For personal use only

stanmorecoal



SEPTEMBER 2020 QUARTERLY REPORT

Highlights

- Continued improvement in safety performance, rolling 12-month TRIFR at a new historical record[1] of 3.3
- Strong rebound in quarterly sales volume as term customer operations have normalised
- No ongoing disruptions to operations resulting from COVID-19
- ROM[2] coal mined of 641kt for the quarter
- Mine planning optimisation work undertaken to drive cost efficiencies
- Isaac Downs Bankable Feasibility Study (BFS) completed. Consenting remains on track with work ongoing to finalise the Supplementary Environmental Impact Statement (EIS)

PRODUCTION AND SALES

	Quarter Ended				
Thousands of tonnes	Sep 2020	Jun 2020	Change %*	Sep 2019	Change %*
ROM coal produced	641	638	0%	704	(9%)
ROM strip ratio (reportable)	13.3	11.1	20%	9.7	37%
Saleable coal produced	519	496	5%	619	(16%)
Total coal sales	602	452	33%	722	(17%)
Product coal stockpiles	190	276	(31%)	67	182%
ROM coal stockpile	16	69	(76%)	25	(37%)

* Note: Change is favourable/unfavourable

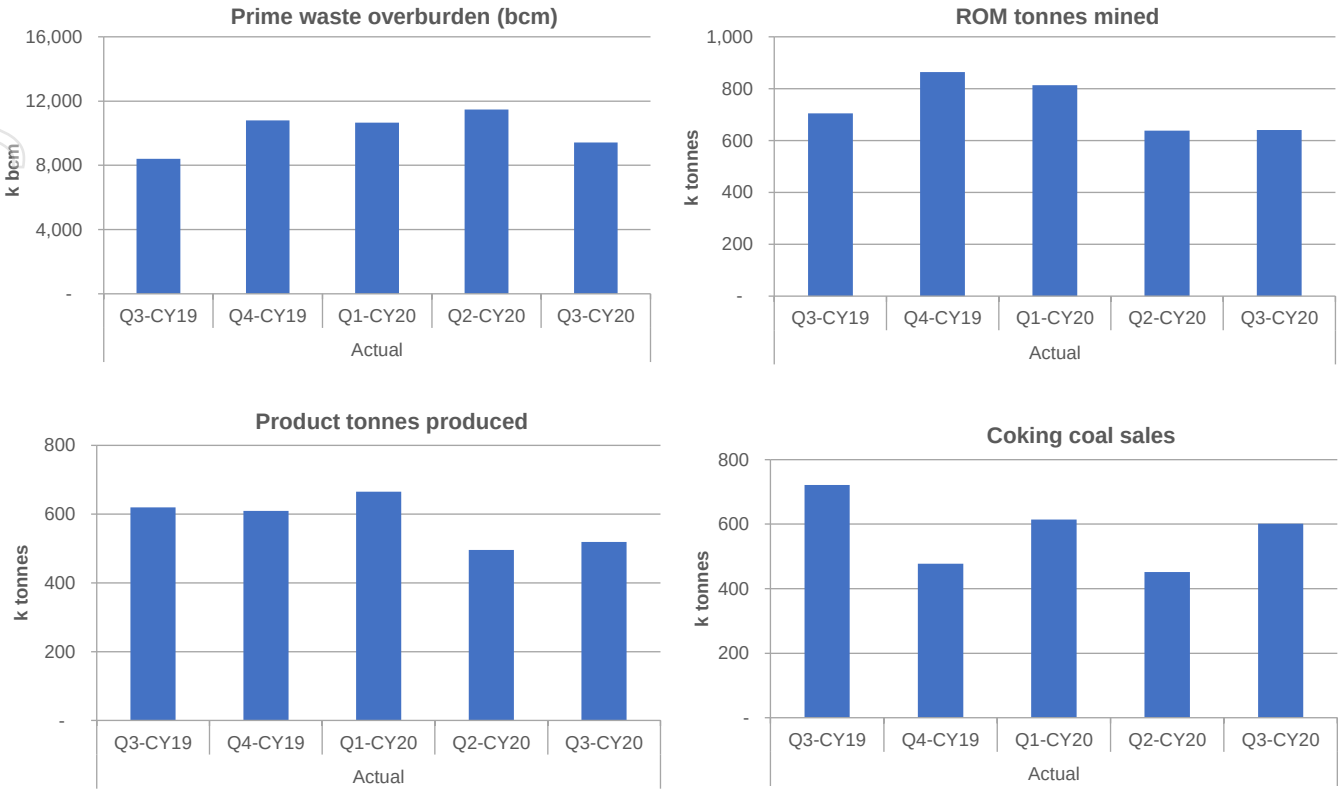
SAFETY PERFORMANCE

During the September quarter there was 1 recordable injury at Isaac Plains with no injuries at Stanmore's other projects and tenements. The 12-month TRIFR at the end of the September 2020 quarter was 3.3 (13.6 at September 2019). The Company is very pleased to see continued positive results from safety initiatives implemented over the last 12-18 months.

[1] Since first recorded injury in May 2016
[2] ROM

For personal use only

ISAAC PLAINS COMPLEX OPERATIONS



Stanmore achieved prime waste mining of 9.4Mbcm, lower than previous quarters as a Hitachi EX3600 excavator crew was stood down and operating hours reduced as a resulting outcome of mine planning optimisation undertaken considering depressed coal prices. Despite the lower overburden mined, coal mining was relatively unaffected with 641kt mined in the September 2020 quarter.

Product coal produced was 519kt for the quarter, with a strong quarter of sales with 602kt shipped.

In conjunction with the above mentioned mine plan optimisation, Stanmore is currently in the process of extending the life of the Isaac Plains East operations, with environmental approvals expected in H2 2020. The approval of this project is critical to balancing the timing of transition to Isaac Downs.

Scenario analysis is being undertaken to determine optimal production levels and the associated cost structures for 2021 which may ultimately result in potential reduction in coal production and sales as the Company transitions operations to Isaac Downs.

ISAAC DOWNS

The Isaac Downs Project will extend the economic life of the Isaac Plains Complex. The Isaac Downs coal resource is located 10 kilometres south of the existing Isaac Plains operations and will be operated as a satellite open cut mining operation which will utilise the existing Isaac Plains infrastructure with coal washing and train loading activities to be undertaken at the existing CHPP.

The EIS has been through the public notification stage and Stanmore is now finalising its response to all submissions. It is anticipated that a Supplementary EIS and response to submissions will be submitted to government during the December 2020 Quarter.

Compensation agreements with the landowner and native title holders have been executed.

A BFS has now been completed. During the quarter A$1.2 million was spent on Isaac Downs studies, approvals, engineering design and initial landowner payments.

For personal use only

DEVELOPMENT PROJECTS

During the quarter, no significant activities were undertaken on Stanmore's other development projects.

CORPORATE

The Company executed a A$10 million shareholder loan agreement with Golden Energy and Resources Limited, repayable upon first drawdown of the proposed US$40 million term loan facility, which is expected to be executed in October 2020. The A$10 million shareholder loan remains undrawn as at the date of this release.

The Taurus[2] US$12 million bonding facility and the US$28 million working capital facility were cancelled in September 2020. The Company has also replaced its Liberty surety, in place for mining rehabilitation assurance, and transitioned across to the Queensland Financial Provisioning Scheme.

This Quarterly Report is authorised for release to the market by the Board of Stanmore Coal Limited.

For further information, please contact:

Marcelo Matos
Interim Chief Executive Officer
07 3238 1000

Frederick Kotzee
Chief Financial Officer
07 3238 1000

About Stanmore Coal Limited (ASX: SMR)

Stanmore Coal Limited operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal Limited owns 100% of the Isaac Plains Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) 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. In addition, Stanmore Coal holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland's Bowen and Surat basins.

Stanmore Coal Limited ACN 131 920 968

p: +61 7 3238 1000
e: info@stanmorecoal.com.au
w: www.stanmorecoal.com.au
Level 15, 133 Mary Street, Brisbane QLD 4000
GPO Box 2602, Brisbane QLD 4001

[2] Taurus Mining Finance Fund LP and Taurus Mining Finance Annex Fund LP