Golden Investments). • A summary of the key terms of the Underwriting Agreement can be found in the ASX announcement by Stanmore on 3 March 2022 entitled "Partially underwritten accelerated renounceable entitlement offer to raise approximately US$506 million to part fund BMC acquisition".

Material Contracts with regards to the operation of BMC

Below is a summary of the key terms of the agreements identified by Stanmore as material to the operation of BMC.

BMC's articles of association	• BMC is an incorporated joint venture, 80% owned by Dampier Coal and 20% owned by Mitsui. Stanmore will acquire BHP's 80% interest in BMC through the acquisition of all of the shares in Dampier Coal. • The operation and management of BMC is governed by its articles of association which sets out the rights of shareholders and customary corporate governance matters. For so long as Dampier Coal holds at least 40% of the issued ordinary shares of BMC, BMC will continue to be managed, subject to the directors, by Dampier Coal. A quorum for directors meetings requires at least 3 directors appointed by Dampier Coal. • All new shares issued or proposed sales of BMC shares must first be offered to existing shareholders in their respective proportions.
HSE Mining Services Framework Agreement	• Framework agreement with HSE Mining Pty Ltd that applies to site work packages issues for various mining services, including: excavate, load, haul and dump various materials; coal mining and haulage; reject hauled; and bulk dozer push.
Aurizon Haulage Services Contract – South Walker Creek	• Haulage Services Contract with Aurizon Operations Limited which provides for above rail haulage services from South Walker Creek (with a right to nominate Poitrel as an alternative load point) to Dalrymple Bay Coal Terminal. The contracted annual tonnage under the contract is 6.5 mtpa and the parties may reduce the contracted tonnage amount with 24 months notice. • The agreement ends on 30 June 2028, but BMC may extend the term once for 12 months if it requests that extension not less than 12 months prior to the expiry date.
Rail Haulage Agreement – Poitrel	• Above Rail Haulage Agreement with Pacific National Pty Ltd which provides for above rail haulage services from Poitrel to Abbot Point (NQXT). The contracted annual tonnage under the agreement is 4.2 mtpa. • The agreement ends on 30 June 2028.
Abbot Point User Port Agreement	• Coal handling agreement with North Queensland Export Terminal Pty Ltd for 4.2 mtpa through Abbot Point Coal terminal (also known as North Queensland Export Terminal or NQXT). • The agreement is considered to be on standard form for arrangements with NQXT. • Agreement terminates on 31 December 2026, but BMC may extend by 10 years if it requests that extension not less than 36 months prior to the expiry date.
Dalrymple Bay Port Agreement	• Series of coal handling agreements with Dalrymple Bay Infrastructure Management Pty Ltd for an aggregate of approximately 6.95 mtpa through Dalrymple Bay Coal Terminal or DBCT. • The agreements are considered to be on standard form for arrangements with DBCT. • The agreements terminate on 31 December 2023 (for 1.0 mtpa), 31 December 2024 (for 5.32 mtpa) and 30 December 2028 (for 0.5 mtpa), but BMC may extend by 5 years if it requests that extension not less than 12 months prior to the relevant expiry date.

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APPENDIX:

Reserves and Resources

BMC reserves and resources

stanmore

JORC Coal Resources as at 30 June 2021

	Reserves			Marketable Reserves			
	Proved (Mt)	Probable (Mt)	Total (Mt)	Total Mt	% Ash	% VM	% Sulphur
South Walker Creek	87	36	123	98	9.2	13.5	0.29
Poitrel	24	24	48	39	8.1	23.1	0.31
Total	**111**	**60**	**171**	**137**			

JORC Coal Resources as at 30 June 2021

	Tonnes (Mt)	% Ash	% VM	% Sulphur
South Walker Creek OP				
Measured	201	10.2	13.3	0.31
Indicated	119	9.4	14.3	0.30
Inferred	71	10.4	15.7	0.40
Total	**391**	**10.0**	**14.0**	**0.32**
South Walker Creek UG				
Measured	36	10.0	13.8	0.31
Indicated	154	10.4	12.7	0.28
Inferred	108	9.5	15.2	0.35
Total	**298**	**10.0**	**13.7**	**0.31**
Poitrel				
Measured	42	7.9	23.9	0.35
Indicated	49	8.0	24.1	0.35
Inferred	59	8.0	24.1	0.36
Total	**150**	**8.0**	**24.0**	**0.36**

	Tonnes (Mt)	% Ash	% VM	% Sulphur
Wards Well				
Measured	-	-	-	-
Indicated	1,164	8.9	20.9	0.52
Inferred	149	9.2	20.0	0.52
Total	**1,313**	**8.9**	**20.8**	**0.52**
Bee Creek				
Measured	-	-	-	-
Indicated	9	8.9	15.4	0.40
Inferred	13	9.6	15.0	0.42
Total	**23**	**9.3**	**15.2**	**0.41**
Nebo West				
Measured	-	-	-	-
Indicated	-	-	-	-
Inferred	71	10.0	7.2	0.67
Total	**71**	**10.0**	**7.2**	**0.67**

Stanmore reserves and resources[1]

Stanmore Mineral Resources as at end December 2021

	Measured	Indicated	Inferred	Total
Isaac Plains Complex	71.8	43.2	48	163
Surat Basin Complex	18.1	387.0	511	916
Mackenzie	-	25.7	117	143
Belview	-	50.0	280	330
Tennyson	-	-	140	140
Lilyvale	-	-	33	33
Total Coal Resources	**89.9**	**505.9**	**1,129**	**1,725**

Stanmore Mineral Reserves as at end December 2021

	Proved	Probable	Total
Isaac Plains Complex	33.8	8.8	42.5
The Range Opencut	-	117.5	117.5
Total Coal Reserves	**33.8**	**126.3**	**160.0**

Note: 1 Stanmore mineral reserves and resources per "December 2021 Coal Resources & Reserves Summary" released to the ASX on 16 February 2022.

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APPENDIX:

International Offer Restrictions

International offer restrictions

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This presentation may not be distributed or released in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of the Entitlements or the New Shares have been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit a person in the United States) unless they have been registered under the US Securities Act (which the Company has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

France

The Entitlements and New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France other than to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

This document and any other offering material relating to the Entitlements and New Shares have not been, and will not be, submitted to the Autorité des marchés financiers ("AMF") for approval in France and, accordingly, may not be distributed or caused to distributed, directly or indirectly, to the public in France.

Any offer or transfer of the Entitlements and New Shares or distribution of offer documents has only been and will only be made in France in accordance with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

International offer restrictions

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer restrictions

Switzerland

The offering of the Entitlements and the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because such offering is made to professional clients within the meaning of the FinSA only and the Entitlements and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar communication pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Entitlements or the New Shares.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of Article 2(e) of the UK Prospectus Regulation) in the United Kingdom, and the Entitlements and New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

International offer restrictions

Canada

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions or section 73.3 of the Securities Act (Ontario) (collectively "NI 45-106").

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;

b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and

c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

International offer restrictions

Canada (continued)

These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

C

APPENDIX:

Risks

Risk Factors

Stanmore is subject to a variety of risk factors. There are specific risks which relate directly to the Acquisition, Stanmore's business and the Entitlement Offer as well as risks of a more general nature, many of which are largely beyond the control of Stanmore, its directors and management.

This section discloses some of the key risks associated with an investment in Stanmore. Before investing or increasing your investment in Stanmore you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances, following consultation with your professional advisers. The risks listed in this section are not intended to be an exhaustive list of the risk factors associated with an investment in Stanmore, either now or in the future, and this information should be considered in conjunction with Stanmore's other periodic and continuous disclosure announcements lodged with ASX (including all other information in this presentation). The risks are general in nature in that regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

1 Acquisition Risks

1.1 Reliance on BMC information provided to Stanmore

The Acquisition follows due diligence undertaken by Stanmore in respect of BMC and the assets held by it, which relied, in part, on the review of financial and other information provided by, or on behalf of, BHP. In addition, Stanmore has prepared (and made assumptions in the preparation of) the financial information relating to BMC on a stand-alone basis and also to Stanmore post-completion of the Acquisition in reliance on financial information and other information provided by, or on behalf of, BHP and BMC.

Stanmore has not been able to verify the accuracy, reliability or completeness of all the information (including financial information) which was provided to it against independent data. If any of the data or information provided to, and relied upon by, Stanmore in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of BMC and/or Stanmore may be materially different to the financial position and performance expected by Stanmore and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Stanmore.

If the Acquisition is completed, Stanmore will become directly or indirectly liable, in respect of its equity in BMC, for any liabilities that BMC has incurred in the past, including liabilities which were not identified as part of the due diligence enquiries it undertook in connection with the Acquisition or which are greater than expected, and for which the protection (in the form of insurance, representations and warranties and indemnities) negotiated by Stanmore in connection with its agreement to acquire BMC turns out to be inadequate. Such liabilities may adversely affect the financial performance or position of Stanmore post-Acquisition.

Stanmore will also be subject to the risk that adverse changes occur in BMC's business, either before or after completion of the Acquisition.

1.2 Integration issues, disruptions and potential costs of achieving synergies

The Acquisition involves the integration of the BMC business, which previously operated independently from Stanmore. The long-term success of Stanmore will depend, amongst other things, on the success of management in integrating the respective businesses of Stanmore and BMC. While Stanmore expects that value can be created through the realisation of synergies, there is a risk that the integration of the BMC business may not result in the full realisation of these synergies due to various factors including unexpected delays, challenges, liabilities and costs in relation, but not limited, to integrating operating and management systems, transitioning and retaining staff in a new business ownership structure, and consolidating operations.

If the integration is not achieved in an orderly manner, the full benefits and cost savings may take longer than expected to be achieved, may only be achieved in part, or may not be achieved at all. This could adversely affect Stanmore's future financial performance and position, and Stanmore's future prospects.

1.3 Pro forma market valuation

Following completion of the Acquisition and the Entitlement Offer, Stanmore will have a significantly expanded capital and earnings base. Following the issue of shares under the Entitlement Offer, and the draw-down of new debt facilities to fund the Acquisition, Stanmore may trade on implied valuation multiples, including earnings and cashflow multiples such as enterprise value-to-EBITDA, price-to-earnings and price-to-cashflow.

There is a risk that Stanmore's implied valuation multiples will exceed those of comparable listed companies both in Australia and globally. No assurance can be provided on the after-market performance of the shares issued under the Entitlement Offer. The potential risk of poor after-market performance may be exacerbated by any perception that Stanmore is 'over-valued' relative to peers on a trading multiples basis.

1.4 Major Shareholder Support

GEAR, Stanmore's largest shareholder, has provided a binding commitment letter in support of the Acquisition, pursuant to which it has committed to subscribe, through Golden Investments, for US$300 million of its entitlements and is expected to hold a voting power of approximately 64% in Stanmore upon completion of the Entitlement Offer. In addition, GEAR has made available to Stanmore US$70 from an existing facility and has guaranteed Stanmore's purchase price payment obligations under the SPA of up to US$600 million.

If a funding shortfall materializes, Stanmore may need to raise substantial additional short term or long term debt or equity. Stanmore's capacity to secure the requisite level of funding will depend on the amount of funding required, the performance and future prospects of its business and a number of other factors, including US$ coal prices, interest rates, economic conditions, debt market conditions, equity market condition, and future levels of GEAR support.

To the extent that Stanmore is not able to secure additional financing (whether debt or equity) on acceptable terms from third parties, Stanmore will continue to rely on financial support from GEAR. GEAR's capacity to meet its respective funding commitments will depend on its financial position at the time and its capacity to raise the necessary funds to meet the commitments. Stanmore's capacity to source further funding from GEAR, if required, will depend on GEAR's willingness and financial capacity to provide that funding.

1.5 Change of control

Certain BMC contracts and commercial arrangements, contain change of control clauses or similar/other provisions that may be triggered by the Acquisition. Change of control provisions, if triggered, may require counterparty consent and/or the provision of additional security by Stanmore to the satisfaction of the counterparty. If the relevant counterparties do not provide any necessary consents (or waivers), then this may result in the termination of the applicable arrangements, the suspension of services or supplies under them or contractual damages or other payments being required. This may have an adverse effect on the operational or financial performance of BMC and, in turn, Stanmore's operational or financial performance.

2 Equity Raising Risks

2.1 Market price of Stanmore shares

The market price of Stanmore shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of Stanmore, prevailing market conditions, general investor sentiment in those markets, inflation, interest rates, and the liquidity and the volume of its shares being bought or sold at any point in time. There is no guarantee that the New Shares will trade at or above the Offer Price. The historical share price performance of Stanmore shares does not necessarily provide any guidance as to its future share price performance.

2.2 Liquidity and realisation

There can be no guarantee that there will be an active market in Stanmore shares traded on ASX. There may be relatively few or many potential buyers of Stanmore shares on ASX at any time. This may increase the volatility of the market price of the shares and may affect the price at which shareholders are able to sell their shares.

2.3 Underwriting risk

Stanmore has entered into an Underwriting Agreement with the Underwriter, who has agreed to manage and underwrite the Entitlement Offer. A summary of the material terms and termination events are set out in the ASX Announcement entitled "Partially underwritten accelerated renounceable entitlement offer to raise approximately US$506 million to part fund BMC acquisition" released on 3 March 2022. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement could result in the Entitlement Offer not raising the funds required for Stanmore to fund the Acquisition and may result in GEAR's relevant interest increasing and other shareholders being diluted. Stanmore may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on any debt funding) and/or restrictions being imposed on the manner in which Stanmore may conduct its business and deal with its assets.

3 Risks associated with an investment in Stanmore

3.1 Mining, production and sale risks

Stanmore's ability to effectively continue as a coal producing business may be dependent upon several factors including the success of the mine operations, as well as the successful exploration and subsequent development of Stanmore's tenements.

Production relies on the continued operation and performance of Stanmore's operating mines and processing facilities. Mining and development operations can be hampered by force majeure circumstances, invention of disruptive technologies resulting in substitutes for the resources, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Stanmore's plants, mines, mining equipment, borefields, camp, tailings dam and processing facilities are essential for production to be successful.

Stanmore's operations will depend on an uninterrupted flow of materials, supplies, equipment, services and finished projects. Due to the geographic location of Stanmore's projects, it will depend on third parties for the provision of road, port, marine, shipping and other transportation services.

Contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of trucks and vessels, weather conditions, labour disruptions or other factors may have an adverse impact on Stanmore's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect Stanmore's business, results of operations, financial performance and the value of its Shares. There is no guarantee that Stanmore will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.

3.2 Regulatory and Land Access risk

Stanmore's operations and projects are subject to State and Federal laws and regulations regarding mining, environmental protection, land access and native title. These laws and regulations regulate the conduct of mining operations, set requirements in relation to landholder compensation, environmental protection and certain aspects of health, and provide for penalties and other consequences for the breach of such laws. There is also an obligation to rehabilitate areas impacted by mining activities (such as, for example, the Poitrel Mine) and Stanmore must enter into a rehabilitation scheme and provide financial assurance in respect of the likely costs and expenses that may be incurred when taking action to rehabilitate areas impacted by mining activities.

In order to undertake production and exploration activities, it is necessary to first apply for and obtain necessary government permits, leases and approvals that authorise such activities. To secure such exploration and mining approvals, or to undertake activities within the area of a granted mining tenement, native title, land access and overlapping tenure are matters that need to be addressed.

Stanmore seeks to develop strong, long-term effective relationships with landholders and other stakeholders, with a focus on developing mutually acceptable compensation and access arrangements. Stanmore seeks to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations. In addition, Stanmore engages experienced lawyers, consultants and other technical advisors to provide expert advice where necessary to ensure it manages its compliance obligations appropriately.

3.3 Environmental Risks

The operations and proposed activities of Stanmore are subject to Australian and foreign laws and regulation concerning the environment. It is Stanmore's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws. The ability of Stanmore to operate, develop and exploit projects may be delayed and limited by environmental considerations, and significant costs may result from complying with Stanmore's environmental obligations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Stanmore to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Stanmore's business, financial condition and results of operations.

Stanmore recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

3.4 Joint ventures, contracts and agents

On completion of the Acquisition, Stanmore will acquire an 80% interest in the BMC joint venture with Mitsui, a third party joint venture participant, holding the remaining 20% interest. Decision making, management, marketing and other key aspects of the BMC joint venture (including the ability to contract with related parties) is regulated by an agreement between the relevant joint venture participants.

Notwithstanding its acquisition of an 80% interest, Stanmore cannot control the actions of Mitsui and therefore cannot guarantee that the BMC joint venture will be operated or managed in accordance with the preferred direction or strategy of Stanmore. There is a risk that the veto rights of, or consents required from, Mitsui will prevent the business and assets of a joint venture from being developed, operated and managed in accordance with that preferred direction or strategy.

Stanmore also uses contractors and other third parties for exploration, mining and other services generally, and is reliant on a number of third parties for the success of its current operations and/or the development of its growth projects. While this is normal for the mining and exploration industry, problems caused by third parties may arise which may have an impact on the performance and operations of Stanmore. Any failure by counterparties to perform their obligations may have a material adverse effect on Stanmore and there can be no assurance that Stanmore will be successful in attempting to enforce its contractual rights through legal action.

Stanmore is unable to predict the risk of financial failure or default by a participant in any joint venture to which Stanmore (or its subsidiaries, including Dampier Coal post-completion of the Acquisition) is or may become a party; or the insolvency or other managerial failure by any of the contractors used by Stanmore (or its subsidiaries) in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by Stanmore (or its subsidiaries) for any activities. Stanmore may not be able to meet forecast production, or to complete planned exploration, appraisal and development programs if there is a failure these parties.

3.5 Uncertainty in costs forecast

The business operations and financial condition of Stanmore may vary with fluctuations in production and capital costs. Changes in the costs of mining and processing operations as well as capital costs could occur, including as a result of unforeseen events, such as international and local economic and political events (including movement in exchange rates) or unexpected geological or mining conditions, and could have material adverse financial consequences for Stanmore.

Risk Factors

3.6 Operating risks

The operations of Stanmore may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; critical infrastructure failure; loss of critical supplies such as electricity or access to water; unanticipated geological problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall; flooding) or natural disasters; delays in construction; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of Stanmore by increasing costs, delaying activities or resulting in extended shut downs. There are also numerous operating risks which may result in a reduction in performance that decreases Stanmore's ability to produce high quality coal to meet customers' shipping needs.

3.7 Title risk

Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While Stanmore (and its subsidiaries) has good title to its tenements, Stanmore could lose its title to or its interest in one or more of the tenements in which it has an interest if license conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

Stanmore's mining tenements, and other tenements in which Stanmore may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed Stanmore may lose the opportunity to discover resources and develop that tenement.

Stanmore cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event Stanmore is unable to renew any of its tenements beyond their current expiry date, all or part of Stanmore's interests in the corresponding projects may be relinquished.

3.8 Resource Estimates and results of studies

Where Stanmore has delineated or in future delineates further resources on any of its tenements, those resource estimates are and will be an expression of judgment based on knowledge, experience and industry practice. By their very nature, resource estimates are imprecise and depend to some extent on interpretation, which may prove to be inaccurate. If Stanmore undertakes scoping, pre-feasibility or definitive feasibility studies that confirm the economic viability of a project, there is still no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the study (e.g. operational costs and commodity prices) once production commences.

Material changes in Coal Reserve estimates, grades, strip ratios, washing yields or recovery rates may affect the economic viability of projects. Coal Reserve estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. If Stanmore's actual Coal Resource and Reserve estimates are less than current estimates, Stanmore's prospects, value, business, results of operations and financial condition may be materially adversely affected.

3.9 Mining approvals

Stanmore has all relevant approvals to conduct its current operations. Prior to commencement of any future new mining operations Stanmore will be required to ensure it obtains all relevant approvals. Where Stanmore is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions within the approvals are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomical.

3.10 Coal prices and coal demand risk

Stanmore generates revenue from the sale of coal and its financial results are materially impacted by the prices it receives. Prices and quantities under coal sales contracts are generally based on expectations of the next year's coal prices at the time the contract is entered into, renewed, extended or re-opened. Pricing in the global seaborne market is typically set on a rolling quarterly average benchmark price. Sales are typically contracted on an annual basis and are priced with reference to benchmark indices or bilaterally negotiated term prices and spot indices. As a result, a significant portion of Stanmore's revenue is exposed to movements in coal prices and any weakening in coal prices would have an adverse impact on its financial condition and results of operations.

The prices for coal are determined predominantly by world markets, which are affected by numerous factors, including the outcome of future sale contract negotiations, general economic activity, industrial production levels, the consumption pattern of industrial consumers, electricity generators and residential users, changes in energy demand and demand for steel, changes in international freight rates or other transportation infrastructure and costs, competition from other coal suppliers, technological advances affecting the steel production process and/or energy consumption, the costs of other commodities and substitutes for coal, market changes in coal quality requirements, government regulations which restrict the use of coal, and tax impositions, all of which are outside the control of Stanmore.

Risk Factors

3.10 Coal prices and coal demand risk (continued)

Metallurgical coal has been a volatile commodity over the past ten years. The metallurgical coal industry faces concerns with oversupply from time to time. There are no assurances that oversupply will not occur, that demand will not decrease or that overcapacity will not occur, which could cause declines in the prices of coal, which could have a material adverse effect on Stanmore's financial condition and results of operations.

In addition, coal prices are highly dependent on the outlook for coal consumption in large Asian economies, such as China, India, South Korea and Japan, as well as any changes in government policy regarding coal or energy in those countries. Seaborne metallurgical coal import demand can also be significantly impacted by the availability of local coal production, particularly in the leading metallurgical coal import countries of China and India, among others, and the competitiveness of seaborne metallurgical coal supply, including from the leading metallurgical coal exporting countries of Australia, the United States, Russia, Canada and Mongolia, among others.

At the moment, record metallurgical coal prices are fuelled by tight supply due to various supply issues in leading metallurgical coal exporting countries such as Australia, Russia, the United States, Mozambique, Canada and Mongolia over the past several months, strong demand from rebounding global industrial production and seasonal improvement in steel demand as supply recovers and recent depletion of port inventories to support seaborn imports to China. Whilst supply is expected to recover in the short term, medium to long term supply is limited by scarcity of economic deposits, difficulty in obtaining government approvals or funding for new mine developments and export infrastructure limitations. Additionally, significant increases in demand for steel infrastructure is expected with the growing pace of decarbonisation. Whilst there appears to be signs supporting a strong market outlook for metallurgical coal prices moving forward, Stanmore cannot provide any assurances or predict with certainty future coal prices or future coal demand. Significant and sustained adverse movements in demand for coal and coal prices may have a material adverse impact on the ongoing financial performance and financial position of Stanmore

3.11 Foreign currency risks

Foreign currency markets are a key driver for Stanmore's financial performance. Stanmore is not of a size to have influence on coal prices or the exchange rate for Australian dollars and is therefore a price-taker in general terms. Stanmore sells export coal in United State Dollars and is therefore exposed to movements in currency rates. Stanmore may from time to time use forward exchange contracts to hedge a portion of its short-term currency risk where agreed appropriate between management and the Board. The market price for Stanmore's coal products is impacted by many factors which could be favourable or unfavourable for Stanmore.

3.12 Labour market risks

The ability of Stanmore to achieve its objectives depends on the hiring and retention of a number of key management personnel and executives. The loss of one or more of such key management personnel could have an adverse effect on Stanmore. In addition, Stanmore needs to be able to recruit appropriately skilled and qualified technical individuals. A failure to do so may affect Stanmore's ability to achieve its objectives either fully or within the timeframes and the budget Stanmore has decided upon. There is no guarantee that personnel with the appropriate skills will be available.

3.13 Future capital needs and access to additional funding and insurance

Stanmore is increasing its level of indebtedness in connection with the Acquisition. Whilst the Entitlement Offer and the acquisition debt financing will position Stanmore well in respect of the Acquisition costs, Stanmore's existing financing facilities and operating cash flows may not be adequate to fund its ongoing requirements, for any future acquisitions or projects or to refinance its debts. It is possible that Stanmore may need to raise additional debt or equity funds in the future. Any additional equity financing may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities.

There is no assurance that Stanmore will be able to obtain additional financing when required in the future, or that the terms and timeframes associated with such financing will be acceptable to Stanmore. This may have an adverse effect on Stanmore's ability to achieve its strategic goals and have a negative effect on Stanmore's financial results, liquidity position and the value of Stanmore shares.

Global credit markets have been severely constrained in the past, and the ability to obtain new funding or refinance may in the future be significantly reduced. As well, increasingly, financial institutions have made public statements in relation to their unwillingness to finance certain types of coal mines and coal-fired power stations. If Stanmore is unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to the coal sector, Stanmore may not have sufficient cash to meet its ongoing capital requirements or the ability to expand its business.

There is a risk that the policies of financial institutions with respect to the funding of coal projects may, in the future, extend to an unwillingness to provide insurance products to coal producers and associated companies on terms that are currently being provided to such companies. This could result in a material increase in the cost to Stanmore of obtaining appropriate levels of insurance or Stanmore being unable to secure adequate insurance cover.

3.14 Financial covenants

The Group is subject to various financial covenants in relation to its banking facilities. These covenants may, for example, require one or more Group members to maintain a minimum net worth, net tangible assets or interest cover ratio or a maximum gearing or leverage ratio. Factors such as adverse movements in interest rates and coal prices, deterioration of the financial performance of the Group's business or change in accounting standards could lead to a breach in financial covenants. If there is such a breach, the relevant lenders may require their loans to be repaid immediately and/or cancel the further availability of their facilities. Some covenant breaches may not be an immediate default but may restrict the ability of Group members to make distributions or otherwise limit expenditure.

3.15 Climate change/carbon regulation risks

The regulatory response to the risk of climate change, including unilateral and collective action by Australia and other countries, may affect demand for coal, coal prices and the competitiveness of Stanmore's products in the world energy market.

Extensive government regulations relating to climate change impose costs on the mining operations of Stanmore, and future regulations could increase those costs, limit Stanmore's ability to produce and sell coal, or reduce demand for Stanmore's coal products.

The operations of Stanmore are focussed on the production of coal for use in the steel making industry. The physical and non-physical impacts of climate change may impact Stanmore's assets, production and the markets where its product is sold. These impacts may include policy and regulatory change, weather patterns (both immediate ie. cyclones / fires and longer term ie. sustained movement in temperature) and coal demand responses.

There is an increasing interest by stakeholders regarding the potential risks and opportunities to Stanmore's business and the broader sector as a result of shifts towards a lower-carbon economy. Climate change is a complex risk that requires action at all levels of society. It can heighten existing physical and non-physical risks and introduce new ones that can affect business performance in the near and long-term. Stanmore continues to work with industry on this important topic and develop responses to the Taskforce on Climate Related Financial Disclosure (TCFD) framework, including disclosure and tracking of climate-related risks and opportunities in key areas highlighted.

3.16 Technological change

The Group's performance is subject to the risk of technological developments which may impact demand and consumption of the mix of coal produced by the Group. Notwithstanding the majority of Stanmore's coal mix being metallurgical coal, thermal coal is exposed to increases in demand for renewable energy generation and alternative fuel sources (such as natural gas), which may in the future result in coal-fired electricity generation in favour or alternative energy sources.

Technological developments may also result in the development of new steelmaking technologies or practices that can be substituted for metallurgical coal in the integrated steel mill process, which may adversely affect metallurgical coal prices and demand. It is noted that steel producers and certain iron ore miners are investing heavily in research and development to use hydrogen in place of coal for the production of steel. These changes could adversely affect our coal sales volume and prices, which could materially and adversely affect our business, financial condition, results of operations and prospects.

3.17 Sovereign risk

Stanmore has limited influence over the direction and development of government policy. Successive changes to the Australian resources policy, including taxation policy, have impacted Australia's global competitiveness and reduced the attractiveness of Australian coal projects to foreign investors. Stanmore's view is that whilst there is currently a negative perception of coal generally, it will continue to play a significant role as an export commodity.

3.18 Safety

Safety remains of critical importance in the planning, organisation and execution of Stanmore's exploration and operational activities. Although Stanmore is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health and safety, or the health and safety of others associated with its business, Stanmore is unable to guarantee that it can completely eliminate hazards. Any workplace incidents (including loss of life incidents) may adversely affect the reputation of Stanmore and its exploration and operational activities and could result in an indefinite shut down of the mine if deemed serious enough.

If any injuries or accidents occur in a mine, this could have adverse financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on the financial performance and/or financial position of Stanmore.

3.19 Litigation

Like all companies in the resources sector, the Group is exposed to the risks of litigation (either as the complainant or as the defendant), which may have a material adverse effect on the financial position and financial performance of the Group. The Group could become exposed to claims or litigation by persons alleging they are owed fees or other contractual entitlements, employees, regulators, competitors or other third parties.

3.20 Competition

The coal industry is highly competitive, and an increase in production or reduction in prices of competing coal from both Australia and overseas may adversely impact Stanmore's ability to sell its coal products and the price to be attained for sales. Increased competition in the future, including from new competitors, may emerge. This competition may relate not only to coal produced and sold, but also to competition for the acquisition of new projects, which may adversely affect the ability of Stanmore to acquire new interests on acceptable terms should it wish to make such acquisitions.

Further industry consolidation could result in competitors improving their scale or productivity or competitors may develop lower-cost geological coal resources or develop resources in lower cost base geographies, increasing pressure on Stanmore's ability to maintain its margins.

There is significant competition within the resources industry in Australia and internationally. Furthermore, new entrants to the industry may emerge in one or more of those markets, increasing the competitive pressure on Stanmore. This pressure could adversely affect Stanmore's market share and financial performance and position.

3.21 Coal royalties

Royalties are payable to the Queensland state government on coal produced in Queensland. The royalties are payable on an ad valorem basis as they are calculated as a percentage of the value for which the coal is sold. The Queensland government may increase the royalties or their methods of calculation. Any impost of new royalty related state tax or increase in royalty rates may have an adverse effect on the Group's financial position and/or financial performance.

3.22 Take-or-pay liabilities

Port and rail (above rail and below rail) capacity is generally contracted via long-term take-or-pay contracts. Stanmore will generally be required to pay for its contracted rail or port tonnage irrespective of whether it is utilised. Unused port or rail capacity can arise as a result of circumstances including insufficient production from a given mine, a mismatch between port and rail capacity for a mine, or an inability to transfer the used capacity due to contractual limitations such as required consent of the provider of the port or rail services, or because the coal must emanate from specified source mines or be loaded onto trains at specified load points. Paying for unused rail or port capacity could materially and adversely affect our cost structures and financial performance.

3.23 Transport and infrastructure

We rely on a combination of transportation routes and infrastructure for our operations, including hauling roads from the various mining sites, rail networks, barge transportation along waterways such as jetties and ports to transport and deliver our coal to trans-shipment ports. Our ability to transport and deliver coal, either from existing mine sites or ones which we may develop in the future, may be constrained by, among others, inadequate transportation routes and other infrastructure, disputes with landowners from which we currently have been granted a right of way, barging delays, industrial action, failure or delay in the construction of new rail or port capacity, failure to meet contractual requirements, breach of regulatory framework, key equipment and infrastructure failures, congestion and inter-system losses, rail or port capacity constraints or mismatch of capacity, potential sale of infrastructure, weather related closures, natural disasters, access being removed or not granted by regulatory authorities or the Australian Government or other regional governments no longer permitting such areas to be used for mining related activities or any commercial activities at all. The closure of, or inability to, access any of the haul roads, jetties and ports on which we currently rely to transport and deliver our coal may increase costs and may have a materially adverse impact on our business, financial condition and results of operations.

At times, local authorities may construct or repair infrastructure or take other actions which may limit our use of hauling roads, waterways or transportation infrastructure. For example, Stanmore ships all of its coal through the Dalrymple Bay Coal Terminal (DBCT) and BMC ships its coal through the DBCT and Abbot Point North Queensland Export Terminal (NQXT). Our ability to transport and deliver coal mined may be affected if the current operator or the Queensland government chooses to undertake major renovations or relocate either terminal.

Additionally, in some cases, these transportation arrangements are entered into with sole infrastructure providers (e.g. Dalrymple Bay Coal Terminal). If we encounter any issues or disputes with, or if our contract is not renewed or terminated by, a sole infrastructure provider, it may be difficult to find a replacement provider on commercially reasonable terms, in a reasonable amount of time or at all, and result in us not being able to transport and deliver coal.

If such problems in transportation occur, we may not be able to deliver sufficient amounts of coal to meet our coal delivery commitments. Any inability to satisfy our contractual obligations and customers' demands in the future could result in customers initiating claims against us or otherwise harm the relationship with our customers, which could have a material adverse impact on our business, financial condition, results of operations and prospects.

Significant increases in transport costs (such as emissions control requirements and fluctuations in the price of diesel fuel and demurrage) could make Stanmore's coal less competitive when compared to other fuels or coal produced from other regions.

Risk Factors

3.24 Customer contracts

Stanmore may obtain a material portion of its revenue from certain large off-takers. Stanmore's ability to receive payment for coal sold and delivered depends on external factors affecting, and the continued creditworthiness of, its customers. Stanmore cannot guarantee that any offtake contracts will be renewed beyond their current expiry date, and there is a material risk that Stanmore may be unable to negotiate a renewal of key customer contracts in the future. The loss of any large off-takers and any inability to collect payment from customers for coal sold could adversely affect Stanmore's operational results and financial conditions.

3.25 Coronavirus (COVID-19) global pandemic

The COVID-19 global pandemic and efforts to contain it may have an impact on Stanmore's business. These extend to local impacts at the operational level and along the supply chain, international travel restrictions, together with the broader global economic fallout. Stanmore continues to monitor the situation and the impact COVID-19 may have on Stanmore's mineral properties and refinery assets. Should there be a serious COVID-19 outbreak in Australia, a new COVID-19 variant, travel bans remain in place or one or more of Stanmore's executives become seriously ill, Stanmore's ability to advance its mineral properties or refinery assets may be impacted. Similarly, Stanmore's ability to obtain financing may be impacted as a result of COVID-19 and efforts to contain the virus. Additionally, the Company's share price may also be adversely affected in the short-to-medium term by the economic uncertainty caused by COVID-19.

4 General risks

4.1 Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of Stanmore regardless of Stanmore's operational performance. Neither Stanmore nor the Directors warrant the future performance of Stanmore, or any return of an investment in Stanmore.

4.2 Changes in laws and government policy and economic risk

Changes in economic and business conditions or government regulations, law and policies (such as fiscal, monetary and regulatory policies), both domestically and internationally, under which Stanmore operates may adversely impact the fundamentals of Stanmore's target markets, its activities, planned projects and financial performance.

4.3 Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which Stanmore shares trade regardless of operating performance, and affect Stanmore's ability to raise additional equity and/or debt to achieve its objectives, if required.

4.4 Other risk factors

General risk factors outside the control of Stanmore, which may have a significant impact on the future financial performance and/or financial position of Stanmore, including: changes in investor sentiment and perceptions in local and international stock markets; consumer spending and employment rates; changes in interest rates, exchange rates and inflation rates; changes in environmental conditions, such as lack of access to water; geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities; developments and general conditions in markets in which Stanmore operates; and economic and natural disasters.