



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

## ASX ANNOUNCEMENT

10 March 2022

### RETAIL OFFER BOOKLET

Stanmore Resources Limited ACN 131 920 968 (ASX:SMR) (“Stanmore”) advises that the retail component of its underwritten accelerated renounceable entitlement offer (with retail rights trading) of new fully paid ordinary shares in Stanmore, announced on 3 March 2022 (“Entitlement Offer”), opens today.

Attached is a copy of the Retail Offer Booklet in respect of the retail component of the Entitlement Offer. The Retail Offer Booklet and personalised Entitlement and Acceptance Forms will be despatched to eligible retail shareholders today.

#### **Further information**

If you have any questions in relation to the Entitlement Offer, please call the Stanmore Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside Australia) between 8:30am and 5:30pm (Sydney time) Monday to Friday.

#### **Approval**

This announcement is authorised for release by the Board of Stanmore.

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

Stanmore 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 and Isaac Downs mining areas 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. Stanmore is a 50% shareholder in the Millennium and Mavis Downs Mine and holds a number of additional high-quality prospective coal tenements located in Queensland’s Bowen and Surat basins.

#### **Not for Release or Distribution in the United States**

This release has been prepared for publication in Australia and may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (“U.S. Securities Act”) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws in any state or other jurisdiction of the United States.



# Retail Offer Booklet

**Pro rata accelerated renounceable entitlement offer  
(with retail rights trading)**

**Stanmore Resources Limited  
ACN 131 920 968  
(ASX:SMR)**

Accelerated renounceable entitlement offer of 7 New Shares for every 3 Shares in Stanmore Resources Limited at an offer price of \$1.10 per New Share.

**This Retail Entitlement Offer closes at 5.00pm (Sydney time) on 21 March 2022.**

This Retail Entitlement Offer is open to Eligible Retail Shareholders who were registered holders of Stanmore ordinary shares at 7.00pm (Sydney time) on 7 March 2022.

The Entitlement Offer is underwritten by Petra Capital Pty Ltd.

## **THIS RETAIL OFFER BOOKLET IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Retail Offer Booklet is not a prospectus or other form of disclosure document. Accordingly, it does not contain all of the information that an investor may require in order to make an investment decision or the information which would otherwise be required by Australian law or any other law to be disclosed in a prospectus.

If you are an Eligible Retail Shareholder you should read this document in its entirety together with the personalised Entitlement and Acceptance Form which accompanies it. If you have any questions, you should consult your professional adviser without delay.



# Important Notices

This Retail Offer Booklet was prepared and issued by Stanmore Resources Limited (ACN 131 920 968) (**Stanmore** or **Company**) and is dated 10 March 2022.

## **This Retail Offer Booklet is not a prospectus**

This Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders and has been prepared in reliance on section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows non-traditional rights issues to be conducted without a prospectus. This document is not a prospectus or other disclosure document under the Corporations Act, and does not contain all of the information which would be found in a prospectus, or which may be required by an investor to make an informed decision in respect of the Retail Entitlement Offer. This document has not been lodged with ASIC.

## **This is an important document and requires your immediate attention**

It is important that you carefully read this Retail Offer Booklet in its entirety before making a decision in relation to the Retail Entitlement Offer.

In particular, you should consider the risk factors outlined in the Investor Presentation which could affect the financial and operating performance of Stanmore or the value of your investment in Stanmore.

By applying for New Shares, including by submitting the Entitlement and Acceptance Form or making a payment by BPAY® for your New Shares, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

## **Investment decisions**

The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs. If after reading this document, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other professional adviser.

The potential tax effects of the Retail Entitlement Offer will vary between investors. Investors should satisfy themselves of any possible tax consequences by consulting their professional tax advisor.

## **Publicly available information**

Announcements released by Stanmore in accordance with its periodic and continuous disclosure obligations under the Corporations Act and ASX Listing Rules are available from the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and Stanmore's website (at [www.stanmore.net.au](http://www.stanmore.net.au)). Although these announcements are not incorporated into this Retail Offer Booklet, investors should have regard to them before making a decision whether or not to participate in the Retail Entitlement Offer, or to otherwise invest in the Company.

Stanmore may release further announcements after the date of this Retail Offer Booklet and throughout the Offer Period which may be relevant to your consideration of the Retail Entitlement Offer. Investors should check whether any further announcements have been released by Stanmore after the date of this Retail Offer Booklet prior to taking action or deciding to do nothing in relation to the Entitlement Offer. These announcements will be available from the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and Stanmore's website (at [www.stanmore.net.au](http://www.stanmore.net.au)).

## **Forward-looking statements**

This Retail Offer Booklet contains certain forward-looking statements. Forward-looking statements may generally be identified by the use of forward-looking words such as "believe", "aim", "expect", "anticipate", "intending", "foreseeing", "likely", "should", "planned", "may", "estimate", "potential", or other similar words. Statements that describe Stanmore's objectives, plans, goals or expectations are or may be forward-looking statements.

Any forward-looking statements in this Retail Offer Booklet are made, and reflect views held, only as at the date of this Retail Offer Booklet. Stanmore makes no representation and gives no assurance or guarantee that the occurrence of the events or the achievement of results expressed or implied in such statements will actually occur. You are cautioned not to place reliance on any forward-looking statement, and all forward-looking statements attributable to Stanmore or any person acting on their behalf are qualified by this cautionary statement.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors many of which are outside the control of Stanmore and its directors and management. A number of important factors could cause the actual results, performance or achievements of Stanmore to be materially different from the results, performance or achievements expressed or implied by such statements, and the assumptions on which statements are based, certain of which are summarised in the "Risks" section of the Investor Presentation attached to this Retail Offer Booklet. You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

To the maximum extent permitted by law, Stanmore and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to update or revise publicly any forward-looking statements after the date of the Retail Offer Booklet to reflect any changes in expectations in relation to forward looking statements or any change in events, conditions or circumstances on which any such statement is based, or any changes as a result of new information, future events or results or otherwise.

## **Risks**

Refer to the "Risks" section of the Investor Presentation attached to this Retail Offer Booklet for a summary of certain risk factors that may affect Stanmore.

## **Past performance**

Investors should note that past performance, including past share price performance of the Company and the pro forma historical information in the Investor Presentation attached to this Retail Offer Booklet, is given for illustrative purposes only and cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future share price performance.

## **Foreign jurisdictions**

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Shareholders. By applying for New Shares, including by submitting the Entitlement and Acceptance Form or making a payment by BPAY® you represent and warrant that there has been no breach of such laws.

The distribution of this Retail Offer Booklet outside of Australia, New Zealand and Singapore is restricted by law, and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Stanmore disclaims all liabilities to such persons. Eligible Retail Shareholders who are not resident in Australia, New Zealand or Singapore are responsible for ensuring that taking up New Shares under the Retail Entitlement Offer does not breach the selling restrictions set out in this Retail Offer Booklet or otherwise violate the securities laws in the relevant overseas jurisdictions.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or the Additional New Shares, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia, New Zealand and Singapore.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares is subject to all requisite authorities and clearance being obtained for Stanmore to lawfully receive your Application Monies.

## New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. The offer of New Shares is renounceable in favour of members of the public.

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## United States

This Retail Offer Booklet and any accompanying ASX announcements and the Entitlement and Acceptance Form may not be distributed or released in the United States and do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any persons who are acting for the account or benefit of a person in the United States.

Neither the Entitlements, the New Shares or the Additional New Shares offered in the Retail Entitlement Offer have been, or will be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the Entitlements may not be taken up or exercised by, and the New Shares and Additional New Shares may not be offered, sold or resold to persons in the United States or persons who are acting for the account or benefit of a person in the United States, unless they have been registered under the US Securities Act or offered or sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The Entitlements, the New Shares and the Additional New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

## Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Time

Times and dates in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise indicated, all times and dates refer to Sydney, New South Wales, Australia time.

## Defined terms and abbreviations

Terms and abbreviations used in this Retail Offer Booklet are defined in section 6 of this Retail Offer Booklet.

## Foreign exchange

All references to "\$" are AUD unless otherwise noted.

## Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Underwriter. To the maximum extent permitted by law, each of the Company and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

Neither the Underwriter nor any Underwriter Party has authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Retail Offer Booklet, and there is no statement in this Retail Offer Booklet which is based on any statement made by the Underwriter or by any Underwriter Party. To the maximum extent permitted by law, each Underwriter and the Underwriter Party expressly disclaims all duties and liabilities (including fraud, negligence and negligent misstatement) in respect of, and makes no responsibility from, any part of this Retail Offer Booklet or any action taken by you on the basis of the information in this Retail Offer Booklet, and make no representation or warranty as to the fairness, currency, accuracy, reliability or completeness of this Retail Offer Booklet.

The Underwriter makes no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor does it make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by applying for New Shares, including by submitting the Entitlement and Acceptance Form or making a payment by BPAY<sup>®</sup> you represent, warrant and agree that you have not relied on any statements made by the Underwriter or the Underwriter Party in relation to the New Shares or the Entitlement Offer generally.

## Corporate Directory

<b>Company</b>	<p><b>Stanmore Resources Limited</b> ACN 131 920 968</p> <p><b>Registered office:</b> Level 15, 133 Mary Street Brisbane, Queensland, 4000 Australia</p> <p><b>Telephone:</b> +61 7 3238 1000</p> <p><b>Website:</b> <a href="http://www.stanmore.net.au">www.stanmore.net.au</a></p> <p><b>ASX Code:</b> SMR</p>
<b>Directors</b>	<p>Dwi Prasetyo Suseno (Chairman)</p> <p>Jimmy Sen Ming Lim (Non-Executive)</p> <p>Marcelo Matos (Chief Executive Officer)</p> <p>Richard Majlinder (Non-Executive)</p> <p>Mark Frederick Trevan (Non-Executive)</p>
<b>Company Secretary</b>	Rees Fleming
<b>Legal Adviser</b>	<p>Norton Rose Fulbright Australia</p> <p>Level 30, 108 St Georges Terrace Perth, Western Australia, 6000, Australia</p>
<b>Lead Manager and Underwriter</b>	<p>Petra Capital Pty Ltd ACN 110 952 782</p> <p>Level 17, 14 Martin Place, Sydney New South Wales, 2000, Australia</p>
<b>Corporate Advisors</b>	<p>Grant Samuel</p> <p>Level 31, 101 Collins Street Melbourne, Victoria, 3000, Australia</p>
<b>Auditors</b>	<p>Ernst &amp; Young</p> <p>111 Eagle Street Brisbane, Queensland, 4000, Australia</p>
<b>Registry</b>	<p>Link Market Services Limited</p> <p>Level 21, 10 Eagle Street Brisbane, Queensland, 4000, Australia</p>

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# Key Entitlement Offer Details

## Key Statistics

<b>Offer Price</b>	\$1.10 per New Share
<b>Ratio</b>	7 New Shares for every 3 Shares held at the Record Date
<b>Maximum number of New Shares to be issued under the Entitlement Offer</b>	631 million (approximately)
<b>Maximum amount to be raised under the Entitlement Offer</b>	Approximately \$694 million (US\$506 million), before costs and expenses
<b>Number of Shares on issue following the Entitlement Offer</b>	901 million (approximately)

## Key Dates

Entitlement Offer announced – Company entered trading halt	3 March 2022
Institutional Entitlement Offer opened	3 March 2022
Institutional Entitlement Offer closed and Institutional Shortfall Bookbuild completed (5.00pm (Sydney time))	3 March 2022
Results of Institutional Entitlement Offer and Institutional Shortfall Bookbuild announced	7 March 2022
Trading halt ended	7 March 2022
<b>Record Date</b>	<b>7 March 2022</b>
Entitlements commenced trading on ASX on a deferred settlement basis	7 March 2022
Retail Offer Booklet despatched and Retail Entitlement Offer opens	10 March 2022
Entitlement trading on ASX ends	14 March 2022
Institutional Entitlement Offer and Institutional Shortfall Bookbuild settlement date	15 March 2022
Institutional Entitlement Offer and Institutional Shortfall Bookbuild issue date	16 March 2022
Shares issued on the Institutional Entitlement Offer and Institutional Shortfall Bookbuild commence trading on ASX	17 March 2022
<b>Closing Date – Retail Entitlement Offer closes (5.00pm (Sydney time))</b>	<b>21 March 2022</b>
Announcement of results of Retail Entitlement Offer and notification of Retail Shortfall	24 March 2022
Determination of allocation under Retail Shortfall Facility	28 March 2022
Retail Entitlement Offer issue date (issue of New Shares issued under the Retail Entitlement Offer and the Retail Shortfall Facility)	31 March 2022
Shares issued on the Retail Entitlement Offer issue date commence trading on ASX	1 April 2022

The above events, dates and times are indicative only and may be subject to change. Stanmore reserves the right to amend any or all of these events, dates and times without notice, subject to the consent of the Underwriter, the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Stanmore reserves the right to extend closing dates, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation by ASX.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been submitted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

## **Enquiries**

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement, please call the Stanmore Offer Information Line on 1300 553 490 or +61 1300 553 490 (outside Australia) between 8.30am and 5.30pm (Sydney time) Monday to Friday during the Offer Period.

We recommend you consult your professional adviser if you are in any doubt as to whether or not to participate in the Retail Entitlement Offer.

## Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all or part of your Entitlements;
- sell all or part of your Entitlements to persons meeting certain eligibility criteria on ASX or by transferring it directly to another person; or
- do nothing.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on the Closing Date.

### Options available to you

<b>OPTION 1:</b>  <b>Take up all and elect to apply for additional shares in excess of your Entitlement or part of your retail Entitlements</b>	<b>OPTION 2:</b>  <b>Sell or transfer all or part of your Entitlements</b>	<b>OPTION 3:</b>  <b>Do nothing</b>
<p><b>Key considerations</b></p> <ul style="list-style-type: none"> <li>• You may elect to purchase New Shares at the Offer Price (see section 3 “Options and How to Apply” for instructions on how to take up your Entitlements).</li> <li>• The New Shares will be fully paid and rank equally in all respects with the existing Shares.</li> <li>• The Retail Entitlement Offer closes at 5.00pm (Sydney time) on 21 March 2022.</li> <li>• If you only take up part of your Entitlements, you may choose to sell or transfer the balance (see Option 2) or you may do nothing and let that part lapse and form the Retail Shortfall (see Option 3).</li> <li>• Eligible Retail Shareholders are able to apply for New Shares in excess of their Entitlements as set out in their personalised Entitlement and Acceptance Form.</li> </ul>	<p><b>Key considerations</b></p> <ul style="list-style-type: none"> <li>• If you do not wish to take up all or part of your Entitlements, you may be able to sell all or part of your Entitlements on ASX through your broker (see Option 3 of section 3.2) or transfer your Entitlements directly to another person (see Option 4 of section 3.2).</li> <li>• Entitlements may be traded on ASX from 7 March 2022 to 14 March 2022 (ASX Code: SMRR). You may incur brokerage costs if you sell all or part of your Entitlements on ASX.</li> <li>• If you sell your Entitlements in the Entitlement Trading Period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Entitlement Trading Period.</li> <li>• If you only sell or transfer part of your Entitlements, you may choose to take up the remainder (see Option 1) or you may do nothing and let that part lapse and form the Retail Shortfall (see Option 3).</li> </ul>	<p><b>Key considerations</b></p> <ul style="list-style-type: none"> <li>• To the extent you do not take up or do not sell all of your Entitlements on ASX (or via direct transfer), your Entitlements will lapse on 14 March 2022.</li> <li>• You will not receive or be entitled to any payment or value for your lapsed Entitlement.</li> <li>• By letting your Entitlement lapse, you will not purchase any New Shares and therefore forgo any exposure to increases or decreases in the value of New Shares.</li> <li>• Your percentage shareholding in Stanmore will also be diluted.</li> </ul>

# Letter from the Chairman of the Independent Board Committee

10 March 2022

Dear Shareholder,

On behalf of the directors of Stanmore Resources Limited ACN 131 920 968 (**Stanmore** or **Company**), I am pleased to invite you to participate in a 7 for 3 underwritten accelerated renounceable entitlement offer of new fully paid ordinary shares in Stanmore (**New Shares**) at an offer price of \$1.10 (**Offer Price**) per New Share (**Entitlement Offer**). Petra Capital Pty Ltd ACN 110 952 782 (**Petra Capital**) has been appointed as lead arranger, lead manager and underwriter for the Entitlement Offer.

Stanmore is seeking to raise approximately \$694 million (US\$506 million) under the Entitlement Offer (before costs and expenses).

The Entitlement Offer consists of an accelerated institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders to participate on the same terms (**Retail Entitlement Offer**). The Institutional Entitlement Offer was completed at 5.00pm (Sydney time) on 3 March 2022 and together with the associated Institutional Shortfall Bookbuild raised approximately \$656 million, before costs.

## Purpose of the Entitlement Offer and use of proceeds

Net proceeds of the Entitlement Offer will be used for the purpose of funding part of the acquisition by Stanmore, via a wholly-owned subsidiary Stanmore SMC Holdings Pty Ltd ACN 653 931 223, of an 80% interest in BHP Mitsui Coal Pty Ltd ACN 009 713 875 (**BMC**) from BHP Minerals Pty Ltd ACN 008 694 782 (**BHP**). Stanmore will obtain an interest in BMC by acquiring all of the issued capital in Dampier Coal (Queensland) Pty Ltd ACN 008 428 180, currently held by BHP (**Acquisition**).

## The Acquisition

The Acquisition will expand the Stanmore portfolio to include two high quality, long-life metallurgical coal assets and will create a leading global metallurgical coal producer with a portfolio of high quality assets in Australia and a track record of generating strong earnings.

BMC's assets are in close proximity to Stanmore's existing assets and Stanmore sees potential for the combined group to generate significant synergies.

The purchase price for the Acquisition comprises:

- US\$1,100 million payable on completion of the Acquisition (subject to customary completion adjustments);
- US\$100 million payable six months post-completion of the Acquisition; and
- up to US\$150 million based on a revenue sharing mechanism if the average coal price achieved is above a certain threshold over a two-year period, payable within 3 months of the end of that two-year period (expected to be 2024).

All regulatory approvals for completion of the Acquisition have been obtained and there are no outstanding conditions precedent under the sale agreement. The Company expects to complete the Acquisition in 2Q CY2022.

If the Acquisition does not complete for any reason, net proceeds of the Entitlement Offer will be used for the purpose of increasing working capital and paying down existing debt.

Further information regarding BMC and the Acquisition can be found in Stanmore's announcement on the ASX on 8 November 2021.

## Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders will be entitled to acquire 7 New Shares for every 3 Shares held at the Record Date, being 7.00pm (Sydney time) on 7 March 2022, at the Offer Price of \$1.10 per New Share. New Shares issued under the Retail Entitlement Offer will rank equally with existing Shares on issue.

The Entitlement Offer is being partially underwritten by Petra Capital Pty Ltd ACN 110 952 782 (**Underwriter**) under the Underwriting Agreement, summarised in the Offer Announcement.

Stanmore is seeking to raise approximately \$37.6 million (before costs and expenses) under the Retail Entitlement Offer. The Offer Price under Retail Entitlement Offer is the same as the Offer Price under the Institutional Entitlement Offer. This Retail Offer Booklet relates to the Retail Entitlement Offer.

Eligible Retail Shareholders who take up their Entitlements in full may also apply for additional New Shares at the Offer Price in excess of their entitlements (**Additional New Shares**) under the Retail Shortfall Facility. The allocation of any Additional New Shares will be limited to the number of New Shares for which valid applications are not received before the Entitlement Offer closes.

The Retail Entitlement Offer closes at **5.00pm (Sydney time) on 21 March 2022**, unless varied. To participate you need to ensure that either your completed Entitlement and Acceptance Form and Application Monies, or your Application Monies submitted by BPAY® (where paying in AUD), is received before this time in accordance with the instructions set out on the Entitlement and Acceptance Form and section 3.3 of this Retail Offer Booklet.

If you do not wish to take up your Entitlement you may sell all or part of it on the ASX (ticker: SMRR) between 7 March 2022 and 14 March 2022 (inclusive), or transfer all or part of your Entitlement to another person. The transfer, assignment and exercise of Entitlements is restricted to persons meeting certain eligibility criteria.

If you do nothing, you will not be issued any New Shares, your Entitlement will lapse, your percentage shareholding in Stanmore will be diluted and you may not receive or be entitled to any payment or value for your lapsed Entitlement.

Shareholders with registered addresses on the share register outside of Australia, New Zealand or Singapore are not eligible to participate in the Entitlement Offer (**Ineligible Shareholders**). Stanmore has appointed a nominee, Petra Capital, who will arrange for the sale of the entitlements that would have been offered to Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders.

This Retail Offer Booklet and accompanying Investor Presentation contains details of the Entitlement Offer, instructions on how to participate in the Retail Entitlement Offer and information on risk factors relevant to an investment in Stanmore. Please read this Retail Offer Booklet in full and consult your stockbroker, accountant or other professional adviser before making a decision in relation to the Retail Entitlement Offer.

For more information on recent developments of the Company, please refer to the Company's public announcements that are released to the ASX, which are available from the ASX's website (at [www.asx.com.au](http://www.asx.com.au)) and the Company's website (at [www.stanmore.net.au](http://www.stanmore.net.au)).

### **Independent Board Committee**

The Board has established an independent board committee comprising Mr Mark Trevan and Mr Richard Majlinder (**Independent Board Committee**) in order to manage and minimise any potential conflicts of interest with regards to the Entitlement Offer as a result of the control Golden Investments (Australia) Pte. Ltd. (**Golden Investments**) has in Stanmore and the involvement of any of its nominees in decisions regarding the Entitlement Offer.

The Independent Board Committee has recommended that the Company proceed with the Entitlement Offer.

The board of directors of Stanmore looks forward to your participation in the Retail Entitlement Offer.

Yours sincerely



Richard Majlinder  
Chairman of the Independent Board Committee

# Frequently asked questions

Question	Response	Section Reference
<b>Key features of the Entitlement Offer</b>		
<b>1 What is the Entitlement Offer?</b>	<p>The Entitlement Offer is a partially underwritten accelerated renounceable entitlement offer of 7 New Shares for every 3 Shares held, at an Offer Price of \$1.10 per New Share.</p> <p>The Entitlement Offer consists of an Institutional Entitlement Offer and a Retail Entitlement Offer component (to which this Retail Offer Booklet relates) for Eligible Retail Shareholders.</p> <p>The Institutional Entitlement Offer closed at 5.00pm (Sydney time) on 3 March 2022 and, together with the Institutional Shortfall Bookbuild, raised approximately \$656 million.</p>	Section 1
<b>2 Who is the issuer of New Shares under the Entitlement Offer?</b>	Stanmore Resources Limited (ASX:SMR).	N/A
<b>3 What is the purpose of the Entitlement Offer?</b>	Net proceeds of the Entitlement Offer will be used for the purpose of funding part of the Acquisition and paying the costs of the Acquisition (including stamp duty).	Section 1.2
<b>The Acquisition</b>		
<b>4 What is the Acquisition?</b>	Stanmore has executed a binding agreement with BHP in respect of its acquisition of 100% of the shares in Dampier Coal through SMC Holdings (a wholly-owned subsidiary of Stanmore incorporated for the Acquisition). This will result in an indirect acquisition of an 80% interest in BMC.	Section 2.2
<b>5 What is the purchase price for the Acquisition?</b>	<p>The purchase price for the Acquisition comprises:</p> <ul style="list-style-type: none"> <li>US\$1,100 million payable on completion of the Acquisition (subject to customary completion adjustments);</li> <li>US\$100 million payable six months post-completion of the Acquisition; and</li> <li>up to US\$150 million based on a revenue sharing mechanism if the average coal price achieved is above a certain threshold over a two-year period, payable within 3 months of the end of that two-year period (expected to be 2024).</li> </ul>	Section 2.2
<b>6 What are the key benefits of the Acquisition?</b>	<p>Key benefits for Stanmore include materially increasing its production, reserves position, weighted average mine life and cashflow generation. The addition of South Walker Creek and Poitrel mines adds further product and customer diversification to Stanmore's portfolio and increases its presence in key growth markets such as India.</p> <p>The Acquisition includes the added benefit of Stanmore inheriting an experienced workforce and management team such that operations can be seamlessly transitioned under the revised ownership structure.</p>	Section 2.5

Question	Response	Section Reference
<b>7 Are there any conditions yet to be satisfied in order to complete the Acquisition?</b>	All conditions precedent and regulatory approvals have been obtained in order to complete the Acquisition.	Section 2.2
<b>8 How will Stanmore fund the Acquisition?</b>	Stanmore intends to fund the purchase price payable on completion of the Acquisition through the Acquisition Facility, net proceeds of the Entitlement Offer and internal cash.	Sections 1.2 and 2.2
<b>9 When will the Acquisition complete?</b>	It is currently proposed that the Acquisition will complete in 2Q CY2022.	Section 2.2
<b>About Stanmore</b>		
<b>10 What are Stanmore's key assets and operations?</b>	Stanmore is an Australian coal company established in 2008 and listed on the ASX in 2009 (ASX: SMR). The principal activities of Stanmore include the exploration, development, production and sale of metallurgical coal in Queensland, Australia. The Company's head office is located in Brisbane, Queensland.	Section 2.1
<b>11 What are the risks associated with applying for New Shares under the Entitlement Offer?</b>	<p>There are a number of risks associated with an investment in Stanmore, including risks associated with the Acquisition (such as integration issues, disruptions and potential costs of achieving synergies), risks specific to Stanmore and BMC operations (such as mining, production and sale risks, regulatory and land access risk, environmental risks, uncertainty in costs forecasts, coal prices and coal demand risks) and general risks (such as share market conditions, changes in laws and global credit and investment markets).</p> <p>These risks are set out in further detail in the "Risks" section in the Investor Presentation. Shareholders are encouraged to consider these risk factors in full as they may affect the financial and operating performance of Stanmore or the value of your investment in Stanmore.</p>	Refer to "Risks" section in the Investor Presentation
<b>Further information regarding the Entitlement Offer</b>		
<b>12 How much is being raised under the Entitlement Offer?</b>	The Entitlement Offer will raise up to approximately \$694.1 million (~US\$506 million) if fully subscribed, and is partially underwritten.	Section 1
<b>13 Is the Entitlement Offer underwritten?</b>	GEAR, via Golden Investments, has subscribed for US\$300 million worth of New Shares under the Institutional Entitlement Offer, the balance of the Entitlement Offer is underwritten to the value of \$286 million (~US\$206 million) by the Underwriter.	Sections 1.22 and 1.3
<b>14 When does the Retail Entitlement Offer open?</b>	The Entitlement Offer opens at 10.00am (Sydney time) on 10 March 2022.	Key Dates
<b>15 When does the Retail Entitlement Offer close?</b>	The Entitlement Offer closes at 5.00pm (Sydney time) on 21 March 2022.	Key Dates
<b>16 What is the impact of the Entitlement Offer on the Company?</b>	The potential effect the Entitlement Offer will have on the control of Stanmore, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlement to New Shares under the Entitlement Offer and participate in the Retail Shortfall Facility, the number of Shares held by Ineligible Shareholders, and the underwriting and sub-underwriting (if eligible) arrangements in place.	Section 1.22

Question	Response	Section Reference
<b>17 Who can apply?</b>	The Retail Entitlement Offer is open to Eligible Retail Shareholders being those Shareholders with a registered address in Australia, New Zealand or Singapore as at the Record Date and Eligible Institutional Shareholders permitted to participate in the Institutional Offer.	Sections 1.8 and 1.4.
<b>18 Who is an Eligible Retail Shareholder?</b>	<p>An Eligible Retail Shareholder is defined as a Shareholder who:</p> <ul style="list-style-type: none"> <li>• has a registered address listed on Stanmore’s share register in Australia, New Zealand or Singapore;</li> <li>• was not invited to participate (other than a nominee, in respect of underlying holdings) under the Institutional Entitlement Offer and is not being treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer;</li> <li>• is not in the United States and is not acting for the account of or benefit of a person in the United States(to the extent such person holds Shares for the account or benefit of such person in the United States); and</li> <li>• is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer, without any requirement for a prospectus, disclosure document or other lodgement, filing, registration or qualification.</li> </ul>	Section 1.8
<b>19 What can I do with my Entitlement?</b>	<p>If you are an Eligible Retail Shareholder, you may do one of the following:</p> <ul style="list-style-type: none"> <li>• take up all of your Entitlement and, if you wish, apply at the Offer Price for a number of New Shares that exceeds your Entitlement under the Retail Shortfall Facility;</li> <li>• take up part of your Entitlement and elect for the balance to be sold or to lapse;</li> <li>• sell all or part of your Entitlement; or</li> <li>• do nothing, in which case your Entitlement will lapse.</li> </ul>	Section 3.2
<b>20 Can I apply for New Shares in excess of my Entitlement?</b>	<p>Yes. The allocation of any Additional New Shares will be limited to the number of New Shares for which valid applications are not received before the Entitlement Offer closes.</p> <p>There is no guarantee that Eligible Retail Shareholders will be successful in being allocated any of the Additional New Shares that they apply for.</p> <p>No Additional New Shares will be issued to an Eligible Shareholder, where to do so would result in a shareholder obtaining voting power in Stanmore in excess of 20% in breach of the Corporations Act.</p>	Sections 1.6, 1.7 and 3.7
<b>21 How much will I pay per New Share or Additional Share?</b>	<p>The price payable for one New Share as well as one Additional New Share under the Entitlement Offer is \$1.10.</p> <p>Applicants can pay for New Shares or Additional New Shares in AUD or US\$. If you apply in US\$, the Application Monies you submit will be converted to AUD at the spot rate prevailing on the Closing Date (being 21 March 2022) (<b>AUD Equivalent Amount</b>). The spot exchange rate at 7.00pm (Sydney time) on 4 March 2022 was AUD1 / US\$0.7354.</p> <p>Therefore, if you apply for New Shares or Additional New Shares in US\$, you will be taken to have applied for that number of New Shares and/or Additional New Shares equal to your AUD Equivalent Amount divided by the Offer Price (subject to rounding).</p>	Sections 1.1, 3.3 and 3.4

Question	Response	Section Reference
	<p>If you apply for your full Entitlement in US\$ and the above currency conversion results in an excess of Application Monies such excess will be deemed to constitute an application for such number of Additional New Shares as is equal to the excess divided by the Offer Price. If the above currency conversion results in the Application Monies received being less than the amount required to pay for the Entitlements applied for the application will be deemed to constitute an application for such number of New Shares as is equal to the amount received following the currency conversion divided by the Offer Price.</p>	
<p><b>22 Can I trade my Entitlement?</b></p>	<p>Entitlements are renounceable and will be tradeable on ASX.</p> <p>Trading of Entitlements is expected to commence on ASX on 7 March 2022 and cease by 5.00pm (Sydney time) on 14 March 2022.</p>	<p>Sections 1.12 and 3.2</p>
<p><b>23 How can I apply?</b></p>	<p>If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement, please:</p> <ul style="list-style-type: none"> <li>• complete and return the Entitlement and Acceptance Form attached to this booklet together with a cheque, bank draft or money order for the full amount payable; or</li> <li>• if paying in AUD, make payment for the full amount payable using BPAY®, so that it is received by the Closing Date.</li> </ul> <p>If you wish to sell or transfer all or part of your Entitlement to another person or party other than on-market through ASX:</p> <ul style="list-style-type: none"> <li>• you must complete a standard renunciation form (which you should be able to obtain from your stockbroker); and</li> <li>• if the transferee wishes to take up all or part of the Entitlements transferred to them, they must send their Application Monies together with the completed Entitlement and Acceptance Form related to those Entitlements transferred to them to the Registry.</li> </ul>	<p>Sections 3.2 and 3.3</p>
<p><b>24 Can I withdraw my Application?</b></p>	<p>You cannot withdraw your application once it has been submitted. Cooling off rights do not apply to an investment in New Shares. Except where permitted by law, you cannot withdraw your application once it has been accepted.</p> <p>Stanmore reserves the right to withdraw the Retail Entitlement Offer without prior notice.</p>	<p>Sections 3.2 and 3.5</p>
<p><b>25 Is brokerage, commission or stamp duty payable?</b></p>	<p>No brokerage, commission or stamp duty will be payable by Eligible Shareholders on the issue or taking up of Entitlements, or the issue of New Shares or Additional New Shares.</p> <p>You may incur brokerage costs if you sell all or part of your Entitlements on ASX.</p>	<p>Sections 4.9 and 5.12</p>
<p><b>26 What are the tax implications of investing in New Shares and Additional New Shares (if any)?</b></p>	<p>The tax consequences of any investment in New Shares and Additional New Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax and legal advice prior to deciding whether to invest in the Entitlement Offer.</p>	<p>Section 4</p>
<p><b>27 When will the New Shares and Additional New Shares (if any) be issued?</b></p>	<p>The issue of New Shares under the Retail Entitlement Offer and the issue of Additional New Shares under the Retail Entitlement Offer will occur on 31 March 2022.</p>	<p>Key Dates</p>

Question	Response	Section Reference
<b>28</b> What are the terms of the New Shares and Additional New Shares (if any)?	New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares.	Section 1.1
<b>29</b> When will the New Shares being trading on the ASX?	Normal trading of New Shares and Additional New Shares is expected to commence on ASX on 1 April 2022.	Key Dates
<b>30</b> When will holding statements be despatched?	Holding statements will be despatched on 1 April 2022.	Section 1.19

# 1 Details of the Entitlement Offer

## 1.1 Overview of the Entitlement Offer

The Entitlement Offer is an underwritten accelerated renounceable pro rata offer of 7 New Shares for every 3 Shares held at the Record Date, being 7.00pm (Sydney time) on 7 March 2022, at the Offer Price of \$1.10 per New Share.

The Entitlement Offer comprises the following components:

- **Institutional Entitlement Offer**
  - Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement.
  - Shortfall from the Institutional Entitlement Offer has been allocated to Eligible Institutional Shareholders and Eligible Institutional Investors pursuant to the Institutional Shortfall Bookbuild.
- **Retail Entitlement Offer** (to which this Retail Offer Booklet relates)
  - Eligible Retail Shareholders will be allotted their Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part, or in whole with the ability to subscribe for Additional New Shares in excess of their Entitlement, to be allocated in the Retail Shortfall Facility. Those Entitlements are renounceable and can be traded on ASX (or transferred directly to another person) in whole or in part. This means that if you are an Eligible Retail Shareholder and do not wish to take up all or part of your Entitlement you may trade on ASX or transfer all or part of your Entitlement in order to realise value from your Entitlement. You may incur brokerage costs if you sell your Entitlement on ASX.
  - Eligible Retail Shareholders who take up their Entitlements in full may also apply for any New Shares that are not taken up under the Retail Entitlement Offer through the Retail Shortfall Facility.

New Shares issued under the Entitlement Offer will be fully paid and will rank equally with existing Shares on issue.

Please refer to the Investor Presentation for information regarding the purpose of the Entitlement Offer and use of proceeds, the effect of the Entitlement Offer and the Acquisition on the Company's financial position and capital structure and key risks associated with an investment in Stanmore. You should also consider other publicly available information about Stanmore available at [www.asx.com.au](http://www.asx.com.au) and [www.stanmore.net.au](http://www.stanmore.net.au).

## 1.2 Purpose of the Entitlement Offer

The Entitlement Offer is proposed to raise a raise approximately US\$506 million (before costs and expenses). Together with the Acquisition Facility (refer to Stanmore's announcement on the ASX on 7 January 2022) and internal cash, including the Ascend Facility (refer to Stanmore's announcement on the ASX on 3 March 2022), Stanmore will have access to approximately US\$1.245 billion (before costs and expenses).

The Directors intend to apply the proceeds from the Entitlement Offer and funds provided under the Acquisition Facility and the Ascend Facility for the purposes of:

- paying part of the consideration for the Acquisition; and
- paying the costs of the Acquisition (including stamp duty).

Further details in respect of the use of funds and Acquisition can be found in the Investor Presentation and ASX announcements.

## 1.3 Underwriting

The Entitlement Offer is partially underwritten by Petra Capital, who will act as lead arranger, lead manager, bookrunner and underwriter for the Entitlement Offer. Any New Shares not taken up under the Institutional Entitlement Offer, the Institutional Shortfall Bookbuild, the Retail Entitlement Offer, the Retail Shortfall Facility, or which would have been taken up by Ineligible Shareholders had they been entitled to participate in the Entitlement Offer, will be taken up by the Underwriter, subject to the terms and conditions of the Underwriting Agreement summarised in the Offer Announcement.

## 1.4 Institutional Entitlement Offer

On 7 March 2022, Stanmore announced the successful completion of the Institutional Entitlement Offer. The Institutional Offer provided Eligible Institutional Shareholders with the opportunity to subscribe for 7 New Shares for every 3 Shares held at the Record Date, at an Offer Price of \$1.10 per New Share.

Stanmore raised approximately \$656 million (before costs and expenses) under the Institutional Entitlement Offer and the Institutional Shortfall Bookbuild.

## 1.5 Retail Entitlement Offer

All Eligible Retail Shareholders are being invited to take up all or part of their Entitlements, and also apply for Additional New Shares in excess of their Entitlement.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Shareholder. Eligible Retail Shareholders are being sent this Retail Offer Booklet with an Entitlement and Acceptance Form.

Under the Retail Entitlement Offer, Stanmore is providing Eligible Retail Shareholders with the opportunity to subscribe for 7 New Shares for every 3 Shares held at the Record Date, being 7.00pm (Sydney time) on 7 March 2022 at the Offer Price of \$1.10 per New Share (being the same as for the Institutional Entitlement Offer).

The Retail Entitlement Offer opens on 10 March 2022 and will close at 5.00pm (Sydney time) on 21 March 2022, unless varied. Settlement of the Retail Entitlement Offer is expected to occur on 30 March 2022, with New Shares issued under the Retail Entitlement Offer and the Retail Shortfall Facility expected to commence trading on 1 April 2022.

## 1.6 Retail Shortfall Facility

Whilst Stanmore believes that the Retail Entitlement Offer will be well received, there may be a number of New Shares for which valid applications are not received before the Retail Entitlement Offer closes (**Retail Shortfall**). Stanmore, in consultation with Underwriter, intends to satisfy the applications for Additional New Shares made by Eligible Retail Shareholders wishing to participate in the Retail Shortfall Facility (if any) as soon as possible after the close of the Retail Entitlement Offer and to issue those Additional New Shares, together with the New Shares on 31 March 2022.

Eligible Retail Shareholders who take up their entitlement in full may apply for Additional New Shares at the Offer Price in excess of their entitlement under the Retail Shortfall Facility, if they wish to do so. The allocation of any Additional New Shares will be limited to the number of New Shares under the Retail Shortfall Facility. If the Company receives valid applications from Eligible Retail Shareholders for a number of Additional New Shares that exceeds the Retail Shortfall, then the number of Additional New Shares to be issued to each Applicant will be scaled back and be allocated and allotted in accordance with the allocation or policy set out in section 3.7.

There is no guarantee that Applicants will receive the number of Additional New Shares applied for in excess of their Entitlement, or that they will receive any at all. Stanmore does not guarantee that there will be any Retail Shortfall.

Stanmore's decision as to the number of Shares to be issued to any Applicant will be final. The issue of Additional New Shares under the Retail Shortfall Facility is subject to compliance with the Corporations Act, ASX Listing Rules and other applicable laws, and will be subject to availability.

A person will not be entitled to be issued any Additional New Shares through the Retail Shortfall Facility:

- to the extent that the Eligible Shareholder requires shareholder approval under the Corporations Act or ASX Listing Rules or any other regulatory approval including approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth); or
- if the Treasurer makes an order under section 67 of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (on an interim or final basis) in respect of the subscription of shares under any underwriting arrangement with the relevant shareholder or institutional investor.

Any remaining Retail Shortfall will be allocated to the Underwriter in accordance with the terms of the underwriting.

## 1.7 Allotment and allocation policy

Stanmore will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

Allocation of Additional New Shares applied for under the Retail Shortfall Facility will be allocated and allotted in accordance with the allocation policy set out in section 3.7. Successful Applicants will be notified in writing of the number of Additional New Shares allocated to them as soon as possible following the allocation being made.

## 1.8 Eligibility to participate in the Retail Entitlement Offer

Eligible Retail Shareholders are those Shareholders who at 7.00pm (Sydney time) on the Record Date:

- have a registered address listed on Stanmore's share register in Australia, New Zealand or Singapore;
- were not invited to participate (other than a nominee, in respect of underlying holdings) under the Institutional Entitlement Offer and are not being treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer;
- are not in the United States and are not acting for the account of or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer, without any requirement for a prospectus, disclosure document or other lodgement, filing, registration or qualification.

Stanmore, in its absolute discretion, reserves the right to determine whether a security holder is an Eligible Retail Shareholder and therefore able to participate in the Retail Entitlement Offer, or an Ineligible Retail Shareholder and therefore unable to participate in the Retail Entitlement Offer. Stanmore disclaims all liability to the maximum extent permitted by law in respect of the determination as to whether a security holder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder. The Entitlement Offer is not being extended to Shareholders who do not meet the above criteria unless Stanmore otherwise determines.

## 1.9 Ineligible Retail Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless Stanmore otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Stanmore has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Shareholders in the jurisdictions in which the Ineligible Shareholders are located, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

## 1.10 Nominee for Ineligible Shareholders

Stanmore has appointed the Underwriter to act as nominee (**Nominee**) for the Ineligible Shareholders to arrange for the sale of the Entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

If there is a viable market for Entitlements and a premium over the expenses of their sale can be made, the Nominee will arrange the sale of the Entitlements which would have been attributable to Ineligible Shareholders. The net proceeds of the sale of these Entitlements (after deducting brokerage commission and other expenses) will then be remitted as soon as practicable to the Ineligible Shareholders, in the same proportions as their respective holdings of the Shares as at the Record Date bears to the total of the Shares held by them as at that time. The Nominee will have absolute and sole discretion to determine the price for which the relevant Entitlements may be sold so that a premium over the expenses of their sale can be made, as well as the timing and manner of such sale. Neither Stanmore nor the Nominee will be subject to any liability to Ineligible Shareholders for failure to sell the Entitlements of the Ineligible Shareholder or to sell them at a particular price.

If, as a result of the Nominee offering to sell or being invited to sell the relevant Entitlements, the Nominee forms the reasonable opinion that there is not a viable market for the Entitlements or a surplus of sale proceeds over expenses from the sale cannot be obtained for the Entitlements that would otherwise have been offered to the Ineligible Shareholders, then the Entitlements will be allowed to lapse and form part of the New Shares offered to Eligible Retail Shareholders under the Retail Shortfall Facility, and to the Underwriter. In such circumstances, no money will be payable to Ineligible Shareholders.

## 1.11 Your Entitlements under the Retail Entitlement Offer

Your Entitlement to participate in the Retail Entitlement Offer is set out in the accompanying Entitlement and Acceptance Form, and has been calculated based on 7 New Shares for every 3 Shares you held at the Record Date rounded up to the nearest whole number.

The Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up; for example, you are not permitted to take up an Entitlement to the extent you are holding Shares for the account or benefit of a person in the United States.

## **1.12 Can you trade your Entitlement?**

Yes. As the Entitlement Offer is renounceable, the Entitlements can be traded on ASX, transferred, assigned or otherwise dealt with. This provides the opportunity for Eligible Retail Shareholders who do not wish to take up some or all of their Entitlements to potentially realise value for any Entitlements not taken up. If you do not take up your Entitlements by the Closing Date or trade, transfer, assign or otherwise deal with your rights during the Entitlement Trading Period, your rights will lapse, and the corresponding New Shares, to the extent not taken up under the Retail Shortfall Facility, will be taken up by the Underwriter, subject to the terms and conditions of the Underwriting Agreement summarised in the Offer Announcement.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your interest in Stanmore will also be diluted.

There is no guarantee that there will be a liquid market in traded Entitlements on ASX or otherwise. A lack of liquidity may impact your ability to sell your Entitlements on the ASX or to transfer your Entitlements and the price you may be able to achieve.

## **1.13 Closing Date**

Stanmore will accept applications under the Retail Entitlement Offer from the date of this Retail Offer Booklet until 5.00pm (Sydney time) on 21 March 2022 (or such other date as the Directors in their absolute discretion determine, in consultation with the Underwriter, subject to the requirements of the ASX Listing Rules).

## **1.14 Deferred Shares**

Stanmore currently has 9,936 Deferred Shares on issue. The Deferred Shares were issued as part of the Stanmore employee shares and are subject to a trading lock of three years, or until such time as the employee resigns from Stanmore and its subsidiaries.

Deferred shareholders are entitled to participate in the Entitlement Offer in respect of their Deferred Shares, in accordance with the terms of Stanmore's employee exempt share plan. Holders of Deferred Shares may also trade their Entitlements in accordance with the instructions in section 1.12. If you hold Deferred Shares and have any questions regarding your ability to participate in the Entitlement Offer, please contact the Company on (07) 3238 1000.

## **1.15 Options**

Stanmore does not have any options on issue.

## **1.16 Performance Rights**

Stanmore currently has 144,898 Performance Rights on issue.

Performance Rights holders are not entitled to participate in the Entitlement Offer in respect of their Performance Rights.

## **1.17 Minimum subscription**

There is no minimum subscription under the Entitlement Offer. However, as noted elsewhere in this Retail Offer Booklet, the Entitlement Offer is partially underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

## **1.18 ASX quotation**

Stanmore has made an application to ASX for quotation of the New Shares issued under the Entitlement Offer on ASX. If ASX does not grant official quotation of the New Shares, Stanmore will not issue any New Shares and all Application Monies will be refunded, without interest.

Subject to approval being granted by ASX, quotation of the New Shares is expected to commence on 1 April 2022 (on a normal trading basis). Note that dates and times in this Retail Offer Booklet are indicative only and subject to change.

## 1.19 Issue of New Shares

Stanmore expects to issue the New Shares under the Retail Entitlement Offer on 31 March 2022 and despatch holding statements for the New Shares on 1 April 2022.

Any Applicant who sells New Shares before receiving confirmation of their holding in the form of a holding statement will do so at their own risk. The Company, the Underwriter and the Registry will have no responsibility for, and disclaim all duty and liability whether in fault, negligence, negligent misstatement or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company, the Underwriter, the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to. If you are in any doubt as to these matters, you should first consult with your stockbroker or other professional adviser.

## 1.20 Rights of the Company

Stanmore reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

## 1.21 Application Monies

Application Monies will be held in trust for Applicants in a subscription account solely for the purpose of holding the Application Monies until New Shares are allotted. To the fullest extent permitted by law, each Eligible Retail Shareholder agrees that any Application Monies paid by them to Stanmore will not entitle them to any interest against Stanmore and that any interest earned in respect of Application Monies will belong to Stanmore. This will be the case, whether or not all or none (if the Retail Entitlement Offer is withdrawn) of the New Shares applied for by a person are issued to that person. Any interest earned on Application Monies will be for the benefit of Stanmore and will belong to and retained by Stanmore irrespective of whether New Shares are issued.

## 1.22 Substantial holder and effects on control

The potential effect the Entitlement Offer will have on the control of Stanmore, and the consequences of that effect, will depend on a number of factors, including the extent to which Eligible Shareholders take up their entitlement to New Shares under the Entitlement Offer and the extent to which Eligible Retail Shareholders participate in the Retail Shortfall Facility.

However, Eligible Retail Shareholders who do not take up their rights for New Shares under the Retail Entitlement Offer will have their percentage shareholding in Stanmore diluted to the extent they do not take up their Entitlement in full. Each Ineligible Shareholders' percentage shareholding in Stanmore will be diluted by the Entitlement Offer.

The substantial holders of Stanmore and their respective holdings prior to the announcement of the Entitlement Offer were as follows:

- **Golden Investments (Australia) Pte. Ltd.:** 203,697,945 Shares, representing voting power of 75.3%; and
- **Matt Latimore and his associated entities:** 38,866,531 Shares, representing voting power of 14.4%.

Golden Investments subscribed for US\$300 million of its Entitlements (373,317,737 New Shares) pursuant to the Institutional Entitlement Offer and will hold, once the New Shares under the Institutional Entitlement Offer are issued on 16 March 2022, 577,015,682 Shares, representing voting power in Stanmore of approximately 64% (including the anticipated number of New Shares which will be issued by Stanmore pursuant to the Retail Entitlement Offer).

Matt Latimore and his associated entities subscribed for \$25 million of their Entitlements (22,727,273 New Shares) pursuant to the Institutional Entitlement Offer and will hold, once the New Shares under the Institutional Entitlement Offer are issued on 16 March 2022, 61,593,804 Shares, representing voting power in Stanmore of approximately 6.8% (including the anticipated number of any New Shares which will be issued by Stanmore pursuant to the Retail Entitlement Offer).

If all other Eligible Shareholders take up their full entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of Stanmore as Golden Investments will not increase its control over Stanmore and its voting power in Stanmore will remain 64% upon completion of the Entitlement Offer. Furthermore, as the Entitlement Offer is underwritten by the Underwriter, if Eligible Shareholders do not take up all (or any) of their Entitlements, these Entitlements will be subscribed for by the Underwriter, which will not result in an increase to Golden Investments' control of Stanmore.

## 2 About Stanmore and BMC

### 2.1 Introduction

Stanmore is an Australian coal company established in 2008 and listed on the ASX in 2009 (ASX: SMR). The principal activities of Stanmore include the exploration, development, production and sale of metallurgical and thermal coal in Queensland, Australia. The Company's head office is located in Brisbane, Queensland.

On completion of the Acquisition, the Company will hold, through Dampier Coal, an 80% interest in the BMC joint venture with Mitsui. BMC owns the world class South Walker Creek and Poitrel mines, which together with its existing Isaac Plains Complex operation, has a combined metallurgical coal production capacity of around 13Mt per annum and total marketable reserves of 180Mt, as well as the undeveloped Wards Well coal project.<sup>1</sup>

Further details of the Acquisition are set out in section 2.2 below.

### 2.2 The Acquisition

As announced by the Company on 8 November 2021, the Company has entered into a binding share sale and purchase agreement to acquire 100% of the shares in Dampier Coal through SMC Holdings (a wholly-owned subsidiary of Stanmore incorporated for the Acquisition). This will result in an indirect acquisition of an 80% interest in BMC.

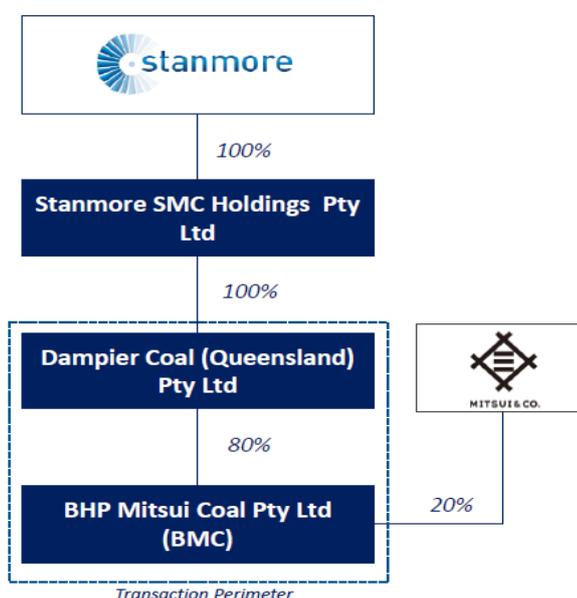
The Acquisition will expand the Stanmore footprint to include two high quality, long-life metallurgical coal operating assets and a large undeveloped greenfield project, and will create a leading global metallurgical coal producer with a portfolio of high quality assets in Australia and a track record of generating strong earnings.

BMC's assets are in close proximity to Stanmore's existing assets and Stanmore sees potential for the combined group to generate significant synergies.

The purchase price for the Acquisition comprises:

- US\$1,100 million payable on completion of the Acquisition (subject to customary completion adjustments);
- US\$100 million payable six months post-completion of the Acquisition; and
- up to US\$150 million based on a revenue sharing mechanism if the average coal price achieved is above a certain threshold over a two-year period, payable within 3 months of the end of that two-year period (expected to be 2024).

The structure of the Acquisition is set out below:



<sup>1</sup> Stanmore reserves as at 31 December 2021, BMC reserves as at 30 June 2021. BMC consolidated on a 100% basis. Includes 50% of Millennium and Mavis Downs.

All regulatory approvals for completion of the Acquisition have been obtained and there are no outstanding conditions precedent under the sale agreement. The Company expects to complete the Acquisition in 2Q CY2022.

If the Acquisition does not complete for any reason, net proceeds of the Entitlement Offer will be used for the purpose of increasing working capital and paying down existing debt.

The US\$1,100 million payable on completion of the Acquisition (subject to customary completion adjustments) by Stanmore will be funded through the Acquisition Facility, net proceeds of the Entitlement Offer and internal cash.

Further information regarding BMC and the Acquisition can be found in Stanmore's announcement on the ASX on 8 November 2021.

## 2.3 Ownership and management of BMC

### *Dampier Coal*

As described in section 2.2, Stanmore will acquire an indirect interest of 80% in BMC by acquiring all of the issued capital of Dampier Coal. Dampier Coal has no other activities other than its 80% interest in BMC.

On completion of the Acquisition, Stanmore will change Dampier Coal's registered office to Stanmore's head office and replace the current board of directors of Dampier Coal with directors nominated by Stanmore.

### *BMC*

The current ownership structure of BMC is set out below. This information was taken from a search of the public register maintained by ASIC on 1 March 2022.

Shareholder	Number of BMC shares	Percentage (%)
Dampier Coal	Class A ordinary shares: 48,140,000 Class B ordinary shares: 18,260,000 Cumulative Redeemable Preference Shares: 948,852	80.00%
Mitsui & Co Ltd	Class C ordinary shares: 11,224,809	13.33%
Mitsui & Co (Australia) Ltd	Class C ordinary shares: 136,888 Cumulative Redeemable Preference Shares: 5,475,516	6.67%
<b>Total</b>	<b>Class A ordinary shares: 48,140,000</b> <b>Class B ordinary shares: 18,260,000</b> <b>Class C ordinary shares: 11,361,697</b> <b>Cumulative Redeemable Preference Shares: 6,424,368</b>	<b>100%</b>

On completion of the Acquisition, Stanmore will obtain an indirect interest in the Class A ordinary shares, Class B ordinary shares and cumulative redeemable preference shares held by Dampier Coal.

For so long as Dampier Coal continues to hold at least 40% of the issued ordinary shares of BMC, BMC is managed by Dampier Coal and quorum for director meetings are at least 3 directors appointed by holders of Class A ordinary shares.

Further information regarding BMC's constituent documents and material contracts can be found in the "Material Contracts" section of the Investor Presentation.

On completion of the Acquisition, Stanmore will change BMC's registered office to Stanmore's head office and replace the current Dampier Coal nominees in the board of directors of BMC with directors nominated by Stanmore. However, Stanmore plans to retain most of the existing leadership teams of BMC (unless otherwise required by BHP).

## 2.4 BMC's assets and operations

### *South Walker Creek*

South Walker Creek is an open cut 100% pulverised coal injection (**PCI**) metallurgical coal mine, with coal marketed as 'best in class' low volatile PCI. It has a mine life in excess of 25 years and a large resource base of 689Mt total resources which includes 98Mt marketable coal reserves. In addition to these resources, the Bee Creek and Nebo West tenements are close to South Walker Creek infrastructure and have estimated coal resources of 23Mt and 71Mt respectively.

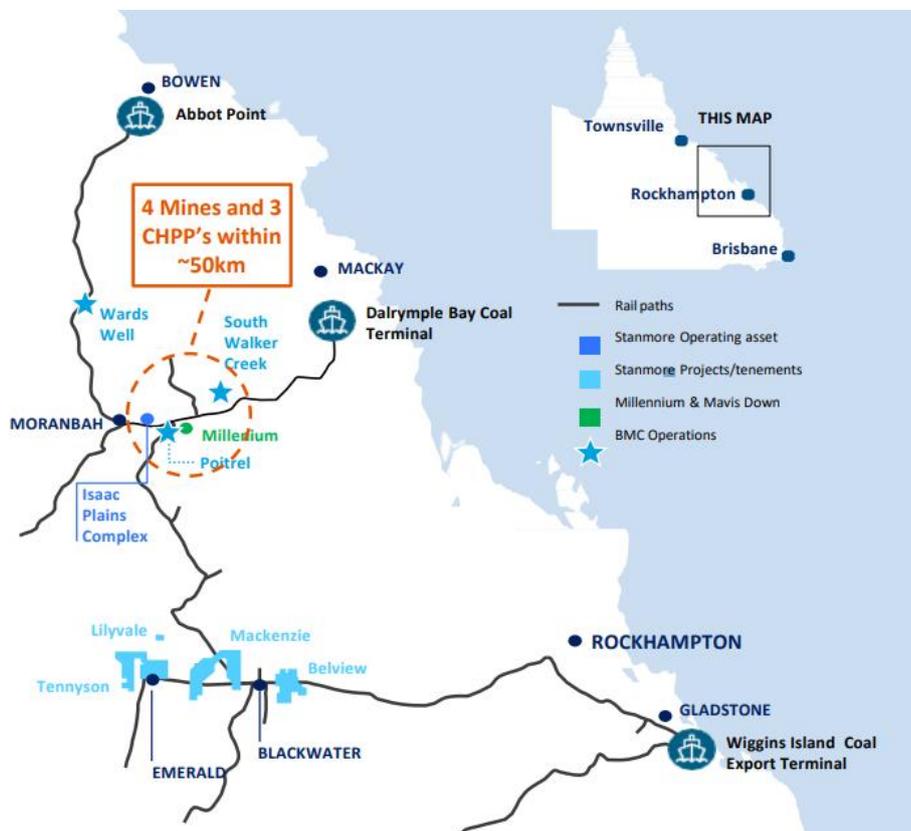
### *Poitrel*

Poitrel is also an open cut coal mine producing a mix of approximately 65% hard coking coal and 35% PCI. Poitrel has a mine life of approximately 10 years and marketable reserves of 39Mt and resources of 150Mt. Poitrel coal is washed at the modern Red Mountain CHPP (wholly-owned by BMC) and loaded for rail.

### *Wards Well*

The Wards Well deposit is situated to the west and north of the other projects and the coal resources are part of the Moranbah Coal Measures. The project has 1,164Mt of indicated and 149Mt of inferred resources. No reserves are yet declared for the Wards Well Project.

Below is a map setting out the location of Stanmore and BMC assets:



Further information regarding the BMC assets, including JORC coal reserves and resources information, can be found in the investor presentations announced by Stanmore on the ASX on 8 November 2021 and 31 January 2022, as well as the Investor Presentation attached to this Retail Offer Booklet.

## 2.5 Reasons for the Acquisition

BMC's operations are complementary to Stanmore's main operations in the metallurgical coal mining sector and directly aligned with Stanmore's strategy to establish a Queensland based metallurgical coal producing platform which benefits from the maximisation of the geographical synergies from its existing infrastructure (evidenced by the recent acquisition of the Millennium and Mavis Downs mines, as well as its commitment to develop Isaac Downs), equipment and personnel, among others.

The Acquisition will materially increase Stanmore's production, reserves position, weighted average mine life and cashflow generation. The addition of South Walker Creek and Poitrel mines adds further product and customer diversification to Stanmore's portfolio and increases its presence in key growth markets such as India.

The Acquisition also provides Stanmore the opportunity to realise potential synergies identified between its existing assets and the BMC assets, including:

- **Coal Blending and Marketing:** Opportunity for blending of the various products in the enlarged portfolio to maximise value in use and achieve a higher overall weighted average price across BMC and Stanmore;
- **Red Mountain CHPP Access:** Utilisation of excess Red Mountain CHPP capacity for processing additional third party coals via ROM purchasing or toll washing;
- **Potential Millennium / Isaac Downs Expansion:** Opportunity to expand Millennium or Isaac Downs productions given spare processing capacity at the Red Mountain CHPP;
- **Infrastructure Access:** Potential to utilise strategic infrastructure at Poitrel for further inorganic consolidation or partnering with neighboring projects; and
- **Streamlining and Simplification of Overheads:** Simplification of operating model and associated processes, and reduced consolidated corporate functions and central support functions.

## 2.6 Financial information of BMC

Financial information regarding BMC, including historical operating and financial performance, can be found in the "Financial Information" section of the Investor Presentation.

## 3 Options and how to apply

### 3.1 Important Information

You should read the following information carefully and in its entirety before making a decision about your Entitlement.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser, or call the Stanmore Offer Information Line on 1300 553 490 or +61 1300 553 490 (outside Australia) at any time between 8.30am and 5.30pm (Sydney time) on Monday to Friday during the Offer Period.

### 3.2 What options do Eligible Retail Shareholders have?

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement and, if you wish, apply at the Offer Price for a number of New Shares that exceeds your Entitlement under the Retail Shortfall Facility;
- take up part of your Entitlement and elect for the balance to be sold or to lapse;
- sell all or part of your Entitlement; or
- do nothing, in which case your Entitlement will lapse.

The Company will treat you as applying for as many New Shares as your payment will pay for in full. If your application is not supported by cleared funds, you will be deemed not to have taken up all of your Entitlement. You cannot withdraw your application once it has been submitted.

Eligible Shareholders will not be obliged to pay brokerage or other fees in respect of New Shares acquired under the Entitlement Offer (including under the Retail Shortfall Facility).

Any Application Monies (greater than \$2.00) received for more than the number of New Shares (including Additional New Shares, if any) issued to you will be refunded as soon as practicable after the close of the Retail Entitlement Offer to your nominated bank account as noted on Stanmore's share register. No interest will be paid to Applicants on any Application Monies received or refunded (wholly or partially).

You should note that if you do not take up all of your Entitlement, your percentage shareholding in Stanmore will be diluted.

Any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been taken up) will be issued to any Applicants under the Retail Shortfall Facility, and any remaining Shortfall will be subscribed for by the Underwriter under the Underwriting Agreement.

Option	Details
<b>1 Take up all of your Entitlement and apply for Additional New Shares</b>	<p>If you wish to:</p> <ul style="list-style-type: none"><li>• take up all of your Entitlement; or</li><li>• take up all of your Entitlement and apply for Additional new Shares in excess of your Entitlement under the Retail Shortfall Facility,</li></ul> <p>please:</p> <ul style="list-style-type: none"><li>• complete and return the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement and if you elect to acquire Additional New Shares, plus the Offer Price multiplied by the number of Additional New Shares you wish to acquire – you will need to calculate this number yourself), so that it is received by the Closing Date (5.00pm, (Sydney time)), unless varied; or</li></ul>

## Option

## Details

- if paying in AUD, make payment for the full amount payable (being the Offer Price multiplied by the number of New Shares comprising your Entitlement, and if you elect to acquire Additional New Shares, plus the Offer Price multiplied by the number of Additional New Shares you wish to acquire – you will need to calculate this number yourself) using BPAY®, so that it is received by the Closing Date,

in each case in accordance with the instructions in section 3.3 and on the Entitlement and Acceptance Form. Subject to applicable legal and regulatory requirements, there is no cap on the number of Additional New Shares you can elect to take up. Any Additional New Shares will be issued only from any potential Shortfall.

If you decide to take up all of your Entitlements, your percentage shareholding in Stanmore will not be diluted. If you decide to take up all of your Entitlements and Additional New Shares, your percentage shareholding in Stanmore will increase. In either circumstance, you will be exposed to the ordinary increases and decreases in the value of the New Shares.

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### **2 Take up part of your Entitlement and electing for the balance to be sold or lapse**

If you wish to take up only part of your Entitlement, please:

- complete and return the Entitlement and Acceptance Form by indicating the number of New Shares you wish to take up (this will be less than your Entitlement as specified on the Entitlement and Acceptance Form), together with a cheque, bank draft or money order for the applicable amount of Application Monies (for the number of New Shares you wish to take up – you will need to calculate this number yourself), so that it is received by the Closing Date (5.00pm (Sydney time)), unless varied; or
- if paying in AUD, make payment of the applicable amount of Application Monies (for the number of New Shares you wish to take up – you will need to calculate this number yourself) using BPAY®, so that it is received by the Closing Date,

in each case in accordance with the instructions in section 3.3 and on the Entitlement and Acceptance Form.

If you wish to sell the balance on ASX, you should instruct your stockbroker personally and provide them with details they request as set out in your Entitlement and Acceptance Form. Please see Option 3 below for further details on selling the balance on ASX.

You do not need to take any other action in respect of any portion of your Entitlement that you do not take up, trade or transfer as these will lapse.

If you decide to take up some of your Entitlements you will be exposed to the ordinary increases or decreases in the value of the New Shares.

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## Option

## Details

### 3 Sell all or part of Entitlement on ASX

**You can only do this through your broker. If you are an issuer sponsored holder, you will need to set up an account with a broker before being able to sell your Entitlements on ASX.**

Eligible Shareholders who do not wish to take up part or all of their Entitlement may be able to sell their Entitlement on ASX and recoup some value or payment. If you wish to sell your Entitlement on ASX, you should instruct your stockbroker personally and provide them with details they request as set out in your Entitlement and Acceptance Form.

You must deal with that part of your Entitlement which you do not wish to accept during the Entitlement Trading Period and by no later than 5.00pm (Sydney time) on 14 March 2022 otherwise it will lapse. It is your responsibility to confirm the number of Entitlements you have for the purposes of ASX on-market trades.

You may incur brokerage costs if you sell all or some of your Entitlements on ASX. Depending on the number of Entitlements you have, brokerage costs may have a material impact on the net proceeds you receive.

Prices obtainable for Entitlements may rise and fall over the Entitlement Trading Period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of existing Shares relative to the Offer Price. If you sell your Entitlements during the Entitlement Trading Period, you may receive a higher or lower amount than an Eligible Retail Shareholder who sells their Entitlements at a different time during the Entitlement Trading Period.

There is no guarantee that there will be a liquid market in traded Entitlements.

**The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or the Registry or failure to maintain your updated details on the Company's share register or otherwise.**

**While the Entitlements will be tradeable on the ASX, the assignment, transfer and exercise of Entitlements trading on ASX will be restricted to persons meeting certain eligibility criteria. It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such person holds securities for the account or benefit of persons in the United States) will not be eligible to purchase or trade Entitlements or take up Entitlements they acquire. Investors who purchase Entitlements on ASX or otherwise must also be an Eligible Retail Shareholder, a resident in Australia, New Zealand or Singapore. It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise.**

Option	Details
<p><b>4 Transfer of Entitlement other than on-market via ASX</b></p>	<p><b>You can only do this if both you and the transferee are issuer sponsored holders. If either party is CHESSE sponsored, you will need to contact your broker.</b></p> <p>If you wish to sell or transfer all or part of your Entitlement to another person or party other than on-market through ASX:</p> <ul style="list-style-type: none"> <li>• you must complete a standard renunciation form (which you should be able to obtain from your stockbroker); and</li> <li>• if the transferee wishes to take up all or part of the Entitlements transferred to them, they must send their Application Monies together with the completed Entitlement and Acceptance Form related to those Entitlements transferred to them to the Registry.</li> </ul> <p>The documents referred to above must be received by no later than 5.00pm (Sydney time) on 21 March 2022 by the Registry at:</p> <p style="padding-left: 40px;">Stanmore Resources Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001</p> <p>Please note you can only transfer/renounce your Entitlements through the Registry if they are issuer sponsored. You should seek advice from your stockbroker in this regard.</p> <p>You may only sell or transfer your Entitlements in this way to a transferee:</p> <ul style="list-style-type: none"> <li>• whose address is in Australia, New Zealand or Singapore; or</li> <li>• who is not in the United States and who is not acting for the account or benefit of a person in the United States (to the extent such transferee is acting for the account or benefit of a person in the United States). Persons that are in the United States or that are acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) will not be eligible to purchase, trade, take up or exercise Entitlements.</li> </ul> <p>You should inform any proposed transferee of these restrictions before you complete any transfer to them.</p> <p>It is your responsibility to confirm the number of Entitlements you have for the purposes of off-market transfers.</p>
<p><b>5 Do nothing and let all of your Entitlement lapse</b></p>	<p>If you do not wish to take up your Entitlement you should do nothing.</p> <p>You will not be allocated New Shares and your Entitlement will lapse. You will not receive or be entitled to any payment or value for your lapsed Entitlement. By letting your Entitlement lapse, you will forgo any exposure to increases or decreases in the value of New Shares. Your percentage shareholding in Stanmore will also be diluted.</p>

### 3.3 How to pay

You can pay the Application Monies in the following ways:

- Option 1: cheque, bank draft or money order; or
- Option 2: if paying in AUD, BPAY®.

Cash payments will not be accepted. Receipts for Application Monies will not be issued.

#### Option 1 - Acceptance and payment by cheque, bank draft or money order

You should complete your Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency drawn on an Australian branch

of an Australian bank for the Offer Price multiplied by the number of New Shares that you are applying for (including any Additional New Shares which you are applying for under the Retail Shortfall Facility). All cheques must be made payable to '**Stanmore Resources Limited**' and crossed '**Not Negotiable**'.

Completed Entitlement and Acceptance Forms and accompanying cheques, bank drafts or money orders must be returned to the following address and received no later than the Closing Date (5.00pm (Sydney time) on 21 March 2022, unless varied).

**By mail:**  
Stanmore Resources Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque, bank draft or money order (or the amount which clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for (including any Additional New Shares), you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and you will be taken to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively your application may not be accepted, in which case any Application Monies will be refunded to you (without interest).

Please note that if you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

### **Option 2 - Acceptance and payment by BPAY®**

For payment by BPAY® (in AUD only), you must follow the instructions on the Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of the whole number of New Shares which is covered in full by your Application Monies; and
- if you pay an amount in excess of the amount representing your full Entitlement, you will be deemed to have applied for your full Entitlement and as many Additional New Shares under the Retail Shortfall Facility as your payment will pay for in full.

You must ensure that you use the specific Biller Code and unique Reference Number on your Entitlement and Acceptance Form. Your application may not be accepted if you choose to pay by BPAY® and you do not use the correct Biller Code and/or unique Reference Number on your Entitlement and Acceptance Form. If you have multiple holdings and receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, please only use the Reference Number specific to the Entitlement on that form. If you do not use the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of your Entitlements, your application will not be recognised as valid.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than the Closing Date (5.00pm (Sydney time)), unless varied. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment, in order to ensure your payment is received by the Closing Date (5.00pm (Sydney time)), unless varied.

## **3.4 Payment of Application Monies in US\$**

You may choose to pay for New Shares or Additional New Shares in AUD or US\$.

If you apply in US\$, the Application Monies you submit will be converted to AUD at the spot rate prevailing on the Closing Date (being 21 March 2022) (**AUD Equivalent Amount**). The spot exchange rate at 7.00pm (Sydney time) on 4 March 2022 was AUD1 / US\$0.7354.

Therefore, if you apply for New Shares or Additional New Shares in US\$, you will be taken to have applied for that number of New Shares and/or Additional New Shares equal to your AUD Equivalent Amount divided by the Offer Price (subject to rounding). Eligible Shareholders wishing to pay in US\$ should contact Stanmore on (07) 3238 1000 to make arrangements to do so. Stanmore has established a US\$ subscription account especially for any applications in US\$.

For the avoidance of doubt, if you apply for your full Entitlement, pay your Application Monies in US\$ and the above currency conversion results in an excess of Application Monies such excess will be deemed to constitute an Application for such number of Additional New Shares as is equal to the excess divided by the Offer Price. If the above currency conversion results in the Application Monies received being less than the amount required to pay for the Entitlements applied for the application will be deemed to constitute an application for such number of Entitlements as is equal to the amount received following the currency conversion divided by the Offer Price.

### 3.5 Effect of applying

Submitting an Entitlement and Acceptance Form or making payment through BPAY® constitutes a binding offer to acquire New Shares and Additional New Shares (if applied for) on the terms and subject to the conditions set out in this Retail Offer Booklet and, once lodged, cannot be withdrawn. The Entitlement and Acceptance Form does not need to be signed to be binding.

If an Entitlement and Acceptance Form is not completed or submitted correctly it may still be treated as a valid application. The Company's decision whether to treat an application as valid and how to construe, amend, complete or submit the application is final.

By completing and returning an Entitlement and Acceptance Form, or making a payment through BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you, on your behalf and on behalf of and in relation to any person on whose account or for whose benefit you are acting:

- agree to apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price specified in the Entitlement and Acceptance Form, or for which you have submitted payment through BPAY® at the Offer Price;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- agree to be bound by the terms of this Retail Entitlement Offer, the Retail Offer Booklet and the provisions of the Company's constitution;
- declare that you were the registered holder(s) of the Shares indicated in the Entitlement and Acceptance Form as being held by you at the Record Date;
- declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate (even if you are applying by paying through BPAY®);
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer;
- authorise the Company, the Underwriter, the Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you and to register you as the holder(s) of the New Shares allotted to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form, or to correct any errors in your Entitlement and Acceptance Form;
- acknowledge that once the Company receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law, and the allotment of New Shares (including, if applicable, Additional New Shares) to you constitutes acceptance of your application;
- acknowledge that the information contained in this Retail Offer Booklet is not investment advice nor a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- acknowledge that you understand that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Stanmore and is given in the context of Stanmore's past and ongoing periodic and continuous disclosure announcements to ASX;
- acknowledge that you have read and understand the statement of risks set out in the Investor Presentation and that an investment in Stanmore is subject to risk;

- acknowledge that none of Stanmore or its directors, officers, employees, representatives, agents, consultants or advisers, nor the Underwriter and the Underwriter Party warrant or guarantee the performance of Stanmore, or the repayment of capital, payment of any dividends or distributions or return on any investment made pursuant to the Retail Entitlement Offer;
- acknowledge that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Stanmore and/or the Underwriter;
- acknowledge that Stanmore and the Underwriter and each of their respective directors, officers, employees, representatives, agents, consultants or adviser, disclaim any duty or liability (including for fault, negligence and negligent misstatement) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- acknowledge that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, New Zealand or Singapore and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person in the United States;
- represent and warrant that you (or the person on whose account you are acting is) are an Eligible Retail Shareholder, not an associate or affiliate of GEAR, and that the Retail Entitlement Offer can be made to you in accordance with this Retail Offer Booklet, in accordance with all applicable securities laws;
- represent and warrant that the law of any other place (other than Australia, New Zealand and Singapore) does not prohibit you from being given this Retail Offer Booklet or making an application for, or being issued, New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you have read and understood this Retail Offer Booklet and the Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements and provide the authorisations, contained in this Retail Offer Booklet and the Entitlement and Acceptance Form;
- will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation each person on whose account or for whose benefit you are acting that:
  - you are not in the United States and you are not applying for New Shares or Additional New Shares on behalf of, or for the account or benefit of a person in the United States;
  - you and each person on whose account or for whose benefit you are acting are not engaged in the business of distributing securities;
  - you are subscribing for or purchasing an Entitlement or New Shares (including, if applicable, Additional New Shares) in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act);
  - neither the Entitlements nor the New Shares (including, if applicable, Additional New Shares) have been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States. Accordingly, you understand and acknowledge that the Entitlements may not be taken up or exercised by a person in the United States. You further understand and acknowledge that none of the Entitlements or the New Shares and Additional New Shares (if applicable) may not be offered or sold, directly or indirectly, in the United States unless they are registered under the U.S. Securities Act (which Stanmore has no obligation to do or to procure) or unless they are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States;
  - if in the future you decide to sell or otherwise transfer the New Shares (including, if applicable, Additional New Shares), you will only do so only outside the United States in a standard (regular way) brokered transaction on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
  - you and each person on whose account or for whose benefit you are acting have not, and will not, send any materials relating to the Entitlement Offer, including this Retail Offer Booklet and the Entitlement and Acceptance Form, to any person in the United States or that is acting for the account or benefit of, a person in the United States.

### 3.6 Representations by acquirers of Entitlements

Investors who acquire Entitlements on ASX or otherwise will, by acquiring those Entitlements and by applying to take up all or part of those Entitlements, be deemed to agree to make and be subject to the representations and warranties in section 3.5 above (with references to the Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Stanmore, the Registry or the persons' stockbroker).

Investors should note that if you purchase Entitlements in a transaction on ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Retail Shareholder, a resident in Australia, New Zealand or Singapore; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, those Entitlements will lapse.

### 3.7 Allotment and allocation policy

A Retail Shortfall will exist if any Eligible Retail Shareholder does not take up their full Entitlement. Additional New Shares applied for will only be allocated and issued if a Retail Shortfall exists – resulting in the Retail Entitlement Offer being undersubscribed.

Allocation and allotment of any Additional New Shares applied for will be made in accordance with the following policy:

- the Directors, in consultation with the Underwriter, will allocate the Retail Shortfall to Eligible Retail Shareholders that have applied to take up their full Entitlements and in addition have indicated that they wish to take up Additional New Shares as provided for in Option 1 in section 3.2.
- Stanmore reserves the right to allocate Additional New Shares to Eligible Retail Shareholders who wish to take up Additional New Shares at its discretion, in consultation with the Underwriter. In exercising its discretion and determining which applications to accept or reject, Stanmore will have regard to facilitating the increase in the number of Shareholders with marketable parcels of Shares.
- Once Directors have exhausted the allotment and allocation of Additional New Shares under the Retail Shortfall Facility to Eligible Retail Shareholders, the Company will call on the Underwriter to take up the remaining New Shares under the Retail Shortfall Facility in accordance with its underwriting obligations under the Underwriting Agreement. New Shares taken up by the Underwriter and any sub-underwriters will be issued at approximately the same time as all other New Shares are issued under the Retail Entitlement Offer.
- No Related Party of the Retail Entitlement Offer or Eligible Retail Shareholder associated with the Directors will participate in the Retail Shortfall Facility.
- Stanmore will not allocate or issue Additional New Shares under the Retail Shortfall Facility, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Retail Shareholders wishing to apply for Additional New Shares must consider whether or not the issue of the Additional New Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances. For the avoidance of doubt, Stanmore will not allocate or issue Additional New Shares where to do so would result in a shareholder obtaining voting power in excess of 20% in breach of the Corporations Act.
- There is no guarantee that Eligible Retail Shareholders will be successful in being allocated any of the Additional New Shares that they apply for. Stanmore, at the absolute discretion of its Directors and in consultation with the Underwriter, may reject any application for Additional New Shares or allocate fewer Additional New Shares than applied for by Applicants for Additional New Shares. The Directors reserve the right at their discretion to place a maximum on the number of Additional New Shares that will be issued to Eligible Retail Shareholders who apply for Additional New Shares. In determining whether to accept or reject any applications for Additional New Shares, Stanmore (in consultation with the Underwriter) will act fairly and reasonably in determining which applications to accept or reject.

### **3.8 Refunds**

Any Application Monies received in excess of your final allocation of New Shares, in excess of \$2.00 (including any Additional New Shares issued to you under the Retail Shortfall Facility, if applicable), will be refunded as soon as possible after allotment.

The Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares under the Entitlement Offer, in which case, the Application Monies will be refunded as soon as possible.

Refund payments will be by direct credit to the nominated bank account last recorded on Stanmore's register of Shareholders. No interest will be paid to Applicants on any Application Monies which is received or refunded.

## 4 Australian tax implications

### 4.1 General

The section below provides a general summary of the potential Australian income tax, GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents for Australian income tax purposes and hold their Shares on capital account.

This summary does not consider the tax implications for Eligible Retail Shareholders who:

- are exempt from Australian income tax;
- acquired their Shares as a result of an employment or services arrangement;
- are banks or insurance companies;
- hold their Shares on revenue account or as trading stock;
- are non-residents for Australian tax purposes; or
- are subject to the Australian taxation of financial arrangement (TOFA) rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The information in this section is general in nature and is based on the relevant Australian tax legislation in force, and the administrative practice of the relevant revenue authorities, as at the date of this Retail Offer Booklet. It is not intended to be, nor should it be construed to be, legal or tax advice to any Eligible Retail Shareholder.

This section does not take into account the individual circumstances of any Eligible Retail Shareholder and should not be relied upon by any Eligible Retail Shareholder or any other person. Stanmore and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning tax consequences, or in respect of the tax consequences.

**It is strongly recommended that each Eligible Retail Shareholder should obtain, and only rely upon, their own independent professional tax advice in respect of the Retail Entitlement Offer applicable to their particular circumstances.**

### 4.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### 4.3 Exercise of Entitlements and applying under the Retail Shortfall Facility for Additional New Shares

If you exercise all or some of your Entitlements and, to the extent relevant, apply under the Retail Shortfall Facility for Additional New Shares, you will acquire New Shares. In this case:

- the Entitlements will cease to exist and a CGT event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day that you exercised the Entitlement to subscribe for them; and
- the Additional New Shares acquired as a result of applying under the Retail Shortfall Facility for Additional New Shares will be treated for CGT purposes as having been acquired on the day on which the Additional New Shares are issued to you.

### 4.4 Sale of Entitlements

If you sell your Entitlements, on ASX or otherwise, you should derive a capital gain on the disposal equal to the proceeds from the sale (or market value in some circumstances) less certain non-deductible incidental costs relating to the disposal.

You will be treated as having acquired your Entitlements on the same day as you acquired the Shares giving rise to those Entitlements. Accordingly, subject to certain integrity rules, if you are an individual, trustee or complying superannuation fund, you should be entitled to a discount on the capital gain derived on the disposal of your Entitlements if you have held the Shares giving rise to those Entitlements for at least 12 months prior to the date on which the Entitlements were sold. The CGT discount is discussed in further detail in section 4.8.

## 4.5 Entitlements not taken up

Any Entitlements not taken up under the Retail Entitlement Offer will lapse, and the Eligible Retail Shareholder will not receive any consideration for those Entitlements.

There should not be any tax implications for the Eligible Retail Shareholder in these circumstances.

## 4.6 Distributions

Any future dividends or other distributions made in respect of New Shares or Additional New Shares will be subject to the same income tax treatment as dividends or other distributions made on existing Shares held in the same circumstances.

## 4.7 TFN/ABN withholding

Stanmore may be required to withhold amounts from income distributions at the highest marginal tax rate plus the Medicare Levy if a TFN, ABN, or evidence of an appropriate exemption from quoting such numbers, has not been provided. In that instance, the Eligible Retail Shareholder will however be entitled to a credit or refund in their tax returns to the extent of the tax withheld.

If an Eligible Retail Shareholder has quoted their TFN or ABN or an exemption from quoting such numbers applies in respect of their existing holding of Shares, this quotation or exemption will also apply in respect of any New Shares or Additional New Shares acquired by that Eligible Retail Shareholder.

## 4.8 Disposals

The disposal of a New Share or an Additional New Share will constitute a disposal for CGT purposes. The time of the CGT event should be the date of the contract for sale or the date of transfer of the New Shares or Additional New Shares.

On disposal of a New Share or an Additional New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds on disposal exceed the cost base of the New Share or the Additional New Share (as applicable). An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share or the Additional New Shares.

The cost base of a New Share or an Additional New Share should generally be the amount the Eligible Retail Shareholder pays to acquire the New Share or Additional New Share plus any non-deductible incidental costs incurred (for example, brokerage). Reduced cost base is usually determined in a similar, but not identical, manner.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares or Additional New Shares for 12 months or more at the time of disposal (excluding the dates of acquisition and disposal) are generally entitled to apply the applicable CGT discount factor to reduce the capital gain (after first applying any current or prior year capital losses to reduce any capital gains). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities. Corporate shareholders are not eligible for the general CGT discount concession. Trustees should seek specific advice in relation to making distributions attributable to any capital gain to which the CGT discount applies.

New Shares or Additional New Shares will be treated for the purposes of the capital gains tax discount as having been acquired when an Eligible Retail Shareholder exercises their Entitlement. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date that the Eligible Retail Shareholder exercised their Entitlement (excluding the dates of acquisition and disposal). For the Additional New Shares, the 12 months should be measured from the date the Additional New Shares are issued.

Eligible Retail Shareholders that make a capital loss on the disposal of their New Shares or their Additional New Shares can only use that loss to offset other capital gains, i.e. the capital loss cannot be used to offset other assessable income. However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years, provided, in the case of a corporate or trustee Eligible Retail Shareholder, that certain tests are satisfied.

## **4.9 Other Australian taxes**

While the Shares remain quoted on the ASX, no Australian GST or stamp duty should be payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

Australian resident Eligible Retail Shareholders who are registered for GST will need to consider their individual circumstances as to whether they are entitled to claim input tax credits for GST incurred on expenses related to the exercise of the Entitlement or disposing of New Shares or Additional New Shares.

## 5 Additional information

### 5.1 Underwriting

The Entitlement Offer is managed and partially underwritten by Petra Capital.

The Underwriter will receive the following in connection with the Entitlement Offer:

- A lead arranger fee of \$250,000; and
- A placement fee and an underwriting fee of an aggregate amount of 1% of the proceeds from the Entitlement Offer excluding any proceeds raised from the issue of New Shares acquired by GEAR or any of its affiliates.

The Underwriting Agreement includes a number of warranties and undertakings provided by Stanmore in favour of the Underwriter which are customary for these types of arrangements, and Stanmore has indemnified the Underwriter and associated persons against losses in connection with the Entitlement Offer.

Other material terms and conditions of the Underwriting Agreement are summarised in the Offer Announcement attached to this Retail Offer Booklet, including in particular the circumstances in which the Underwriter can terminate the Underwriting Agreement.

### 5.2 This Retail Offer Booklet is not a disclosure document

This Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders and has been prepared in reliance on section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be conducted without a prospectus or other disclosure document for the purposes of the Corporations Act.

This Retail Offer Booklet is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Retail Offer Booklet does not purport to contain all information that would be included in a prospectus or other disclosure document or which investors ought to have regard to in evaluating and deciding whether or not to subscribe for New Shares.

The information in this Retail Offer Booklet is not financial product advice, investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances, and having regard to the risks and merits involved. You should also consider whether you need to seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction.

If, after reading this Retail Offer Booklet, you have any questions about whether you should participate in the Retail Entitlement Offer, you should seek professional advice from a professional adviser who is licensed by ASIC to give that advice before making any investment decision.

### 5.3 Trading of Entitlements and New Shares

Subject to ASX approval being granted, it is expected that Entitlements will trade on ASX on a deferred settlement basis from 7 March 2022 until 14 March 2022 (being the Entitlement Trading Period). Following this, it is expected that trading on ASX of New Shares to be issued under the Retail Entitlement Offer will commence on 1 April 2022 on a normal settlement basis.

Stanmore, the Underwriter and the Underwriter Party will have no responsibility, and disclaim all liability (to the maximum extent permitted by law) to persons:

- who trade Entitlements before they can access their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Stanmore or the Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to; and
- who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Stanmore or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should seek professional advice from an adviser who is licensed by ASIC to give that advice.

## 5.4 Restrictions on transfer or exercise of Entitlements

While the Entitlements will be tradeable on ASX, the assignment, transfer and exercise of Entitlements will be restricted to persons meeting certain eligibility criteria. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) will not be eligible to purchase or trade Entitlements or to take up or exercised Entitlements they acquire. Investors who purchase Entitlements on ASX or otherwise must also be an Eligible Retail Shareholder, a resident in Australia, New Zealand or Singapore. It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise.

If holders of Entitlements at the end of the Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the Entitlements and may receive no value for them.

## 5.5 Estimated expenses of the Entitlement Offer

The estimated expenses of the Entitlement Offer (excluding GST) are \$3.5 million, comprising lead arranger, placement and underwriting fees of approximately \$3 million and ASX fees, legal costs, printing and share registry costs.

## 5.6 Nominees, trustees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees, trustees and custodians with registered addresses in Australia, New Zealand and Singapore, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold the existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Persons acting as nominees, trustees or custodians for other persons may not take up, sell or transfer, or exercise Entitlements on behalf of, or send this Retail Offer Booklet and any documents relating to the Retail Entitlement Offer to, any person in the United States or any jurisdiction where it is unlawful to do so, or any person that is acting for the account or benefit of a person in the United States or in any jurisdiction where it is unlawful to do so. If a nominee, trustee or custodian purchases or takes up Entitlements for the account or benefit of a person in the United States, such person may receive no value for any such Entitlements. By applying for New Shares, including by submitting the Entitlement and Acceptance Form or making a payment by BPAY<sup>®</sup> you represent and warrant that this is the case.

To the extent that you act for any Ineligible Retail Shareholders, your Entitlements may be lower than indicated on your Entitlement and Acceptance Form. The Registry may need to reduce the number of Entitlements allotted to you once it receives advice regarding participation in the Retail Entitlement Offer.

Stanmore is not required to determine whether or not a registered holder or investor is acting as a nominee, trustee or custodian or the identity or residence of any beneficial holder of Shares or Entitlements. Where any person is acting as a nominee, trustee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, complies with applicable foreign laws. Stanmore is not able to advise on foreign laws.

## 5.7 Disclosing Entity

Stanmore is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Stanmore is required to periodically and on a continuous basis notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its shares. That information is available to the public from the ASX (at [www.asx.com.au](http://www.asx.com.au)) and Stanmore's website (at [www.stanmore.net.au](http://www.stanmore.net.au)).

Investors should have regard to this information in making a decisions whether or not to subscribe for New Shares.

## 5.8 Privacy statement

If you complete an application for New Shares or Additional New Shares, you are providing information to Stanmore (directly or through the Registry) that may be personal information for the purpose of the *Privacy Act 1988* (Cth). Stanmore (and the Registry on its behalf) collects, holds and uses that personal information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry. Access to information may also be provided to Stanmore's related bodies corporate, agents and service providers, regulatory bodies, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Registry at the relevant contact numbers set out in the Corporate Directory of this Retail Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If you do not provide the information requested of you in the Entitlement and Acceptance Form, the Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately, and Stanmore may not be able to accept or process your application.

## 5.9 Foreign jurisdictions

This Retail Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares and Additional New Shares are not being offered to the public in New Zealand or Singapore other than to existing Shareholders with registered addresses in New Zealand or Singapore.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand or Singaporean regulatory authority. This document is not a product disclosure statement under New Zealand or Singaporean law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand or Singaporean law is required to contain.

This Retail Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or Additional New Shares or otherwise permit the public offering of the New Shares or Additional New Shares in any jurisdiction other than Australia, New Zealand and Singapore.

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Retail Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements, the New Shares nor the Additional New Shares offered in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or exercised by, and the New Shares and Additional New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States.

The New Shares and Additional New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

Any non-compliance with these restrictions may contravene applicable securities laws.

## 5.10 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Retail Offer Booklet. Any information or representation that is not in this Retail Offer Booklet may not be relied on as having been authorised by Stanmore or its related body corporates in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of Stanmore or any other person, warrants or guarantees the future performance of Stanmore or any return on any investment made pursuant to this Retail Offer Booklet.

For the avoidance of doubt, to the maximum extent permitted by law, each Underwriter and the Underwriter Party disclaims all liability, including (without limitation) liability arising from fault or negligence, for any loss howsoever

and whenever arising from the use of any of the information contained in this Retail Offer Booklet, and each Underwriter and the Underwriter Party does not act as a fiduciary or agent of any other person.

### **5.11 Cooling off rights**

Cooling off rights do not apply to an investment in New Shares. Except where permitted by law, you cannot withdraw your application once it has been accepted.

### **5.12 Broker handling fees**

No handling fees will be paid to stockbrokers for acceptances lodged by them on behalf of Eligible Retail Shareholders.

### **5.13 Alteration of terms**

Stanmore reserves the right, at its discretion, to vary all or part of the Entitlement Offer at any time, subject to the Corporations Act, the ASX Listing Rules and any other law or regulation to which the Company is subject.

Any variation does not give rise to any liability on the part of or any action against, Stanmore or any Director and will be binding on all Eligible Shareholders.

### **5.14 Regulatory approval**

ASIC has approved Stanmore's application for the Underwriter to act as the Nominee for Ineligible Shareholders to arrange for the sale of the Entitlements which would have been offered to them had they been eligible to participate in the Entitlement Offer.

ASX has approved the timetable of the Entitlement Offer, to the extent it varies from the prescribed timetable set out in Appendix 7A of the ASX Listing Rules.

### **5.15 FIRB conditions**

On 16 February 2022, Stanmore received confirmation from FIRB that the Commonwealth has no objection to the Acquisition. This no objection confirmation is subject to completion of the Acquisition occurring before 16 February 2023 and compliance with an ongoing notification condition with regards to the installation of communication equipment on the BMC assets.

### **5.16 Governing law**

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the Entitlement and Acceptance Forms are governed by the law applicable in Queensland, Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

## 6 Definitions

Terms and abbreviations used in this Retail Offer Booklet have the following meaning:

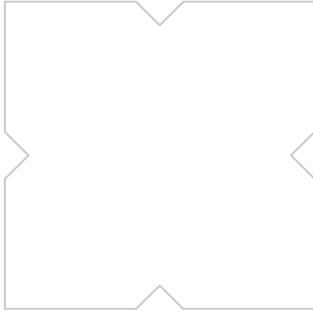
<b>\$</b>	Australian dollars (and references to cents are to Australian cents) unless otherwise indicated
<b>ABN</b>	Australian business number
<b>Acquisition</b>	The acquisition by Stanmore, via a wholly-owned subsidiary, of an 80% interest in BMC from BHP. Stanmore will obtain an interest in BMC by acquiring all of the issued capital in Dampier Coal (Queensland) Pty Ltd ACN 008 428 180, currently held by BHP
<b>Acquisition Facility</b>	The senior secured, first-lien amortising loan note US\$625 million facility between SMC Holdings (as borrower) and Varde Partners, Canyon Capital Advisors LLC, Farallon Capital Asia Pte. Ltd. and other credit funds (as lenders) which matures 5 years from first utilisation (see Stanmore's announcement on the ASX dated 7 January 2022 for further details)
<b>Additional New Shares</b>	The New Shares forming part of the Shortfall for which Eligible Retail Shareholders may apply for in addition to their Entitlement
<b>Applicant</b>	A person who subscribes for New Shares under the Retail Entitlement Offer (and Retail Shortfall Facility, if applicable)
<b>Application Monies</b>	Payment for the New Shares under the Retail Entitlement Offer
<b>Ascend Facility</b>	The senior secured US\$120 million facility between Stanmore (as borrower), Ascend Capital Advisors (S) Pte. Ltd. (as agent) and Virtue Investments Corporation (as lender) which matures 3 years from the date of the facility (see Stanmore's announcement on the ASX dated 3 March 2022 for further details)
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange, as the context requires
<b>ASX Listing Rules</b>	The official listing rules of ASX as waived or modified from time to time
<b>AUD Equivalent Amount</b>	Any Application Monies received in US\$ converted to AUD at the spot rate prevailing on the Closing Date (being 21 March 2022)
<b>BHP</b>	BHP Minerals Pty Ltd ACN 008 694 782
<b>BMC</b>	BHP Mitsui Coal Pty Ltd ACN 009 713 875
<b>Board</b>	The board of directors of Stanmore

<b>Business Day</b>	Has the meaning ascribed to it in Chapter 19 of the ASX Listing Rules
<b>CGT</b>	Capital gains tax
<b>Closing Date</b>	The time the Retail Entitlement Offer closes, being 5.00pm (Sydney time) on 21 March 2022 (unless varied)
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Dampier Coal</b>	Dampier Coal (Queensland) Pty Ltd ACN 008 428 180
<b>Deferred Share</b>	A Share that was issued under the Stanmore employee exempt share plan and which is subject to a trading lock of 3 years, or until such time a participating employee resigns from Stanmore and its subsidiaries
<b>Director</b>	A director of Stanmore
<b>Eligible Institutional Shareholder</b>	An Institutional Shareholder who: <ul style="list-style-type: none"> <li>is an institutional or sophisticated Shareholder on the commencement of the Institutional Entitlement Offer with a registered address on Stanmore's share register in Australia, New Zealand or Singapore; and</li> <li>was invited by the Company to participate in the Institutional Entitlement Offer</li> </ul>
<b>Eligible Institutional Investor</b>	An institutional or professional investor in Australia, New Zealand and Singapore, and in particular if in Singapore, is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore)
<b>Eligible Retail Shareholder</b>	A Shareholder who meets the requirements set out in section 1.8 of this Retail Offer Booklet
<b>Eligible Shareholder</b>	A person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
<b>Entitlement and Acceptance Form</b>	The personalised form accompanying this Retail Offer Booklet to be used to make an application in accordance with the instructions set out on that form
<b>Entitlement Offer</b>	The pro rata accelerated renounceable entitlement offer made to Eligible Shareholders of 7 New Shares for every 3 Shares held at the Record Date at the Offer Price
<b>Entitlement Trading Period</b>	The period which Entitlement can be traded on ASX, commencing on 7 March 2022 (ASX ticker: SMRR) (on a deferred settlement basis) and ceases on close of trading on 14 March 2022
<b>Entitlements</b>	The entitlement of an Eligible Shareholder to subscribe for New Shares under the Institutional Entitlement Offer or Retail Entitlement Offer (as applicable)
<b>FIRB</b>	Foreign Investment Review Board

<b>GEAR</b>	Golden Energy and Resources Limited
<b>Golden Investments</b>	Golden Investments (Australia) Pte. Ltd.
<b>GST</b>	Goods and services tax
<b>Independent Board Committee</b>	The committee of independent Directors comprising Mr Mark Trevan and Mr Richard Majlinder
<b>Ineligible Institutional Shareholder</b>	A Shareholder determined by the Company to be an Institutional Shareholder who is not an Eligible Institutional Shareholder
<b>Ineligible Retail Shareholder</b>	A Shareholder whose registered address is outside of Australia, New Zealand or Singapore, as well as a Shareholder determined by the Company not to be an Institutional Shareholder and not to be an Eligible Retail Shareholder
<b>Ineligible Shareholder</b>	A Shareholder who is not an Eligible Retail Shareholder or an Eligible Institutional Shareholder
<b>Institutional Entitlement Offer</b>	The offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer
<b>Institutional Shareholder</b>	A Shareholder who is an “exempt investor” for the purposes of section 9A of the Corporations Act (as modified by <i>ASIC CO 08/35</i> )
<b>Institutional Shortfall Bookbuild</b>	The shortfall bookbuild process conducted in relation to the shortfall under the Institutional Entitlement Offer and the New Shares which would have been offered to Ineligible Institutional Shareholders, had they been eligible to participate in the Institutional Entitlement Offer
<b>Investor Presentation</b>	The Stanmore investor presentation released to the ASX on 3 March 2022, a copy of which is attached to this Retail Offer Booklet
<b>Mitsui</b>	Mitsui & Co Ltd ACN 001 855 465 and Mitsui & Co (Australia) Ltd ACN 004 349 795
<b>New Share</b>	A fully paid ordinary share in Stanmore offered under the Entitlement Offer
<b>Offer Announcement</b>	Stanmore’s announcement of the Entitlement Offer on the ASX on 3 March 2022, a copy of which is attached to this Retail Offer Booklet
<b>Offer Period</b>	The period during which the Retail Entitlement Offer is open
<b>Offer Price</b>	The price payable per New Share under the Entitlement Offer, being \$1.10 per New Share
<b>Performance Right</b>	A performance right granted by Stanmore
<b>Record Date</b>	7.00pm (Sydney time) on 7 March 2022

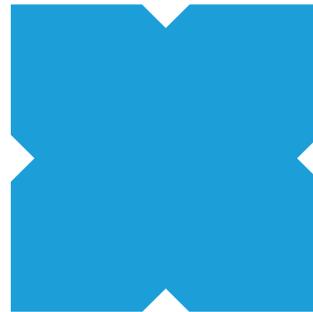
<b>Registry</b>	Link Market Services of Level 21, 10 Eagle Street, Brisbane, QLD 4000 or any other person appointed as registry by Stanmore from time to time
<b>Related Party</b>	Has the meaning given under the Corporations Act
<b>Retail Entitlement Offer</b>	The offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer
<b>Retail Offer Booklet</b>	This offer booklet dated 10 March 2022, in relation to the Retail Entitlement Offer, including the Offer Announcement, the Investor Presentation and the Entitlement and Acceptance Form accompanying this offer booklet
<b>Retail Shortfall</b>	The number of New Shares for which valid applications are not received before the Retail Entitlement Offer closes
<b>Retail Shortfall Facility</b>	The shortfall facility which Eligible Retail Shareholders who take up their Entitlement in full may apply for Additional New Shares in excess of their Entitlement
<b>Share</b>	A fully paid ordinary share in the capital of Stanmore
<b>Shareholder</b>	A registered holder of a Share
<b>SMC Holdings</b>	Stanmore SMC Holdings Pty Ltd ACN 653 931 223
<b>Stanmore or Company</b>	Stanmore Resources Limited ACN 131 920 968
<b>TFN</b>	Tax file number
<b>U.S. Securities Act</b>	The U.S. Securities Act of 1933
<b>Underwriter or Petra Capital</b>	Petra Capital Pty Ltd ACN 110 952 782
<b>Underwriter Party</b>	The Underwriter's related bodies corporate or affiliates, as well as directors, officers, partners, employees, representatives, contractors, consultants, agents or advisers of the Underwriter
<b>Underwriting Agreement</b>	The underwriting agreement dated 3 March 2022 between Stanmore and the Underwriter, summarised in the Offer Announcement

## **Annexure A – Investor Presentation**



## Creating a leading global metallurgical coal producer

*Investor Presentation*  
3 March 2022



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## Important Information



This presentation is dated 3 March 2022 and has been prepared by Stanmore Resources Limited (**Stanmore** or **Company**). This presentation has been prepared in connection with Stanmore's proposed acquisition of an 80% interest in BHP Mitsui Coal Pty Ltd (**BMC**) by acquiring all of the shares in Dampier Coal (Queensland) Pty Ltd (**Proposed Acquisition**); and proposed underwritten A\$694m (approximately US\$506m) offer of new fully paid ordinary shares (**New Shares**) in Stanmore, comprising a pro rata 7 for 3 accelerated renounceable entitlement offer to certain eligible shareholders of Stanmore and certain institutional investors in selected jurisdictions (**Offer**). The distribution of this presentation in jurisdictions outside of Australia, Singapore and New Zealand may be restricted by law and any such restriction should be observed. Refer to Appendix B, International Offer Restrictions, beginning on slide 45 of this presentation for further details about international offer restrictions.

### Summary Information

The information in this document does not purport to be complete nor does it contain all the information that would be required in a disclosure statement or prospectus prepared in accordance with the Corporations Act 2001 (Cth). This presentation should be read in conjunction with Stanmore's most recent financial report and Stanmore's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, including the announcement "Stanmore Resources to Acquire BHP's 80% interest in BMC" released on 8 November 2021, which are available at [www.asx.com.au](https://stanmore.net.au/) and on Stanmore's website: <https://stanmore.net.au/>.

All information in this presentation relating to BMC, including in relation to historical production, mineral resource and ore reserve estimates, historical costs, life of mine plans and other historic financial information has been sourced from BHP Group. Stanmore has conducted due diligence in relation to the BMC business and the Acquisition, but has not independently verified all such information and, to the maximum extent permitted by law, makes no representation or warranty, expressed or implied, as to the fairness, accuracy, correctness, completeness or adequacy of any information relating to BMC. Mitsui (the holder of a 20% interest in BMC) may have a different interpretation of the underlying data and may release differing production or costs guidance and other information to the market. Nothing in this presentation can be relied on as implying that there has been no change to any information relating to BMC since the date of this presentation, or as a representation as to future matters in relation to BMC and its projects. BHP Group has not prepared this presentation, does not make any statement contained in it and has not caused or authorised its release. BHP Group expressly disclaims any liability in connection with this presentation, and any statement contained in it, to the maximum extent permitted by law. To the extent that information included in this presentation relates to BHP, BMC or their operations, BHP, BMC and their related entities have no responsibility in respect of that information and make no warranty, representation or promise in respect of that information or any other aspect of this presentation. BHP, BMC and their related entities have no responsibility, duty or obligation to any investor in or shareholder of Stanmore. Certain market and industry used in connection with this presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. The GEAR related information has been provided by GEAR and is the responsibility of GEAR. None of Stanmore, its directors, officers or advisers assume any responsibility for the accuracy or completeness of the GEAR information.

None of Stanmore, nor any of its related bodies corporate, their respective directors, partners, employees or advisers or any other person (**Relevant Parties**) makes any representations or warranty to, or takes responsibility for, the accuracy, reliability or completeness of the information contained in this document, to the recipient of this document (**Recipient**), and nothing contained in it is, or may be relied upon as, a promise or representation, whether as to the past or future.

The content of this presentation is provided as at the date of this presentation (unless otherwise stated).

### Not financial product advice or recommendation

This document is not a recommendation to acquire Stanmore shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Except to the extent prohibited by law, the Relevant Parties disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete. By obtaining this document, the Recipient releases the Relevant Parties from liability to the Recipient for any loss or damage that it may suffer or incur arising directly or indirectly out of or in connection with any use of or reliance on any of this information, whether such liability arises in contract, tort (including negligence) or otherwise.

### Future performance and forward-looking statements

This presentation contains certain "forward-looking statements". The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements other than those of historical facts included in this presentation are forward-looking statements. These forward-looking statements include statements regarding the Proposed Acquisition, including but not limited to, statements regarding the expected benefits of the Proposed Acquisition and the anticipated timing, completion and effects (including any expected synergies) of the Proposed Acquisition, statements about the Company's plans, strategies and objectives, statements about the industry and the markets in which the Company and BMC operate and statements about the completion of the Offer. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements.

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## Important Information

Although due care and attention has been used in the preparation of forward-looking statements, such statements, opinions and estimates represent the Company's current views with respect to future events and are necessarily based on assumptions and contingencies that are inherently subject to significant business, economic, competitive, political and social risks and uncertainties, certain of which are summarised under Appendix C, Risks, beginning on slide 51. The forward-looking statements included in this presentation are not guarantees or predictions of future performance, involve subjective judgement and analysis and are based on assumptions and contingencies that are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Stanmore and its Relevant Parties, and which could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements or any projections and assumptions on which those statements are based. **Recipients are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.** Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Other than where required by law, Stanmore does not undertake to publicly update or review any forward-looking statements whether as a result of new information or future events.

Recipients of the document must make their own independent investigations, consideration and evaluation. By accepting this document, the Recipient agrees that if it proceeds further with its investigations, consideration or evaluation of investing in the Company it will make and rely solely upon its own investigations and inquiries and will not in any way rely upon this presentation.

### Financial information

Certain financial information and measures included in this presentation are (i) "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" and (ii) "non-GAAP financial measures" under Regulation G issued by the US Securities and Exchange Commission (SEC), and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). Therefore, the non-IFRS/non-GAAP financial information may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Stanmore believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business. However, Recipients should note that the non-IFRS/non-GAAP financial measures do not have standardised meanings prescribed by AAS or IFRS. Recipients are therefore cautioned to not place undue reliance on any non-IFRS/non-GAAP financial information included in this presentation. Stanmore has a financial year that ends on 31 December of each year.

The presentation also includes financial information relating to BMC. The financial information for BMC has been sourced from BMC or its representatives or associates from statutory accounts, financial statements and unaudited management accounts. While steps have been taken to confirm that information, no representation or warranty, express or implied, is made as to its fairness, currency, accuracy, adequacy, reliability or completeness.

This presentation includes certain pro forma financial information (to reflect the impact of the Proposed Acquisition). The pro-forma financial information included in this presentation is for illustrative purposes and is not represented as being indicative of Stanmore's (nor anyone else's) views on its future financial condition and/or performance or any scale benefits, synergies or opportunities that may be realised as a result of the Acquisition. The pro forma financial information has been prepared on the basis set out on slide 37 of this presentation. The pro forma financial information included has not been subject to audit or review. The pro forma financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the SEC.

### JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code compliant estimates of ore reserves and mineral resources being **Ore Reserves and Mineral Resources** respectively), they may not comply with the relevant guidelines in other countries and in particular do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (**Canadian NI 43-101 Standards**); or (ii) SEC Industry Guide 7 and the new SEC mining property disclosure requirements contained in Subpart 1300 of Regulation S-K under the US Securities Act of 1933 (**US Securities Act**)(**Subpart 1300 of Regulation S-K**), which governs disclosures of mineral reserves in registration statements filed with the SEC.

You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code, or under SEC Industry Guide 7 or Subpart 1300 of Regulation S-K or any other reporting regime or that these amounts can be legally and economically exploited.

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## Important Information

### Ore reserves and mineral resources reporting

This presentation contains estimates of Stanmore's Ore Reserves and Mineral Resources, as well as statements about BMC's Mineral Resources and Ore Reserves. The information in this presentation that relates to the Ore Reserves and Mineral Resources of Stanmore has been extracted from the ASX release by Stanmore titled "December 2021 Annual Coal Resources & Reserves Summary" dated 16 February 2022, published as part of the Annual results and financial statements on 16 February 2022. The information that relates to BMC has been extracted from the ASX release by BHP Minerals Pty Ltd (BHP) titled "BHP Annual Report 2021" dated 14 September 2021 and the Table 1 information provided by BHP and attached to the ASX Announcement by Stanmore on 8 November 2021 "Stanmore resources to Acquire BHP's 80% interest in BMC". Copies of these announcements are available at [www.asx.com.au](http://www.asx.com.au). Stanmore confirms that it is not aware of any new information or data that materially affects the information included in those announcements and, in relation to the estimates of Stanmore's and BMC's Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant announcements continue to apply and have not materially changed. Stanmore confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant announcement. Stanmore and its advisors will continue to work on providing an independent assessment of Mineral Resources and Ore Reserves as normally required under listing rules in Singapore and Indonesia.

### Not for release or distribution in the United States

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the New Shares nor the entitlements referred to in this presentation have been, and neither will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the New Shares nor the entitlements may be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) unless they have been registered under the US Securities Act (which Stanmore has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States. This presentation is not for distribution or release in the United States.

### Investment risks

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of Stanmore and its directors. Stanmore does not guarantee any particular rate of return or the performance of Stanmore, nor does it guarantee the repayment of capital or any particular tax treatment. You should have regard to the risk factors outlined in Appendix C Risks beginning on slide 51 of the presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.

### Advisers

Petra Capital Pty Ltd is acting as lead manager and underwriter to the Offer (**Underwriter**). A summary of the key terms of the underwriting agreement between Stanmore and the Underwriter is provided in the announcement Partially underwritten accelerated renounceable entitlement offer to raise approximately US\$506 million to part fund BMC acquisition released on 3 March 2022.

None of Stanmore's advisers nor the Underwriter, or their related bodies corporate or affiliates, or their respective officers, employees, agents or representatives (**Adviser Parties**) have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation, make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. The Adviser Parties, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representation regarding, and take no responsibility for, any part of this presentation. Readers agree, to the maximum extent permitted by law, that they will not seek to claim against or hold the Adviser Parties liable in any respect in connection with this presentation or the Offer.

### General

Statements made in this presentation are made only as at the date of this presentation. Stanmore does not have any obligation to update this presentation. The information in this presentation remains subject to change without notice. Stanmore reserves the right to withdraw the Offer or vary the timetable for the Offer without notice. In consideration for being given access to this presentation you confirm, acknowledge and agree to the matters set out in this notice and disclaimer and any modifications notified to you and/or otherwise released on ASX.

Unless specified otherwise: Stanmore has presented information in this presentation in relation to BMC, including Mineral Resource and Ore Reserves, production, earnings, and financial information, on a 100% basis. While Stanmore is only acquiring BHP's 80% interest in BMC, BMC will be a Stanmore subsidiary post-Acquisition and Stanmore will consolidate BMC's financial performance for the purposes of its group accounting.

This presentation has been authorised for release to ASX by the Stanmore Board of Directors.

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## Glossary

<b>ASX</b>	Australian Securities Exchange
<b>BHP</b>	BHP Minerals Pty Ltd
<b>BMC</b>	BHP Mitsui Coal Pty Ltd
<b>BMC Assets</b>	Poitrel and South Walker Creek operating mines, Wards Well development project, and Red Mountain CHPP
<b>CHPP</b>	Coal handling and preparation plant
<b>Company or Stanmore</b>	Stanmore Resources Limited
<b>Dampier Coal</b>	Dampier Coal (Queensland) Pty Ltd
<b>DBT</b>	Dalrymple Bay Terminal
<b>DSS</b>	PT Dian Swastatika Sentosa Tbk
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EGMS</b>	Extraordinary general meeting of shareholders
<b>Entitlement Offer or Offer</b>	A partially underwritten accelerated renounceable entitlement offer of 7 New Shares for 3 Shares held on the Record date to raise A\$694m (approximately US\$506)
<b>ESG</b>	Environment, social and governance
<b>FIRB</b>	Foreign Investment Review Board
<b>FOB</b>	Free on board
<b>GEAR</b>	Golden Energy and Resources Limited
<b>GEMS</b>	PT Golden Energy Mines Tbk
<b>Golden Investments</b>	Golden Investments (Australia) Pte Ltd
<b>Ha</b>	Hectare
<b>HCC</b>	Hard coking coal
<b>HPCT</b>	Hay Point Coal Terminal
<b>ID</b>	Isaac Downs Open Cut
<b>IPC</b>	Isaac Plains Complex
<b>IPUG</b>	Isaac Plains Underground development project

<b>JORC Code</b>	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
<b>JV</b>	Joint venture
<b>kt</b>	Kilo tonnes
<b>Met Coal</b>	Metallurgical Coal
<b>Millennium</b>	Millennium and Mavis Downs Mine
<b>Mitsui</b>	Mitsui and Co Ltd and Mitsui and Co (Australia) Ltd
<b>Mt</b>	Million tonnes
<b>Mtpa</b>	Million tonnes per annum
<b>New Shares</b>	Shares to be issued under the Entitlement Offer
<b>NQXT</b>	North Queensland Export Terminal
<b>PCI</b>	Pulverised coal injection
<b>QLD</b>	Queensland
<b>Record Date</b>	7 March 2022
<b>RMI</b>	Red Mountain Infrastructure Pty Ltd
<b>ROM</b>	Run of mine
<b>Shares</b>	Fully paid ordinary shares in the capital of the Company
<b>SGX</b>	Singapore Stock Exchange
<b>SPA</b>	The Sale and Purchase Agreement dated 8 November 2021, between amongst other parties BHP and Stanmore
<b>Stanmore SMC</b>	Stanmore SMC Holdings Pty Ltd
<b>SWC</b>	South Walker Creek
<b>TERP</b>	Theoretical ex-rights price
<b>Transaction or Acquisition</b>	Stanmore Resources limited acquisition of BHP's 80% interest in BHP Mitsui Coal Pty Ltd through the acquisition of all shares in Dampier Coal (Queensland) Pty Ltd by Stanmore SMC Holdings Pty Ltd
<b>TSA</b>	The Transition Service Agreement to be entered into between BHP and Stanmore

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# 01 Introduction

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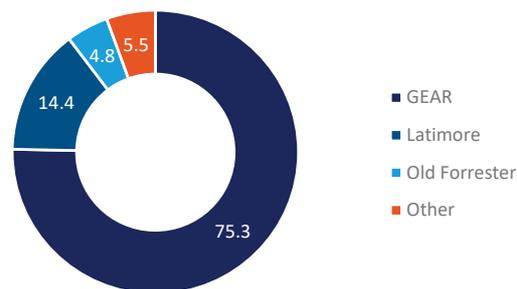
## Stanmore ASX Snapshot

Stanmore on track to become a leading Australian supplier of metallurgical coals to global markets

### Overview

- Australian incorporated public company listed on the ASX in 2009
- Supportive major shareholder: Golden Energy and Resources Limited (GEAR), an established and successful SGX listed mining investment house
- Defined strategy to build a leading metallurgical coal business
- Owns and operates the Isaac Plains Complex
- 50% JV participant in Millennium and Mavis Downs mine

### Stanmore current ownership (%)



### Stanmore Share Price and Capitalisation



### Stanmore Capitalisation as at 2 March 2022 (pre BMC acquisition)

Total Issued Ordinary Shares	<i>m</i>	270.4
Market Capitalisation at A\$1.25	<i>A\$m</i>	338

Source: IRESS, company announcements

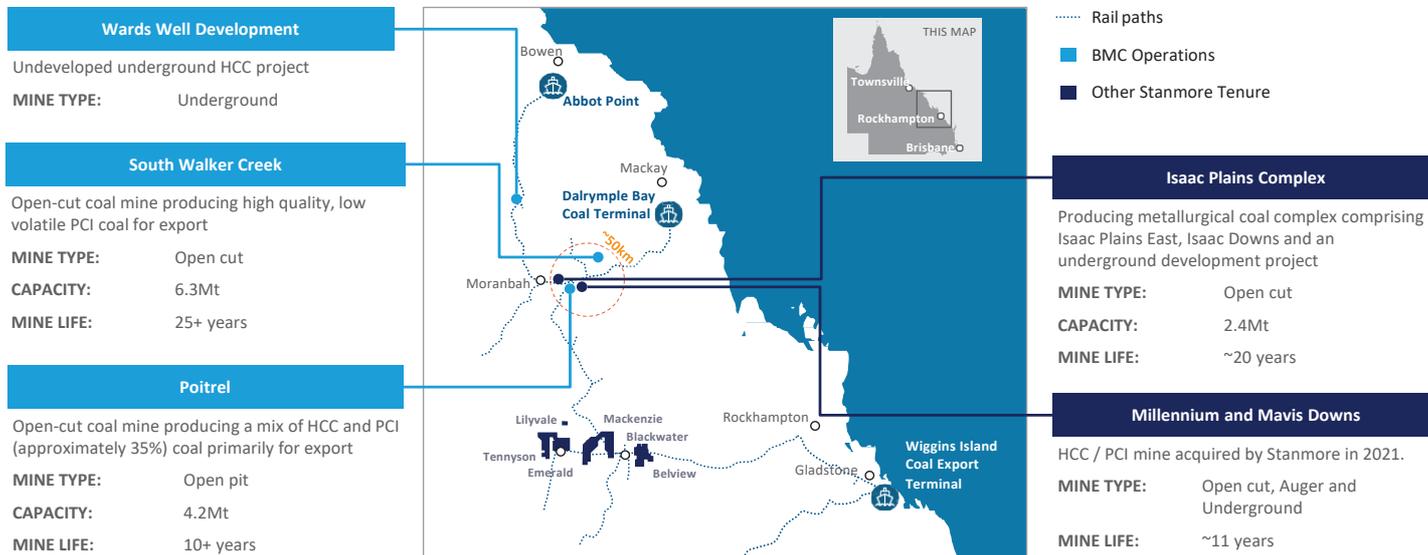
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## Overview of Stanmore

Stanmore on track to become a leading Australian supplier of metallurgical coals to global markets

- Definitive agreement with BHP to acquire its 80% interest in BMC (8 Nov 21), which owns the South Walker Creek and Poitrel operating mines and the Wards Well underground development project
- Following acquisition SMR will have:
  - Four mines and three wash-plants within ~50km radius with the ability to increase production with limited development and ramp-up risk
  - A combined 13Mt of met coal production capacity<sup>1</sup>, and ~171Mt of marketable met coal reserves (100% basis)<sup>2</sup>



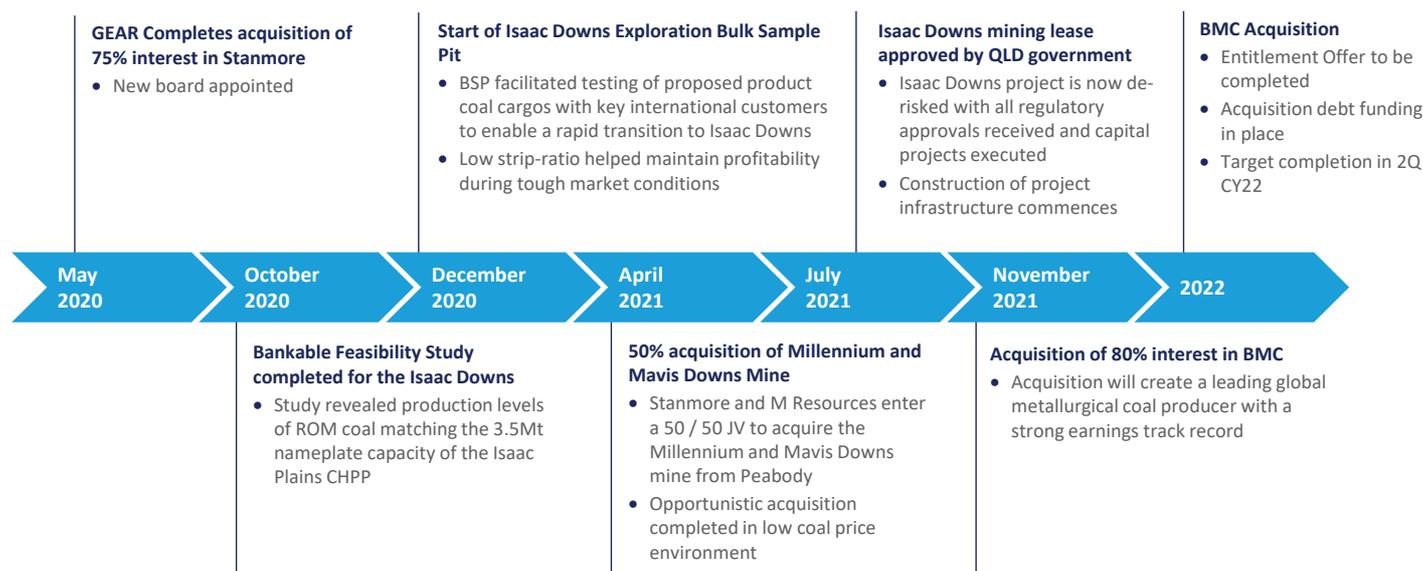
Note: 1 BMC consolidated on a 100% basis  
2 Stanmore reserves as at 31 December 2021, BMC reserves as at 30 June 2021. BMC consolidated on a 100% basis. Includes 50% of Millennium and Mavis Downs.

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## Business Update



2021 was a transitional year for Stanmore, ending with the successful transition to Isaac Downs and the transformational agreement to acquire an 80% interest in BMC

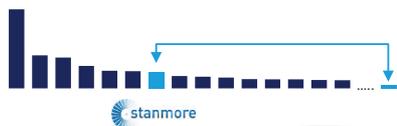


### 2022 Strategic Priorities



Investment highlights

**SCALE**



Stanmore will become one of the largest global producers of metallurgical coal<sup>1</sup>

**VALUE**

**US\$508m BMC 2H CY21 EBITDA<sup>2</sup>**

Focused on capturing value from three de-risked cash generating operating assets

**ASSETS & PEOPLE**



High quality, long life, well capitalised assets backed by an equipment rich business and experienced people

**WORLD CLASS PRODUCT**



Strong products including benchmark PCI at South Walker Creek, supported by a significant contract book and global customer base

**SYNERGIES**



Potential to realise operational synergies between Stanmore and BMC, including via access to BMC's infrastructure portfolio

**ESG COMMITMENT**



Stanmore is committed to operate in an environmentally and socially responsible manner

Note: 1 See slide 26 for further details.  
2 BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.

Experienced board and management team

Stanmore is led and managed by an experienced board and management team

**BOARD**



**Dwi Suseno**  
*Chairman*

Mr Dwi Suseno is the Executive Director and Group CEO of GEAR and has over 26 years of experience in management, commercial, finance in mining, resources as well as oil and gas related industries



**Jimmy Lim**  
*Director*

Mr Lim has over 17 years of experience in finance and investment management in the metals and mining sector, with extensive industry relationships in Australia and globally



**Mark Trevan**  
*Director*

Mr Trevan has extensive experience in the coal mining industry. Most recently, he was a Director and Deputy Chairman of the Wiggins Island Coal Export Terminal, and a Director and consultant at Caledon Coal



**Richard Majlinder**  
*Director*

Mr Majlinder is the Chief Commercial Officer for Madison Group Enterprises. He was previously a Partner at professional services firm PwC and Head of Finance at Walt Disney Television.

**MANAGEMENT**



**Marcelo Matos**  
*Chief Executive Officer / Director*

Mr Matos has over 24 years of experience in the mining sector with various senior roles in multiple geographies, including general management and operations, marketing, and business development in Australia, Asia, Brazil and Mozambique



**Shane Young**  
*Chief Financial Officer*

Mr Young has over 21 years' experience in Accounting, Financial Planning & Analysis, Commercial, Corporate Finance, Treasury, Corporate Development and Governance roles in Australia and internationally



**Leandro Pires**  
*General Manager Operations*

Mr Pires is a mining engineer with over 20 years' experience in the mining sector. Mr Pires has held several senior roles within significant international mining houses in Australia and internationally



**Jon Römcke**  
*General Manager Development*

Mr Romcke has over 35 years of experience in underground and open pit mining operations in the coal and iron ore mining industry. He has held several senior roles within significant international mining houses

*The Stanmore board and management team are committed to good corporate governance as outlined in the Company's Corporate Governance Charter published on 16 February 2022*

## New Vision, Mission Statements and Company Values

### Stanmore's Vision

To be a leading resources company in Australia, creating value to our stakeholders through sustainable development

#### Mission Statements

- Genuine care for our people, their safety, the environment and the stakeholders involved with our operations

---

- Achieve sustainable development by:
  - Having high standards and a strong safety and health culture
  - Responsibly managing and maximising extraction of our resources and reserves via best-in-class mining practices
  - Ensuring the continuity of our business by fostering and developing growth and reserve replacement initiatives
  - Developing projects in the renewable energy space to support our existing businesses reducing our carbon and emissions footprint

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- Building and fostering a culture of an agile, entrepreneurial and simple organisation

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- Focusing on continuous improvement and operational excellence

#### Company Values

##### Commitment

- We are committed to safety as number one priority and to always achieving the best possible outcome

##### Integrity

- We do the right thing

##### Innovative

- We develop processes/ideas that increase productivity and company growth

##### Continuous Improvement

- We aim to continuously enhance ourselves and our operations

##### Positive Attitude

- We display encouraging behaviour that builds and fosters lasting relationships

##### Loyal

- We implement the company's core values in our day-to-day operations

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## Overview of Golden Energy and Resources

Supportive major shareholder – an established and successful mining investment house

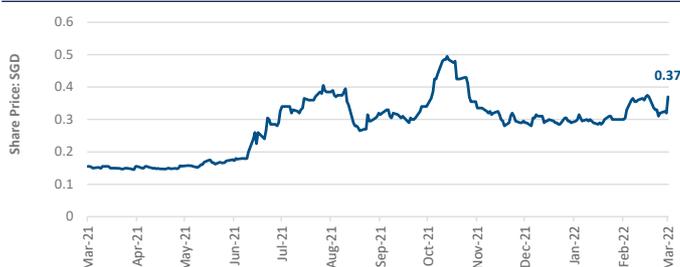
#### Overview

- Singapore listed investment company with investments including mining of coal through GEMS and Stanmore, and gold through JV company Ravenswood Gold, as well as various investments in renewable energy projects in Asia
- One of the fastest growing sustainable coal producers in Indonesia with production run rate of approximately 31Mt (including Stanmore's operations in 2021)
- GEAR has successfully made investments in the Australian natural resource space, having invested over A\$500M in Australia since 2017
- Stringent target criteria for strategic long-term investment, focusing on non-substitutable and non-energy coal commodities
- Committed to investments in renewable energy projects and has comprehensive ESG policies and management systems implemented across the group
- Sinar Mas Group, one of the largest Indonesian conglomerates currently holds an 86.87% interest in GEAR via PT Dian Swastatika Sentosa Tbk
- Strong corporate governance with majority independent board of directors and robust internal control framework

#### Group Corporate Structure - Summary<sup>3</sup>



#### GEAR Share Price and Capitalisation<sup>1</sup>



#### GEAR Capitalisation as at 2 March 2022

Share Price	SG\$	0.37
Shares Outstanding	m	2,353
Market Capitalisation	SG\$m	871
(+) Debt <sup>2</sup>	SG\$m	555
(-) Cash	SG\$m	(515)
(+) Minority Interests <sup>2</sup>	SG\$m	226
Enterprise Value	SG\$m	1,136

Note: 1 Market data sourced from IRESS as at 2 March 2022. Assumes USD:SGD FX of 1.36 (spot rate as at 2 March 2022).

2 Debt, cash and minority interests as at 31 December 2021. Net debt includes lease liabilities.

3 Group overview based on publicly available information. Does not include wholly owned subsidiaries of group entities.

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## The BMC Acquisition

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### Overview of BMC

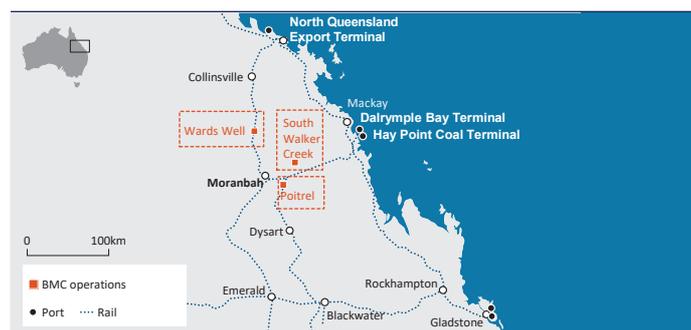
BMC is an established business which has been in continuous operation for decades



#### Asset Overview

<b>South Walker Creek</b>	<ul style="list-style-type: none"> <li>Open-cut coal mine located approximately 35km west of Nebo in the northern region of the Bowen Basin</li> <li>Produces high quality, low volatile PCI coal for export               <ul style="list-style-type: none"> <li>Commenced production in 1996</li> <li>Stanmore life of mine plan supports 25+ year mine life</li> <li>JORC Marketable Reserves of 98Mt and Resource of 689Mt (100% basis)</li> </ul> </li> </ul>
<b>Poitrel</b>	<ul style="list-style-type: none"> <li>Open-cut coal mine located approximately 20km southeast of Moranbah in the eastern flank of the Bowen Basin</li> <li>Produces a combination of HCC and PCI for export               <ul style="list-style-type: none"> <li>Commenced production in 2006</li> <li>Stanmore life of mine plan supports 10+ year mine life</li> <li>JORC Marketable Reserves of 39Mt and Resources of 150Mt (100% basis)</li> </ul> </li> </ul>
<b>Wards Well</b>	<ul style="list-style-type: none"> <li>Wards Well is an undeveloped underground HCC project located in the Bowen Basin               <ul style="list-style-type: none"> <li>1,313Mt JORC Resources (100% basis)</li> </ul> </li> </ul>

#### Asset Location



#### BMC JORC Reserves and Resources<sup>1</sup> – 100% basis (Mt)

30 June 2021	Poitrel	South Walker Creek	Wards Well	Bee Creek and Nebo West	Total
Proved Reserve	24	87	-	-	111
Probable Reserve	24	36	-	-	60
<b>Total JORC Reserve</b>	<b>48</b>	<b>123</b>	-	-	<b>171</b>
<b>Marketable Reserves</b>	<b>39</b>	<b>98</b>	-	-	<b>137</b>
Measured Resource	42	237	-	-	279
Indicated Resource	49	273	1,164	9	1,495
Inferred Resource	59	179	149	84	471
<b>Total JORC Resource</b>	<b>150</b>	<b>689</b>	<b>1,313</b>	<b>93</b>	<b>2,245</b>

Note: <sup>1</sup> The information that relates to BMC has been extracted from the ASX release by BHP Minerals Pty Ltd titled "BHP Annual Report 2021" dated 14 September 2021

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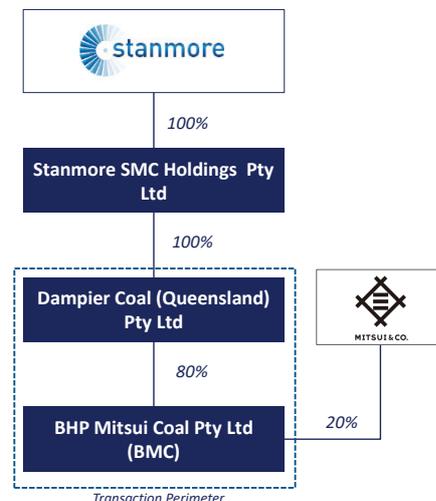
## Transaction summary

Stanmore has signed a definitive share purchase agreement with BHP to acquire BHP’s 80% interest in BMC

### Transaction Summary

- Stanmore has signed a definitive share purchase agreement with BHP Minerals Pty Ltd (“BHP”) to acquire BHP’s 80% interest in BMC through the acquisition of all of the shares in Dampier Coal, by Stanmore SMC Holdings Pty Ltd, a newly incorporated wholly-owned entity, as the buyer under the agreement (the “Transaction” or the “Acquisition”)
- The purchase price for the Transaction comprises
  - US\$1,100 million payable on completion;
  - US\$100 million payable six months post completion; and
  - Up to a maximum of US\$150M based on a revenue sharing mechanism if the average sales price achieved is above a certain threshold over a two year period, payable within three months of the end of the testing period (expected in CY2024)
    - If the current HCC spot price persisted in the 2 year period post completion, the maximum US\$150M earn-out would become payable
- Completion of the Transaction is expected in 2Q CY22
- All conditions precedent under the SPA have been satisfied
- BMC will continue to operate as an incorporated joint venture (“JV”) between Stanmore (80%) and Mitsui (20%) in accordance with the framework set out in the BMC articles of association
- Stanmore will replace BHP as the party operating on behalf of the JV and will have a significant level of control in the JV, including the authority to appoint the majority of directors to the BMC board
- Stanmore is in the process of securing bank guarantee facilities to support the contractual performance guarantee requirements at BMC (expected facility limit of A\$120m)
  - Definitive documentation is expected to be finalised ahead of completion of the Acquisition
- Further details on the Transaction, including key terms of the SPA, can be found in the announcement provided on the ASX platform and uploaded on the Company’s website on 8 November 2021 and the “Material Contracts” summaries in page 40 - 41 of this presentation

### Transaction Structure



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## Acquisition funding

The Acquisition is fully funded by a combination of committed debt and equity

<b>Acquisition Funding</b>	<ul style="list-style-type: none"> <li>The Transaction is intended to be funded through a combination of:                             <ul style="list-style-type: none"> <li>A new US\$625 million senior acquisition debt facility with a consortium of lenders;</li> <li>A partially underwritten A\$694 (~US\$506) accelerated renounceable pro-rata entitlement offer; and</li> <li>Internal sources</li> </ul> </li> <li>GEAR via Golden Investments has committed to subscribe for US\$300 million of its entitlements and is expected to hold a voting power in Stanmore of approximately 64% upon completion of the entitlement offer</li> </ul>
<b>Acquisition Debt Facility</b>	<ul style="list-style-type: none"> <li>Definitive documentation for the US\$625 million senior acquisition debt facility has been executed</li> <li>Financial close is expected to occur on or around completion of the Transaction</li> <li>Key terms of the acquisition facility are as follows:                             <ul style="list-style-type: none"> <li>US\$625 million senior secured, first-lien amortising loan note facility maturing 5 years from first utilisation</li> <li>Secured against the shares in Dampier Coal with no recourse to Stanmore</li> <li>Fixed interest rate of 11.5% per annum</li> <li>Paid-in-kind interest toggle and variable cashflow sweep to provide cashflow flexibility</li> </ul> </li> </ul>
<b>Internal Sources</b>	<ul style="list-style-type: none"> <li>Stanmore has additional corporate facilities and liquidity including:                             <ul style="list-style-type: none"> <li>US\$70 million revolving facility with GEAR<sup>3</sup></li> <li>US\$120 million revolving facility announced 3 March 2022<sup>4</sup></li> <li>Internal cash</li> </ul> </li> <li>The US\$120 million revolving facility matures 3 years from the date of agreement and has a fixed interest rate of 8% per annum</li> </ul>

Uses of Funds	US\$m
Transaction Consideration <sup>1,2</sup>	1,200
Estimated Stamp Duty & Transaction Costs	100
<b>Total Uses</b>	<b>1,300</b>

Source of Funds	US\$m
Acquisition debt facility	625
Entitlement Offer   GEAR Take Up	~300
Entitlement Offer   Underwritten Component	~206
Internal Sources	169
<b>Total Sources</b>	<b>1,300</b>

Note: 1 Excludes any purchase price adjustments.  
 2 Excludes earn-out payment. If payable, earn-out expected to be funded by cash generation of the Company and existing cash on balance sheet and would be payable in CY2024.  
 3 GEAR facility is currently fully drawn.  
 4 Expected to be used to fund working capital requirements, stamp duty and transaction costs.

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## Integration plan

Significant work has been undertaken to ensure day 1 operational readiness for the BMC assets

### BMC Integration

- Acquiring fully functioning site operations with existing contracts and workforce and management teams. Some systems and applications being implemented for Day 1 operations handover
- Sales contract book for 2022 to be in place with key traditional customers by completion for significant portion of production volumes
- Stanmore to stand-up central functions for technical services (mid to long term planning and maintenance and HSE governance), procurement, finance, human resources, technology, and legal and compliance
- PricewaterhouseCoopers have been engaged to help manage the transition and the implementation of SAP systems
- Joint Separation Plan has been agreed with BHP and is under implementation
- The Transition Service Agreement (“TSA”) has been negotiated with BHP and is expected to be signed on or around completion

### Stanmore Operating Model for Integrated Business

- Stanmore’s simple, lean and agile and capital light approach to be implemented in the integrated business to ensure alignment with the operating model principles below
- Site centric model and light overheads with central and corporate functions to support operations in delivering results
- Process simplification as an avenue for agility and unlocking of value
- Mine plans were developed from the bottom up and focus on value and margins
- Ensure business continuity and functioning organisation from Day 1 key priority given buoyant market and healthy margins
- Low hanging fruits to be tackled to start unlocking value from Day 1

### BMC Integration and Operating Model Principles



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## Equity Raising Overview

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## Equity Raising Overview

<b>Entitlement Offer</b>	<ul style="list-style-type: none"> <li>Approximately A\$694 million (~US\$506 million) partially underwritten pro-rata accelerated renounceable entitlement offer</li> <li>Approximately A\$694 million (~US\$506 million) underwritten or committed in total <ul style="list-style-type: none"> <li>GEAR via Golden Investments has committed to subscribe for US\$300 million of its entitlements and is expected to hold a voting power of approximately 64% in Stanmore upon completion of the entitlement offer<sup>1</sup>. GEAR has agreed to have its renounced rights accelerated and sold through the institutional bookbuild.</li> </ul> </li> <li>Petra to underwrite A\$283 (US\$206) million of the Entitlement Offer <ul style="list-style-type: none"> <li>Petra has confirmed to Stanmore that it has also received commitments from new institutional investors in respect of the total amount of its underwriting commitment.</li> </ul> </li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>A\$1.10 per share representing a: <ul style="list-style-type: none"> <li>12.0% discount to last close on 2 March 2022 of A\$1.25 per share</li> <li>3.9% discount to TERP of A\$1.145 per share</li> <li>8.4% discount to 5 trading day VWAP of A\$1.20 per share</li> </ul> </li> <li>Investment amounts to be in AUD or USD, and any investment amount in USD will be taken to be converted to AUD at the spot rate prevailing on the Institutional Offer Closing Date (currently expected to be 10am (Sydney time) 4 March 2022, and for that number of shares equal to the AUD equivalent amount divided by the Offer Price (subject to rounding). Investors must nominate the currency (ie AUD or US\$) which they wish to settle in at the Institutional Offer Closing Date (expected to be 10am (Sydney time) 4 March 2022) – this nomination is irrevocable.</li> <li>Stanmore has implemented a hedging strategy to protect the company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer</li> </ul>
<b>Offer Structure</b>	<ul style="list-style-type: none"> <li>Retail component of the Entitlement Offer opens on 10 March 2022 and closes on 21 March 2022</li> <li>Entitlements commence trading on 7 March 2022 and cease trading on 14 March 2022</li> <li>Eligible retail shareholders will be sent a retail offer booklet containing information on how to accept the offer on or about 10 March 2022</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New shares will rank equally with existing ordinary shares from their time of issue</li> </ul>
<b>Record Date</b>	<ul style="list-style-type: none"> <li>7 March 2022</li> </ul>
<b>Lead Manager</b>	<ul style="list-style-type: none"> <li>Petra Capital is acting as Sole Lead Arranger, Lead Manager and Underwriter to the Entitlement Offer</li> </ul>

Note: <sup>1</sup> Assumes GEAR will subscribe for approximately 374 million shares based on an AUD/USD exchange rate of 0.73, the spot rate at the date of this announcement.

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## Key Dates

Event	Date <sup>1</sup>
Announcement of Entitlement Offer	3 March 2022
Institutional offer open	3 March 2022
Institutional offer closes	4 March 2022
Announcement of results of institutional offer (after market close)	4 March 2022
Trading resumes on an ex-rights basis (Entitlement trading on ASX begins (deferred settlement basis))	7 March 2022
Record Date	7 March 2022
Retail Entitlement Offer opens	10 March 2022
Last date of retail Entitlement trading on ASX	14 March 2022
Settlement date for institutional offer	15 March 2022
Shares issued under institutional offer	16 March 2022
Quotation of shares under institutional offer	17 March 2022
Close of retail offer	21 March 2022
Settlement date for retail offer	30 March 2022
Issue of securities to retail investors	31 March 2022
Quotation of shares issued under retail offer	1 April 2022

Note: <sup>1</sup> The above events, dates and times are indicative only and may be subject to change. Stanmore reserves the right to amend any or all of these events, dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Stanmore reserves the right to close any offer early or to extend closing dates, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation by ASX.

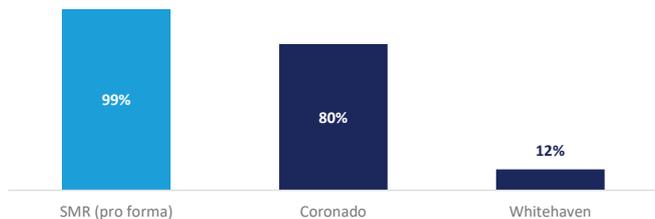
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### Premium Coking Coal Product

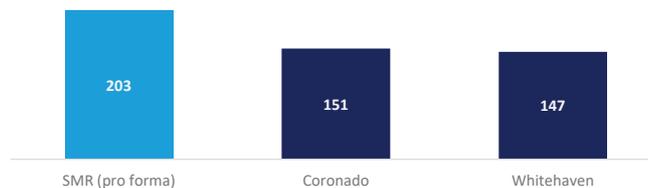
~100% coking coal production, significantly higher achieved pricing

Coking coal sales | Dec H21 (%)



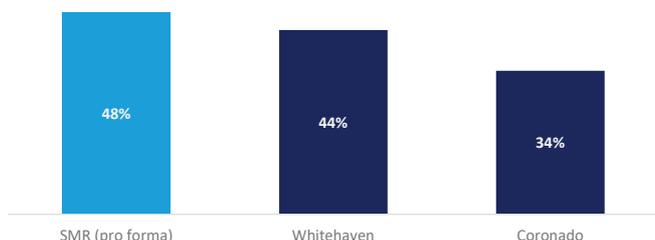
Stanmore's coking coal sales of ~100% is superior to ASX listed peers. This gives rise to favorable ESG fundamentals on a comparative basis

Achieved price | Dec H21 (US\$/t)



Stanmore receives a higher price relative to peers on an US\$/tonne basis (A\$200+/tonne) due to its superior coking coal exposure.

EBITDA margin | Dec H21 (%)



Superior EBITDA margin based on pro-forma Dec H21 numbers; a superior portion of coking coal sales is a key differentiator

EBITDA / tonne | Dec H21 (US\$/t)



Higher EBITDA margin per tonne of coal based on pro-forma Dec H21 numbers

Source: Company reports and filings. AUD:USD FX rate of 0.73 used for the HY ending 31 Dec 2021. BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.

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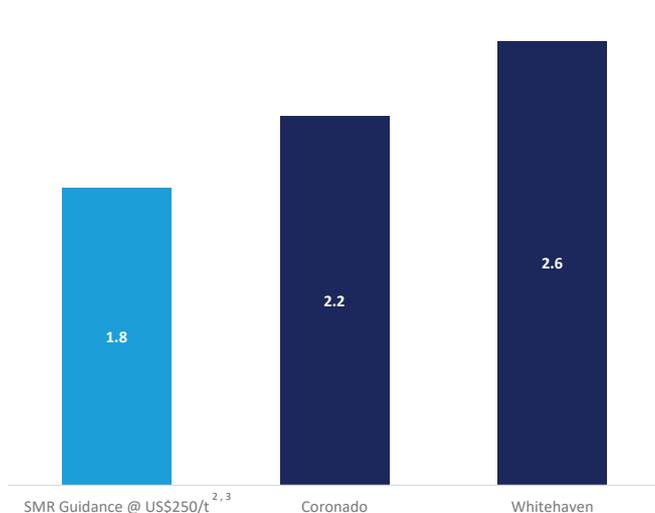
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### The offer price implies a forward EV / EBITDA multiple of 1.8x

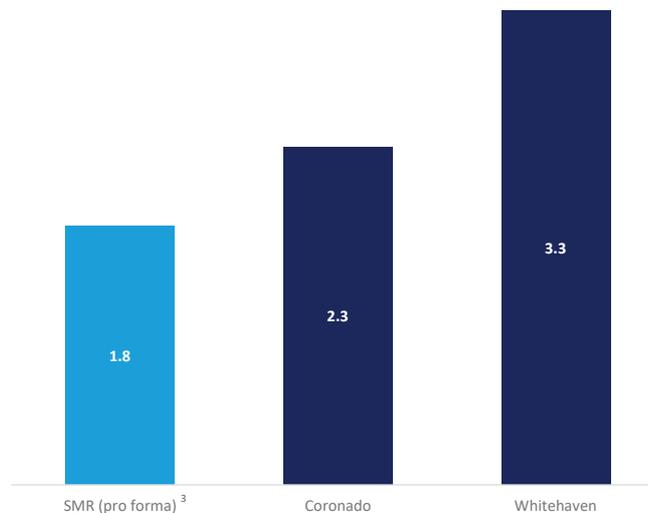
Stanmore is competitive on an EV/EBITDA basis, giving rise to strong valuation upside, based on consensus



EV / CY2022 EBITDA (x)<sup>1, 2, 3, 4, 5</sup>



EV / EBITDA | Dec H21 pro-forma (x)<sup>3, 4, 5</sup>



Note: 1 Peer EBITDA multiples calculated based on median broker forecast EBITDA calendarised to the calendar year ending 31 December 2022. Coronado consensus EBITDA based on reports published by 7 brokers. Whitehaven consensus EBITDA based on broker reports published by 11 brokers. Net debt for Coronado and Whitehaven as at 31 Dec 2021.  
 2 Stanmore pro forma multiple calculated using annualised 2H CY22 EBITDA, in line with methodology used to determine guidance, outlined on page 37 and using broker consensus coal price forecasts estimates for CY2022 (approximately US\$250/tonne HCC benchmark pricing).  
 3 Stanmore multiple assumes 100% of BMC EBITDA and EV adjusted for a minority interest in BMC in line with the purchase price under the Transaction. BMC financials for HY ending 31 Dec 2021 are based on unaudited management accounts.  
 4 Market data sourced from S&P Capital IQ and company reports and filings as at 2 March 2022. AUD:USD FX rate of 0.73 used for the HY ending 31 Dec 2021.  
 5 Analysis assumes AUD:USD exchange rate of 0.73 being the spot rate on 2 March 2022.

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# 04 Investment Highlights

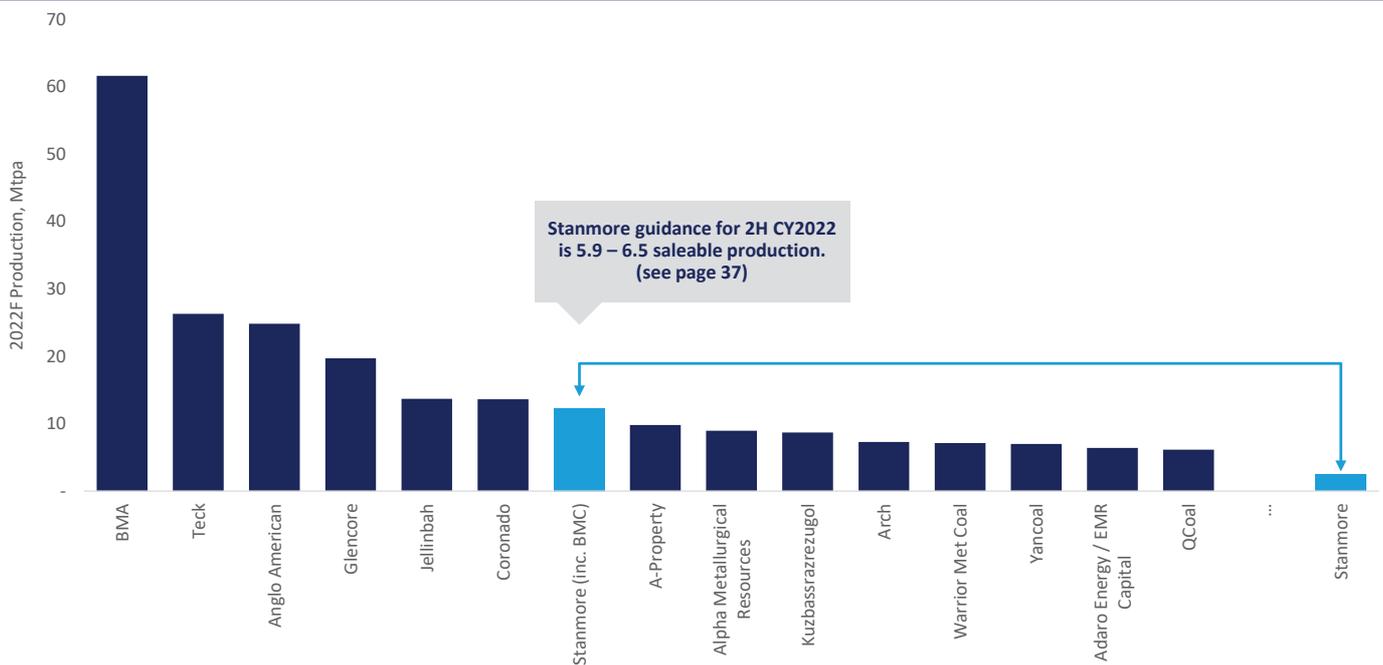
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## 1 Scale



Stanmore will become one of the largest global producers of metallurgical coal

Top 15 seaborne metallurgical coal exporters 2022 (operator basis)



Source: 1 Wood Mackenzie, November 2021 dataset

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Stanmore is committed to capturing value from three de-risked cash generating operating assets

Stanmore Capital Management Update

- 1 • Disciplined capital outlays planned in the first 5 years of BMC ownership
- 2 • Business well positioned to generate sufficient cash to service capital and debt requirements comfortably within debt covenants
- 3 • Stanmore will endeavour to distribute capital to shareholders subject to the capital requirements of the business
- 4 • Shareholder returns expected through share price growth, improved liquidity, distribution of dividends and the realisation of synergies with BMC
- 5 • The company will continue to explore options to optimise liquidity
- 6 • Refinancing of existing debt facilities possible in around two years

Stanmore Dividend Policy

Stanmore will target distributing 50% of available free cash of the parent entity defined as net cashflow from operating activities less capital expenditure and debt servicing (including interest and principal repayments) of the consolidated group and after allowing for sufficient liquidity required by the business. The Board will also consider additional shareholder returns in circumstances where surplus free cash is available. All dividend payments remain at the discretion of the Board.

The combined Stanmore and BMC portfolio will comprise three high quality, well capitalised assets backed by an equipment rich business and experienced people

Post Acquisition Stanmore and BMC Assets, Infrastructure and People

<b>3</b> CHPP Plants	<b>3</b> Draglines	<b>13.55Mtpa</b> Port Capacity	<b>~600<sup>1</sup></b> Direct Employees (ex. Contractors)
<b>29</b> Haul trucks	<b>8</b> Excavators	<b>26</b> Dozers	<b>81,000 Ha</b> Landholding



IP CHPP Product Stacker



IP Dragline



Dalrymple Bay Coal Terminal



Scar tree relocation

Note: 1 Employee numbers subject to change to account for adjustments associated with the Transaction  
2 Owned excavators and RDT trucks – SWC has a significant contractor fleet in addition to these numbers for overburden stripping

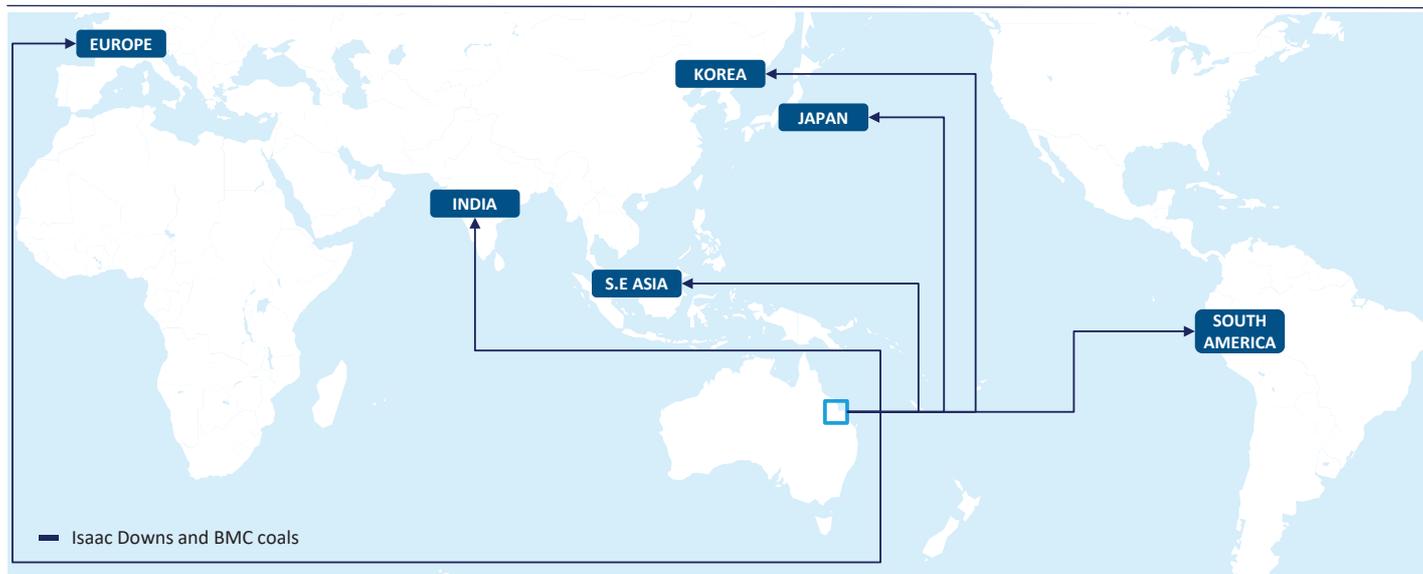


**World class product**



Stanmore produces a range of world class metallurgical coal products

**Stanmore Product End Markets<sup>1</sup>**



**BMC Product Highlights**

Benchmark PCI at South Walker Creek	Index linked product <sup>2</sup>	Well established coals with well known market brands	Overlap with Stanmore's existing customer base	Competitive blend
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Note: 1 BMC coals are known and supported in the Chinese market subject to trade restrictions.  
 2 Index linked products at South Walker Creek and Poitrel, Isaac Plains and Millennium products based on exposure to seaborne metallurgical coal pricing.

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**World class product**

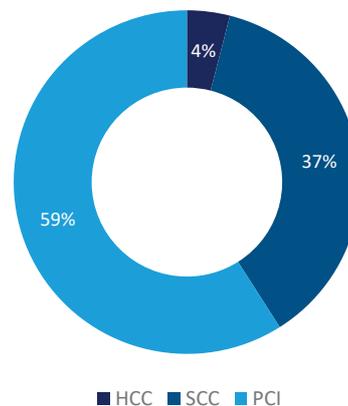


Stanmore post acquisition sales breakdown and product overview

**Product Overview**

<b>Stanmore Isaac Downs</b>	<ul style="list-style-type: none"> <li>Balanced exposure between                     <ul style="list-style-type: none"> <li>JSM long term benchmark; and</li> <li>market relativity to PLV</li> </ul> </li> <li>Majority of sales performed with average price exposure over the year</li> <li>Decreased exposure to JSM benchmark vs CY21</li> </ul>
<b>Millennium HCC</b>	<ul style="list-style-type: none"> <li>Majority performed basis market relativity to Platts LV HCC over the year</li> </ul>
<b>Millennium PCI</b>	<ul style="list-style-type: none"> <li>Balanced exposure between JSM long term benchmark, and market relativity to PCI indices at the time of delivery</li> </ul>
<b>BMC Poitrel Coking</b>	<ul style="list-style-type: none"> <li>Anticipated to be based on market relativity to LV HCC indices</li> </ul>
<b>BMC PCI (Poitrel and SWC)</b>	<ul style="list-style-type: none"> <li>Anticipated to be based on market relativity (quality adjusted) to LV PCI indices</li> </ul>

**SMR Pro Forma Expected Sales Breakdown (100% Basis)<sup>1</sup>**



Note: 1 Assumed coal price relativities and product mixes are based on historical relativities discovered during due diligence. Stanmore has made a number of assumptions around the sales book and product mix it will inherit on Completion

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**World class product**



Strong market outlook for metallurgical coal, including PCI

Historical benchmark prices (US\$/t, nominal)



**Supply and demand outlook**

- **Record metallurgical coal prices**
  - Tight supply due to various supply issues in Australia, Russia, US, Mozambique, Canada and Mongolia over past several months
  - Strong demand from rebounding global industrial production and seasonal improvement in steel demand as supply recovers
  - Recent depletion of port inventories supports seaborne imports to China
- **Fundamentals still supportive**
  - Whilst supply expected to recover in the short term, medium to long term supply is limited by scarcity of economic deposits, difficulty in obtaining approvals or funding for new mine developments, and export infrastructure limitations
  - Significant increases in demand for steel infrastructure expected with growing pace of decarbonisation
  - Indian steelmakers announced US\$11bn projects over next five years in response to government focus on infrastructure development
  - Despite strong fundamentals, some uncertainties around production and demand in China still remain

Source: S&P Global Platts and Wood MacKenzie market data

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**Synergies**



The Transaction will unlock potential operational synergies for Stanmore

Source	Description	Potential Value Contribution
<b>1</b> Coal Blending and Marketing	Opportunity for blending of the various products in the enlarged portfolio to maximise value in use and achieve a higher overall weighted average price across BMC and Stanmore	✓✓
<b>2</b> Red Mountain CHPP Capacity	Utilisation of excess Red Mountain CHPP capacity for processing additional third party coals via ROM purchasing or toll washing	✓✓
<b>3</b> Potential Millennium / Isaac Plains Expansion	Opportunity to expand Millennium or Isaac Downs productions given spare processing capacity at the Red Mountain CHPP	✓✓
<b>4</b> Infrastructure Access	Potential to utilise strategic infrastructure at Poitrel for further inorganic consolidation or partnering with neighboring projects	✓✓
<b>5</b> Streamlining and Simplification of Overheads	Simplification of operating model and associated processes, and reduced consolidated corporate functions and central support functions	✓

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Stanmore is committed to operate in an environmentally and socially responsible manner

1

**HEALTH AND SAFETY IS A CORE VALUE AT STANMORE**

- Stanmore is committed to providing a culture that strives to meet its goal of no injuries and that everybody can return home each day, safe and healthy
- Stanmore has a good track record of safety performance at Isaac Plains and continuously develops initiatives to reduce risk and improve wellbeing

2

**STANMORE BELIEVES IN THE SCIENCE OF CLIMATE CHANGE**

- Business and operational risks associated with changes caused by climate change are included as part of Stanmore’s business planning cycle
- Stanmore supports R&D projects and partners with entrepreneurs, universities, and governments to identify technologies that will help reduce the company’s carbon footprint and support the goals of the Paris Agreement

3

**STANMORE HAS A COMPREHENSIVE SET OF ESG POLICIES AND ASSURANCE PROCESSES**

- Stanmore considers its scope 1, 2, and 3 emissions and reports its emissions in line with legislation
- Stanmore is committed to reducing its emissions and takes mitigating actions based on actual data from monitoring networks and seeks to develop new solutions to reduce emissions

4

**BMC ESG PERFORMANCE UNDERGONE EXTENSIVE THIRD-PARTY DUE DILIGENCE**

- BMC has received notice of Change Holder Review Allocation Decision under s35 and it is expected BMC will enter the financial provision scheme at completion

5

**STANMORE ESTABLISHED STANMORE GREEN TO DEVELOP AND EXECUTE INITIATIVES TO REDUCE ITS CARBON FOOTPRINT**

- Stanmore Green aims to develop projects in the renewable energy space to reduce carbon and emissions footprint
- Currently exploring a solar project and solar to water project at Isaac Plains, as well as early-stage studies on converting flare gas to hydrogen, to power mining vehicles
- The BMC acquisition will open even greater opportunities for developing renewable energy projects based on the footprint available around South Walker Creek and Poitrel

6

**STANMORE HAS A PROVEN TRACK RECORD IN THE PERFORMANCE OF MINE REHABILITATION**

- Stanmore has carried out effective and progressive rehabilitation at Isaac Plains, with 39% of all disturbed land already being rehabilitated
- Under Stanmore’s ownership, BMC’s approach to rehabilitation will be to rehabilitate affected footprint proactively, progressively and in line with regulatory requirements

7

**STANMORE’S WATER AND WASTE MANAGEMENT IS TO A HIGH STANDARD**

- Waste management hierarchy employed by Stanmore begins with waste avoidance as the number one objective, followed by waste re-use, waste recycling with waste disposal as a last resort
- Site water balance model developed by specialist water engineers to ensure appropriate water balance at Stanmore mines
- BMC sites already have a high standard of water stewardship and this will be integrated within Stanmore

8

**STANMORE SUPPORTS A WIDE RANGE OF LOCAL COMMUNITY ORGANISATIONS AND ACTIVITIES THROUGHOUT CENTRAL QUEENSLAND**

- Stanmore offers to the community social grants to local organisations and events, community living allowance, and on-selling of water capacity to regional council at discounted rates
- Stanmore recognises the First Nation Traditional Owners of the land on which it operates, which also overlaps with BMC related land, and has established a Reconciliation Action Plan Committee to guide ongoing positive activity and education. Stanmore retains an ongoing positive, consultative relationship with the local landowners



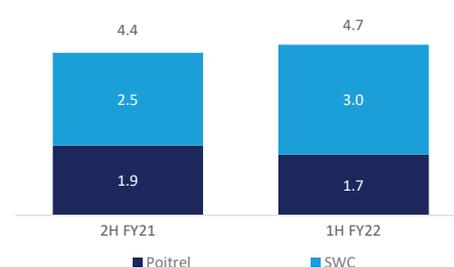
### BMC Performance Update<sup>1, 2</sup>

Strong 1H FY22 performance driven by higher coal prices and overperformance at South Walker Creek

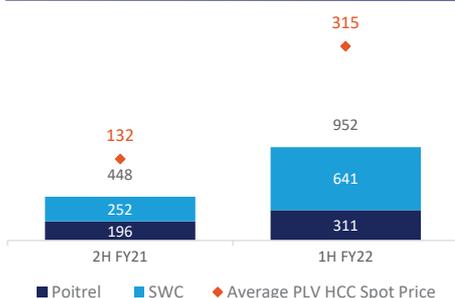
#### Commentary

- Improved 1H FY22 financial performance driven by significant increase in coal prices during the period
- South Walker Creek**
  - Increased saleable production in 1H FY22 supported by strong performance from draglines and truck and shovel stripping operations
- Poitrel**
  - Slightly reduced saleable production in 1H FY22 due to weather challenges and mine optimisation work

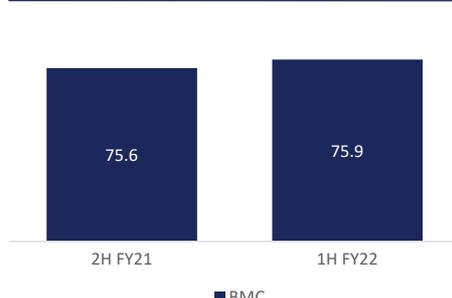
#### Saleable Production (Mt)



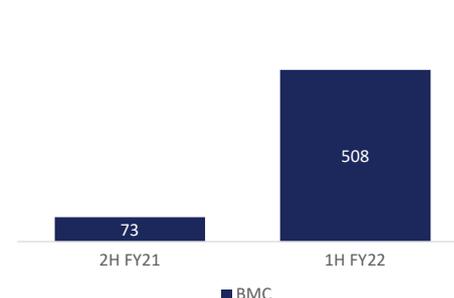
#### Revenue (US\$m)<sup>1, 4</sup>



#### FOB Cash Cost (US\$/t)<sup>3</sup>



#### EBITDA (US\$m)<sup>1</sup>

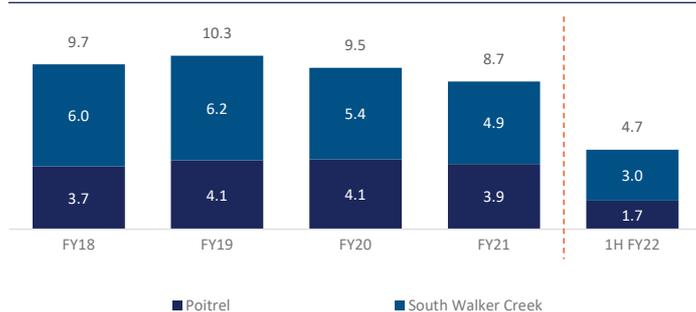


- Note:
- 1 Analysis assumes a June financial year end.
  - 2 2H FY21 and 1H FY22 performance per unaudited BMC management accounts. Results presented on a 100% basis.
  - 3 FOB cash cost excludes royalties. Unit cost represents US\$/t saleable production.
  - 4 Premium Low Vol HCC FOB Aus Close index pricing per S&P Global Platts, ticker PLVHA00. Average of end of month pricing presented.

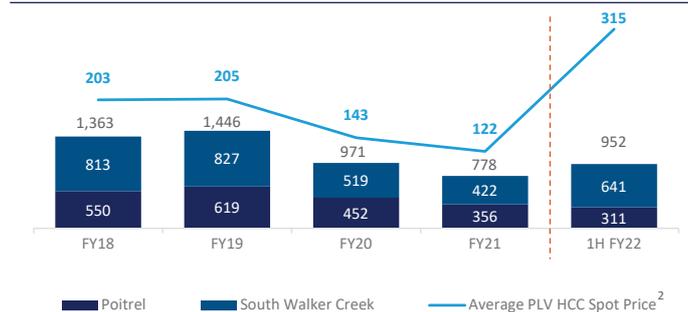
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### BMC historical operating & financial performance<sup>1</sup>

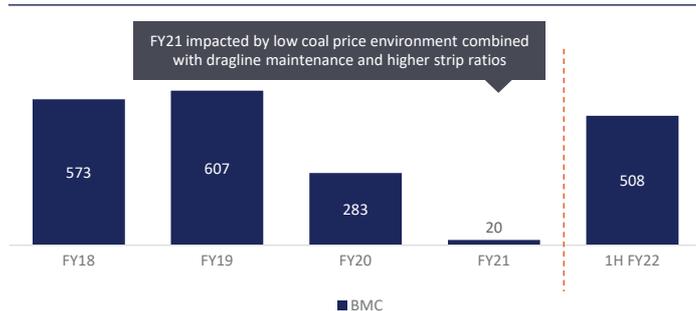
#### Saleable Production (Mt) – 100% Basis



#### Revenue (US\$m) – 100% Basis



#### EBITDA (US\$m) – 100% basis



#### Capex (US\$m) – 100% Basis



- Source: Financial data sourced from BMC statutory accounts and FY21 audited financial statements. Results for 1H FY22 are based on unaudited management accounts.
- Note:
- 1 Analysis assumes 30 June financial year end.
  - 2 Premium Low Vol HCC FOB Aus Close index pricing per S&P Global Platts, ticker PLVHA00. Average of end of month pricing presented.

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## Latest estimates

Stanmore guidance for key performance metrics<sup>9</sup>

		2 months to 30 Jun 2022 <sup>2, 3, 4, 6, 8</sup>	6 months ending 31 Dec 2022 <sup>2, 3, 4, 6, 8</sup>	
Isaac Plains Complex	Saleable Production	Mt	0.4	1.2 - 1.3
	FOB Cash Cost ex. Royalties	US\$/t		63 - 70
Poitrel (100% basis)	Saleable Production	Mt	0.7	1.9 - 2.1
	FOB Cash Cost ex. Royalties	US\$/t		85 - 90
SWC (100% basis)	Saleable Production	Mt	1.0	2.8 - 3.1
	FOB Cash Cost ex. Royalties	US\$/t		65 - 70
Stanmore Pro Forma <sup>1</sup>	Saleable Production	Mt	2.1	5.9 - 6.5
	Capital Expenditure – BMC	US\$m		40 - 50
	Capital Expenditure – SMR Pro Forma	US\$m		55 - 65
	EBITDA – HCC @ US\$150/t <sup>5, 10</sup>	US\$m		150 - 170
	EBITDA – HCC @ US\$200/t <sup>5, 10</sup>	US\$m		320 - 360
	EBITDA – HCC @ US\$250/t <sup>5, 10</sup>	US\$m		490 - 540
	EBITDA – HCC @ US\$400/t <sup>7, 10</sup> (approx. current benchmark price)	US\$m		900 - 1,100

BMC Capital expenditure includes some project capital for a creek diversion initiative. Stanmore Pro Forma capital expenditure includes project spend to complete the Isaac Downs project and CHPP upgrade

The Stanmore portfolio will consist of high-quality assets that are expected to demonstrate stable operating performance. Stanmore considers 2H CY2022 production to be representative of go forward performance for the business.<sup>6</sup>

- Note:
- 1 Stanmore pro forma guidance consolidates BMC on a 100% basis and excludes Millennium and Mavis Downs (Stanmore ownership 50%).
  - 2 Assumes AUD:USD exchange rate of 0.74 increasing to 0.75 in line with broker consensus.
  - 3 All figures presented on a nominal basis assuming 1.8% p.a. CPI increasing to 2.0%.
  - 4 Analysis excludes potential synergies associated with the Transaction.
  - 5 EBITDA guidance excludes one-off expenses including integration costs.
  - 6 Refer to page 52 for details of risk factors that may impact Stanmore and BMC operations
  - 7 Refer to page 31 for historical coal prices relative to current spot price. These figures are based on a current spot price of US\$400 for sales of HCC. This price represents neither a prediction or forecast. The current spot price is not representative of historic prices and may change which will impact guidance. There can be no guarantee of future commodity prices. In addition, much of Stanmore and BMC's sales are not sold at spot prices and the price achieved under long term contracts may be lower.
  - 8 Investors are cautioned not to place undue reliance on the forecasts provided, particularly in light of the general volatility in coal prices as well as the significant uncertainty and disruption caused by the COVID-19 pandemic. The prices that Stanmore ultimately obtains for its products will be determined by various factors including prices in world commodity markets which have historically been subject to substantial volatility. Volatility in commodity prices creates revenue uncertainty and requires careful management of business performance. Stanmore cannot provide any assurance as to the prices that it will achieve for its coal sales in the future.
  - 9 All assumptions and forecast estimates are based on Stanmore analysis.
  - 10 HCC refers to the Platts Premium Low Vol HCC FOB Australia benchmark. EBITDA guidance ranges assume all coal sales entered in the same coal price environment noting that coals will be sold at a variety of discounts to the benchmark price. Stanmore has made a number of assumptions around the sales book and product mix it will inherit on completion.

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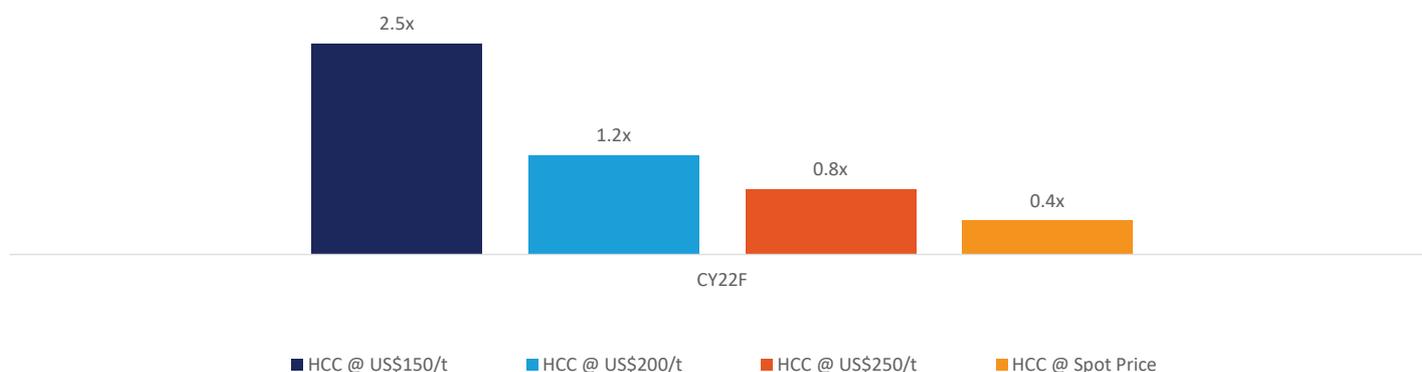
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## Pro forma post acquisition balance sheet

Stanmore expects to delever quickly post Acquisition if the current coal price environment persists

## Pro Forma Stanmore Post Acquisition Balance Sheet and Credit Metrics

US\$m <sup>1</sup>	SMR as at 31 December 2021	Acquisition Adjustment	Pro Forma at Completion <sup>4</sup>
Net Debt <sup>2,3,4</sup>	30	764	794

Pro Forma Net Debt / EBITDA<sup>5</sup>

- Note:
- 1 Stanmore balance sheet converted to USD assuming an AUD:USD exchange rate of 0.73.
  - 2 Debt includes interest-bearing loans and borrowings and excludes lease liabilities.
  - 3 See sources and uses on p18 for further details of acquisition adjustments.
  - 4 Assumes revolving credit facility fully drawn. Transaction consideration does not include any potential purchase price adjustments.
  - 5 Pro forma Net Debt / EBITDA based on midpoint of EBITDA guidance ranges on page 37 and annualised to generate 12 month estimate.

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## Material Contracts

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### Material Contracts with regards to the Acquisition

Below is a summary of the key terms of the material contracts with regards to the Acquisition.

<b>Share Purchase Agreement ("SPA")</b>	<ul style="list-style-type: none"> <li>The SPA sets out the terms on which Stanmore SMC Holdings Pty Ltd, a wholly-owned subsidiary of Stanmore, agreed to acquire 100% of the shares in Dampier Coal (Qld) Pty Ltd.</li> <li>Stanmore guarantees all obligations of Stanmore SMC Holdings Pty Ltd under the SPA.</li> <li>GEAR guarantees Stanmore's obligation as guarantor with regards to the payment of the purchase price and any break fee, up to a maximum aggregate amount of US\$600M (after deducting any other funding provided to Stanmore by GEAR or Golden Investments in connection with the Transaction) (<b>GEAR Guarantee</b>).</li> <li>The GEAR Guarantee will only be payable in circumstances where Stanmore is unable to meet its purchase price obligations on or after completion, or fails to pay the break fee in circumstances where it has become payable.</li> <li>Additional terms of the SPA can be found in the ASX announcement by Stanmore on 8 November 2021 entitled "Stanmore Resources to Acquire BHP's 80% interest in BMC."</li> </ul>
<b>Transitional Services Agreement ("TSA")</b>	<ul style="list-style-type: none"> <li>It is a requirement under the SPA that Stanmore and BHP negotiate in good faith to agree the transitional services BHP will provide to Stanmore following completion under the SPA. Once agreed, the TSA must be signed by the parties prior to or at completion.</li> <li>The TSA seeks to ensure an orderly transition of the BMC business to Stanmore.</li> <li>Services which are anticipated to be provided under the TSA will include:               <ul style="list-style-type: none"> <li>access to an application based systems (SAP and Fiori) to support the performance by Stanmore's personnel of ongoing maintenance activities;</li> <li>remote inventory planning support and inventory master data management;</li> <li>procurement support services such as contract administration for existing contracts and master data management for new and existing vendors; and</li> <li>finance services.</li> </ul> </li> </ul>
<b>Underwriting Agreement</b>	<ul style="list-style-type: none"> <li>Petra Capital has been engaged as Lead Manager and Underwriter of the Entitlement Offer and will underwrite approximately A\$283 million of the Entitlement Offer</li> <li>The underwriting agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights. Stanmore has indemnified the Underwriter and certain associated persons against losses in connection with the Entitlement Offer.</li> <li>Petra Capital will be paid a lead arranger fee of \$250,000 and a placement and underwriting fee of 1% of the underwritten proceeds from the Entitlement Offer (not including any funds received from GEAR or Golden Investments).</li> <li>A summary of the key terms of the Underwriting Agreement can be found in the ASX announcement by Stanmore on 3 March 2022 entitled "Partially underwritten accelerated renounceable entitlement offer to raise approximately US\$506 million to part fund BMC acquisition".</li> </ul>

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## Material Contracts with regards to the operation of BMC

Below is a summary of the key terms of the agreements identified by Stanmore as material to the operation of BMC.

<b>BMC's articles of association</b>	<ul style="list-style-type: none"> <li>BMC is an incorporated joint venture, 80% owned by Dampier Coal and 20% owned by Mitsui. Stanmore will acquire BHP's 80% interest in BMC through the acquisition of all of the shares in Dampier Coal.</li> <li>The operation and management of BMC is governed by its articles of association which sets out the rights of shareholders and customary corporate governance matters. For so long as Dampier Coal holds at least 40% of the issued ordinary shares of BMC, BMC will continue to be managed, subject to the directors, by Dampier Coal. A quorum for directors meetings requires at least 3 directors appointed by Dampier Coal.</li> <li>All new shares issued or proposed sales of BMC shares must first be offered to existing shareholders in their respective proportions.</li> </ul>
<b>HSE Mining Services Framework Agreement</b>	<ul style="list-style-type: none"> <li>Framework agreement with HSE Mining Pty Ltd that applies to site work packages issues for various mining services, including: excavate, load, haul and dump various materials; coal mining and haulage; reject hauled; and bulk dozer push.</li> </ul>
<b>Aurizon Haulage Services Contract – South Walker Creek</b>	<ul style="list-style-type: none"> <li>Haulage Services Contract with Aurizon Operations Limited which provides for above rail haulage services from South Walker Creek (with a right to nominate Poitrel as an alternative load point) to Dalrymple Bay Coal Terminal. The contracted annual tonnage under the contract is 6.5 mtpa and the parties may reduce the contracted tonnage amount with 24 months notice.</li> <li>The agreement ends on 30 June 2028, but BMC may extend the term once for 12 months if it requests that extension not less than 12 months prior to the expiry date.</li> </ul>
<b>Rail Haulage Agreement – Poitrel</b>	<ul style="list-style-type: none"> <li>Above Rail Haulage Agreement with Pacific National Pty Ltd which provides for above rail haulage services from Poitrel to Abbot Point (NQXT). The contracted annual tonnage under the agreement is 4.2 mtpa.</li> <li>The agreement ends on 30 June 2028.</li> </ul>
<b>Abbot Point User Port Agreement</b>	<ul style="list-style-type: none"> <li>Coal handling agreement with North Queensland Export Terminal Pty Ltd for 4.2 mtpa through Abbot Point Coal terminal (also known as North Queensland Export Terminal or NQXT).</li> <li>The agreement is considered to be on standard form for arrangements with NQXT.</li> <li>Agreement terminates on 31 December 2026, but BMC may extend by 10 years if it requests that extension not less than 36 months prior to the expiry date.</li> </ul>
<b>Dalrymple Bay Port Agreement</b>	<ul style="list-style-type: none"> <li>Series of coal handling agreements with Dalrymple Bay Infrastructure Management Pty Ltd for an aggregate of approximately 6.95 mtpa through Dalrymple Bay Coal Terminal or DBCT.</li> <li>The agreements are considered to be on standard form for arrangements with DBCT.</li> <li>The agreements terminate on 31 December 2023 (for 1.0 mtpa), 31 December 2024 (for 5.32 mtpa) and 30 December 2028 (for 0.5 mtpa), but BMC may extend by 5 years if it requests that extension not less than 12 months prior to the relevant expiry date.</li> </ul>

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## APPENDIX: Reserves and Resources

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## BMC reserves and resources

## JORC Coal Resources as at 30 June 2021

	Reserves			Marketable Reserves			
	Proved (Mt)	Probable (Mt)	Total (Mt)	Total Mt	% Ash	% VM	% Sulphur
South Walker Creek	87	36	123	98	9.2	13.5	0.29
Poitrel	24	24	48	39	8.1	23.1	0.31
<b>Total</b>	<b>111</b>	<b>60</b>	<b>171</b>	<b>137</b>			

## JORC Coal Resources as at 30 June 2021

	Tonnes (Mt)	% Ash	% VM	% Sulphur		Tonnes (Mt)	% Ash	% VM	% Sulphur
<b>South Walker Creek OP</b>					<b>Wards Well</b>				
Measured	201	10.2	13.3	0.31	Measured	-	-	-	-
Indicated	119	9.4	14.3	0.30	Indicated	1,164	8.9	20.9	0.52
Inferred	71	10.4	15.7	0.40	Inferred	149	9.2	20.0	0.52
<b>Total</b>	<b>391</b>	<b>10.0</b>	<b>14.0</b>	<b>0.32</b>	<b>Total</b>	<b>1,313</b>	<b>8.9</b>	<b>20.8</b>	<b>0.52</b>
<b>South Walker Creek UG</b>					<b>Bee Creek</b>				
Measured	36	10.0	13.8	0.31	Measured	-	-	-	-
Indicated	154	10.4	12.7	0.28	Indicated	9	8.9	15.4	0.40
Inferred	108	9.5	15.2	0.35	Inferred	13	9.6	15.0	0.42
<b>Total</b>	<b>298</b>	<b>10.0</b>	<b>13.7</b>	<b>0.31</b>	<b>Total</b>	<b>23</b>	<b>9.3</b>	<b>15.2</b>	<b>0.41</b>
<b>Poitrel</b>					<b>Nebo West</b>				
Measured	42	7.9	23.9	0.35	Measured	-	-	-	-
Indicated	49	8.0	24.1	0.35	Indicated	-	-	-	-
Inferred	59	8.0	24.1	0.36	Inferred	71	10.0	7.2	0.67
<b>Total</b>	<b>150</b>	<b>8.0</b>	<b>24.0</b>	<b>0.36</b>	<b>Total</b>	<b>71</b>	<b>10.0</b>	<b>7.2</b>	<b>0.67</b>

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Stanmore reserves and resources<sup>1</sup>

## Stanmore Mineral Resources as at end December 2021

	Measured	Indicated	Inferred	Total
Isaac Plains Complex	71.8	43.2	48	163
Surat Basin Complex	18.1	387.0	511	916
Mackenzie	-	25.7	117	143
Belview	-	50.0	280	330
Tennyson	-	-	140	140
Lilyvale	-	-	33	33
<b>Total Coal Resources</b>	<b>89.9</b>	<b>505.9</b>	<b>1,129</b>	<b>1,725</b>

## Stanmore Mineral Reserves as at end December 2021

	Proved	Probable	Total
Isaac Plains Complex	33.8	8.8	42.5
The Range Opencut	-	117.5	117.5
<b>Total Coal Reserves</b>	<b>33.8</b>	<b>126.3</b>	<b>160.0</b>

Note: 1 Stanmore mineral reserves and resources per "December 2021 Coal Resources &amp; Reserves Summary" released to the ASX on 16 February 2022.

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## APPENDIX: International Offer Restrictions

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### International offer restrictions

#### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

#### United States

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#### France

The Entitlements and New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France other than to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129 (the "Prospectus Regulation").

This document and any other offering material relating to the Entitlements and New Shares have not been, and will not be, submitted to the Autorité des marchés financiers ("AMF") for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Any offer or transfer of the Entitlements and New Shares or distribution of offer documents has only been and will only be made in France in accordance with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

#### Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this document may not be made available, nor may the Entitlements or the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Entitlements and New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

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## International offer restrictions

### Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

### Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and the New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under Schedules 5 and 6 of the Malaysian Capital Markets and Services Act.

### Singapore

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This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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## International offer restrictions

### Switzerland

The offering of the Entitlements and the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("FinSA") because such offering is made to professional clients within the meaning of the FinSA only and the Entitlements and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar communication pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Entitlements or the New Shares.

### United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Entitlements or the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of Article 2(e) of the UK Prospectus Regulation) in the United Kingdom, and the Entitlements and New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Entitlements or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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## International offer restrictions

### Canada

This document constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions or section 73.3 of the Securities Act (Ontario) (collectively "NI 45-106").

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Entitlements or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Entitlements and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that:

- a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;
- b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and
- c) in no case shall the amount recoverable exceed the price at which such securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

- a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

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## International offer restrictions

### Canada (continued)

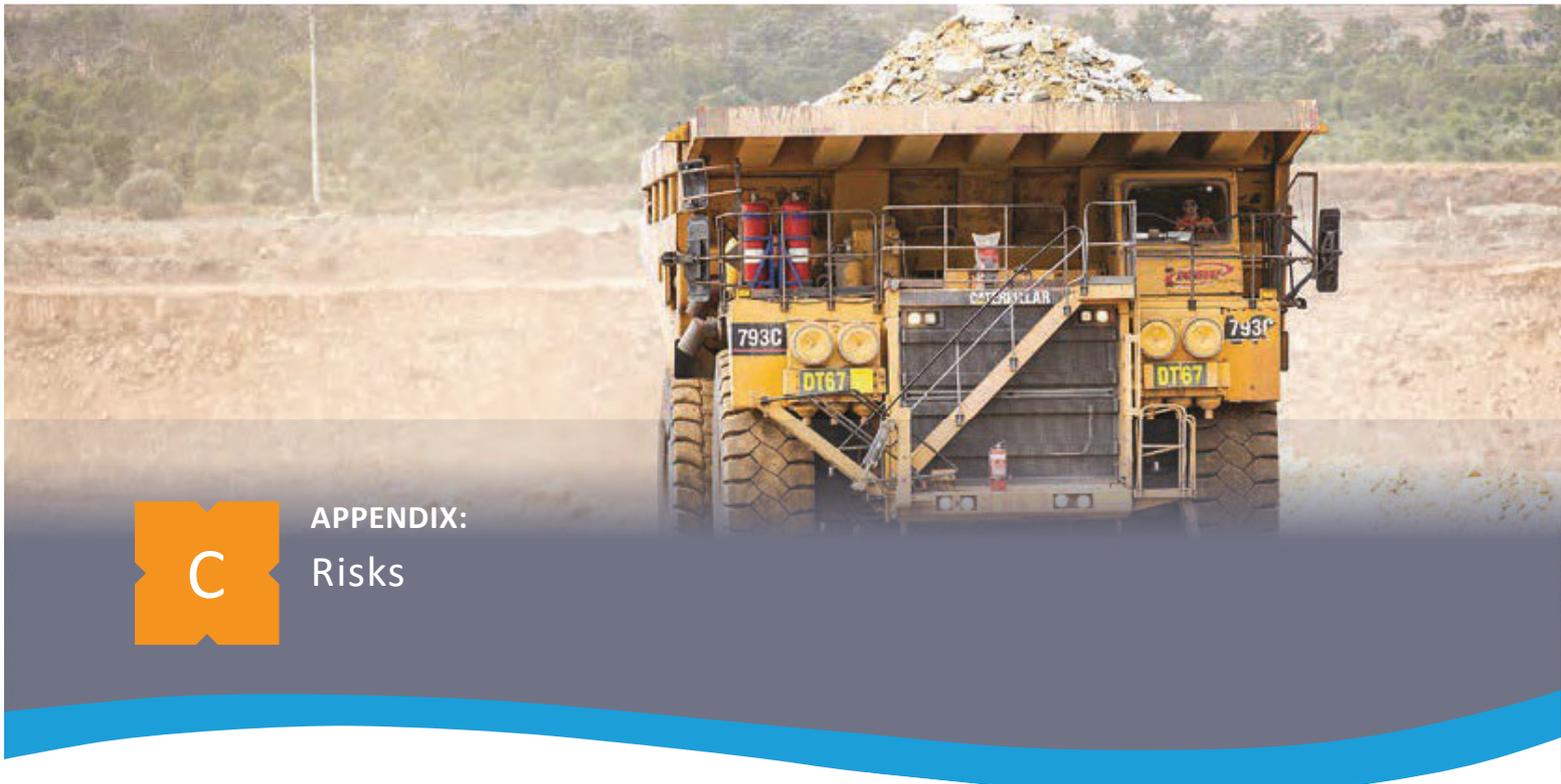
These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Entitlements and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of such securities as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

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## APPENDIX: Risks

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## Risk Factors

Stanmore is subject to a variety of risk factors. There are specific risks which relate directly to the Acquisition, Stanmore's business and the Entitlement Offer as well as risks of a more general nature, many of which are largely beyond the control of Stanmore, its directors and management.

This section discloses some of the key risks associated with an investment in Stanmore. Before investing or increasing your investment in Stanmore you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances, following consultation with your professional advisers. The risks listed in this section are not intended to be an exhaustive list of the risk factors associated with an investment in Stanmore, either now or in the future, and this information should be considered in conjunction with Stanmore's other periodic and continuous disclosure announcements lodged with ASX (including all other information in this presentation). The risks are general in nature in that regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

### 1 Acquisition Risks

#### 1.1 Reliance on BMC information provided to Stanmore

The Acquisition follows due diligence undertaken by Stanmore in respect of BMC and the assets held by it, which relied, in part, on the review of financial and other information provided by, or on behalf of, BHP. In addition, Stanmore has prepared (and made assumptions in the preparation of) the financial information relating to BMC on a stand-alone basis and also to Stanmore post-completion of the Acquisition in reliance on financial information and other information provided by, or on behalf of, BHP and BMC.

Stanmore has not been able to verify the accuracy, reliability or completeness of all the information (including financial information) which was provided to it against independent data. If any of the data or information provided to, and relied upon by, Stanmore in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of BMC and/or Stanmore may be materially different to the financial position and performance expected by Stanmore and reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisition have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Stanmore.

If the Acquisition is completed, Stanmore will become directly or indirectly liable, in respect of its equity in BMC, for any liabilities that BMC has incurred in the past, including liabilities which were not identified as part of the due diligence enquiries it undertook in connection with the Acquisition or which are greater than expected, and for which the protection (in the form of insurance, representations and warranties and indemnities) negotiated by Stanmore in connection with its agreement to acquire BMC turns out to be inadequate. Such liabilities may adversely affect the financial performance or position of Stanmore post-Acquisition.

Stanmore will also be subject to the risk that adverse changes occur in BMC's business, either before or after completion of the Acquisition.

#### 1.2 Integration issues, disruptions and potential costs of achieving synergies

The Acquisition involves the integration of the BMC business, which previously operated independently from Stanmore. The long-term success of Stanmore will depend, amongst other things, on the success of management in integrating the respective businesses of Stanmore and BMC. While Stanmore expects that value can be created through the realisation of synergies, there is a risk that the integration of the BMC business may not result in the full realisation of these synergies due to various factors including unexpected delays, challenges, liabilities and costs in relation, but not limited, to integrating operating and management systems, transitioning and retaining staff in a new business ownership structure, and consolidating operations.

If the integration is not achieved in an orderly manner, the full benefits and cost savings may take longer than expected to be achieved, may only be achieved in part, or may not be achieved at all. This could adversely affect Stanmore's future financial performance and position, and Stanmore's future prospects.

#### 1.3 Pro forma market valuation

Following completion of the Acquisition and the Entitlement Offer, Stanmore will have a significantly expanded capital and earnings base. Following the issue of shares under the Entitlement Offer, and the draw-down of new debt facilities to fund the Acquisition, Stanmore may trade on implied valuation multiples, including earnings and cashflow multiples such as enterprise value-to-EBITDA, price-to-earnings and price-to-cashflow.

There is a risk that Stanmore's implied valuation multiples will exceed those of comparable listed companies both in Australia and globally. No assurance can be provided on the after-market performance of the shares issued under the Entitlement Offer. The potential risk of poor after-market performance may be exacerbated by any perception that Stanmore is 'over-valued' relative to peers on a trading multiples basis.

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## Risk Factors

### 1.4 Major Shareholder Support

GEAR, Stanmore's largest shareholder, has provided a binding commitment letter in support of the Acquisition, pursuant to which it has committed to subscribe, through Golden Investments, for US\$300 million of its entitlements and is expected to hold a voting power of approximately 64% in Stanmore upon completion of the Entitlement Offer. In addition, GEAR has made available to Stanmore US\$70 from an existing facility and has guaranteed Stanmore's purchase price payment obligations under the SPA of up to US\$600 million.

If a funding shortfall materializes, Stanmore may need to raise substantial additional short term or long term debt or equity. Stanmore's capacity to secure the requisite level of funding will depend on the amount of funding required, the performance and future prospects of its business and a number of other factors, including US\$ coal prices, interest rates, economic conditions, debt market conditions, equity market condition, and future levels of GEAR support.

To the extent that Stanmore is not able to secure additional financing (whether debt or equity) on acceptable terms from third parties, Stanmore will continue to rely on financial support from GEAR. GEAR's capacity to meet its respective funding commitments will depend on its financial position at the time and its capacity to raise the necessary funds to meet the commitments. Stanmore's capacity to source further funding from GEAR, if required, will depend on GEAR's willingness and financial capacity to provide that funding.

### 1.5 Change of control

Certain BMC contracts and commercial arrangements, contain change of control clauses or similar/other provisions that may be triggered by the Acquisition. Change of control provisions, if triggered, may require counterparty consent and/or the provision of additional security by Stanmore to the satisfaction of the counterparty. If the relevant counterparties do not provide any necessary consents (or waivers), then this may result in the termination of the applicable arrangements, the suspension of services or supplies under them or contractual damages or other payments being required. This may have an adverse effect on the operational or financial performance of BMC and, in turn, Stanmore's operational or financial performance.

## 2 Equity Raising Risks

### 2.1 Market price of Stanmore shares

The market price of Stanmore shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of Stanmore, prevailing market conditions, general investor sentiment in those markets, inflation, interest rates, and the liquidity and the volume of its shares being bought or sold at any point in time. There is no guarantee that the New Shares will trade at or above the Offer Price. The historical share price performance of Stanmore shares does not necessarily provide any guidance as to its future share price performance.

### 2.2 Liquidity and realisation

There can be no guarantee that there will be an active market in Stanmore shares traded on ASX.

There may be relatively few or many potential buyers of Stanmore shares on ASX at any time. This may increase the volatility of the market price of the shares and may affect the price at which shareholders are able to sell their shares.

### 2.3 Underwriting risk

Stanmore has entered into an Underwriting Agreement with the Underwriter, who has agreed to manage and underwrite the Entitlement Offer. A summary of the material terms and termination events are set out in the ASX Announcement entitled "Partially underwritten accelerated renounceable entitlement offer to raise approximately US\$506 million to part fund BMC acquisition" released on 3 March 2022. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement could result in the Entitlement Offer not raising the funds required for Stanmore to fund the Acquisition and may result in GEAR's relevant interest increasing and other shareholders being diluted. Stanmore may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on any debt funding) and/or restrictions being imposed on the manner in which Stanmore may conduct its business and deal with its assets.

## 3 Risks associated with an investment in Stanmore

### 3.1 Mining, production and sale risks

Stanmore's ability to effectively continue as a coal producing business may be dependent upon several factors including the success of the mine operations, as well as the successful exploration and subsequent development of Stanmore's tenements.

Production relies on the continued operation and performance of Stanmore's operating mines and processing facilities. Mining and development operations can be hampered by force majeure circumstances, invention of disruptive technologies resulting in substitutes for the resources, environmental considerations and cost overruns for unforeseen events. Competent management of operations and finance in relation to Stanmore's plants, mines, mining equipment, borefields, camp, tailings dam and processing facilities are essential for production to be successful.

Stanmore's operations will depend on an uninterrupted flow of materials, supplies, equipment, services and finished projects. Due to the geographic location of Stanmore's projects, it will depend on third parties for the provision of road, port, marine, shipping and other transportation services.

Contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of trucks and vessels, weather conditions, labour disruptions or other factors may have an adverse impact on Stanmore's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect Stanmore's business, results of operations, financial performance and the value of its Shares. There is no guarantee that Stanmore will be able to successfully transport any or all future recovered minerals to commercially viable markets or sell the minerals to customers to achieve commercial returns.

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## Risk Factors

### 3.2 Regulatory and Land Access risk

Stanmore's operations and projects are subject to State and Federal laws and regulations regarding mining, environmental protection, land access and native title. These laws and regulations regulate the conduct of mining operations, set requirements in relation to landholder compensation, environmental protection and certain aspects of health, and provide for penalties and other consequences for the breach of such laws. There is also an obligation to rehabilitate areas impacted by mining activities (such as, for example, the Poitrel Mine) and Stanmore must enter into a rehabilitation scheme and provide financial assurance in respect of the likely costs and expenses that may be incurred when taking action to rehabilitate areas impacted by mining activities.

In order to undertake production and exploration activities, it is necessary to first apply for and obtain necessary government permits, leases and approvals that authorise such activities. To secure such exploration and mining approvals, or to undertake activities within the area of a granted mining tenement, native title, land access and overlapping tenure are matters that need to be addressed.

Stanmore seeks to develop strong, long-term effective relationships with landholders and other stakeholders, with a focus on developing mutually acceptable compensation and access arrangements. Stanmore seeks to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations. In addition, Stanmore engages experienced lawyers, consultants and other technical advisors to provide expert advice where necessary to ensure it manages its compliance obligations appropriately.

### 3.3 Environmental Risks

The operations and proposed activities of Stanmore are subject to Australian and foreign laws and regulation concerning the environment. It is Stanmore's intention to conduct its activities consistent with its environmental obligations, including compliance with all environmental laws. The ability of Stanmore to operate, develop and exploit projects may be delayed and limited by environmental considerations, and significant costs may result from complying with Stanmore's environmental obligations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Stanmore to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on Stanmore's business, financial condition and results of operations.

Stanmore recognises management's best estimate for assets' retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this

provision.

### 3.4 Joint ventures, contracts and agents

On completion of the Acquisition, Stanmore will acquire an 80% interest in the BMC joint venture with Mitsui, a third party joint venture participant, holding the remaining 20% interest. Decision making, management, marketing and other key aspects of the BMC joint venture (including the ability to contract with related parties) is regulated by an agreement between the relevant joint venture participants.

Notwithstanding its acquisition of an 80% interest, Stanmore cannot control the actions of Mitsui and therefore cannot guarantee that the BMC joint venture will be operated or managed in accordance with the preferred direction or strategy of Stanmore. There is a risk that the veto rights of, or consents required from, Mitsui will prevent the business and assets of a joint venture from being developed, operated and managed in accordance with that preferred direction or strategy.

Stanmore also uses contractors and other third parties for exploration, mining and other services generally, and is reliant on a number of third parties for the success of its current operations and/or the development of its growth projects. While this is normal for the mining and exploration industry, problems caused by third parties may arise which may have an impact on the performance and operations of Stanmore. Any failure by counterparties to perform their obligations may have a material adverse effect on Stanmore and there can be no assurance that Stanmore will be successful in attempting to enforce its contractual rights through legal action.

Stanmore is unable to predict the risk of financial failure or default by a participant in any joint venture to which Stanmore (or its subsidiaries, including Dampier Coal post-completion of the Acquisition) is or may become a party; or the insolvency or other managerial failure by any of the contractors used by Stanmore (or its subsidiaries) in any of its activities; or the insolvency or other managerial failure by any of the other service providers used by Stanmore (or its subsidiaries) for any activities. Stanmore may not be able to meet forecast production, or to complete planned exploration, appraisal and development programs if there is a failure these parties.

### 3.5 Uncertainty in costs forecast

The business operations and financial condition of Stanmore may vary with fluctuations in production and capital costs. Changes in the costs of mining and processing operations as well as capital costs could occur, including as a result of unforeseen events, such as international and local economic and political events (including movement in exchange rates) or unexpected geological or mining conditions, and could have material adverse financial consequences for Stanmore.

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## Risk Factors

### 3.6 Operating risks

The operations of Stanmore may be affected by various factors, including operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; critical infrastructure failure; loss of critical supplies such as electricity or access to water; unanticipated geological problems which may affect extraction costs; adverse weather conditions (e.g. significant rainfall; flooding) or natural disasters; delays in construction; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. Such changes may have an adverse effect on the operations and production ability of Stanmore by increasing costs, delaying activities or resulting in extended shut downs. There are also numerous operating risks which may result in a reduction in performance that decreases Stanmore's ability to produce high quality coal to meet customers' shipping needs.

### 3.7 Title risk

Interests in mining tenements in Australia are governed by State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and has annual expenditure and reporting commitments, together with other conditions requiring compliance. While Stanmore (and its subsidiaries) has good title to its tenements, Stanmore could lose its title to or its interest in one or more of the tenements in which it has an interest if license conditions are not met or if insufficient funds are available to meet the minimum expenditure commitments.

Stanmore's mining tenements, and other tenements in which Stanmore may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed Stanmore may lose the opportunity to discover resources and develop that tenement.

Stanmore cannot guarantee that any tenements in which it has an interest will be renewed beyond their current expiry date, and there is a material risk that, in the event Stanmore is unable to renew any of its tenements beyond their current expiry date, all or part of Stanmore's interests in the corresponding projects may be relinquished.

### 3.8 Resource Estimates and results of studies

Where Stanmore has delineated or in future delineates further resources on any of its tenements, those resource estimates are and will be an expression of judgment based on knowledge, experience and industry practice. By their very nature, resource estimates are imprecise and depend to some extent on interpretation, which may prove to be inaccurate. If Stanmore undertakes scoping, pre-feasibility or definitive feasibility studies that confirm the economic viability of a project, there is still

no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the study (e.g. operational costs and commodity prices) once production commences.

Material changes in Coal Reserve estimates, grades, strip ratios, washing yields or recovery rates may affect the economic viability of projects. Coal Reserve estimates should not be interpreted as assurances of mine life or of the profitability of current or future operations. If Stanmore's actual Coal Resource and Reserve estimates are less than current estimates, Stanmore's prospects, value, business, results of operations and financial condition may be materially adversely affected.

### 3.9 Mining approvals

Stanmore has all relevant approvals to conduct its current operations. Prior to commencement of any future new mining operations Stanmore will be required to ensure it obtains all relevant approvals. Where Stanmore is required to obtain additional approvals, there can be no assurances that those approvals will be received or that the conditions within the approvals are not overly onerous. The effects of these factors cannot be accurately predicted and conditions imposed on approvals may impede the operation or development of a project and even render it uneconomical.

### 3.10 Coal prices and coal demand risk

Stanmore generates revenue from the sale of coal and its financial results are materially impacted by the prices it receives. Prices and quantities under coal sales contracts are generally based on expectations of the next year's coal prices at the time the contract is entered into, renewed, extended or re-opened. Pricing in the global seaborne market is typically set on a rolling quarterly average benchmark price. Sales are typically contracted on an annual basis and are priced with reference to benchmark indices or bilaterally negotiated term prices and spot indices. As a result, a significant portion of Stanmore's revenue is exposed to movements in coal prices and any weakening in coal prices would have an adverse impact on its financial condition and results of operations.

The prices for coal are determined predominantly by world markets, which are affected by numerous factors, including the outcome of future sale contract negotiations, general economic activity, industrial production levels, the consumption pattern of industrial consumers, electricity generators and residential users, changes in energy demand and demand for steel, changes in international freight rates or other transportation infrastructure and costs, competition from other coal suppliers, technological advances affecting the steel production process and/or energy consumption, the costs of other commodities and substitutes for coal, market changes in coal quality requirements, government regulations which restrict the use of coal, and tax impositions, all of which are outside the control of Stanmore.

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## Risk Factors

### 3.10 Coal prices and coal demand risk (continued)

Metallurgical coal has been a volatile commodity over the past ten years. The metallurgical coal industry faces concerns with oversupply from time to time. There are no assurances that oversupply will not occur, that demand will not decrease or that overcapacity will not occur, which could cause declines in the prices of coal, which could have a material adverse effect on Stanmore's financial condition and results of operations.

In addition, coal prices are highly dependent on the outlook for coal consumption in large Asian economies, such as China, India, South Korea and Japan, as well as any changes in government policy regarding coal or energy in those countries. Seaborne metallurgical coal import demand can also be significantly impacted by the availability of local coal production, particularly in the leading metallurgical coal import countries of China and India, among others, and the competitiveness of seaborne metallurgical coal supply, including from the leading metallurgical coal exporting countries of Australia, the United States, Russia, Canada and Mongolia, among others.

At the moment, record metallurgical coal prices are fuelled by tight supply due to various supply issues in leading metallurgical coal exporting countries such as Australia, Russia, the United States, Mozambique, Canada and Mongolia over the past several months, strong demand from rebounding global industrial production and seasonal improvement in steel demand as supply recovers and recent depletion of port inventories to support seaborne imports to China. Whilst supply is expected to recover in the short term, medium to long term supply is limited by scarcity of economic deposits, difficulty in obtaining government approvals or funding for new mine developments and export infrastructure limitations. Additionally, significant increases in demand for steel infrastructure is expected with the growing pace of decarbonisation. Whilst there appears to be signs supporting a strong market outlook for metallurgical coal prices moving forward, Stanmore cannot provide any assurances or predict with certainty future coal prices or future coal demand. Significant and sustained adverse movements in demand for coal and coal prices may have a material adverse impact on the ongoing financial performance and financial position of Stanmore.

### 3.11 Foreign currency risks

Foreign currency markets are a key driver for Stanmore's financial performance. Stanmore is not of a size to have influence on coal prices or the exchange rate for Australian dollars and is therefore a price-taker in general terms. Stanmore sells export coal in United State Dollars and is therefore exposed to movements in currency rates. Stanmore may from time to time use forward exchange contracts to hedge a portion of its short-term currency risk where agreed appropriate between management and the Board. The market price for Stanmore's coal products is impacted by many factors which could be favourable or unfavourable for Stanmore.

### 3.12 Labour market risks

The ability of Stanmore to achieve its objectives depends on the hiring and retention of a number of key management personnel and executives. The loss of one or more of such key management personnel could have an adverse effect on Stanmore. In addition, Stanmore needs to be able to recruit appropriately skilled and qualified technical individuals. A failure to do so may affect Stanmore's ability to achieve its objectives either fully or within the timeframes and the budget Stanmore has decided upon. There is no guarantee that personnel with the appropriate skills will be available.

### 3.13 Future capital needs and access to additional funding and insurance

Stanmore is increasing its level of indebtedness in connection with the Acquisition. Whilst the Entitlement Offer and the acquisition debt financing will position Stanmore well in respect of the Acquisition costs, Stanmore's existing financing facilities and operating cash flows may not be adequate to fund its ongoing requirements, for any future acquisitions or projects or to refinance its debts. It is possible that Stanmore may need to raise additional debt or equity funds in the future. Any additional equity financing may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operating activities.

There is no assurance that Stanmore will be able to obtain additional financing when required in the future, or that the terms and timeframes associated with such financing will be acceptable to Stanmore. This may have an adverse effect on Stanmore's ability to achieve its strategic goals and have a negative effect on Stanmore's financial results, liquidity position and the value of Stanmore shares.

Global credit markets have been severely constrained in the past, and the ability to obtain new funding or refinancing may in the future be significantly reduced. As well, increasingly, financial institutions have made public statements in relation to their unwillingness to finance certain types of coal mines and coal-fired power stations. If Stanmore is unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to the coal sector, Stanmore may not have sufficient cash to meet its ongoing capital requirements or the ability to expand its business.

There is a risk that the policies of financial institutions with respect to the funding of coal projects may, in the future, extend to an unwillingness to provide insurance products to coal producers and associated companies on terms that are currently being provided to such companies. This could result in a material increase in the cost to Stanmore of obtaining appropriate levels of insurance or Stanmore being unable to secure adequate insurance cover.

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## Risk Factors

### 3.14 Financial covenants

The Group is subject to various financial covenants in relation to its banking facilities. These covenants may, for example, require one or more Group members to maintain a minimum net worth, net tangible assets or interest cover ratio or a maximum gearing or leverage ratio. Factors such as adverse movements in interest rates and coal prices, deterioration of the financial performance of the Group's business or change in accounting standards could lead to a breach in financial covenants. If there is such a breach, the relevant lenders may require their loans to be repaid immediately and/or cancel the further availability of their facilities. Some covenant breaches may not be an immediate default but may restrict the ability of Group members to make distributions or otherwise limit expenditure.

### 3.15 Climate change/carbon regulation risks

The regulatory response to the risk of climate change, including unilateral and collective action by Australia and other countries, may affect demand for coal, coal prices and the competitiveness of Stanmore's products in the world energy market.

Extensive government regulations relating to climate change impose costs on the mining operations of Stanmore, and future regulations could increase those costs, limit Stanmore's ability to produce and sell coal, or reduce demand for Stanmore's coal products.

The operations of Stanmore are focussed on the production of coal for use in the steel making industry. The physical and non-physical impacts of climate change may impact Stanmore's assets, production and the markets where its product is sold. These impacts may include policy and regulatory change, weather patterns (both immediate ie. cyclones / fires and longer term ie. sustained movement in temperature) and coal demand responses.

There is an increasing interest by stakeholders regarding the potential risks and opportunities to Stanmore's business and the broader sector as a result of shifts towards a lower-carbon economy. Climate change is a complex risk that requires action at all levels of society. It can heighten existing physical and non-physical risks and introduce new ones that can affect business performance in the near and long-term. Stanmore continues to work with industry on this important topic and develop responses to the Taskforce on Climate Related Financial Disclosure (TCFD) framework, including disclosure and tracking of climate-related risks and opportunities in key areas highlighted.

### 3.16 Technological change

The Group's performance is subject to the risk of technological developments which may impact demand and consumption of the mix of coal produced by the Group. Notwithstanding the majority of Stanmore's coal mix being metallurgical coal, thermal coal is exposed to increases in demand for renewable energy generation and alternative fuel sources (such as natural gas), which may in the future result in coal-fired electricity generation in favour or alternative energy sources.

Technological developments may also result in the development of new steelmaking technologies or practices that can be substituted for metallurgical coal in the integrated steel mill process, which may adversely affect metallurgical coal prices and demand. It is noted that steel producers and certain iron ore miners are investing heavily in research and development to use hydrogen in place of coal for the production of steel. These changes could adversely affect our coal sales volume and prices, which could materially and adversely affect our business, financial condition, results of operations and prospects.

### 3.17 Sovereign risk

Stanmore has limited influence over the direction and development of government policy. Successive changes to the Australian resources policy, including taxation policy, have impacted Australia's global competitiveness and reduced the attractiveness of Australian coal projects to foreign investors. Stanmore's view is that whilst there is currently a negative perception of coal generally, it will continue to play a significant role as an export commodity.

### 3.18 Safety

Safety remains of critical importance in the planning, organisation and execution of Stanmore's exploration and operational activities. Although Stanmore is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health and safety, or the health and safety of others associated with its business, Stanmore is unable to guarantee that it can completely eliminate hazards. Any workplace incidents (including loss of life incidents) may adversely affect the reputation of Stanmore and its exploration and operational activities and could result in an indefinite shut down of the mine if deemed serious enough.

If any injuries or accidents occur in a mine, this could have adverse financial implications including legal claims for personal injury, wrongful death, amendments to approvals, potential production delays or stoppages, any of which may have a material adverse effect on the financial performance and/or financial position of Stanmore.

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## Risk Factors

### 3.19 Litigation

Like all companies in the resources sector, the Group is exposed to the risks of litigation (either as the complainant or as the defendant), which may have a material adverse effect on the financial position and financial performance of the Group. The Group could become exposed to claims or litigation by persons alleging they are owed fees or other contractual entitlements, employees, regulators, competitors or other third parties.

### 3.20 Competition

The coal industry is highly competitive, and an increase in production or reduction in prices of competing coal from both Australia and overseas may adversely impact Stanmore's ability to sell its coal products and the price to be attained for sales. Increased competition in the future, including from new competitors, may emerge. This competition may relate not only to coal produced and sold, but also to competition for the acquisition of new projects, which may adversely affect the ability of Stanmore to acquire new interests on acceptable terms should it wish to make such acquisitions.

Further industry consolidation could result in competitors improving their scale or productivity or competitors may develop lower-cost geological coal resources or develop resources in lower cost base geographies, increasing pressure on Stanmore's ability to maintain its margins.

There is significant competition within the resources industry in Australia and internationally. Furthermore, new entrants to the industry may emerge in one or more of those markets, increasing the competitive pressure on Stanmore. This pressure could adversely affect Stanmore's market share and financial performance and position.

### 3.21 Coal royalties

Royalties are payable to the Queensland state government on coal produced in Queensland. The royalties are payable on an ad valorem basis as they are calculated as a percentage of the value for which the coal is sold. The Queensland government may increase the royalties or their methods of calculation. Any impost of new royalty related state tax or increase in royalty rates may have an adverse effect on the Group's financial position and/or financial performance.

### 3.22 Take-or-pay liabilities

Port and rail (above rail and below rail) capacity is generally contracted via long-term take-or-pay contracts. Stanmore will generally be required to pay for its contracted rail or port tonnage irrespective of whether it is utilised. Unused port or rail capacity can arise as a result of circumstances including insufficient production from a given mine, a mismatch between port and rail capacity for a mine, or an inability to transfer the used capacity due to contractual limitations such as required consent of the provider of the port or rail services, or because the coal must emanate from specified source mines or be loaded onto trains at specified load points. Paying for unused rail or

port capacity could materially and adversely affect our cost structures and financial performance.

### 3.23 Transport and infrastructure

We rely on a combination of transportation routes and infrastructure for our operations, including hauling roads from the various mining sites, rail networks, barge transportation along waterways such as jetties and ports to transport and deliver our coal to trans-shipment ports. Our ability to transport and deliver coal, either from existing mine sites or ones which we may develop in the future, may be constrained by, among others, inadequate transportation routes and other infrastructure, disputes with landowners from which we currently have been granted a right of way, barging delays, industrial action, failure or delay in the construction of new rail or port capacity, failure to meet contractual requirements, breach of regulatory framework, key equipment and infrastructure failures, congestion and inter-system losses, rail or port capacity constraints or mismatch of capacity, potential sale of infrastructure, weather related closures, natural disasters, access being removed or not granted by regulatory authorities or the Australian Government or other regional governments no longer permitting such areas to be used for mining related activities or any commercial activities at all. The closure of, or inability to, access any of the haul roads, jetties and ports on which we currently rely to transport and deliver our coal may increase costs and may have a materially adverse impact on our business, financial condition and results of operations.

At times, local authorities may construct or repair infrastructure or take other actions which may limit our use of hauling roads, waterways or transportation infrastructure. For example, Stanmore ships all of its coal through the Dalrymple Bay Coal Terminal (DBCT) and BMC ships its coal through the DBCT and Abbot Point North Queensland Export Terminal (NQXT). Our ability to transport and deliver coal mined may be affected if the current operator or the Queensland government chooses to undertake major renovations or relocate either terminal.

Additionally, in some cases, these transportation arrangements are entered into with sole infrastructure providers (e.g. Dalrymple Bay Coal Terminal). If we encounter any issues or disputes with, or if our contract is not renewed or terminated by, a sole infrastructure provider, it may be difficult to find a replacement provider on commercially reasonable terms, in a reasonable amount of time or at all, and result in us not being able to transport and deliver coal.

If such problems in transportation occur, we may not be able to deliver sufficient amounts of coal to meet our coal delivery commitments. Any inability to satisfy our contractual obligations and customers' demands in the future could result in customers initiating claims against us or otherwise harm the relationship with our customers, which could have a material adverse impact on our business, financial condition, results of operations and prospects.

Significant increases in transport costs (such as emissions control requirements and fluctuations in the price of diesel fuel and demurrage) could make Stanmore's coal less competitive when compared to other fuels or coal produced from other regions.

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## Risk Factors

### 3.24 Customer contracts

Stanmore may obtain a material portion of its revenue from certain large off-takers. Stanmore's ability to receive payment for coal sold and delivered depends on external factors affecting, and the continued creditworthiness of, its customers. Stanmore cannot guarantee that any offtake contracts will be renewed beyond their current expiry date, and there is a material risk that Stanmore may be unable to negotiate a renewal of key customer contracts in the future. The loss of any large off-takers and any inability to collect payment from customers for coal sold could adversely affect Stanmore's operational results and financial conditions.

### 3.25 Coronavirus (COVID-19) global pandemic

The COVID-19 global pandemic and efforts to contain it may have an impact on Stanmore's business. These extend to local impacts at the operational level and along the supply chain, international travel restrictions, together with the broader global economic fallout. Stanmore continues to monitor the situation and the impact COVID-19 may have on Stanmore's mineral properties and refinery assets. Should there be a serious COVID-19 outbreak in Australia, a new COVID-19 variant, travel bans remain in place or one or more of Stanmore's executives become seriously ill, Stanmore's ability to advance its mineral properties or refinery assets may be impacted. Similarly, Stanmore's ability to obtain financing may be impacted as a result of COVID-19 and efforts to contain the virus. Additionally, the Company's share price may also be adversely affected in the short-to-medium term by the economic uncertainty caused by COVID-19.

## 4 General risks

### 4.1 Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of Stanmore regardless of Stanmore's operational performance. Neither Stanmore nor the Directors warrant the future performance of Stanmore, or any return of an investment in Stanmore.

### 4.2 Changes in laws and government policy and economic risk

Changes in economic and business conditions or government regulations, law and policies (such as

fiscal, monetary and regulatory policies), both domestically and internationally, under which Stanmore operates may adversely impact the fundamentals of Stanmore's target markets, its activities, planned projects and financial performance.

### 4.3 Global credit and investment markets

Global credit, commodity and investment markets volatility may impact the price at which Stanmore shares trade regardless of operating performance, and affect Stanmore's ability to raise additional equity and/or debt to achieve its objectives, if required.

### 4.4 Other risk factors

General risk factors outside the control of Stanmore, which may have a significant impact on the future financial performance and/or financial position of Stanmore, including: changes in investor sentiment and perceptions in local and international stock markets; consumer spending and employment rates; changes in interest rates, exchange rates and inflation rates; changes in environmental conditions, such as lack of access to water; geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities; developments and general conditions in markets in which Stanmore operates; and economic and natural disasters.

## **Annexure B – Offer Announcement**



3 March 2022



FOR IMMEDIATE RELEASE

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## Partially underwritten accelerated renounceable entitlement offer to raise approximately US\$506 million to part fund BMC acquisition

### Highlights

- Equity raising to provide funding for the acquisition of BHP's 80% interest in BHP Mitsui Coal Pty Ltd ("BMC")
- 7 for 3 pro rata renounceable accelerated entitlement offer to raise A\$694.1m (~US\$506m)
  - GEAR, via Golden Investments, has committed to subscribe for US\$300 million of its entitlements and is expected to hold voting power in Stanmore of approximately 64.1% upon completion of the entitlement offer<sup>1</sup>
  - Petra Capital Pty Ltd ("Petra Capital") has agreed to underwrite the remaining US\$206 million (~A\$283 million)
- Institutional offer commencing today followed by a retail offer on 10 March 2022
- The remaining cash required to pay the US\$1.1bn completion payments will be sourced from:
  - US\$625m from the acquisition debt facility announced on 7 January 2022; and
  - Internal cash
- BMC is a transformational acquisition for Stanmore
  - Creates a leading global metallurgical coal producer with a portfolio of high quality assets in the Bowen Basin
  - Assets in close proximity to Stanmore's existing operating assets creating potential for the combined group to benefit from shared infrastructure, corporate functions and coal blending opportunities
  - Forecast production for the combined business for the 6 months ending 31 December 2022 of approximately 5.9 - 6.5Mt of saleable coal (100% basis)
  - BMC portfolio includes significant infrastructure including an 8.4Mtpa Coal Handling and Processing Plan ("CHPP") at South Walker Creek, 9Mtpa Red Mountain CHPP in close proximity to Poitrel, two rail loops and train loading facilities, two Marion 8050 draglines, and a fleet of excavators, dozers and haul trucks
  - Following the acquisition, Stanmore will have four mines and three wash-plants within a ~50km radius with the ability to increase production with limited development and ramp-up risk, and a combined 13 Mt of met coal production capacity

<sup>1</sup> Based on an AUD/USD exchange rate of 0.7293, the spot rate at the date of this announcement.

Stanmore Resources Limited (“Stanmore” or the “Company”) (ASX:SMR) is pleased to announce a proposed A\$694 million partially underwritten 7 for 3 pro-rata accelerated renounceable entitlement offer, with retail rights trading (“Entitlement Offer”), of new fully paid ordinary shares in Stanmore (“New Shares”) at an offer price of A\$1.10 per New Share (“Offer Price”).

Stanmore will issue approximately 631 million New Shares, as adjusted for rounding entitlements, representing approximately 233% of current Stanmore shares on issue, being 270,407,445.

The Offer Price represents a:

- 12% discount to the last closing share price on 2 March 2022;
- 8.4% discount to the 5- day volume weighted average share price on 2 March 2022; and
- 3.9% discount to the theoretical ex-rights price of A\$1.145.

Each New Share issued under the Entitlement Offer will rank equally with all existing fully paid ordinary Stanmore shares on issue. Stanmore will apply for quotation of New Shares on the ASX.

Golden Investments (Australia) Pte Ltd (“Golden Investments”), a wholly owned subsidiary of Golden Energy and Resources Limited (“GEAR”), which holds a 75.33% interest in Stanmore, has committed to partially take up its entitlement and subscribe for US\$300 million of its entitlements under the Entitlement Offer and is expected to hold a voting power in Stanmore of approximately 64.1% upon completion of the Entitlement Offer<sup>2</sup>. Golden Investments has agreed to have its renounced rights accelerated and sold through the institutional bookbuild.

A\$283 million (~\$US206 million) of the Entitlement Offer is underwritten by Petra Capital pursuant to an underwriting agreement between Stanmore and Petra Capital, the key terms of which are summarised in the Annexure.

Stanmore has implemented a hedging strategy to protect the Company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer.

Petra Capital is acting as Sole Lead Arranger, Sole Lead Manager and Sole Bookrunner to the Entitlement Offer.

### Details of Entitlement Offer

#### **Entitlement Offer Overview**

The Entitlement Offer is available to all registered shareholders who hold shares on the Record Date with a registered address in Australia, New Zealand, Singapore or certain other foreign jurisdictions determined by the Directors of Stanmore as described in the Investor Presentation released to ASX at the same time as this announcement (“Eligible Shareholders”).

Under the Entitlement Offer, Eligible Shareholders will be able to subscribe for 7 New Shares for every 3 existing Stanmore shares held as at 7.00pm (Sydney time) on 7 March 2022 (“Record Date”).

The Entitlement Offer comprises the following components:

- **Institutional Entitlement Offer** – Eligible Institutional Shareholders are invited to take up all or part of their entitlement under the institutional component of the Entitlement Offer.

The Institutional Entitlement Offer will open today and is expected to close at 10am (Sydney time) on 4 March 2022 (but the Company reserves the right to close early in consultation with the Underwriter). Institutional entitlements not taken up, along with entitlements of ineligible institutional shareholders, will be sold under an institutional shortfall bookbuild.

- **Retail Entitlement Offer** – Eligible Retail Shareholders will be allotted their entitlements under the Retail Entitlement Offer which can be taken up in whole or in part, or in whole with the ability to subscribe for additional New Shares in excess of their entitlement, to be allocated in the Shortfall Facility.

<sup>2</sup> Based on an AUD/USD exchange rate of 0.7293, the spot rate at the date of this announcement.

The Retail Entitlement Offer will open on 10 March 2022. The Retail Entitlement Offer will be conducted at the same Offer Price and ratio as under the Institutional Entitlement Offer.

Eligible Shareholders in the Retail Entitlement Offer will be sent a retail offer booklet ("Offer Booklet") containing information in respect of the Retail Entitlement Offer and a personalised entitlement and acceptance form on 10 March 2022. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Offer Booklet and their personalised entitlement and acceptance form and will then need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form. Copies of the Offer Booklet will also be available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Stanmore's website at [www.stanmore.net.au](http://www.stanmore.net.au).

### ***Trading of entitlements under the Retail Entitlement Offer***

Entitlements are renounceable and will be tradeable on ASX or transferrable off-market. This provides eligible shareholders the opportunity to sell some or all of their entitlements in order to realise value for those entitlements.

Trading of Retail Entitlements on ASX is expected to commence on 7 March 2022 (on a deferred settlement basis) and conclude on close of trading on 14 March 2022 ("Entitlement Trading Period").

Eligible Retail Shareholders can also transfer in whole or in part their entitlement directly to another eligible person off-market.

It is the responsibility of purchasers of entitlements to inform themselves of the 'eligibility criteria' (details of which will be set out in the Offer Booklet) for exercise. If holders of entitlements after the end of the Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the entitlements. In the event that holders are not able to take up their entitlements, those entitlements will lapse and holders may receive no value for them.

### ***Payment of application monies is A\$ or US\$***

Eligible shareholders can pay for New Shares or Additional New Shares in A\$ or US\$. If an eligible shareholder applies in US\$, the application monies they submit will be converted to A\$ at the spot rate prevailing on the relevant Entitlement Offer closing date (currently expected to be 10.00am on 4 March 2022 for the Institutional Entitlement Offer and 5.00pm on 21 March 2022 for the Retail Entitlement Offer). Accordingly, if an eligible shareholder applies for New Shares or Additional New Shares in US\$, they will be taken to have applied for that number of New Shares and/or Additional New Shares (subject to rounding) equal to their A\$ equivalent of application monies divided by the Offer Price. Additional information regarding the ability to pay in US\$ will be set out in the Offer Booklet.

Stanmore has implemented a hedging strategy to protect the company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer.

### ***Nominee for ineligible foreign shareholders***

The Entitlement Offer is only being made to shareholders with registered addresses in Australia, New Zealand and Singapore. Subject to ASIC's final approval, Stanmore has appointed the Underwriter as nominee for ineligible foreign shareholders who will arrange for the sale of entitlements that would have been offered to ineligible shareholders, with the net proceeds, if any, distributed to those shareholders. ASIC has provided in-principle approval for the Underwriters appointment.

## Key Dates for the Entitlement Offer

Key dates of the Entitlement Offer are provided in the Indicative Timetable below.

Event	Date
Announcement of the Entitlement Offer	3 March 2022
Institutional Offer opens (10am Sydney time)	3 March 2022
Institutional Offer closes and bookbuild (10am Sydney time)	4 March 2022 <sup>3</sup>
Results of Institutional Offer announced	4 March 2022 (after market close)
<b>Record Date (7pm Sydney time)</b>	7 March 2022
Entitlements commence trading on a deferred settlement basis	7 March 2022
Retail Offer Booklet despatched and Retail Offer opens	10 March 2022
Entitlement trading on ASX ends	14 March 2022
Institutional Offer settlement date	15 March 2022
<b>Closing Date (5pm Sydney time)</b>	<b>21 March 2022</b>
Announcement of results of Retail Offer and notification of shortfall	24 March 2022
Issue of New Shares under Retail Offer	31 March 2022
Trading of New Shares issued under Retail Offer commences	1 April 2022

Note: All dates and times above are indicative and Stanmore reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney time. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

## Additional Information

Stanmore expects to announce the outcome of the Institutional Entitlement Offer to the market after close of trading on 4 March 2022, and will remain in a trading halt until this time.

In conjunction with this announcement, the Company has today released to ASX a Cleansing Notice (in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth)), an Investor Presentation and an Appendix 3B (New Issue Announcement) in connection with the Entitlement Offer. Further details about the Entitlement Offer are set out in these documents. The Investor Presentation contains important information including key risks, assumptions and foreign selling restrictions with respect to the Entitlement Offer. Further details regarding the Retail Entitlement Offer will be released to the ASX on 10 March 2022.

## Advisers

Stanmore is being advised by Grant Samuel (corporate adviser) and Norton Rose Fulbright (legal adviser).

## Approval

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

<sup>3</sup> The Company, in consultation with the Underwriter, reserves the right to close the Institutional Offer earlier

## Disclaimer

### IMPORTANT NOTICES

This release is for information purposes only and is not a financial product or investment advice or a recommendation to acquire Stanmore shares (nor does it or will it form any part of any contract to acquire Stanmore shares) or

### Further Information

#### Investors

investors@stanmore.net.au

#### Media

media@stanmore.net.au

accounting, legal or tax advice. The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in Stanmore. It should be read in conjunction with Stanmore's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and needs, and seek legal, financial and taxation advice appropriate for their jurisdiction. Stanmore is not licensed to provide financial product advice in respect of an investment in securities.

### NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This release has been prepared for publication in Australia and may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws in any state or other jurisdiction of the United States.

### 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 and Isaac Downs mining areas 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. Stanmore Resources is a 50% shareholder in the Millennium and Mavis Downs Mine and holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.*

## Annexure

### Summary of Underwriting Agreement

Below is a summary of the key terms of the Underwriting Agreement

<p><b>Overview</b></p>	<p>The Entitlement Offer is partially underwritten pursuant to an underwriting agreement (“Underwriting Agreement”) entered into between Petra Capital Pty Ltd and Stanmore Resources Limited.</p> <p>The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights. Stanmore has indemnified the Underwriter and associated persons against losses in connection with the Entitlement Offer.</p>
<p><b>Fees</b></p>	<p>The Underwriter will receive the following fees in connection with the Entitlement Offer:</p> <ul style="list-style-type: none"> <li>• a lead arranger fee of \$250,000; and</li> <li>• a placement fee and an underwriting fee of an aggregate amount equal to 1% of the proceeds from the Entitlement Offer excluding any proceeds raised from the issue of New Shares acquired by GEAR or any of its affiliates.</li> </ul>
<p><b>Termination Rights</b></p>	<p>The Underwriter may, upon certain notice conditions, immediately terminate the Underwriting Agreement and all of its further obligations under the Underwriting Agreement on the occurrence of certain events, including:</p> <ul style="list-style-type: none"> <li>• certain specified events are delayed by one or two days (as applicable), other than with the consent of the Underwriter;</li> <li>• Stanmore ceases to be admitted to the official list of the ASX or the Shares cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a trading halt, including the trading halt with respect to the Entitlement Offer, or voluntary suspension requested by Stanmore and consented to by the Underwriter to facilitate the Entitlement Offer);</li> <li>• unconditional approval by the ASX for the official quotation of the New Shares or Additional New Shares is refused or not granted or, if granted, is modified (in a way that would have a material adverse effect on the success of the Entitlement Offer), or the ASX makes any official statement to any person, or indicates to the Company or the Underwriter that it will not grant permissions for the New Share or Additional New Shares (if any);</li> <li>• Stanmore or a member of the Stanmore group or BMC group is insolvent or is reasonably likely to become insolvent;</li> <li>• Stanmore withdraws all or part of the Entitlement Offer;</li> <li>• there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government agency, which makes it illegal for the Underwriter to satisfy a material obligation of this agreement, or to market, promote or settle the Entitlement Offer;</li> <li>• a Stanmore group member breaches or defaults under any provision, undertaking, covenant or ratio or a material debt or financing arrangement or any related documentation to which that entity is a party which is not promptly waived by the relevant financier or financiers under the debt facilities, and the effect of which has or is likely to have a material adverse</li> </ul>

	<p>effect or an event occurs which gives the financier the right to accelerate or require repayment the effect of which has or is likely to have a material adverse effect;</p> <ul style="list-style-type: none"> <li>• any financing referred to in the Entitlement Offer investor presentation dated 3 March 2022 is not entered into in the time or manner in which the investor materials contemplate or a condition precedent, or condition to draw down of funds of any financing referred to in the investor presentation is not or is not capable of being satisfied in the manner required;</li> <li>• any of the material obligations or conditions under the share sale and purchase agreement with respect to the BMC acquisition are not capable of being performed in accordance with their terms or the contract is materially amended or varied without the consent of the Underwriter, terminated, materially breached, or is or becomes void;</li> <li>• a circumstance arises that results in the Company either repaying the money to applicants or offering applications an opportunity to withdraw their application for the Entitlement Offer;</li> <li>• a director or the chief executive officer or chief financial officer of Stanmore is charged with an indictable offence or disqualified under the Corporations Act from managing a corporation;</li> <li>• Stanmore or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Entitlement Offer;</li> <li>• Stanmore is unable to issue or prevented from issuing the New Shares or Additional New Shares (if any) by virtue of the ASX Listing Rules, applicable law a government agency or an order of a court;</li> <li>• Stanmore's capital structure alters without the prior consent of the Underwriter;</li> <li>• the S&amp;P/ASX 300 Index closes at a level that is 10% or more below its level as at the close of trading on the business date before the date of the underwriting agreement ("reference date") for 2 consecutive business days during the offer period or 12% or more below its level at the reference date on the business day immediately prior to the institutional settlement date or the retail settlement date;</li> <li>• an application is made for an order under Part 9.5 of the Corporations Act, or to any government agency, in relation to the Entitlement Offer documents or the Entitlement Offer, or ASIC or any government agency commences or gives notice of an intention to hold and investigation, proceedings or hearing in relation to the Entitlement Offer or Entitlement Offer documents;</li> <li>• a Governmental agency has made an order, declaration or other remedy in connection with the Entitlement Offer (except in circumstances where the application has not become public and it has been withdrawn by certain dates);</li> <li>• a certificate required to be delivered by Stanmore to the Underwriter is not delivered when required or when delivered is untrue or incorrect in any material respect;</li> <li>• any statement in the Entitlement Offer documents is or becomes false, misleading or deceptive or likely to mislead or deceives or does not contain all information required to comply with all applicable laws or is withdrawn;</li> </ul>
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	<ul style="list-style-type: none"> <li>• Stanmore issues or is required to issue a corrective statement under the Corporations Act and it fails to do so;</li> <li>• the Underwriter's mandate is terminated; and</li> <li>• a regulatory body withdraws, revokes or adversely amends any regulatory approvals required for Stanmore to perform its obligation under the Underwriting Agreement or carry out the transactions contemplated by the Offer Documents.</li> </ul> <p>The following termination events are qualified by the Underwriter having reasonable grounds to believe and does believe that the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Entitlement Offer, or the ability of the Underwriter to market or promote or settle the Entitlement Offer, or has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation:</p> <ul style="list-style-type: none"> <li>• an obligation arises on Stanmore to give ASX a notice in accordance with section 708AA(12) of the Corporations Act;</li> <li>• any expression of belief, expectation or intention, or statement relating to future matters in the Entitlement Offer documents or certain public documents is or becomes incapable of being met or unlikely to be met in the projected timeframe;</li> <li>• the price of free on board Australian premium hard coking coal closes at US\$150 per tonne or below either for 2 consecutive business days during the offer period or on the business day immediately prior to the institutional settlement date or the retail settlement date;</li> <li>• Stanmore fails to perform or observe any of its obligation under the Underwriting Agreement;</li> <li>• if any of the obligations of the relevant parties under any of the deeds or contracts or other agreement that are material to the business of Stanmore's group (other than the share sale and purchase agreement) or BMC group are not capable of being performed in accordance with their terms or are amended or varied without the consent of the Underwriter, terminated or rescinded, materially breached, or is or becomes void;</li> <li>• any of the documents required under the due diligence planning memorandum having been withdrawn, or varied without the prior written consent of the Underwriter;</li> <li>• the due diligence report or information provided by or on behalf of Stanmore to the Underwriter in relation to due diligence, the Entitlement Offer documents or the Entitlement Offer, is false, misleading in a material particular or deceptive or likely to mislead or deceive;</li> <li>• a representation or warranty given in the Underwriting Agreement is breached or proves to be or has been or becomes untrue or incorrect;</li> <li>• legal proceedings against Stanmore, or any member of the Stanmore group or against any director, the CFO or CEO of Stanmore is commenced or any regulatory body commences any enquiry or public action against any member of the Stanmore group, director, CEO or CFO;</li> <li>• a new circumstance arises which is a matter adverse to investors in the Entitlement Offer shares and which would have been required by the Corporations Act to be included in the Entitlement Offer documents had the</li> </ul>
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	<p>new circumstance arisen before the Entitlement Offer documents were given to ASX;</p> <ul style="list-style-type: none"> <li>• there is an adverse change in the business, assets, liabilities, financial position or performance, operations, management of Stanmore or a member of the Stanmore group (in so far as the position in relation to any entity in the Group affects the overall position of the Company);</li> <li>• the Underwriter believes that a material adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of Stanmore or a member of the Stanmore group has occurred as a direct or indirect result of the coronavirus disease 2019 or the transmission of the severe acute respiratory syndrome coronavirus 2 or other pandemic event;</li> <li>• the Entitlement Offer documents are issued or varied without the approval of the Underwriter;</li> <li>• any regulatory body (other than the Takeovers Panel) commences any public action against Stanmore or any director or the CFO or CEO, or announces that it intends to take any such action;</li> <li>• any of the due diligence materials or any part of the verification materials was materially false, misleading or deceptive or that there was a material omission from them;</li> <li>• litigation, arbitration, administrative or industrial proceedings of a material nature are after the date of the Underwriting Agreement commenced against any member of the Stanmore group or BMC group;</li> <li>• any person is appointed under any legislation in respect of companies to investigate the affairs of any member of the Stanmore group;</li> <li>• Stanmore or any member of the Stanmore group contravenes its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation, policy or requirement of ASIC or the ASX;</li> <li>• there is a change in law or proposal to adopt a new policy in Australia;</li> <li>• there is a disruption in certain financial markets including in Australia, New Zealand, the United States, the United Kingdom, China and Hong Kong;</li> <li>• major hostilities not existing as at the date of the Underwriting Agreement commence or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any of Australia, New Zealand, the United States, the United Kingdom, China, Singapore, Japan or a member state of the European Union or a national emergency (other than COVID-19) is declared by any of those countries, or a major terrorist act is perpetrated in any of those countries or any diplomatic or political establishment if those countries anywhere in the world;</li> <li>• there is a change in chairman, managing director or CFO of Stanmore or a prospective change is announced;</li> <li>• any of the events in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act occur to Stanmore; and</li> <li>• in certain circumstances an application to the Takeovers Panel for an order, declaration or other remedy in connection with the Entitlement Offer is made.</li> </ul>
<b>Other conditions</b>	The Underwriter's underwriting obligations are conditional upon (i) the BMC acquisition agreement not being materially breached or amended without the

	Underwriter's consent; (iii) certain due diligence documentation is completed; and (iii) other customary conditions precedent.
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