



Half Year Financial Results Release

Six Months Ended June 30, 2022

Important Information



This presentation should be read in conjunction with the announcement “SMR 2022 Half Year Accounts” released on 12 August 2022, which is available on Stanmore Resources Limited’s (“Stanmore”, “Company”) website: <https://stanmore.net.au/>.

Forward-looking statements

This document 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. 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. Although due care and attention has been used in the preparation of forward looking statements, such statements, opinions and estimates 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 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.

No offer of securities

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Reliance on third party information

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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 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 SEC Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission (“SEC”). You should not assume that quantities reported as “resources” will be converted to reserves under the JORC Code or any other reporting regime or that Stanmore will be able to legally and economically extract them.

Mineral resources and reserves

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 Coal Resources and Reserves Summary” dated 16 February 2022, published as part of the Annual results and financial statements on 16 February 2022 and prepared by Competent Persons in accordance with the requirements of the JORC Code. The information that relates to Stanmore SMC Pty Ltd (“SMC”, previously 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 4 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 announcement 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.

Half Year 1H 2022 Highlights

SAFETY – TRIFR¹

2.5

5.4 as at June 30, 2021

SALEABLE COAL
PRODUCTION²

2.8Mt

2.1Mt for
Full Year 2021

UNDERLYING
EBITDA^{3, 4}

US\$726m

US\$41m for
Full Year 2021

OPERATING
CASH FLOW^{3, 4}

US\$563m

US\$95m for
Full Year 2021

AVAILABLE
LIQUIDITY⁴

US\$605m

US\$49m as at
Dec 31, 2021

SHARE PRICE⁵

A\$2.02

A\$1.04 as at
Dec 31, 2021

- Strong safety performance across the Stanmore group with one recordable injury during the reporting period
- SMC Acquisition (formerly BMC) completed on May 3, with May/June volumes combining with strong Isaac Plains Complex performance despite wet weather
- Record first half Underlying EBITDA following the acquisition of 80% SMC during optimal market conditions
- Operational performance led to Operating Cashflow of US\$563 million for 1H 2022
- Cash flows significantly improved liquidity, with US\$546 million of cash as at June 30, 2022
- Ultimately delivering a 94% increase in SMR's share price in 2022 to date
- Agreement signed to acquire the remaining 20% of SMC from Mitsui, with an expected completion date in 4Q 2022

Note: 1 Total Reportable Injury Frequency Rate, measured per million hours (industry average used is 12 month rolling average)
2 100%, fully consolidated figures excluding the Millennium joint venture
3 Fully consolidated, with Millennium joint venture (MetRes Pty Ltd) consolidated on an equity accounting basis only
4 2021 comparisons converted using 2021 average FX rate of \$0.751 and year end rate of \$0.726
5 As at close of ASX 11 August 2022

Health, Safety & Environment Highlights



Safety Performance

2.5 Whole of Business TRIFR*
per million hours worked

12-MONTH ROLLING AVERAGE
WELL BELOW INDUSTRY AVERAGE



- Safety is our major focus especially as we assume direct operational responsibilities for South Walker Creek and Poitrel
- Strong safety culture and performance well below industry average across all sites



* TRIFR represents a rolling 12-month average from 1 July 2021 to 30 June 2022



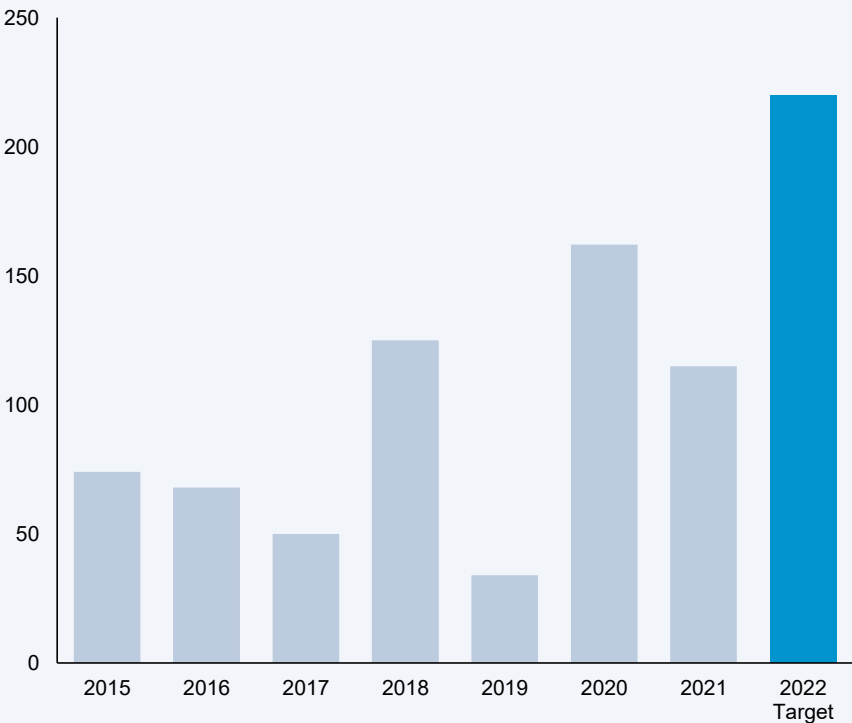
Rehabilitation

628 ha Stanmore
Recontouring
since 2015

STANMORE WILL MAINTAIN ITS TRACK
RECORD OF REHABILITATION
PERFORMANCE AT POITREL AND SOUTH
WALKER CREEK



Stanmore Recontouring (ha)



Landmark Agreement

Traditional Owners ILUAs at South Walker Creek concluded in 1H 2022 providing employment, education & economic development

Community Initiatives:

ACTIVE GRANTS PROGRAM SUPPORTING 40+ LOCAL COMMUNITY ORGANISATIONS

EMPHASISED BY RECENT SOLAR HYDRO PANELS INSTALLED AT VALKRIE STATE SCHOOL TO PROVIDE FRESH DRINKING WATER TO STUDENTS



- Indigenous Land Use Agreements provide support and consent from traditional owners for Stanmore operations and projects
- Landmark agreements with traditional owners providing:
 - Employment
 - Education
 - Cultural awareness training
 - Economic development
- Community initiatives supporting more than 40 local groups
- Regular relationship meetings have commenced



Local Community Procurement



Procurement Book
Over

\$600m

FORECAST FY22 ANNUAL
PROCUREMENT
EXPENDITURE ACROSS
ALL LOCATIONS

Local Buying Program

We will engage local businesses, as well as Traditional Owner and Indigenous Businesses

Plans to continue creating partnership opportunities like *"Local Buying Programs"*

In FY21, program delivered:

- US\$10M+ spend
- 900 transactions
- 120+ suppliers engaged

Current State

Manage 300+ contracts and 55K+ transactions each year

Stanmore inherited a number of existing contracts

>30 contracts established to ensure supply continuity (Fuel, Tyres, Parts & Consumables, etc)

Forward Procurement pipeline and strategy under development

Future Opportunities

Multiple upcoming tender opportunities

Long-term local engagement strategy



Consolidated Operational & Financial Results



Production and Sales



South Walker Creek

- Strong operational performance of 1.0Mt saleable production in May and June overcoming wet weather impacts
- Improved excavator utilisation with the addition of three haul trucks combined with strong dragline performance improved coal mining output and coal production from the CHPP

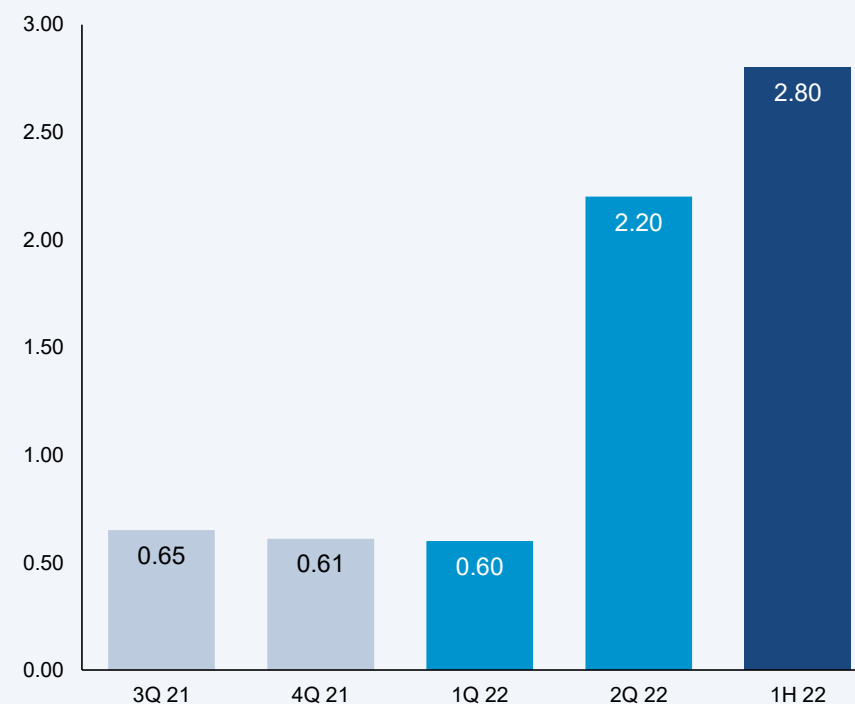
Poitrel

- Coal mining remained robust during May and June, with 670Kt saleable volumes produced, as CHPP washing hours were increased to allow for higher feed of available stockpiles
- Added two haul trucks at the end of May helped to recover from weather impacts on truck & shovel and blasting operations contributing to record truck and excavator availability, utilisation and total material moved

Isaac Plains Complex

- Successful transition to the low strip ratio (5.6 to 1) Isaac Downs area and new Mining Services operator in April resulted in 1.1Mt saleable production in 1H 2022
- Successful scheduled major dragline shut in April has seen productivity improvements following its reintroduction into mining operations
- May wet weather impacted coal haulage to CHPP resulting in lower wash time, with recovery in volumes expected in 2H 2022

Stanmore Saleable Production (Mt)



Note: All figures presented on a 100%, fully consolidated basis excluding Millennium joint venture

Financial Highlights



Underlying
EBITDA

US\$726m

US\$41m in Full Year 2021

FOB Cash
Cost¹

US\$87.3/t

US\$78.2 per tonne
in Full Year 2021

Operating
Cash Flow

US\$563m

US\$95m in Full Year 2021

Net Debt²

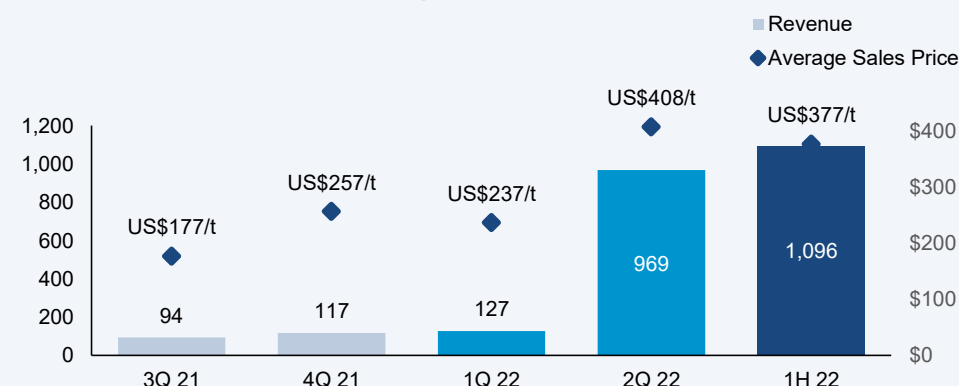
US\$258m

US\$30m as at Dec 31 2021

Note: ¹ FOB cash cost per tonne sold, excluding royalties
² Aggregate debt excludes US\$294 million of lease liabilities accounted for under AASB 16
³ All figures are fully consolidated, with Millennium joint venture (MetRes Pty Ltd) consolidated on an equity accounting basis

STANMORE | HALF YEAR FINANCIAL RESULTS RELEASE JUNE 2022

Revenue (US\$M) & Average Sale Price (US\$M)



- Higher realised prices and significant uplift in volumes following the SMC acquisition during 1H 2022 has seen record revenue and underlying EBITDA delivered in just the first half of 2022
- Underlying EBITDA was at record levels despite higher average FOB Cash Costs per tonne across the platform, reflecting inflationary impacts on key commodity and input costs (diesel, explosives, electricity, equipment parts)
- This also contributed to operating cash flows generated in 1H 2022 at six times that of the full year 2021
- Net Debt of US\$258 million despite US\$1.25 billion cash paid for the SMC acquisition (net of cash acquired) in May 2022; note US\$100 million deferred and up to US\$150 million contingent acquisition payments remaining 4Q 2022 and 2Q 2024 respectively

Financial Performance



Six Months Ended June 30 (US\$M)	2022	2021
Underlying EBITDA	726.1	(10.4)
Depreciation & Amortisation	(57.8)	(9.1)
Non-Operating Adjustments ¹	(291.4)	3.8
Profit / (loss) Before Income Tax & Finance Expenses	376.9	(15.7)
Net Finance Costs	(23.7)	(1.6)
Income Tax Expense	(120.5)	5.3
Profit / (Loss) for the Six Months	232.7	(12.0)
Basic Earnings Per Share (cents/share)	32.37	(4.44)

Note: 1. Non-Operating Adjustments includes takeover costs, remeasurement of onerous contracts and rehabilitation provisions and fair value movement in contingent consideration
2. All figures are fully consolidated, with Millennium joint venture (MetRes Pty Ltd) consolidated on an equity accounting basis

STANMORE | HALF YEAR FINANCIAL RESULTS RELEASE JUNE 2022

Significant Uplift in EBITDA Translating to Considerable Half Year NPAT Uplift from 2021

- The strong first half operational performance has translated into significant Underlying EBITDA for 1H 2022
- Underlying EBITDA has been adjusted to remove US\$291.4 million of non-operating adjustments, primarily related to the SMC acquisition on May 3:
 - Inventory revaluation adjustment based on net realisation value as at May 3, 2022 (at elevated coal prices) required for accounting purposes as part of the SMC acquisition – this increased the value of coal acquired (and subsequently sold in May and June) by US\$227 million
 - Once off transaction costs associated with the acquisition totalling US\$64 million, such as government stamp duty, due diligence, advisory, transition and integration costs
- Since the acquisition, the now renamed Stanmore SMC has contributed US\$753 million in revenue and US\$78 million in net profits after tax in two months
- Had the SMC acquisition occurred at the beginning of the financial reporting period, Group revenues and net profit would have been US\$2.4 billion and US\$809 million respectively

Debt and Liquidity

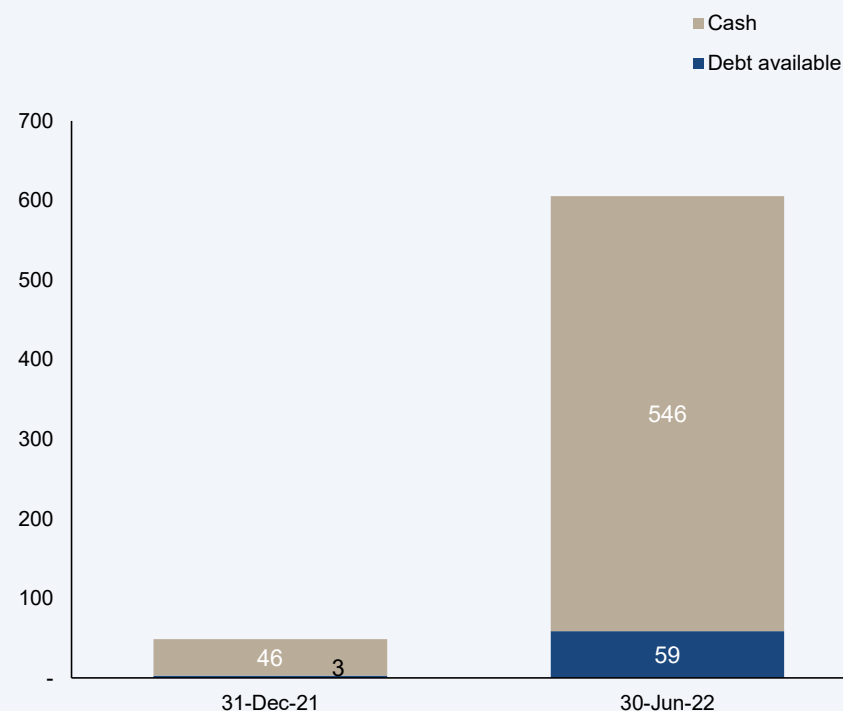


- Available liquidity of US\$605 million, made up of cash US\$546 million and undrawn debt of US\$59 million
- Net debt of US\$258 million¹, reflecting financing to support the SMC acquisition, partially offset by strong cash generation during the period
- US\$50 million Bridge Facility repaid in full and GEAR Facility reduced by US\$25 million during 11H 2022, reducing drawn GEAR balance to US\$44 million
- US\$625 million Debt Facility subject to scheduled amortisation and cashflow sweep mechanism, with first cashflow sweep commencing in 1Q 2023
- US\$100 million SMC acquisition deferred payment to BHP due November 3 to be paid out of existing cash reserves

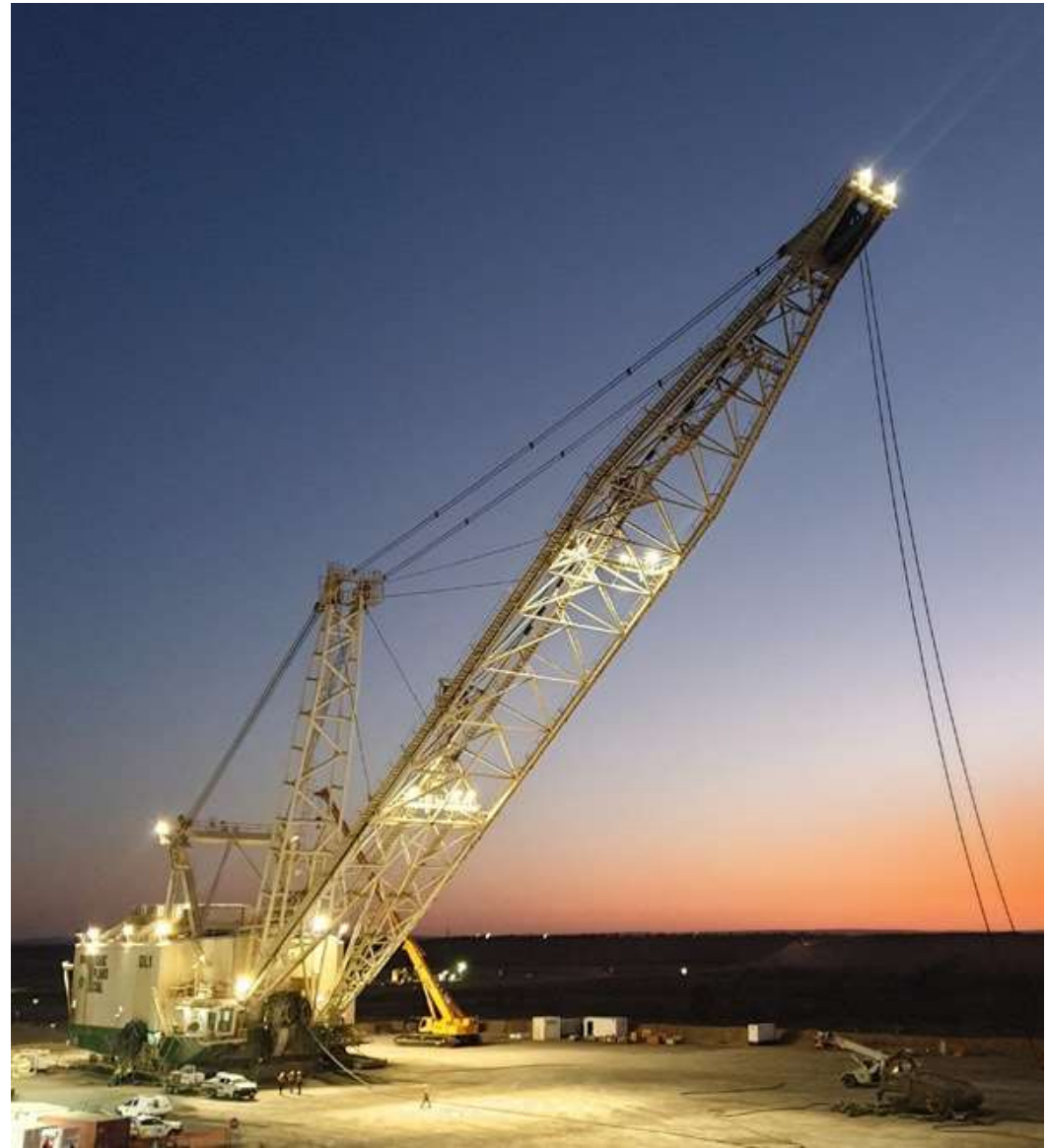


1. Aggregate debt excludes US\$294 million lease liabilities accounted for under AASB 16

Available Liquidity (US\$M)



Operating Mine Performance & Projects



Overview of Stanmore Resources Key Assets



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

OPERATING MODEL: Owner Operator

POITREL

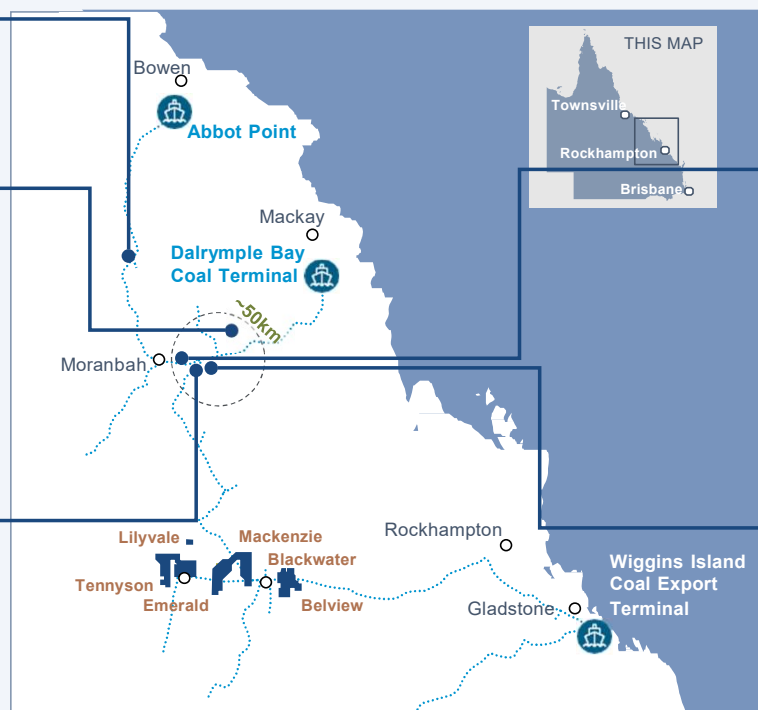
Open-cut coal mine producing a mix of HCC and PCI (approximately 65/35) coal primarily for export

MINE TYPE: Open pit

CAPACITY: 4.2Mt

MINE LIFE: 10+ years

OPERATING MODEL: Owner Operator



..... Rail paths

■ Stanmore Tenure

ISAAC PLAINS COMPLEX

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

MINE TYPE: Open cut (UG project)

CAPACITY: 2.4Mt

MINE LIFE: ~20 years

OPERATING MODEL: Contractor (EPSA)

MILLENNIUM AND MAVIS DOWNS

HCC / PCI mine acquired via JV (MetRes) with M Mining in 2021.

MINE TYPE: Open cut, Auger and Underground

MINE LIFE: ~11 years

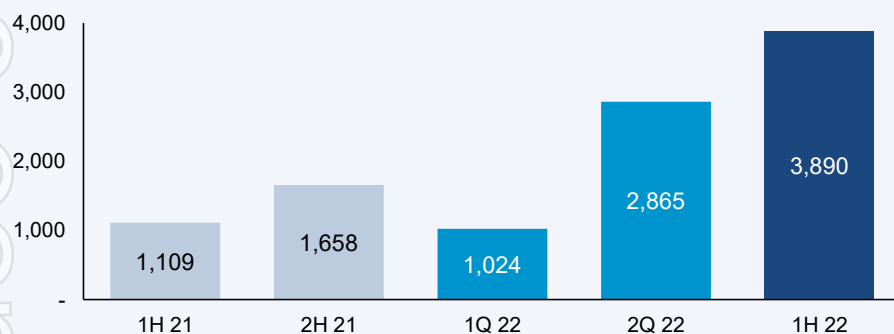
OPERATING MODEL: Contractor

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.

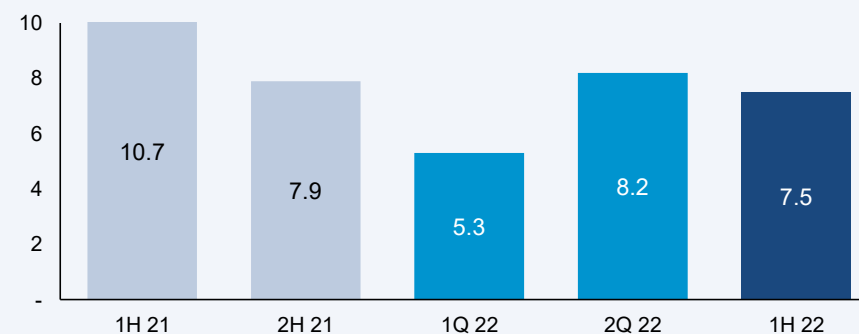
Consolidated Operating Performance Metrics



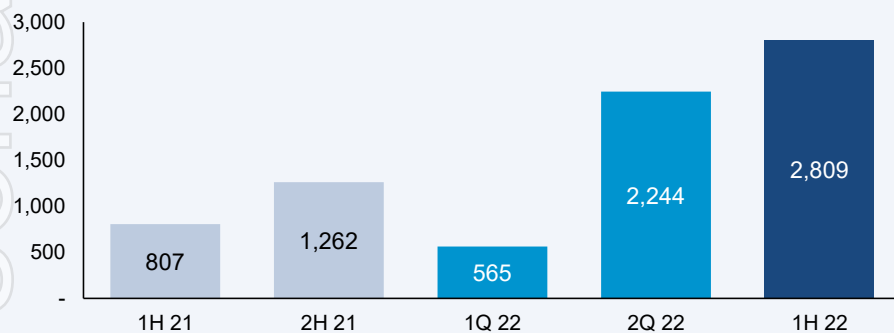
ROM (Kt)



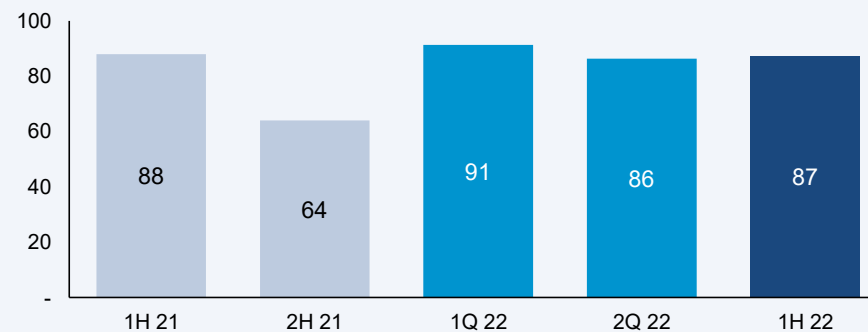
Strip Ratio



Saleable Production (Kt)



FOB Cash Cost ex. Royalties (US\$/t sold)



Note: All figures presented on a 100%, fully consolidated basis excluding Millennium joint venture
 STANMORE | HALF YEAR FINANCIAL RESULTS RELEASE JUNE 2022

Isaac Plains Complex



Saleable
Production

1,134Kt

1,262Kt in 2H 2021

FOB Cash
Cost¹

US\$83.7/t

US\$84 per tonne in 2H 2021

Average
Selling Price

US\$311/t

US\$156 per tonne in 2H 2021



Note: 1 FOB cash cost per tonne sold, excluding royalties

Transitional Half with Isaac Plains Complex Completing the Move to Isaac Downs

- Move from the Isaac Plains 'East' mining area into the lower ratio Isaac Downs mining lease completed during 1H 2022, along with transitioning to a new Mine Services operator (EPSA)
- Production impacts from the move, dragline planned maintenance shutdown, combined with wet weather in 2Q reduced saleable production when compared to 2H 2021
- FOB cash costs reflected the lower production as well as once-off costs associated with the transition of mine services operator (mobilisation and de-mobilisation)
- Mining in Isaac Downs will be at a lower strip ratio, assisting with managing costs in an inflationary environment
- Isaac Plains optimised sales by bringing forward coal into 1H to capitalise on the favourable market conditions
- Haulage of excess ROM production to Poitrel CHPP planned for 2H 2022

South Walker Creek



Saleable
Production²
1,005Kt

FOB Cash
Cost¹
US\$76.6/t

Average
Selling Price
US\$435/t



Note: 1 FOB cash cost per tonne sold, excluding royalties
2 Represents 100% of saleable production

Smooth Integration of South Walker Creek into the Stanmore Portfolio

- South Walker Creek (SWC) was acquired as part of the 80% acquisition of SMC on 3 May 2022
- SWC contributed 1.0Mt of saleable production across May and June, despite wet weather conditions needing to be managed for overburden removal and coal mining and impacting feed qualities and yields
- FOB cash costs have been impacted by inflationary factors across contract and commodity pricing, primarily related to diesel, explosives, electricity and equipment parts
- Strong realised PCI pricing for May and June, driven by peak PCI prices due to tight market and supply disruptions resulted from sanctions to Russian coals
- Various improvement initiatives mapped and being implemented

Saleable
Production²

670Kt

FOB Cash
Cost¹

US\$108.6/t

Average
Selling Price

US\$390/t



Note: 1 FOB cash cost per tonne sold, excluding royalties
2 Represents 100% of saleable production

Strong Production at Poitrel Despite Considerable Cost Headwinds

- Poitrel was also acquired as part of the 80% acquisition of SMC on 3 May 2022, delivering high-quality saleable production of both coking and PCI coal to market
- May and June production remained strong despite wet weather impacting the timing of feed stocks from the pit to the Coal Handling Preparation Plant (CHPP)
- FOB Cash Costs at Poitrel subject to similar cost pressures as South Walker Creek though, as a truck and excavator operation, Poitrel is more exposed to higher commodity / input cost inflation associated with diesel, explosives, electricity and equipment parts
- Poitrel also incurs incremental rail charges for carriage of coal to NQXT relative to Isaac Plains and SWC
- Poitrel's mix of PCI and coking product positioned the mine well to capitalise on the favourable price environment in 1H 2022
- Improvement initiatives ongoing including mining of Vermont coal seam plies at a low cost and attractive margin

Millennium Complex (MetRes Pty Ltd) Update²



Saleable
Production at 100%

321Kt

54Kt in
2H 2021

FOB Cash
Cost¹

US\$122/t

US\$553 per tonne
on 22Kt sales in 2H 2021

Average
Selling Price

US\$385/t

US\$245 per tonne
in 2H 2021

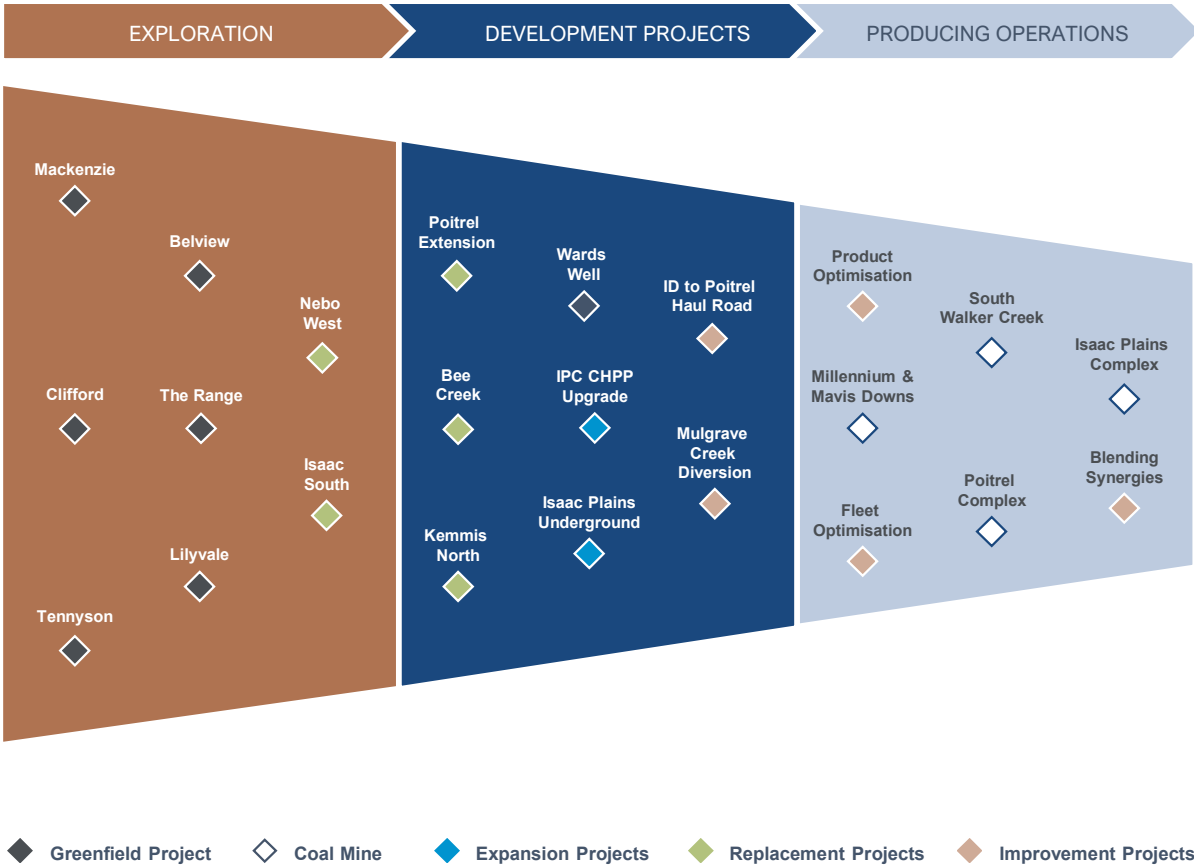
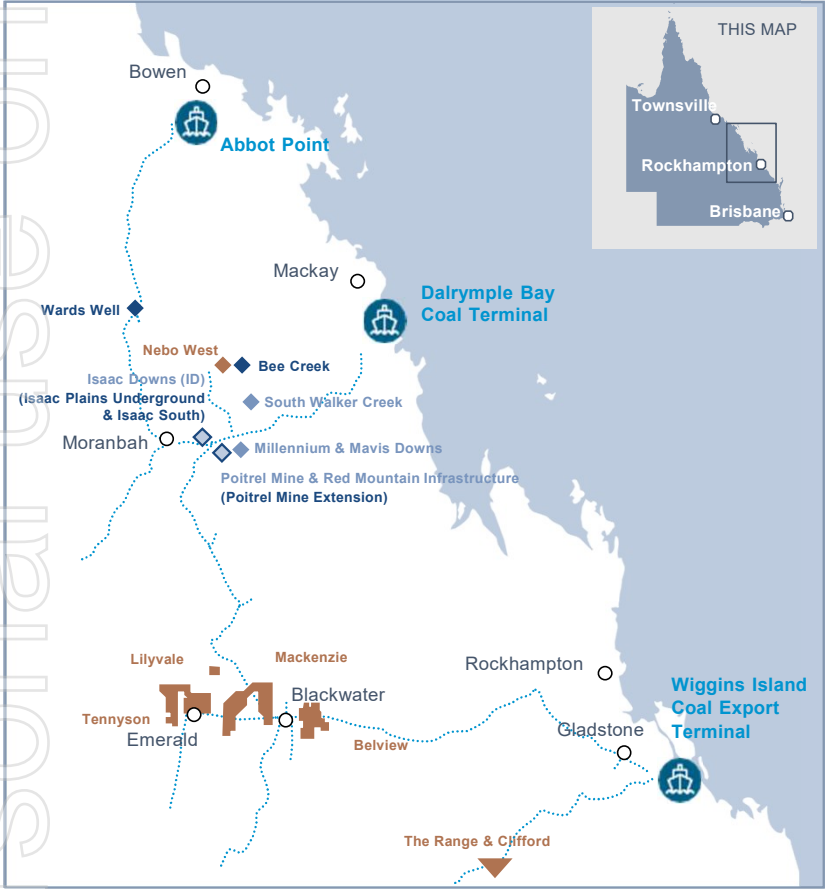


Steady Production at Millennium Mine Contributing Positively to Stanmore Results

- Although equity accounted as a non-controlled joint venture, Millennium contributed US\$20.1 million to Stanmore's EBITDA at 50% (Full Year 2021: Nil)
- This contribution was built from US\$65 million underlying EBITDA³ on a 100% basis for MetRes Pty Ltd
- Millennium is currently operating as a conventional open-cut truck and shovel operation, combined with auger mining from available highwalls
- Preparation and construction of the Mavis underground mine is continuing, with the first development coal expected in late 2022
- Millennium's underground exploration program commences in 2H 2022
- Millennium has repaid Stanmore financing of US\$15 million during the period, with US\$6 million outstanding as at June 30, 2022

Note: 1 FOB cash cost per tonne sold, excluding royalties
2 Non-managed operation shown on a 100% basis (50% ownership)
3 Non-IFRS financial information, unaudited management accounts as at 30 June 2022

Significant Project Pipeline Across the Platform



Substantial Controlled Reserves and Resources Base



- Reserves and Resource estimates noted are consistent with the 2021 annual report with the addition of Stanmore SMC, including the significant mining tenements at Poitrel, South Walker Creek and Wards Well
- All Resource and Reserve estimates were prepared in compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code - 2012 Edition) and the Australian Guidelines for the Estimating and Reporting of Coal Resources (2012 Edition)



Note: 1 Stanmore mineral reserves and resources per "December 2021 Annual Coal Resources and Reserves Summary" released to the ASX on 16 February 2022
2 SMC mineral reserves and resources per BHP annual report 2021" dated 14 September 2021

Stanmore JORC Mineral Reserves – 100% Basis (Mt) ^{1, 2}

	Proved	Probable	Total
South Walker Creek	87	36	111
Isaac Plains Complex	34	9	43
Poitrel	24	24	48
The Range Opencut	-	117	117
Total Coal Reserves	145	186	331

Stanmore JORC Mineral Resources – 100% Basis (Mt) ^{1, 2}

	Measured	Indicated	Inferred	Total
South Walker Creek	237	273	179	689
Isaac Plains Complex	72	43	48	163
Poitrel	42	49	59	150
Surat Basin Complex	18	387	511	916
Wards Well	-	1,164	149	1,313
Belview	-	50	280	330
Mackenzie	-	26	117	143
Bee Creek & Nebo West	-	9	84	93
Tennyson	-	-	140	140
Lilyvale	-	-	33	33
Total Coal Resources	369	2,001	1,600	3,970

SMC 20% Interest Acquisition



Acquisition of Mitsui's 20% Shareholding of SMC



Stanmore to Gain 100% Ownership of SMC

- Agreement has been reached with Mitsui for Stanmore to acquire their 20% holding in SMC for US\$380 million, to be reduced by the amount of any dividends paid to Mitsui by SMC prior to completion.
- Stanmore anticipates that SMC will shortly declare and pay a substantial dividend to its shareholders Dampier Coal and Mitsui which, if paid prior to completion, would reduce the purchase price
- No other completion adjustments are contemplated
- Expected completion of the transaction is 4Q 2022
- The transaction will be fully funded through internal sources which, based on current market conditions, are anticipated to be sufficient without new debt or capital; as a result, no SMR dividends are planned during 2H 2022

"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"

- Marcelo Matos, CEO

Confirms Full Ownership of SMC Assets

Stanmore entitled to 100% of SMC returns / dividends going forward

Streamlining of Administration & Reporting

100% ownership simplifies reporting and allows SMC to join SMR tax consolidated group

No External Funding Required to Complete

Internal cash flows sufficient without new external debt or capital required

Simple Transaction expected to close in 4Q 2022

Only conditional precedent is FIRB approval

Transaction Summary



Transaction Overview	<ul style="list-style-type: none"> Stanmore completed its 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 of the shares in Dampier Coal (Qld) Pty Ltd ("Dampier Coal") on May 3, 2022 Dampier Coal has now signed a definitive 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") on August 12, 2022 The purchase price for the Transaction comprises US\$380 million, to be reduced by the amount of any dividends paid to Mitsui by SMC prior to completion No other completion adjustments contemplated by the Transaction Completion of the Transaction is expected in 4Q 22 Following completion of the Transaction, Stanmore will own 100% of SMC per the organisational chart as illustrated
Transaction Conditions	<ul style="list-style-type: none"> Australian Foreign Investment Review Board ("FIRB") approval, lodged prior to signing
Transaction Funding	<ul style="list-style-type: none"> The Transaction will be funded from internal sources without the need to issue any new debt or raise capital Stanmore has agreed to guarantee all obligations of Dampier Coal under the share sale agreement

Organisational Structure (Post Completion)



Second Half 2022 Priorities and Outlook



Second Half 2022 Priorities



Isaac Plains (IP) CHPP Upgrade

- Upgrade of the Isaac Plains Coal Handling Preparation Plant (CHPP) from 500 tonnes per hour (tph) to 600 tph, scheduled for 4Q 2022
- This, combined with the linkage to the Poitrel CHPP, will facilitate higher production and development of Isaac Plains Underground and Isaac South resources in future years



Haul Road from IP to Poitrel

- Linking the Isaac Plains Complex to the Poitrel CHPP allows washing of incremental Isaac Downs coal generated in earlier years from rapid uncovering of coal by the dragline at low strip ratios, opening room for potential development of the Isaac Plains Underground and Isaac South resources in future years
- Construction to commence in 2H 2022 with completion anticipated by 1Q 2023, and haulage via Peak Downs Highway to commence from August 2022



Mulgrave Creek Diversion

- Diverting Mulgrave Creek at South Walker Creek (SWC) opens low strip ratio, high quality PCI coal, lowers mining and haulage costs and potentially increases mining output at SWC
- Planning and finalisation of development plan and cost estimates well underway



Exploration

- Multiple exploration drilling campaigns are being devised across Stanmore's assets
- Review of Wards Well development options under investigation
- Programs being developed to define our long-term asset strategy and development prioritisation

Robust Fundamentals Support Market Outlook

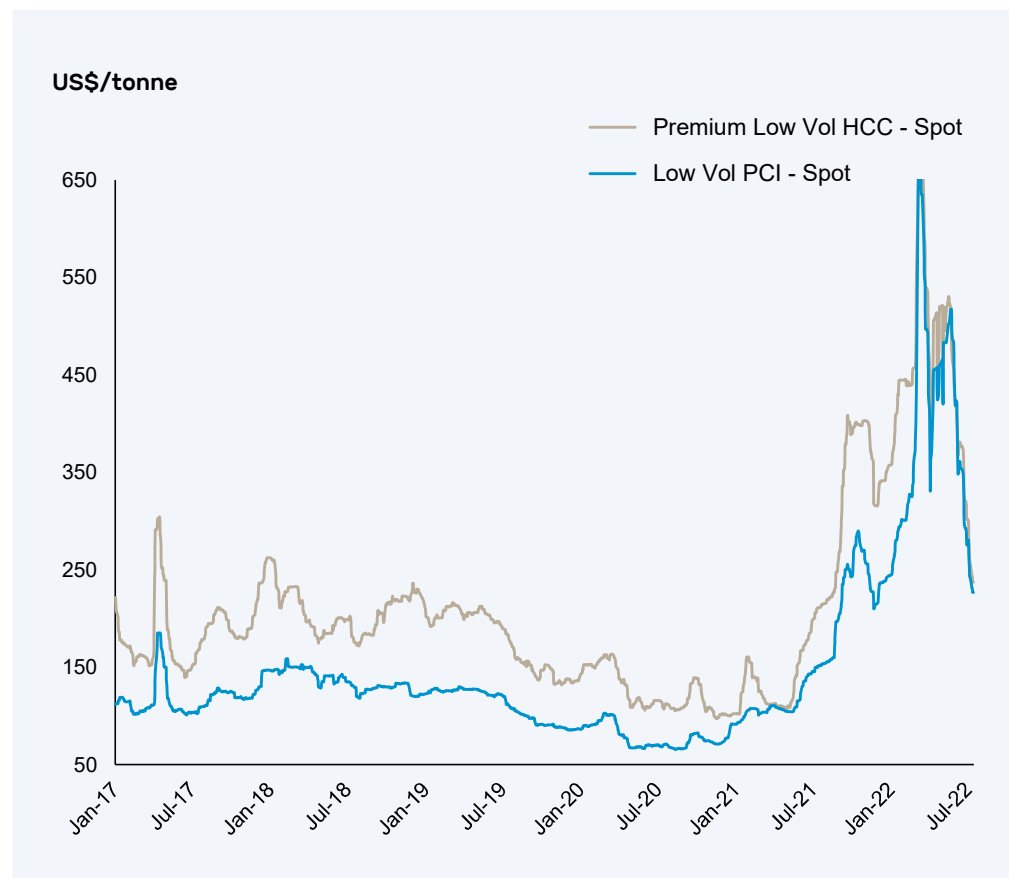


Strong First Half 2022 Metallurgical Coal Prices

- Metallurgical coal markets peaked at a record ~US\$670 per tonne during March 2022 for prime hard coking coal
- This was driven by combination of elevated steel pricing and demand, as well as ongoing supply weakness in key exporting countries (including Australia)
- PCI pricing achieved an average relativity >94% of prime hard coking coal during this time, primarily due to strong demand and uncertain supply from Russia (the second largest seaborne producer of PCI) through policy, physical and/or financial barriers to securing material from that origin
- Late in 1H 2022, steel demand and pricing began to weaken driving declining metallurgical coal pricing

Fundamentals Still Supportive

- Recent price declines reflect easing supply chain disruptions and/or reduced steel demand (driven by global inflationary pressure and monetary tightening), combined with a recovery in production from some Australian mines
- While coal prices have therefore normalised somewhat, they remain at healthy levels and are well supported by global energy markets
- Long term fundamentals remain sound as supply is expected to remain tight and demand continue to be driven by India and SE Asia industrialisation



Updated Second Half 2022 Guidance



		2 months to 30 June 2022		6 months ending 31 Dec 2022		
		Prior Guidance	Actuals	Prior Guidance	Updated Guidance	
Isaac Plains Complex	Saleable Production	Mt	0.4	0.4	1.2 – 1.3	1.3 – 1.4
	FOB Cash Cost ex. Royalties	US\$/t			63 – 70	68 – 73
Poitrel (100% basis)	Saleable Production	Mt	0.7	0.7	1.9 – 2.1	1.9 – 2.1
	FOB Cash Cost ex. Royalties	US\$/t			85 – 90	100 – 105
SWC (100% basis)	Saleable Production	Mt	1.0	1.0	2.8 – 3.1	2.8 – 3.1
	FOB Cash Cost ex. Royalties	US\$/t			65 – 70	75 – 80
Stanmore Consolidated ¹	Saleable Production	Mt	2.1	2.1	5.9 – 6.5	6.0 – 6.6
	Capital Expenditure - SMC	US\$m			40 – 50	40 – 50
	Capital Expenditure – SMR Consolidated	US\$m			55 – 65	65 - 75

Notes:
 1. Stanmore guidance consolidates SMC on a 100% basis and excludes Millennium and Mavis Downs (Stanmore ownership 50%)
 2. Assumes AUD:USD exchange rate of 0.68 increasing to 0.71 in line with broker consensus
 3. All figures presented on a nominal basis
 4. 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 surrounding global inflation and global economic outlook

Prior Guidance Delivered for May/June 2022

- Saleable volumes produced in line with market guidance from the date of the SMC acquisition on May 3 to June 30, 2022
- Saleable production overcame unseasonal wet weather in May in North Queensland
- Successful transition of SMC mines to Stanmore carefully managed to avoid any adverse impact to saleable production

Second Half Guidance Updated

- Higher Isaac Plains Complex saleable production expected from productivity initiatives, including using excess washing capacity at Poitrel's CHPP
- Additional capital expenditure in 2H, primarily to drive Isaac Plain's saleable production performance, including construction of the haul road linking IP and Poitrel
- General cost inflation, primarily on commodities and input costs (diesel, explosives, electricity) and equipment parts are expected to impact FOB costs in 2H 2022

Thank You

