

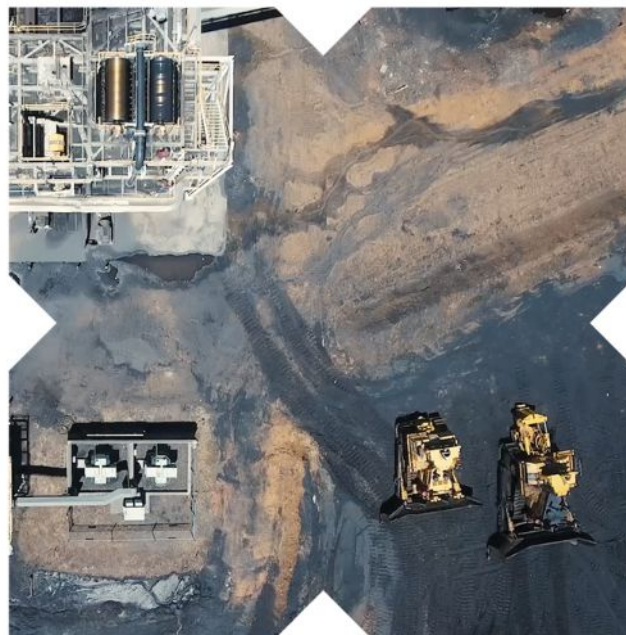
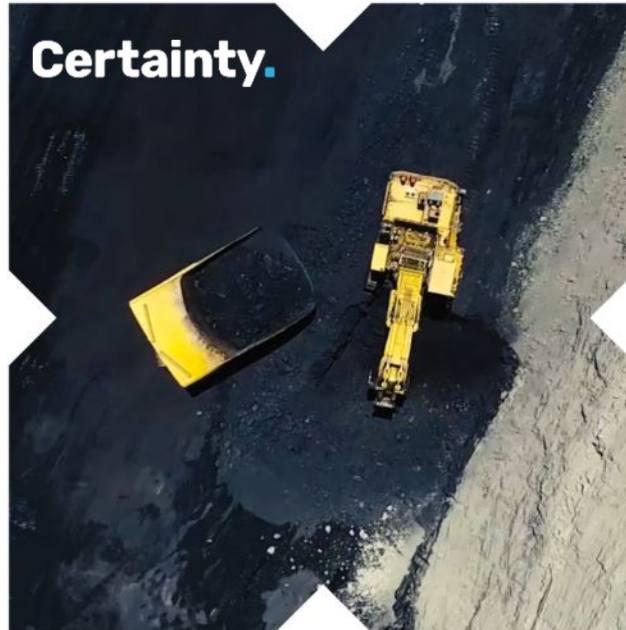
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Certainty.

WILSONS:
RAPID INSIGHTS
CONFERENCE

**Expanding Production
to Deliver
Shareholder Returns**

20 NOVEMBER 2018



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Stanmore Coal Overview The right path to value

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Independent coal company

Positioned in right commodity at the right time of the cycle



Isaac Plains expansion operational with demonstrated performance

Validation that the resource, the equipment and the plan is right



Isaac Plains Complex represents the Company's platform asset

Cost structures targeted with the right CHPP feed volumes from capital 'light' open cut and underground expansions



Multiple acquisition targets and internal projects on which Stanmore can capitalise

Replicate the 'hub' approach focusing on reliability and creating value where others can't or won't

ASX CODE

SMR

SHARE PRICE

A\$0.915¹

SHARES

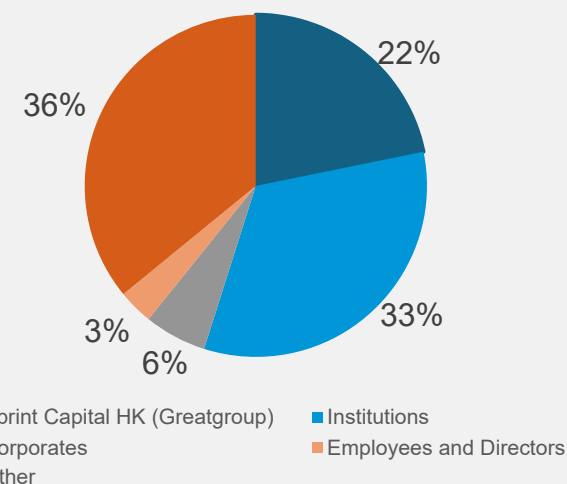
251,800,978

MARKET CAP

\$230m¹

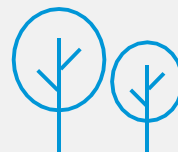
1. AS AT 12 NOV '18

SHARE OWNERSHIP





Full year **production** guidance for FY19 of 2.0Mt product



Environmental rehabilitation of ~150Ha planned in FY19



Development of Isaac Plains East ramping-up with two pits operational by November 2018



Operations supported by additional long-term port capacity to match infrastructure capacity at Isaac Plains



Growth through acquisition of Isaac Downs, providing Stanmore with an extra 10 years of production

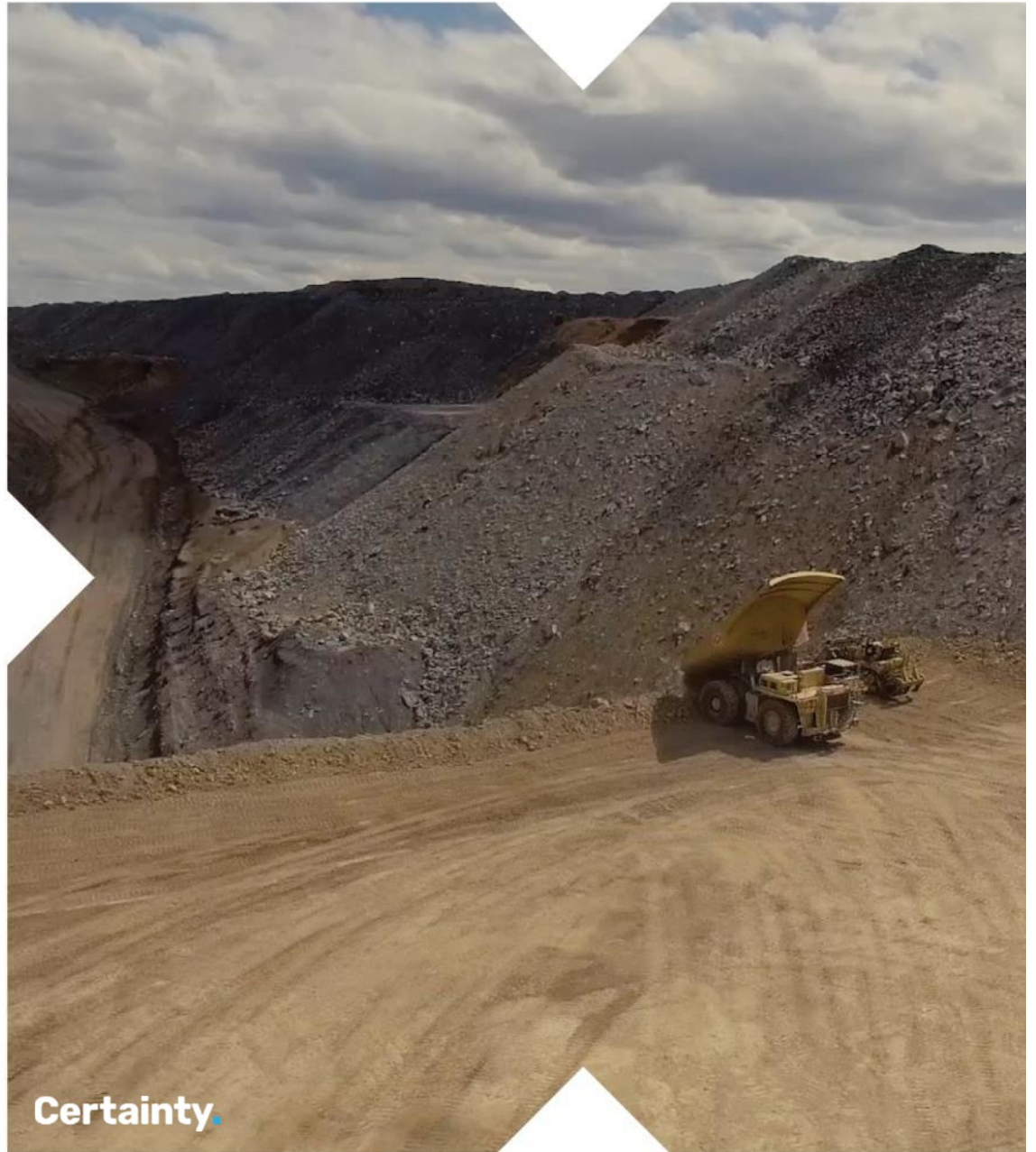


Maiden dividend of 2 cents per share payable November 2018

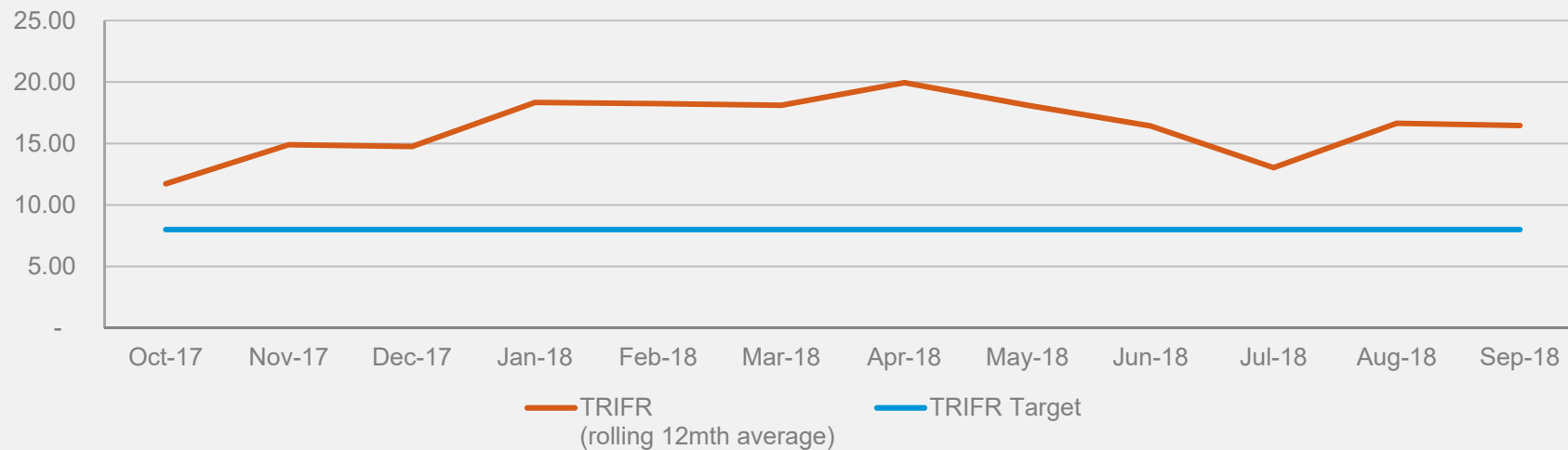
Safety

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Driving for certainty of no fatalities and individual safety performance



- Significant resources committed to both fatal risk systems, personal safety and leadership
- Total Recordable Injury Frequency Rate (TRIFR) of 16.5 was above the Queensland Coal Industry (Surface Coal) TRIFR of 11 at September 2018

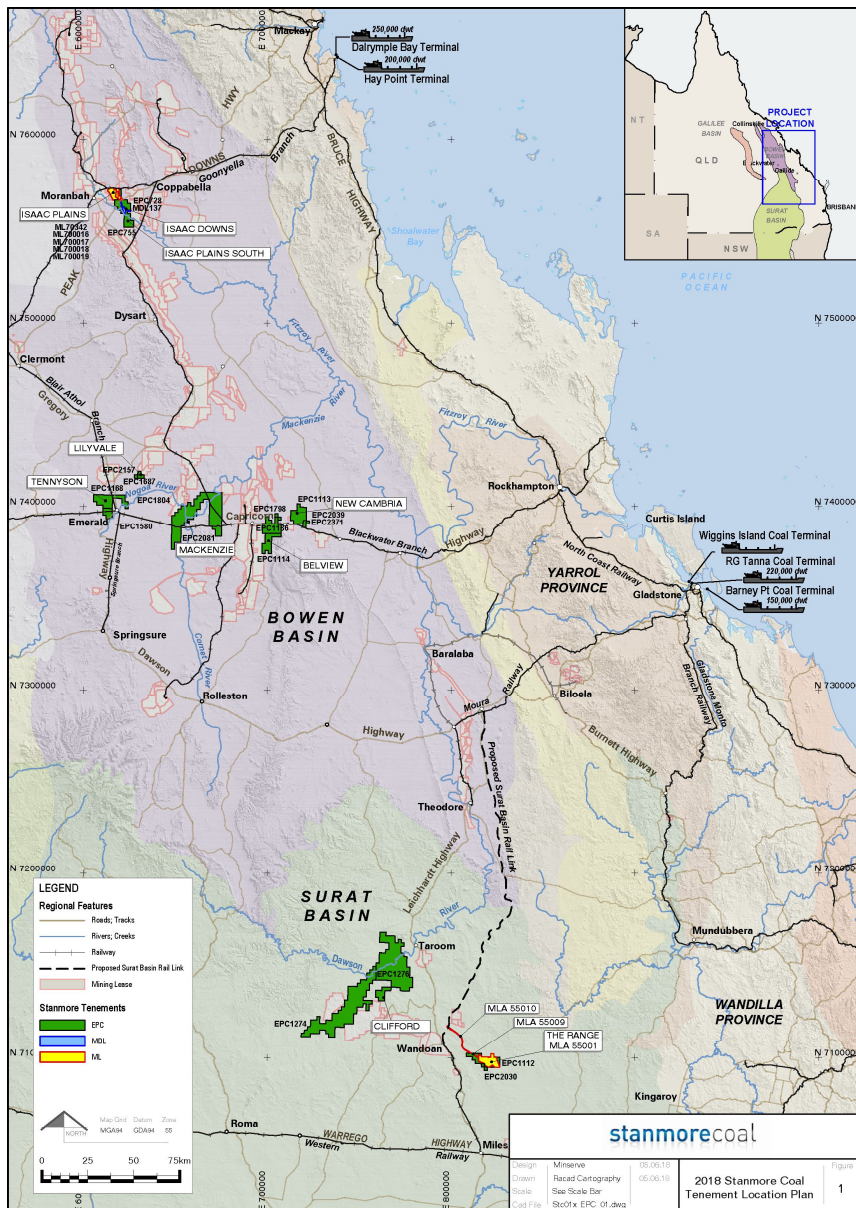
Operations

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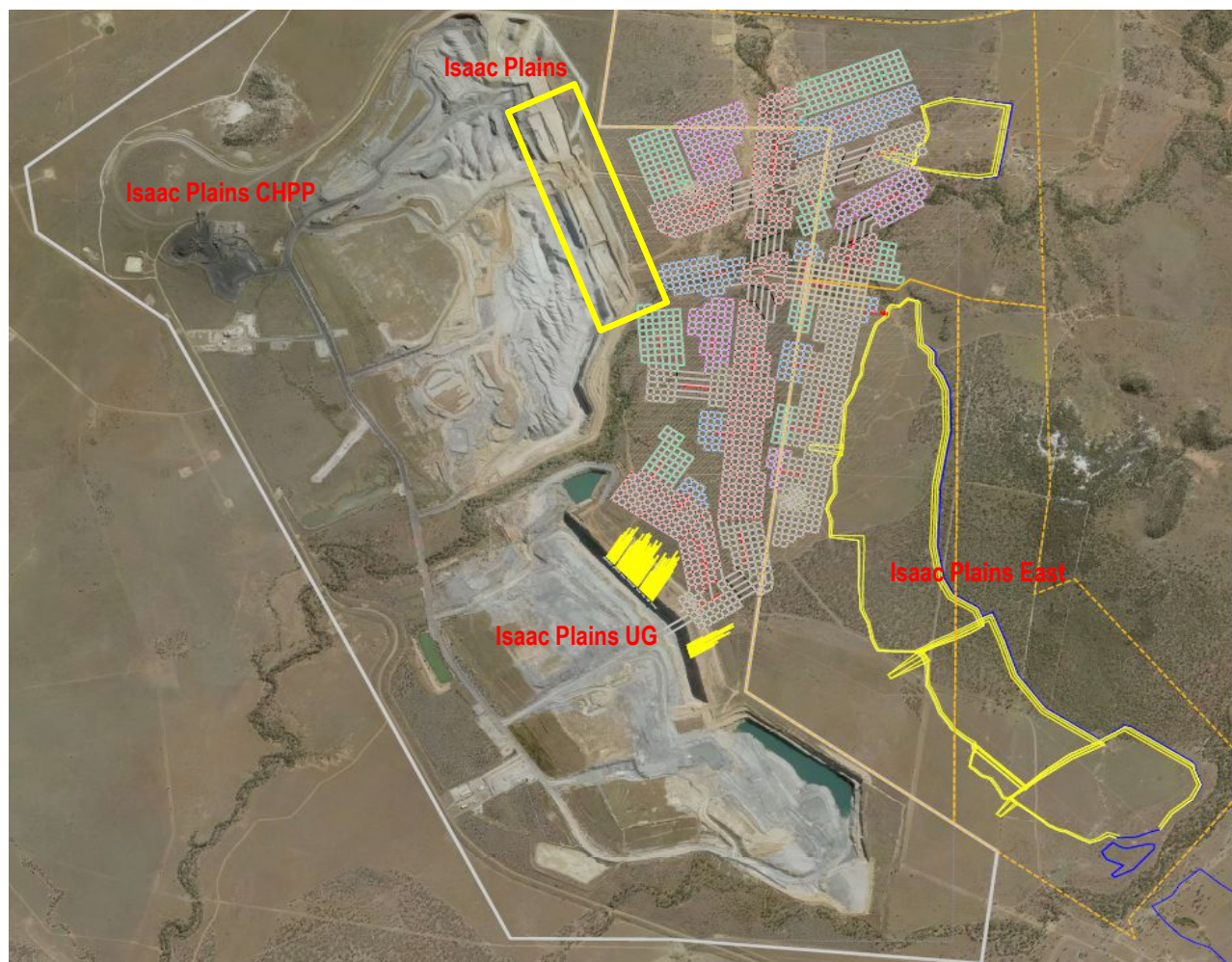
Region



Isaac Plains Complex Logistics

- 100% export product
- Goonyella Branch to DBCT
- 172km to DBCT
- DBCT Port capacity 2.4mtpa

Isaac Plains Complex





Isaac Plains Mine - final strip



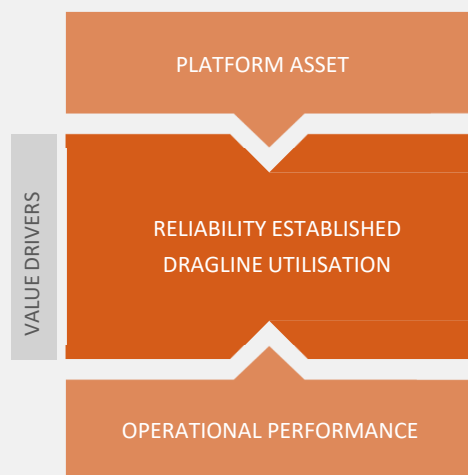


- 10 kilometres south of the existing coal handling and processing plant (CHPP) at Isaac Plains.
- The deposit is expected to support an Isaac Plains Complex mine life in excess of 15 years
- Capability to produce semi-hard coking coal, a mid-vol PCI product, as well as a range of semi-soft/weak coking coals.

- The project progressed from PFS to BFS during FY18
- The BFS is materially complete allowing the Company to make an investment decision during FY19.
- Maiden JORC reserves were declared on 28 May 2018, with 12.9Mt (Probable) and Marketable reserves of 9.4Mt.

Implementation of the strategy
'on the ground'

■ 2018

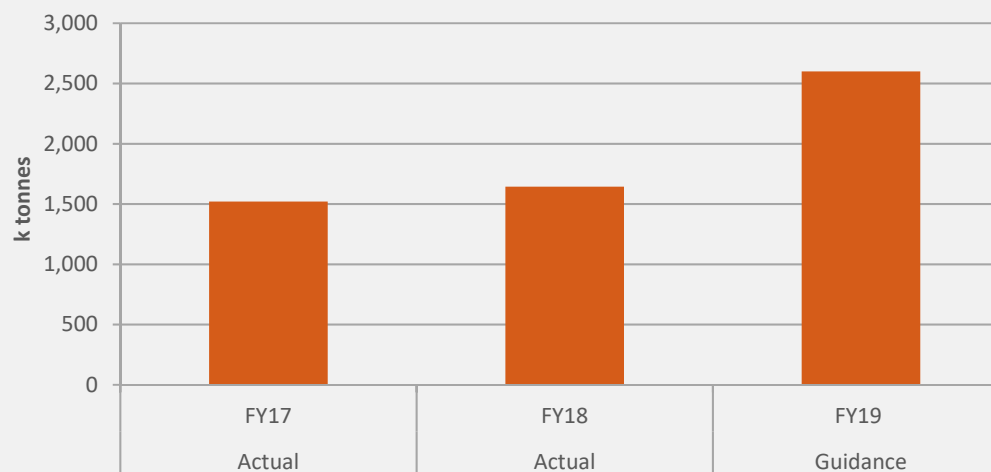


CURRENT POSITION - SCORECARD

RIGHT PLATFORM AT THE RIGHT TIME IN CYCLE	✓
RIGHT COMMODITY	✓
RIGHT SIZED TEAM	✓
RELIABILITY AND REPEATABILITY OF RESULTS ACHIEVED	✓
CASH GENERATIVE	✓

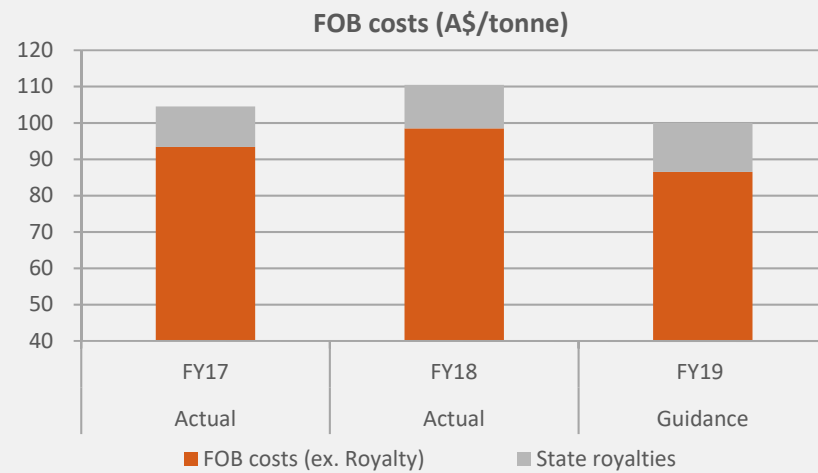
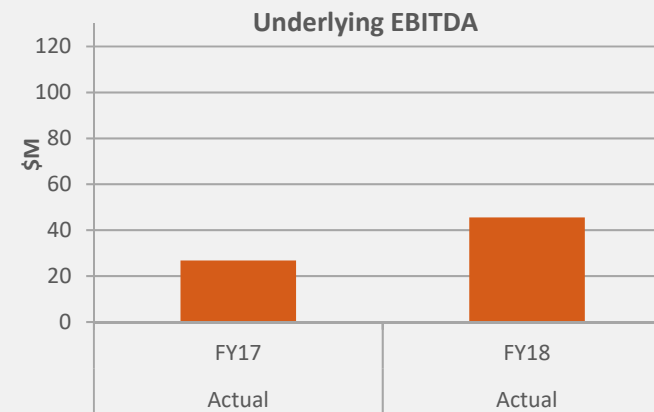
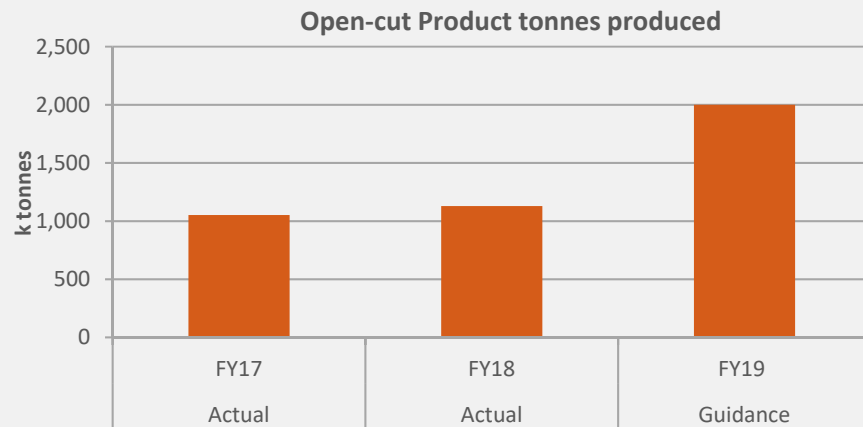
✓ ACHIEVED ... ON TRACK ! REQUIRED

Open-cut ROM tonnes mined



- FY19 guidance of 2.0mtpa product tonnes, 77% higher than FY18
- Planned shutdowns on the Coal Handling and Preparation Plant successfully completed
- FY19 guidance on unit costs at \$86/t (excluding State Royalty), 12% lower than FY18
- Additional long-term DBCT port capacity secured (2.4mtpa) to match infrastructure capacity at the Isaac Plains Complex

Stanmore is very well positioned with a reducing cost structure and increased production profile





- Rehabilitation increased during FY18 with 128ha recontoured and 91ha top-soiled and seeded.
- Additionally, a number of improvement projects were undertaken to improve water management infrastructure and integrity across the Isaac Plains Complex.
- The rehabilitation performance during FY18 resulted in a \$7.8m reduction in the levels of required bonding
- FY19 rehabilitation planned at record levels with approx. 150Ha

Financial

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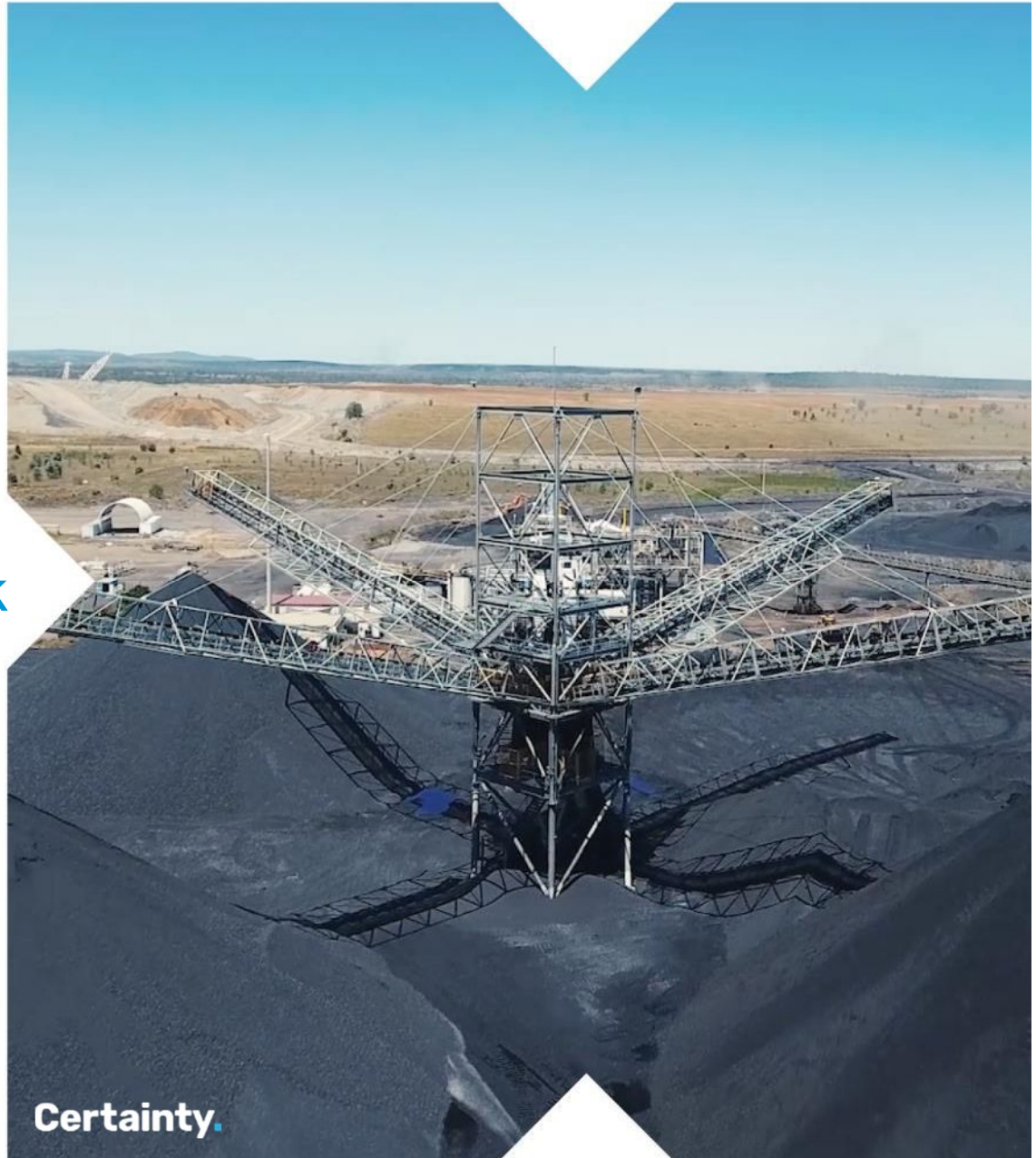
Debt free and invested for a 50% increase in production over the next year

\$M	FY2018	FY2017	Comments
Key financial measures			
Underlying EBITDA	45.5	26.8	Record earnings with 70% increase on prior year. Refer adjustments on Appendix A
Net profit /(loss) after tax for the year	6.0	12.0	Impacted by Fair Value movement of contingent consideration, reflecting an increase in long term forecast coal prices
Cash generated from operations	21.9	(17.8)	Record cash generation from Isaac Plains operations
Net cash / (debt)	19.8	11.9	Debt fully repaid
Margins & Unit Costs			
Average sales price (A\$/t)	144.8	135.1	Strong coal price environment expected to remain for at least the medium term
Unit cost per tonne (A\$/t)	110.0	104.5	Increase in costs reflects production acceleration plan, increase in State royalties and increased demurrage at port
Margin (A\$/t)	34.8	30.6	14% improvement in margins, expected to improve in FY19 with lower mining costs at Isaac Plains East and a stronger coal price outlook

Development and Outlook

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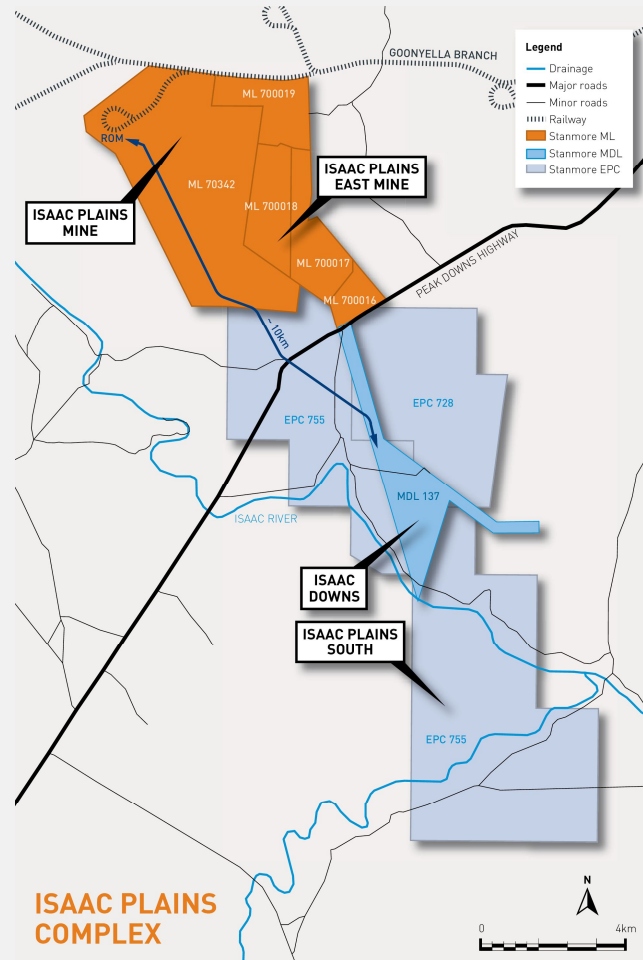
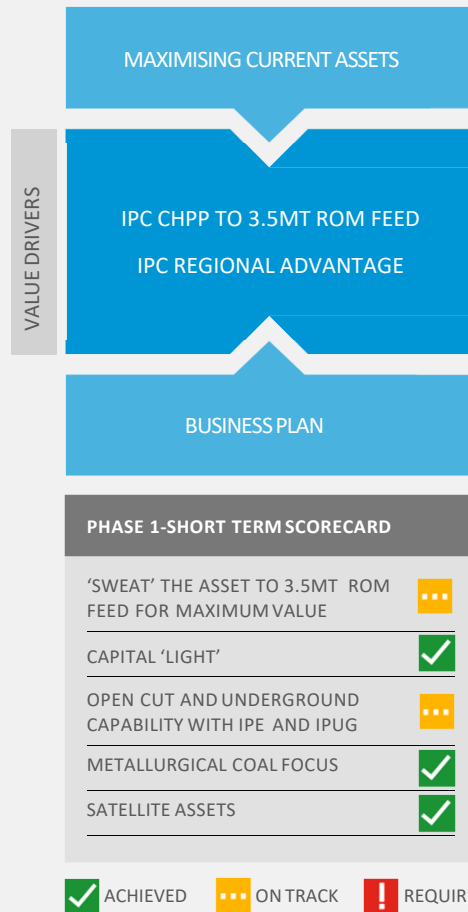


The strategy into action during 2018

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Cycle proofed and capital light

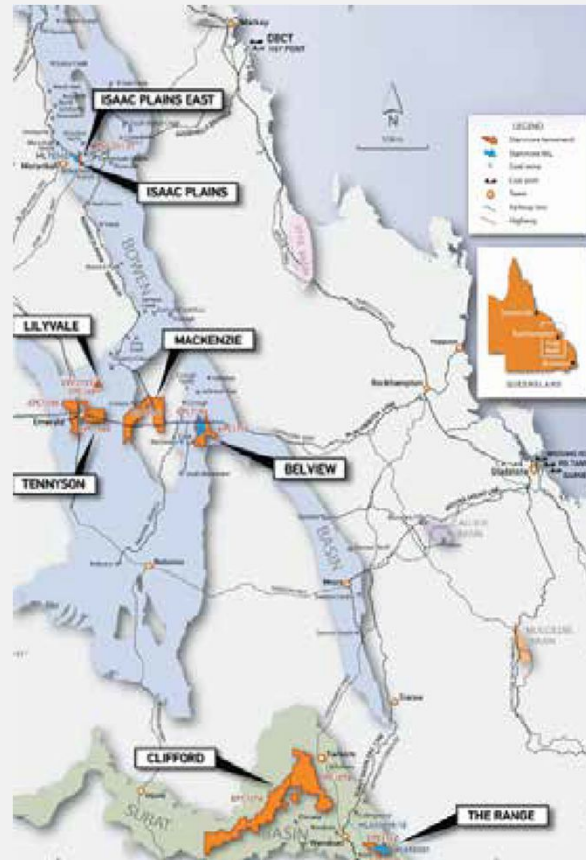
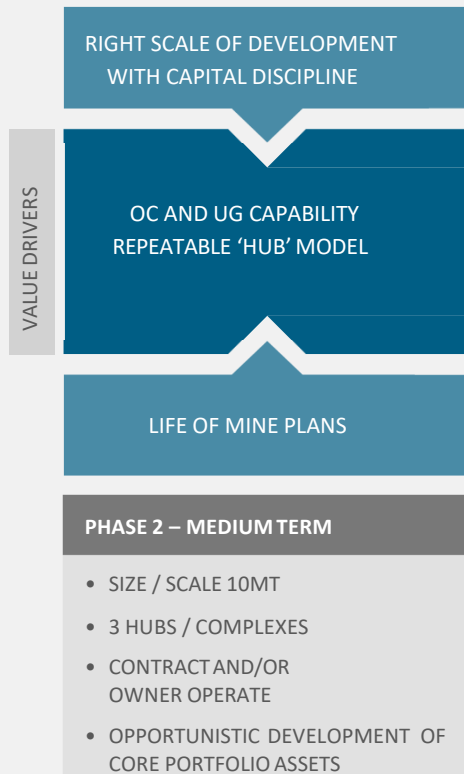
2018



- Toll Loading through Isaac Plains infrastructure successfully completed
- Isaac Plains East fully approved with Environmental Authority and Mining Lease granted
- Mining fully operational and 1st sales of IPE coal made in September 2018
- Acquisition of Wotonga South (now Isaac Downs) completed giving significant boost to mine life, an improvement in cost structure and improving coal quality
- Isaac Plains Underground BFS fully commissioned and investment decision expected in FY19
- Exploration planning commenced for Isaac Plains South

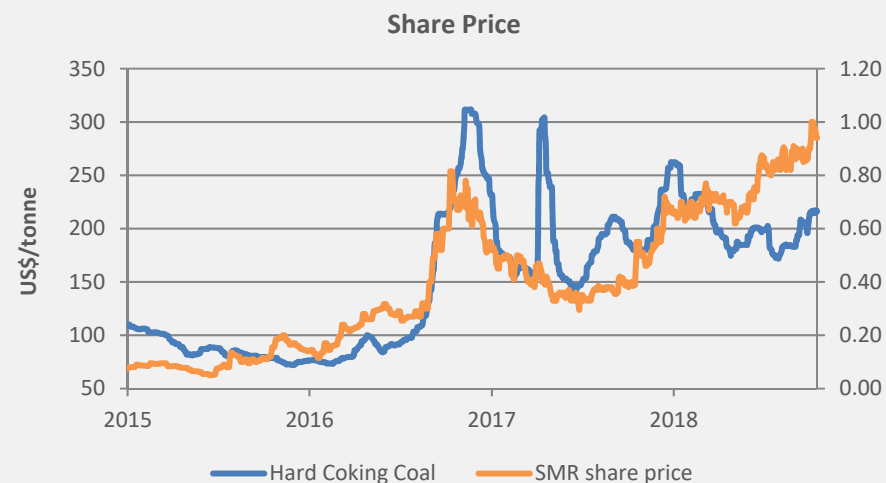
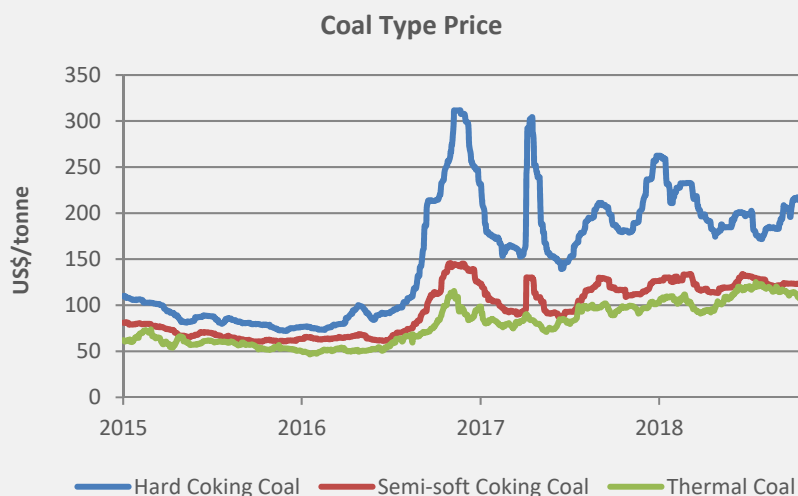
With Isaac Plains maximized, further opportunity exists

2018



- The Range Project is progressing to Environmental Authority Application off the base of the existing Mining Lease Application (MLA).
- Stanmore involvement in developing further lower capital infrastructure solutions to port
- Belview concept study being integrated into a broader region plan for additional value
- Lillyvale exploration planned
- Focussing on multiple producer areas, underutilised capacity and stranded assets

From creating certainty in outcomes and returns to sourcing further ROM coal and preparing the company for the next stage



- Metallurgical coal pricing has remained very well supported and our view is it will remain that way over the long term as there is no replacement technology for this product in the steel making process
- In the short term, China's environmental and safety reform measures have been generally successful. These movements in combination with economic growth in south east Asia and India are resulting in upward pressure on the Australian FOB price

APPENDIX A

\$M	FY2018	FY2017	Comments
Revenue	208.1	137.9	Record revenue, 51% higher than prior year
Cost of sales	(155.8)	(104.1)	Increase in costs reflects production acceleration plan, increase in State royalties, increased demurrage at port and higher sales volumes
Gross Profit/(loss)	52.3	33.8	55% increase on prior year
Other income and expenses	(33.5)	(18.1)	Largely relates to Fair Value movement on contingent consideration
Profit/(loss) before income tax and net finance expenses	18.8	15.7	20% increase on prior year
Finance income	0.3	0.2	
Financial expenses	(9.1)	(9.5)	
Profit/(loss) before income tax benefit/(expense)	10.0	6.4	Record pre-tax profit, 56% increase on prior year
Income tax benefit / (expense)	(4.0)	5.6	
Profit/(loss) after income tax expense	6.0	12.0	
Reconciliation to Underlying EBITDA (non – IFRS measure)			
Profit/(loss) before income tax & net finance expenses	18.8	15.7	
Depreciation and amortisation	5.2	3.3	
Movement in impairment of The Range	-	(8.5)	
Exploration & evaluation costs written off	0.0	0.9	
Fair Value movement of contingent consideration	25.8	14.5	
Remeasurement of onerous contracts	(4.0)	(0.5)	
Remeasurement of rehabilitation provision	(0.3)	1.4	
Underlying EBITDA (non – IFRS measure)	45.5	26.8	