

27 July 2021

ISAAC DOWNS MINING LEASE APPROVAL

Highlights

- The Isaac Downs mining leases have been granted by the Queensland Government.
- The grant of the mining leases triggers the application of the new environmental authority issued for the project by the Queensland Government.
- Stanmore has also achieved the approval from the Commonwealth Government under the EPBC¹ Act.
- The Stanmore Board has approved the development of the project with an initial capital expenditure of A\$47 million.
- The Department of Transport and Main Road has approved the construction of an underpass bridge on the Peak Downs Highway to separate mine traffic and highway traffic with work to commence late July 2021.
- Further civil construction activity is expected to be established on the site in August to build haul roads and a flood protection levee.

The Board of Stanmore Resources Limited ("Stanmore" or "the Company") (ASX: SMR) is pleased to announce that the mining leases for the Isaac Downs Project have been granted by the Minister for Resources Queensland, Mr Scott Stewart. This is the last significant approval required to enable construction and operations to commence. The Board of Stanmore has formally approved the development of the Isaac Downs Project on behalf of Stanmore IP South Pty Ltd, a 100% owned subsidiary of Stanmore. Stanmore has worked diligently with both the Queensland Government and the Commonwealth Government to achieve the approvals required to develop the Isaac Downs project. Stanmore acknowledges the ongoing assistance and support of the Isaac Regional Council and is committed to participating in community development within the region.

Isaac Downs contemplates the development of opencut operations as an extension for the Isaac Plains Complex, with low capital costs, producing up to 2.5Mtpa² of saleable coking coal, resulting in a favourable economic outcome for the company with a mine life of up to 10 years. This approval supports the continuation of operations at the Isaac Plains Complex by providing a new source of ROM³ coal to feed the Isaac Plains CHPP⁴, and therefore ensuring ongoing employment opportunities for the Moranbah area as well as enhancing the economic development of the region.

The Chairman of Stanmore, Mr Dwi Suseno, said "The approval of the Isaac Downs Project is a major milestone for the Company. This enables us to proceed with a critical project for the longevity and extension of the opencut operations supporting our Isaac Plains Complex, maintaining Stanmore as a competitive producer of essential ingredients for steel production by our global customers."

¹ EPBC – Environment Protection and Biodiversity Conservation Act

² Mtpa – Million tonnes per annum

³ ROM – Run of Mine

⁴ CHPP – Coal Handling and Preparation Plant

Tenure, Approvals and Environment

All essential regulatory approvals required for the project have been received such that construction and mining operations at Isaac Downs can commence. These approvals were:

- Mining Leases under the *Mineral Resources Act 1989 (Queensland)*.
- Environmental Authority (EA) under the *Environmental Protection Act 1994 (Queensland)*.
- Approval under the *Environment Protection and Biodiversity Conservation Act 1999 (Commonwealth)*.

Conditions of approval include more than 200 individual conditions and Stanmore has taken a progressive and cooperative approach in developing and agreeing these conditions and proposing management and monitoring plans to ensure an ongoing commitment to managing the environmental impacts of the project and future operations at Isaac Downs.

Stanmore's CEO, Mr. Marcelo Matos, stated that "Stanmore has a proud track record of progressive rehabilitation of its operations and intends to adopt the same commitment at the Isaac Downs".

"We are committed to participating in community development in the Isaac region and Isaac Downs will ensure ongoing economic employment opportunities for the Moranbah area as well as enhancing the economic development of the region."

Capital Expenditure Commitment

The Board of Stanmore has approved initial capital expenditure of A\$47 million to establish the project and build the essential infrastructure works required to enable dragline operations to commence late January 2022. Work on the underpass bridge for the Peak Downs Highway is due to commence late July noting this is a key project to establish a coal transport route that does not require the use of the highway. Other key project activities are expected to commence in August, and total capital expenditure in the project is estimated at approximately A\$82 million, with residual construction work to continue and expected to be finalised during H1 2022. This total amount includes circa A\$15 million spent to date in initial development activities, including an exploration bulk sample pit developed since December 2020 to sample the coal seams in a small and shallow part of the resource to produce trial cargoes.

As announced on 2 July 2021, Golden Energy and Resources Limited (Stanmore's major shareholder) has provided additional debt funding through the existing facility to enable this rapid commitment to project development at Isaac Downs.⁵

Opportunities for alternative debt funding are also being considered by Stanmore.

Social and Community Benefits

Stanmore consulted widely in relation to the project during the public consultation phase of the environmental impact assessment process and has continued ongoing communication with local communities, Isaac Regional Council, Coordinator General's Department in relation to the *Strong and Sustainable Resource Communities Act*, as well as the Department of Environment and Science (Qld) and Department of Agriculture, Water and Environment (Commonwealth). The project benefits include:

- The ongoing employment of 200 to 300 people in operations and contracted roles
- Employment of construction personnel
- Preference and incentives for people to live locally in the vibrant Moranbah community
- Contributions and financial assistance for community organisations including childcare and mental health initiatives
- Ongoing contribution to government finances through royalty payments, company tax payments, and PAYG employee contributions.

⁵ ASX announcement, "Funding Update – Loan Facility Increase" 2 July, 2021

Approval

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

For further information, please contact:

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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 (operational), Isaac Downs Project (under development) and the proposed 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 also holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.

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