QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2015

stanmorecoal

Contracted to acquire the open cut coking coal mine

Isaac Plains

Completed the acquisition of

Isaac Plains East

Targeting first coal production

2Q 2016

HIGHLIGHTS FROM

THE SEPTEMBER QUARTER

During the quarter ended 30 September 2015, Stanmore Coal Limited ("Stanmore" or "the Company") completed the acquisition of the Isaac Plains East Project ("IPE", previously named Wotonga) and announced the acquisition of the adjacent Isaac Plains open cut coking coal operations east of Moranbah in the Bowen Basin. These acquisitions provide Stanmore with an established coking coal mine and an adjacent expansion project which will see the Company producing an initial 1.1 Mtpa of coking coal from the first half of 2016 with growth potential thereafter. These assets provide a strategic platform in the region as we seek to build a scale coking coal business at a cyclical low point in the coal market featuring depressed asset prices.

Continuing Stanmore's strong safety record, there were no lost time injuries recorded during the quarter in which 1,332 hours of exploration were undertaken by contractors and employees of Stanmore. A total of 3,065 metres were drilled across 20 drill sites within the Clifford tenements which completed the program for that period.

The completion of the IPE Project (MDL 135 and part of MDL 137) on 4 September 2015 represents a major strategic milestone for the Company. The shallow, coking coal deposit is well located adjacent to the existing infrastructure of Isaac Plains meaning negligible additional capital expenditure is required to bring IPE into production. It is anticipated IPE will extend the open cut mine life of the combined project from 3 years to around 10 years under current coking coal prices. The major portion of the consideration for IPE is payable only if the Company achieves certain development milestones.

The company has commenced an extensive confirmatory exploration program for Isaac Plains East, including core drilling, 2D seismic analysis and line of oxidation (LOX) definition, to deliver detailed coal quality and geological information which is anticipated to inform mining feasibility studies and a maiden JORC Resource. The results of the exploration program are expected within 1Q 2016.

On 30 July 2015, the Company announced it had contracted to acquire 100% of the Isaac Plains Coal Mine from Vale S.A. and Sumitomo Corporation at an acquisition price of $1, with Stanmore assuming all outstanding contracts including transport infrastructure access arrangements. In exchange for releasing the Vendors from material ongoing liabilities, Stanmore will receive a series of compensation payments over the first twelve months from completion. These payments are repayable to the Vendors via a production-based royalty to be applied based on higher coal price thresholds. Taurus Mining Finance Fund has committed to provide Stanmore with a two year facility which will be used to cash-back certain financial guarantees as well as providing additional working capital if required.

Stanmore is targeting mining recommencement for 1H 2016 and an initial production rate of 1.1Mt per annum. Isaac Plains contains a JORC resource of 30.1Mt with open cut JORC reserves of 5.0Mt.

During the quarter the Company announced a maiden JORC Resource of 370 Mt at the Clifford Project with 80 Mt of Indicated and 290 Mt of Inferred Resource across the Liberty and Grange deposits. Both deposits showed encouraging initial in-situ strip ratios of 7:1 and 6:1 respectively. The Company is completing the balance of the onsite exploration activities by the end of the calendar year with laboratory processing anticipated by 1Q 2016. Stanmore acknowledges the continued support of Japanese government agency JOGMEC in funding this drilling program.

The Board would like to thank the shareholder base for their support during this key transition phase to becoming a coking coal producer.

COAL IN THE NEWS

A selection of relevant coal market articles is accessible at our website and we encourage you to visit www.stanmorecoal.com.au to keep up to date with coal industry trends and information.

"The International Energy Agency estimates an additional 1 billion tonnes of coal will be used in 2019 compared with today and by 2040 global coal trade will grow by 40 per cent, and it is expected Australia will capture the largest share of that growth."

GREG EVANS – EXECUTIVE DIRECTOR, COAL, MINERALS COUNCIL OF AUSTRALIA

"Australia is set to boost its dominance of the global trade in steel-making coal, as cost cutting and better margins due to a slide in the local dollar stoke a rise in production and put pressure on U.S. rivals to cut output."

SONALI PAUL – FRONT PAGE, REUTERS

PROJECT
SNAPSHOT

ISAAC PLAINS OPEN CUT COKING COAL

- Mining at Isaac Plains is expected to commence 2Q 2016. Current reserves support over 3 years of open cut mining at planned mining rate of 1.1 Mt per annum of product coal
- The adjacent Isaac Plains East Project will benefit from operational and capital synergies from acquired assets which include a Bucyrus 1370W dragline**,** coal handling facility, train load out and rail spur facilities, office facilities and workshops.
- Commenced exploration program to confirm JORC Resource status at Isaac Plains East. Mining planning and approvals processes to commence
- Isaac Plains historically produced high quality coking coal products for the premium Asian steel market
- Significant database of historical geological data for Isaac Plains East which indicates the area hosts the Leichhardt coal seam at a typical coal thickness of 2.8m

BELVIEW UNDERGROUND COKING COAL

- 330 Mt JORC Resource[1] (50 Mt Indicated, 280 Mt Inferred)
- Completed exploration program utilising $1.5 million funding support provided by Taiheiyo Kouhatsu and JOGMEC
- Coal quality analysis work confirms the project can produce a high quality coking coal plus secondary PCI product, with a high total product yield
- Pre-Feasibility Study underway with a focus on reducing capital costs and developing initial mining options
- Located adjacent to Blackwater rail line which connects to the coal loading terminals of Gladstone

THE SURAT BASIN

- Substantial resource position at The Range – 94 Mt JORC Marketable Reserve[2], 287 Mt total JORC Resource (18 Mt Measured, 187 Mt Indicated + 82 Mt Inferred)
- JORC Resource of 370 Mt at Clifford Project (80 Mt Indicated, 270 Mt Inferred)
- Third exploration period at the Clifford underway funder by partners JOGMEC. Drilling targeting Grange and Liberty zones
- No material level of expenditure required on the Range prior to development of rail infrastructure and decision to proceed

ISAAC PLAINS

COKING COAL PROJECT

TENEMENTS

ML 70342, EPC 755, MDL 135 and (part) 137

OWNERSHIP

100% Stanmore Coal (pending transaction completion)

LOCATION

11 km east of Moranbah

AREA

32.9 km^2 (combined)

JORC RESOURCE[1]

30.1 Mt (10.0 Mt Measured, 9.1 Mt Indicated and 11.0 Mt Inferred)

JORC MARKETABLE RESERVE[2]

5.0 Mt (included in the 30.1 Mt, Measured, Indicated and Inferred Resource noted under JORC resource)

On 30 July 2015, the Company announced it had contracted to acquire 100% of the Isaac Plains Coal Mine from Vale S.A. and Sumitomo Corporation at an acquisition price of $1, with Stanmore assuming all outstanding contracts including transport infrastructure access arrangements. In exchange for releasing the Vendors from material ongoing liabilities, Stanmore will receive a series of compensation payments within the first twelve months of completion. These payments are repayable to the Vendors via a production-based royalty to be applied based on coal price thresholds. Completion of the transaction is anticipated to occur in November 2015.

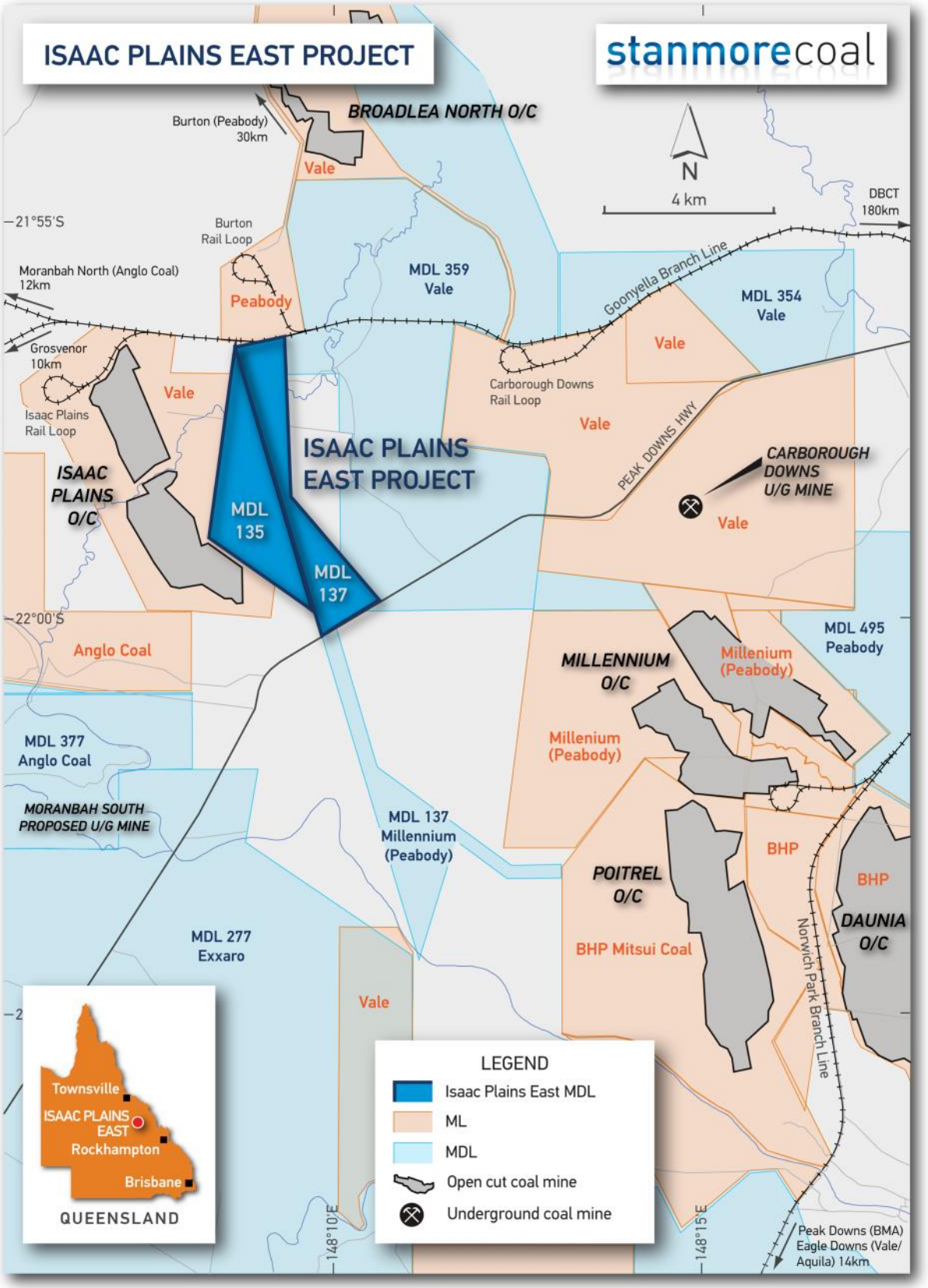
The Company completed the acquisition of Isaac Plains East Project (MDL 135 and part of MDL 137) on 4 September 2015. The shallow, coking coal deposit is well located near the existing infrastructure of Isaac Plains which is anticipated to deliver operational and capital synergies for both projects. The majority of the consideration is payable only when the Company achieves certain development milestones.

Stanmore is targeting mining recommencement at Isaac Plains within the first half of calendar 2016 and an initial production rate of 1.1 Mt per annum. A contractor tender process is well advanced with contractor appointment targeted within the December Quarter 2015.

Coking coal specifications at Isaac Plains (air dried basis):

- Ash 9–10%
- Volatile matter 26–27%
- Total sulphur 0.36%
- CSN 3-6
- Phosphorous 0.091–0.099%

The company has commenced an extensive confirmatory exploration program for Isaac Plains East, including core drilling, 2D seismic analysis and line of oxidation (LOX) definition, to deliver detailed coal quality and geological information which is anticipated to inform mining feasibility studies and a maiden JORC Resource. The results of the exploration program are expected within the March Quarter 2016.


ISAAC PLAINS EAST PROJECT
stanmorecoal
BROADLEA NORTH O/C
Burton (Peabody) 30km
Vale
N
4 km
DBCT 180km
21°55'S
Burton Rail Loop
Moranbah North (Anglo Coal) 12km
Peabody
MDL 359 Vale
Goonyella Branch Line
MDL 354 Vale
Grosvenor 10km
Vale
Carborough Downs Rail Loop
Vale
Isaac Plains Rail Loop
ISAAC PLAINS EAST PROJECT
PEAK DOWNS HWY
CARBOROUGH DOWNS U/G MINE
ISAAC PLAINS O/C
MDL 135
MDL 137
Vale
22°00'S
Anglo Coal
MDL 495 Peabody
MILLENNIUM O/C
Millenium (Peabody)
Millenium (Peabody)
MDL 377 Anglo Coal
MORANBAH SOUTH PROPOSED U/G MINE
MDL 137 Millennium (Peabody)
BHP
POITREL O/C
BHP
DAUNIA O/C
MDL 277 Exxaro
BHP Mitsui Coal
Norwich Park Branch Line
Vale
Townsville
ISAAC PLAINS EAST
Rockhampton
Brisbane
QUEENSLAND
LEGEND
Isaac Plains East MDL
ML
MDL
Open cut coal mine
Underground coal mine
148°10'E
148°15'E
Peak Downs (BMA) Eagle Downs (Vale/ Aquila) 14km

BELVIEW

COKING COAL PROJECT

TENEMENTS

EPC 1114, 1186, MLA 80199

OWNERSHIP

100% Stanmore Coal

LOCATION

10 km south-east of Blackwater

AREA

170 km^2

JORC RESOURCE[1]

330 Mt (50 Mt Indicated, 280 Mt Inferred)

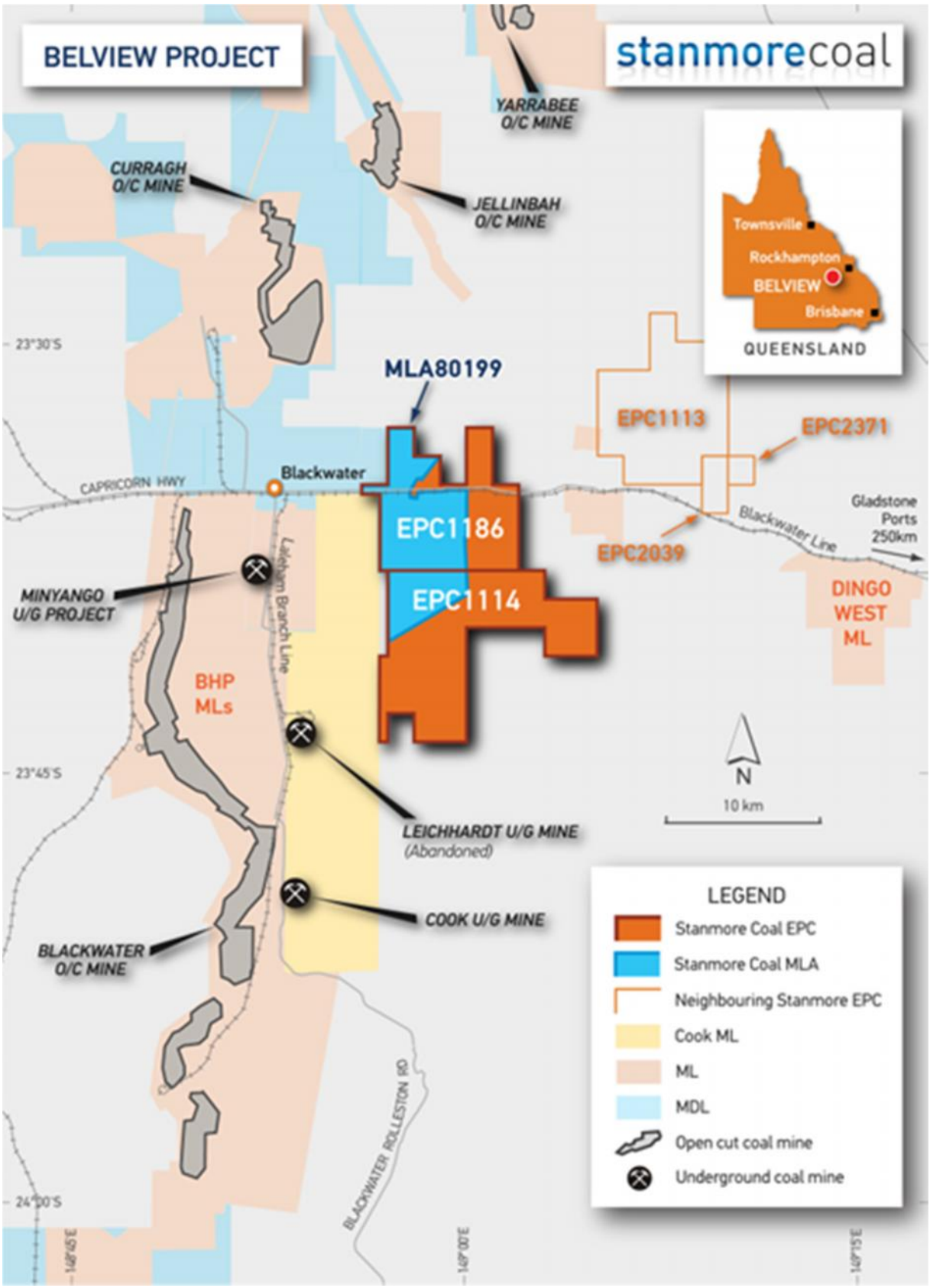
The Company continues to progress a Pre-Feasibility Study for Belview in order to support future development and environmental assessment.

Coal quality results to date confirm attractive coking properties across multiple seams, targeting a Hard Coking Coal ("HCC") primary product and a secondary low volatile Pulverised Coal Injection ("PCI") product.

The project is located on the existing Blackwater Rail Line connected to the Gladstone Port and is nearby existing operating coking coal mines.

Indicative product specification for Pollux seam within Resource area

Parameter		Primary HCC Product	Secondary PCI Product
Product Split	% Mass	61	39
Inherent Moisture	%	1.5	1.7
Ash	% (ad)	6.5	9.5
Volatile Matter	% (ad)	18.8	17.6
Fixed Carbon	% (ad)	73.2	71.2
Total Sulphur	% (ad)	0.41	0.37
Phosphorus	% (ad)	0.06	0.06
Calorific Value	kcal/kg (gad)	7,900	7,620
Crucible Swell Number (CSN)		6-7	1
Vitrinite Reflectance (Ro Max)	%	1.50	1.48


BELVIEW PROJECT
stanmorecoal
YARRABEE O/C MINE
CURRAGH O/C MINE
JELLINBAH O/C MINE
Townsville
Rockhampton
BELVIEW
Brisbane
QUEENSLAND
23°30'S
MLA80199
EPC1113
EPC2371
CAPRICORN HWY
Blackwater
EPC1186
EPC2039
Blackwater Line
Gladstone Ports 250km
EPC1114
DINGO WEST ML
MINYANGO U/G PROJECT
Laleham Branch Line
BHP MLs
N
10 km
23°45'S
LEICHHARDT U/G MINE
(Abandoned)
COOK U/G MINE
BLACKWATER O/C MINE
BLACKWATER ROLLESTON RD
24°00'S
LEGEND
Stanmore Coal EPC
Stanmore Coal MLA
Neighbouring Stanmore EPC
Cook ML
ML
MDL
Open cut coal mine
Underground coal mine

LILYVALE

COKING COAL PROJECT

TENEMENTS

EPC 1687, 2157

OWNERSHIP

85% Stanmore Coal, 15% Cape Coal

LOCATION

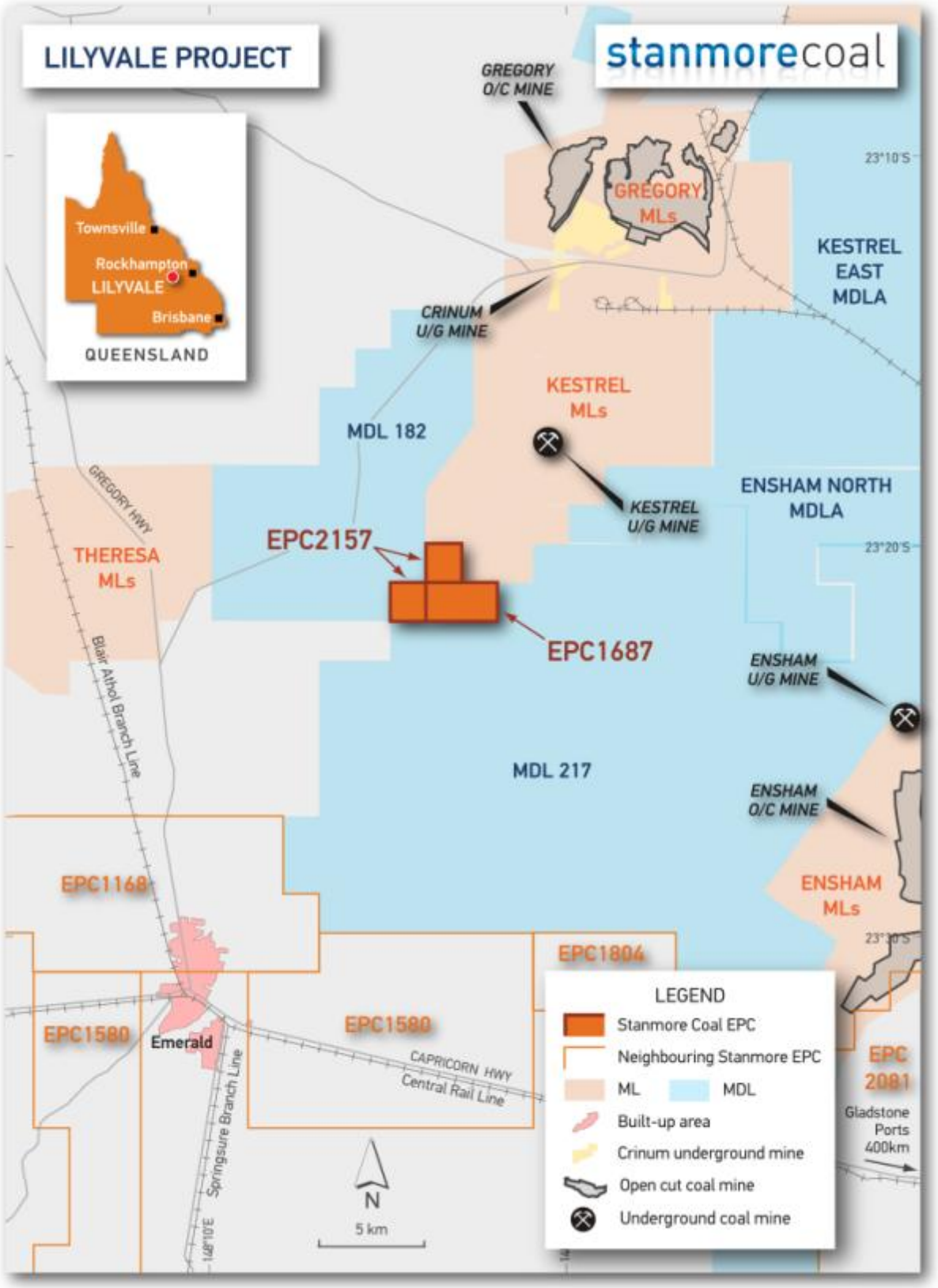
25 km north-east of Emerald

AREA

13 km^2

No work was carried out at Lilyvale during the quarter. The Lilyvale project is located 25 km north east of Emerald and is in close proximity to the operating Kestrel South and Gregory – Crinum coking coal mines.

The German Creek (or Lilyvale) seam has been identified as potentially amenable to underground extraction based on depth and estimated seam thickness. This seam is presently mined as a high quality coking coal at the adjacent Kestrel and nearby Gregory – Crinum operations.


LILYVALE PROJECT
stanmorecoal
GREGORY O/C MINE
GREGORY MLs
23°10'S
KESTREL EAST MDLA
Townsville
Rockhampton
LILYVALE
Brisbane
QUEENSLAND
CRINUM U/G MINE
KESTREL MLs
MDL 182
KESTREL U/G MINE
ENSHAM NORTH MDLA
GREGORY HWY
THERESA MLs
EPC2157
EPC1687
23°20'S
ENSHAM U/G MINE
Blair Athol Branch Line
MDL 217
ENSHAM O/C MINE
EPC1168
ENSHAM MLs
EPC1804
EPC1580
Emerald
EPC1580
CAPRICORN HWY
Central Rail Line
Springsure Branch Line
EPC 2081
Gladstone Ports 400km
N
5 km
LEGEND
Stanmore Coal EPC
Neighbouring Stanmore EPC
ML
MDL
Built-up area
Crinum underground mine
Open cut coal mine
Underground coal mine

THE RANGE

THERMAL COAL PROJECT

TENEMENTS

EPC 1112, 2030, MLA 55001, 55009, 55010

OWNERSHIP

100% Stanmore Coal

LOCATION

24 km south-east of Wandoan (Surat Basin)

AREA

92 km^2

JORC RESOURCE[1]

287 Mt total high quality open pit thermal coal (18 Mt Measured + 187 Mt Indicated + 82 Inferred Resource)

JORC MARKETABLE RESERVE[2]

94 Mt (included in the 287 Mt, Measured, Indicated and Inferred Resource noted under JORC resource)

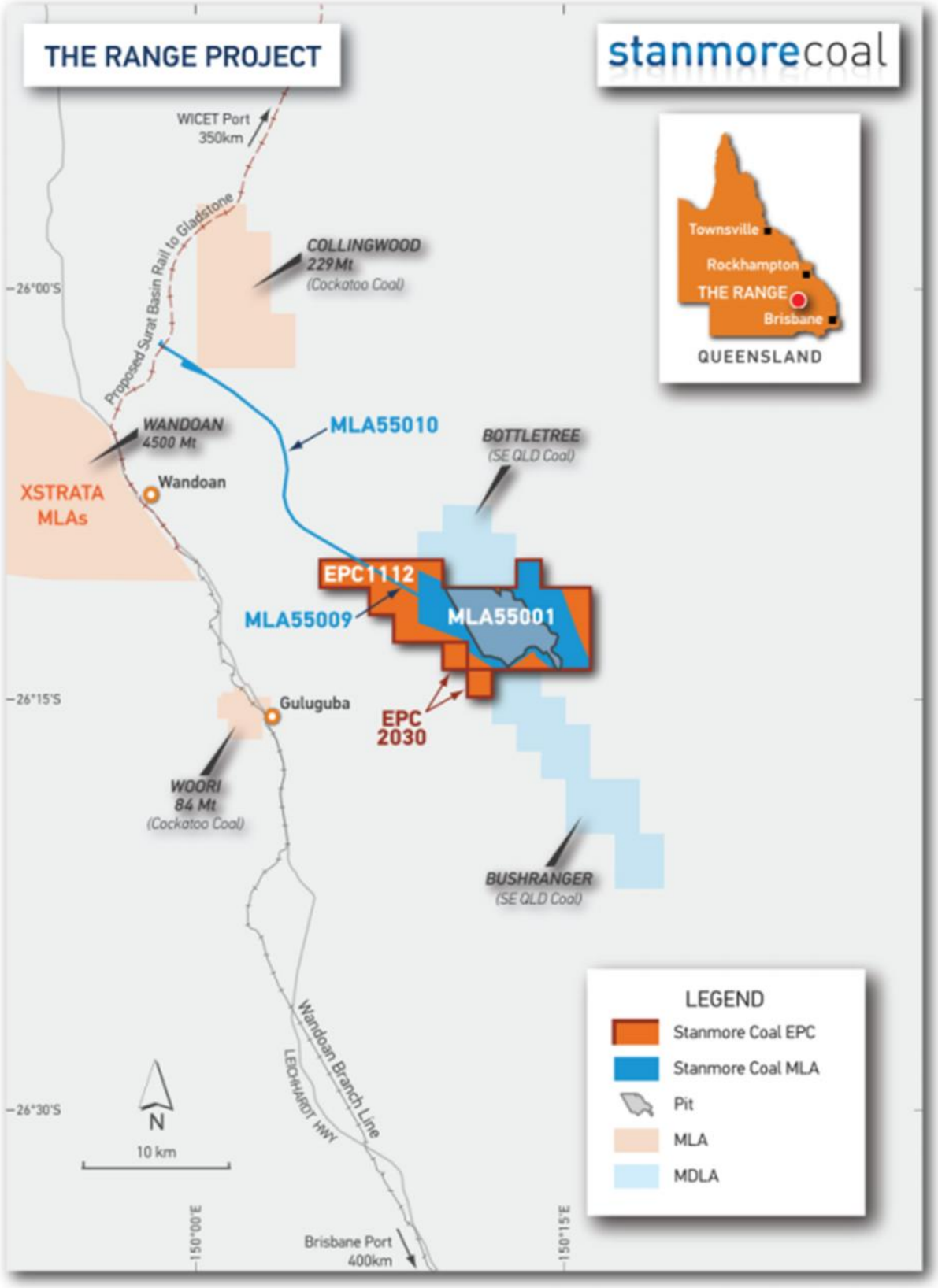
As announced previously, a bankable feasibility study was completed in 2013 which confirmed that the Range Project is an attractive 5 Mtpa high quality, export grade, thermal coal project ready for execution upon the delivery of the Surat Basin Rail linking the basin to the existing Aurizon Moura network via a 190km rail link.

The Environmental Impact Statement ("EIS") was approved by the DEHP in February 2013.

The New Hope Group transaction to acquire certain Surat Basin interest from Cockatoo in late 2014 is an indication of the commercial potential of the basin.

Whilst the current poor thermal coal markets place a limit on large scale greenfield developments, such developments have long lead times and the Company is actively assessing its options with respect to positioning the project for ultimate commercialisation.

The Company has reduced all ongoing costs at The Range to a minimum until there is clear visibility on the timing of a defined rail solution. The Company will continue with ongoing environmental monitoring and other minor on-site activities to maintain compliance with approvals.


THE RANGE PROJECT
stanmorecoal
WICET Port
350km
Proposed Surat Basin Rail to Gladstone
COLLINGWOOD
229Mt
(Cockatoo Coal)
26°00'S
Townsville
Rockhampton
THE RANGE
Brisbane
QUEENSLAND
WANDOAN
4500 Mt
MLA55010
BOTTLETREE
(SE QLD Coal)
XSTRATA
MLAs
Wandoan
EPC1112
MLA55009
MLA55001
26°15'S
Guluguba
EPC
2030
WOORI
84 Mt
(Cockatoo Coal)
BUSHRANGER
(SE QLD Coal)
LEGEND
Stanmore Coal EPC
Stanmore Coal MLA
Pit
MLA
MDLA
Wandoan Branch Line
LEICHHARDT HWY
26°30'S
N
10 km
150°00'E
150°15'E
Brisbane Port
400km

CLIFFORD

THERMAL COAL PROJECT

TENEMENTS

EPC 1274, 1276

OWNERSHIP

100% Stanmore Coal (JOGMEC earn up to 40% economic interest)

LOCATION

24 km south-east of Wandoan (Surat Basin)

AREA

1,161 km^2

During the quarter, the Company commenced a drilling program involving the drilling of over 25 rotary holes and over 10 part-cored holes to provide further geological information on the Grange and Liberty deposits. Onsite exploration is anticipated complete by the end of the calendar year with coal quality results processed through the laboratory by 1Q 2016.

The Clifford Project (EPC 1274 and EPC 1276) is located within Queensland's highly prospective Surat Basin, nearby the Company's The Range Project. Through a joint exploration initiative with Stanmore Coal, JOGMEC has an enhanced role in the development of a new, long term source of high quality thermal coal highly suitable for Japanese electricity generators. JOGMEC will provide up to $4.5 million of funding for all of the planned exploration expenditure over three years within the Clifford Project area.

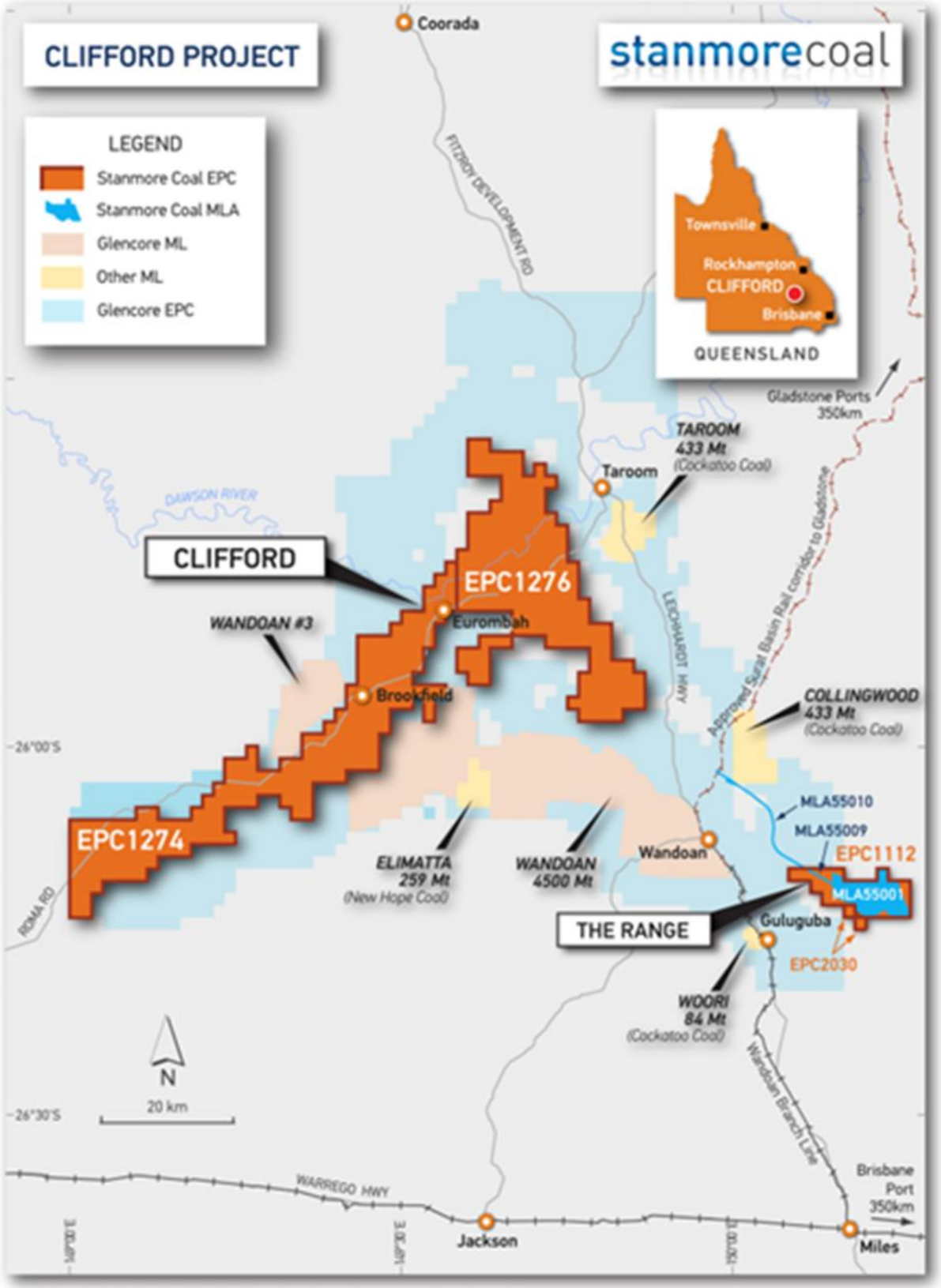
The Clifford Project has a total JORC Resource of 370Mt, with 100Mt of Inferred for the Liberty deposit and 270Mt (80Mt Indicated, 190Mt Inferred) at the Grange deposit. Coal intersections continue to be promising with initial in-situ strip ratios of less than 7:1.

Consistent with typical Surat Basin coals, Clifford coal features high energy content and a low anticipated emissions profile. The Clifford showed particularly high energy relative to other seaborne traded coals and typical Surat Basin coals with calorific values approaching the Newcastle benchmark.

Product coal specifications – Grange and Liberty

Parameter	Unit[2]	Basis[3]	Liberty	Grange
Proximate analysis				
Ash	%	ad	9.9	9.3
Volatile Matter	%	ad	42.6	42.7
Fixed Carbon	%	ad	41.4	40.9
Fuel Ratio			0.97	0.96
Sulphur	%	ad	0.47	0.42
Gross Calorific Value	kcal/kg	nar	5,933	5,920
Hardgrove grindability index (HGI)		Ad	34	33
Abrasion index		ad	<10	<10
Ash fusion temperature				
Deformation	C		1,540	1,520
Petrographics				
R max	%		0.51	0.48
Total vitrinite	vol %		66.9	70.8

2 "C" represents "centigrade"; "kcal/kg" represents "kilocalories per kilogram"
3 "ad" represents "air dried"; "ar" represents "as received"; "nar" represents "net as received"; "daf" represents "dry ash free"


CLIFFORD PROJECT
stanmorecoal
LEGEND
Stanmore Coal EPC
Stanmore Coal MLA
Glencore ML
Other ML
Glencore EPC
Coorada
FITZROY DEVELOPMENT RD
Townsville
Rockhampton
CLIFFORD
Brisbane
QUEENSLAND
Gladstone Ports
350km
TAROOM
433 Mt
(Cockatoo Coal)
Taroom
DAWSON RIVER
CLIFFORD
EPC1276
Euromboh
WANDOAN #3
Brookfield
LEICHHARDT HWY
Approved Surat Basin Rail corridor to Gladstone
COLLINGWOOD
433 Mt
(Cockatoo Coal)
26°00'S
MLA55010
MLA55009
EPC1112
MLA55001
EPC1274
ELIMATTA
259 Mt
(New Hope Coal)
WANDOAN
4500 Mt
Wandoan
THE RANGE
Guluguba
EPC2030
ROMA RD
WOORI
84 Mt
(Cockatoo Coal)
N
20 km
26°30'S
Wandoan Branch Line
WARREGO HWY
Brisbane
Port
350km
Jackson
Miles

SCHEDULE OF TENEMENTS

AS AT 30 September 2015

Project	Tenement Number	Status	Beneficial Interest Held
Isaac Plains Bowen Basin, QLD	ML 70342	Pending transaction completion	100% upon transaction completion
Isaac Plains East Bowen Basin, QLD	MDL 135 (part) MDL 137	Awaiting final transfer	100% 100%
The Range Surat Basin, QLD	MLA 55001 MLA 55009 MLA 55010 EPC 1112 EPC 2030	Applied 3/11/10 Applied 30/1/12 Applied 30/1/12 Granted Granted	n/a n/a n/a 100% 100%
Belview Bowen Basin, QLD	MLA80199 EPC 1186 EPC 1114 EPC 1798	Applied 4/9/13 Granted Granted Granted*	n/a 100% 100% 100%
Lilyvale Bowen Basin, QLD	EPC 1687 EPC 2157	Granted Granted	85% 85%
Clifford Surat Basin, QLD	EPC 1274 EPC 1276	Granted Granted	100% 100%
Mackenzie Bowen Basin, QLD	EPC 2081	Granted	95%
Tennyson Bowen Basin, QLD	EPC 1168 EPC 1580	Granted Granted	100% 100%
New Cambria Bowen Basin, QLD	EPC 1113 EPC 2371 EPC 2039	Granted Granted Granted	100% 100% 100%
Iron Pot Creek Bowen Basin, QLD	EPC 1545 EPC 1567	Granted Granted	100% 100%
Kerlong Bowen Basin, QLD	EPC 1552 EPC 1769 EPC 2176	Granted Granted Granted	100% 100% 100%
Yamala North Bowen Basin, QLD	EPC 1804	Granted	100%
Ten Mile Creek Bowen Basin, QLD	EPC 1627	Granted	100%

CONTACTS

AND NOTES

For further information, please contact:

Mr Nick Jorss – Managing Director
07 3238 1000

Mr Andrew Roach – Company Secretary
07 3238 1000

NOTE 1: COMPETENT PERSONS STATEMENT

The information in this report relating to exploration results and coal resources is based on information compiled by Mr Troy Turner who is a member of the Australian Institute of Mining and Metallurgy and is a full time employee of Xenith Consulting Pty Ltd. Mr Turner is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Turner consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to coal reserves for Isaac Plains is based on information compiled by Mr Ken Hill who is a full-time employee of Xenith Consulting Pty Ltd. Mr Hill is the Managing Director of Xenith Consulting Pty Ltd, is a qualified civil engineer, a member of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)". Mr Hill consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to coal reserves is based on information compiled by Mr Richard Hoskings who is a member of Minserve Pty Ltd. Mr Hoskings is a mining engineer, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and has the relevant experience (30+ years) in relation to the mineralisation being reported to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition)". Mr Hoskings consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

NOTE 2: MARKETABLE RESERVES NOTE

The Isaac Plains Marketable Coal Reserve of 3.7 Mt is derived from a run of mine (ROM) Coal Reserve of 5.0 Mt that is JORC compliant based with a predicted yield of 74%. The 3.7 Mt Marketable Reserve is included in the 30.1 Mt JORC Resource (10.0 Mt Measured + 9.1 Mt Indicated + 11.0 Mt Inferred Resource).

The Range Marketable Coal Reserve of 94 Mt is derived from a run of mine (ROM) Coal Reserve of 117.5 Mt that is JORC compliant based on a 14.8% ash product and predicted yield of 80%. The 94 Mt Marketable Reserve is included in the 287 Mt total JORC Resource (18 Mt Measured + 187 Mt Indicated + 82 Mt Inferred Resource).

ABOUT STANMORE COAL LIMITED (ASX CODE: SMR)

Stanmore Coal is a growth focused coal exploration and development company undertaking the transition toward operation through the acquisition of the Isaac Plains Coal Mine. Stanmore Coal is focused on the creation of shareholder value via the safe and successful ramp up of operations and Isaac Plains as well as the identification of further opportunities in the current market environment. Stanmore Coal's primary focus is on the prime coal bearing regions of the east coast of Australia.

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