

Stanmore completes acquisition of remaining 50% interest in MetRes JV



Highlights

- Stanmore has acquired the remaining 50% interest in the MetRes JV, which owns the Millennium and Mavis Downs Mines, resulting in Stanmore's 100% ownership of the Projects
- The acquisition results in MetRes becoming part of Stanmore's consolidated group and will add additional coal volumes to Stanmore's consolidated portfolio
- As part of the transaction, Stanmore has agreed to grant the seller a royalty on future product sold from the Project, contingent on certain agreed coal prices being realised
- M Mining Pty Ltd, a related entity of the seller and controlled by Mr Matthew Latimore (a director of Stanmore), remains the manager of MetRes with a future focus on the underground operations; M Resources Pty Ltd's relationship will continue with marketing and logistics services provided to Stanmore

The Board of Stanmore Resources Limited ("Stanmore" or the "Company") (ASX: SMR) is pleased to announce that it has signed a share sale agreement to acquire the remaining 50% interest in MetRes Pty Ltd ("MetRes") ("Acquisition") and has successfully completed the Acquisition contemporaneously.

Prior to the Acquisition, Stanmore owned a 50% interest in MetRes, a 50/50 joint venture company with Marmilu Pty Ltd (an M Resources affiliated entity), owner of the Millennium and Mavis Downs Mine ("Projects"). Stanmore now owns 100% of MetRes.

Stanmore has also amended the terms of its finance facility with MetRes to increase the total facility to \$105 million and extend the expiry date to align repayment terms with current expected project returns.

Transaction Summary

In addition to the share sale agreement to give effect to the Acquisition, the parties also executed a royalty deed and have amended the terms of the operating agreement pursuant to which a related entity of the Seller, M Mining, manages the MetRes operations, with future focus on underground operations, based on a cost pass through basis and an agreed management fee.

Key terms of the Acquisition are as follows:

- In consideration for acquiring the assets, Stanmore has paid \$1.00 cash consideration;
- Stanmore will assume all assets, rights and obligations associated with MetRes, including Stanmore's existing finance facility with MetRes and potential future environmental rehabilitation liabilities;

- As the sale agreement was executed and completed simultaneously, there were no conditions in the sale agreement that needed to be satisfied in connection with the Acquisition; and
- The parties have also entered into a royalty deed pursuant to which royalties on life of mine coal sales will be payable to Marmilu, payable (except in case of peak coal prices) once Stanmore's net investments in the project have been returned, including Stanmore's existing loan.

Rationale for the Transaction

The acquisition of the remaining 50% interest in MetRes (and the underlying Projects) will allow Stanmore, as the main creditor of MetRes, to consolidate ownership and streamline operations between Millennium and our adjacent Poitrel and Red Mountain operations to help to overcome some development challenges. From a tax perspective it allows MetRes to join the Stanmore tax consolidated group, as well as benefiting from associated accounting and corporate efficiencies.

Approval

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

Further Information

Investors

investors@stanmore.net.au

Media

media@stanmore.net.au

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited controls and operates the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines and the Millennium Complex (comprised of the former Millennium and Mavis Downs mining areas), as well as the undeveloped Wards Well, Isaac Plains underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources 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.