



25 May 2022

## CHAIRMAN'S AGM ADDRESS

Dear Stanmore Shareholders

2021 has been truly transformative for Stanmore. We managed through the uncertain and volatile market conditions in the first half of the year. In the second half, our operational performance rebounded as we made the transition into Isaac Downs, and we made a number of strategic moves that have positioned Stanmore as one of the largest exporters of metallurgical coal on a global scale.

Two key highlights for the Company have been the acquisitions of an 80% interest in the BMC joint venture and a 50% interest in Millennium and Mavis Downs mine. As a result, our portfolio now consists of four operating mines and three wash plants, all within a 50-kilometre radius in the world's leading metallurgical coal region — the Bowen Basin. Combined, these world-class, de-risked and cash generating assets have a production capacity of over 13 million tonnes per annum, an increase of more than 10 million tonnes as a result of these acquisitions.

We are pleased to have made substantial progress with the integration of these assets, including welcoming approximately 600 new direct employees into the Stanmore family.

Importantly for shareholders, the market capitalisation of Stanmore has increased from \$338 million prior to the BMC acquisition on 2 March 2022, to more than \$2.4 billion today, reflecting the value of the transformation of Stanmore and the future potential of the enlarged business.

### Success despite COVID-19 and Market Conditions

If we take a look back to the start of 2021, Stanmore — and the industry at large — experienced a testing period. The COVID-19 pandemic, in particular, proved challenging for our operations and the global coal market. Metallurgical coal prices also responded to the China import restrictions imposed in late 2020 and were near all-time lows.

In spite of these uncertain market conditions, we successfully repositioned Stanmore as a leading metallurgical coal producer.

We persevered with the construction and ramp-up of operations at Isaac Downs which contributed to record production and sales in the second half of the year. In addition, we completed the acquisition of our 50% interest in Millennium and Mavis Downs mine in July 2021, and delivered first coal exports in the fourth quarter.

Our successful acquisition of the BMC assets signed in November 2021 was completed early this month. These assets have been run extremely well to date, and we will remain focused on continuing to deliver exceptional results, to continue to position Stanmore for substantial cashflow generation and future growth. We are now in the process of planning to realise the synergies of having four mines located in close proximity to each other, with access to world class coal processing and transport infrastructure.

We have successfully executed on these landmark objectives without disruption to our existing operations, and with a strong safety record average — a testament to the efforts of our incredible team. Safety, as always, remains our number one priority, and we are proud of our safety leadership and culture at Stanmore, as well at the assets acquired.

## Vision, Mission and Values

In line with the remarkable transformation, we have taken the opportunity to develop a new Vision, Mission and Values for Stanmore. They will help to guide our actions and decision making and ensure alignment across the Company.

Our revised Vision is to be a leading resources company in Australia, creating value to our stakeholders through sustainable development. This is supported by our Mission statements, focused on:

- Genuine care for our people, their safety, the environment and the stakeholders involved with our operations;
- Achieving sustainable development;
- Building and fostering a culture of an agile, entrepreneurial and simple organisation; and
- Continuous improvement and operational excellence.

Our new Values speak to the fundamental beliefs and behaviours that will help us achieve our Vision and Mission — Commitment, Integrity, Innovation, Continuous Improvement, a Positive Attitude and Loyalty.

By living and breathing these Values each day, we will drive our sense of purpose, and carve out our unique value proposition to our many and varied stakeholders across the Company.

## New Directors

At today's AGM, we will ask shareholders to vote on the election of three new directors, all of whom will add significant skills and experience to our Board, specifically in the areas of operations and safety, coal marketing and trading, and finance and investment.

The three proposed directors are:

- Mr Matt Latimore, who is Chairman and President of M Resources and specialises in investment, logistics management, marketing and trading of metallurgical coal;
- Mr Brett Garland, who has worked in the mining industry for more than 40 years and is an acknowledged expert in health and safety in our sector; and
- Ms Caroline Chan who has worked in commercial and investment banking for more than 20 years.

Our new and enlarged Board remains well balanced with four independent Directors, and I will introduce each of the proposed directors in more detail during the proceedings of the meeting before shareholders will be asked to cast their vote.

## Closing

On behalf of the Board, I would like to take the opportunity to thank the Stanmore leadership team and all of our people, who have played an instrumental role in the Company's many achievements in

what has been a landmark year. Their efforts, energy and enthusiasm, and steadfast commitment to safety and productivity have ensured Stanmore continues to deliver, even when times have been tough.

I would also like to thank my Board colleagues for their hard work and wise counsel, and I look forward to another strong and successful year to come.

My sincere appreciation to you, the shareholders for your continuing support and excitingly look forward to building Stanmore together with our wonderful and strong team into a world class company.

### **Further information**

#### **Investors**

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#### **Media**

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#### **About Stanmore Resources Limited (ASX: SMR)**

*Stanmore Resources Limited controls, operates and has ownership interests in the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines, as well as in the undeveloped Wards Well, Isaac Plains underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources is also a joint owner of the Millennium and Mavis Downs Mines and holds a number of 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.*