



3 May 2022

STANMORE COMPLETES ACQUISITION OF 80% INTEREST IN BMC

Stanmore Resources Limited ("Stanmore" or the "Company") (ASX: SMR) refers to its previous announcements regarding its agreement with BHP Minerals Pty Ltd ("BHP") to acquire BHP's 80% interest in BHP Mitsui Coal Pty Ltd ("BMC") (the "Acquisition").

The Company is pleased to announce that it has today successfully completed the Acquisition on schedule and in accordance with the sale agreement.

Commenting on the successful completion of the Acquisition, CEO Marcelo Matos said:

"The completion of this transaction marks an important milestone in our history. Metallurgical and PCI coal prices remain at historically high levels and Stanmore will benefit from those prices with the addition of production of approximately 10 million tonnes of marketable metallurgical quality coal creating substantial additional value for the Company."

The amounts payable by Stanmore on completion of the Acquisition were funded by Stanmore's cash reserves following its successful pro-rata entitlement offer in March 2022 and Stanmore and its subsidiaries fully drawing down the debt facilities including the US\$625 million acquisition debt facility (refer to announcement dated 7 January 2022). Full funding is in place for the purchase consideration as well as for a completion adjustment of approximately US\$200 million for working capital as a result of higher BMC working capital balances acquired at completion driven primarily by stronger market conditions, which should translate into a healthier balance sheet and cash position at BMC post completion than envisaged by Stanmore when the sale agreement was signed.

Approval

This announcement has been approved for release by the Board of Directors of Stanmore.

Further information

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About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited controls, operates and has ownership interests in the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines, as well as in the undeveloped Wards Well, Isaac Plains underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources is also a joint owner of the Millennium and Mavis Downs Mines and holds several additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins. The Company is focused on the creation of shareholder value via the efficient operation of its mining assets and the identification of further development opportunities within the region.