



DECEMBER 2020 QUARTERLY REPORT

Highlights

- Rolling 12-month TRIFR at 5.9, down from 10.2 in the prior corresponding period
- Strong ROM coal mining performance of 850kt for the quarter, reflecting benefits of improved strip ratios
- The Isaac Downs amended Environmental Impact Statement (EIS) was finalised and the Assessment Report is being prepared by the Department of Environment and Science
- US\$40M secure term loan facility executed with Golden Energy and Resources

PRODUCTION AND SALES

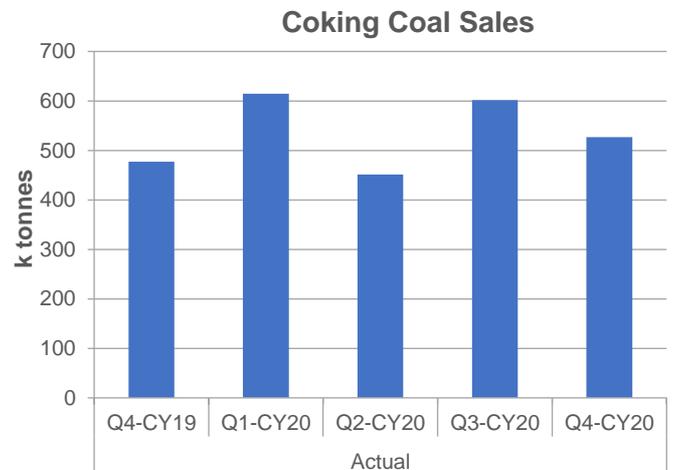
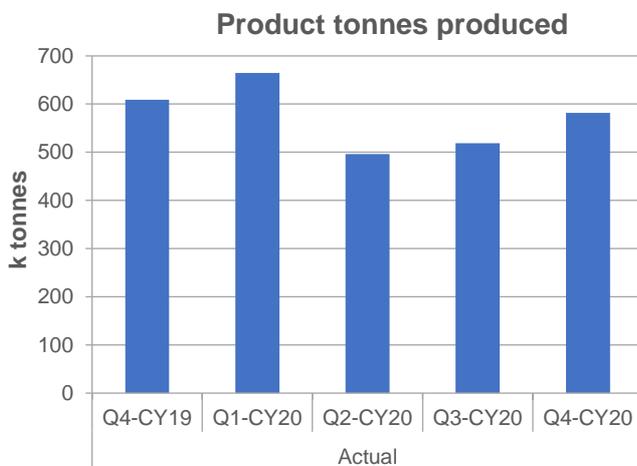
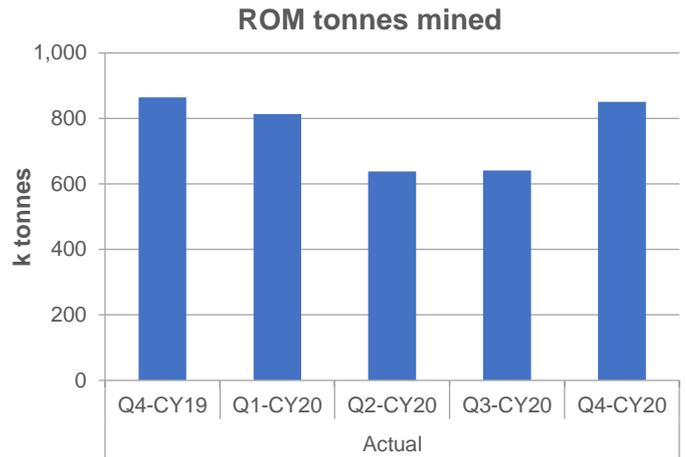
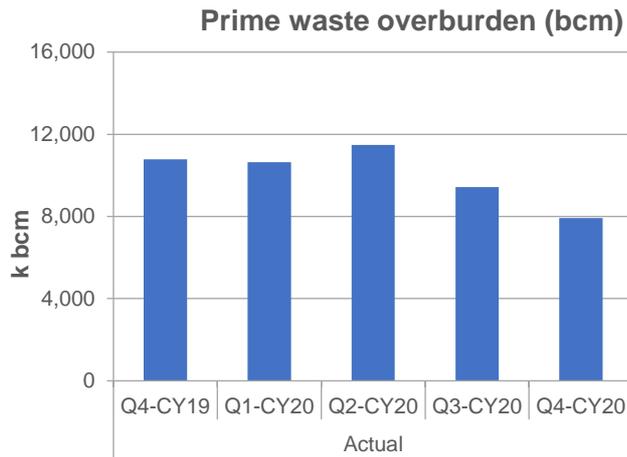
| Thousands of tonnes | Quarter Ended | | | | |
|------------------------------|---------------|----------|-----------|----------|-----------|
| | Dec 2020 | Sep 2020 | Change %* | Dec 2019 | Change %* |
| ROM coal produced | 850 | 641 | 33% | 864 | (2%) |
| ROM strip ratio (reportable) | 11.6 | 13.3 | 13% | 11.3 | (2%) |
| Saleable coal produced | 582 | 519 | 12% | 609 | (4%) |
| Total coal sales | 582 | 602 | (3%) | 497 | 17% |
| Product coal stockpiles | 196 | 190 | 3% | 179 | 9% |
| ROM coal stockpile | 86 | 16 | 426% | 96 | (10%) |

* Note: Change is favourable/unfavourable

SAFETY PERFORMANCE

During the December 2020 quarter there were two recordable injuries at Isaac Plains with no injuries recorded at Stanmore's other projects and tenements. The 12-month TRIFR at the end of the December 2020 quarter was 5.9 (10.2 at December 2019).

ISAAC PLAINS COMPLEX OPERATIONS



Stanmore redesigned mine plans in the quarter to reduce fleet capacity and strip ratios to further minimise costs while coal prices have been depressed, with achieved prime waste mined of 7.9Mbcm being lower than previous quarters.

Despite the lower prime overburden mined, coal mining improved over the previous CY2020 quarters with 850kt mined in the December 2020 quarter. This reflected coal mining being undertaken in the redesigned lower strip ratio sections of the mine.

The Company expects coal mining production to be lower at Isaac Plains East in the upcoming March quarter relative to previous quarters as a result of reduced fleet capacity to focus on lowering costs and strip ratios and to also manage the mine plan transition to Isaac Downs.

Product coal produced was 582kt for the current quarter, in line with total sales for the quarter of 582kt shipped.

Under the requirements of Australian Government's *Environment Protection and Biodiversity Conservation Act 1999* (EPBC), the Isaac Plains East Extension (IPEE) project was approved in December 2020. Preliminary work has commenced at IPEE.

ISAAC DOWNS

During the quarter, the Company made the decision to invest in further exploration (under the requirements of the Mineral Resources Act and conditions of MDL137²) at Isaac Downs to undertake a bulk sample for testing of proposed product coal cargos with our key international customers. Once mining approvals are finalised (estimated mid-2021) the project can commence operations rapidly.

The Queensland Government notified the Company in January 2021 that the EIS Assessment Report stage for the Isaac Downs project had commenced and would be completed by early March, enabling the project to move through the final stages of the approval process. The project remains on track for development in H2 2021.

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

A Bankable Feasibility Study was finalised during the quarter. During the quarter, \$0.88 million was spent on Isaac Downs studies, approvals, engineering design and other preparation works.

DEVELOPMENT PROJECTS

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

CORPORATE

The Company has entered into a secured loan facility with Golden Energy and Resources (GEAR) for a maximum amount of US\$40 million. The facility matures on 30 June 2022 (no penalty for early repayment).

Key terms of the GEAR Facility include:

- upfront fee of 2.0%;
- interest rate on drawn funds of 8.0% per annum; and
- interest rate on undrawn funds of 2.0% per annum.

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

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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.

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² Mineral Development Licence