



12 August 2022

STANMORE TO ACQUIRE REMAINING 20% INTEREST IN SMC FROM MITSUI

As previously announced, on 3 May 2022, Stanmore Resources Limited ("Stanmore" or the "Company") (ASX: SMR) completed the acquisition of BHP Minerals Pty Ltd's 80% interest in BHP Mitsui Coal Pty Ltd, now renamed Stanmore SMC Pty Ltd ("SMC"), through the acquisition of all the shares in Dampier Coal (Queensland) Proprietary Ltd ("Dampier Coal").

The Company is now pleased to announce that its wholly owned subsidiary, Dampier Coal, has signed a definitive share sale agreement ("Share Sale Agreement") with Mitsui & Co. (Australia) Ltd and Mitsui & Co., Ltd (together, "Mitsui") to acquire the remaining 20% interest in SMC held by Mitsui (the "Transaction").

Following completion of the Transaction Stanmore will own 100% of SMC.

Commenting on the Transaction, CEO Marcelo Matos said:

"Following the previous acquisition of the majority interest in SMC from BHP, this Transaction allows Stanmore to consolidate its position as a leading metallurgical coal miner in the Bowen Basin. Having 100% control of South Walker Creek and Poitrel, as well as Wards Well and other projects, allows Stanmore to maximise value amongst our assets in the region."

Transaction Summary

The purchase price for the Transaction payable upon completion is US\$380 million, and will be reduced by any dividends paid to Mitsui by SMC prior to completion. The Company anticipates that SMC will shortly declare and pay a significant dividend to its shareholders (Dampier Coal and Mitsui). If paid prior to completion of the Transaction, such a dividend would reduce the purchase price for the Transaction payable to Mitsui. No other completion adjustments are contemplated by the Transaction.

Stanmore intends to fund the Transaction through internal sources. Based on current market conditions, Stanmore anticipates it will continue to have sufficient internal sources to meet all ongoing cash requirements and fund the Transaction without the need to issue any new debt or raise capital.

The Transaction is conditional on FIRB approval. Completion of the Transaction is expected in Q4 CY2022.

Stanmore has agreed to guarantee all obligations of Dampier Coal under the Share Sale Agreement.

Reasons for the Transaction

The acquisition of the remaining 20% interest in SMC will allow Stanmore to achieve full synergies between the SMC operations and Stanmore's other operations. From an accounting and tax perspective, it will allow SMC to join the Stanmore tax consolidated group and benefit from the associated efficiencies. The Transaction also directly aligns with Stanmore's investment strategy to streamline and develop its existing operations and maximise the geographical synergies from its existing infrastructure.

Approval

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

Further information

Investors

investors@stanmore.net.au

Media

media@stanmore.net.au

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited owns and operates the Isaac Plains Complex in Queensland's prime Bowen Basin region which includes the Isaac Plains Mine and processing facilities, the adjoining Isaac Plains East and Isaac Downs mining areas and the Isaac Plains Underground Project. The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. Stanmore Resources is a 50% shareholder in the Millennium and Mavis Downs Mine and holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.