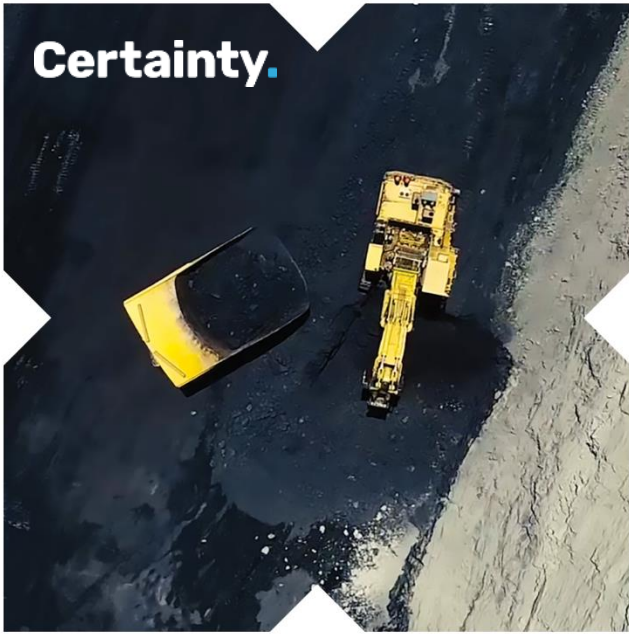


stanmorecoal



FY19 RESULTS
PRESENTATION

22 AUGUST 2019



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Independent Australian coal company

Positioned predominantly in metallurgical coal with a track record of delivery



Isaac Plains Complex expansion operational with demonstrated performance

Validation that the company can source, develop, operate and rehabilitate coal resources



Isaac Plains Complex represents the company's platform asset

Certainty in near-term growth underpinned by existing capacity and low capital incremental growth options delivering competitive cost structures and long mine lives



The 'combined effect' driving certainty in delivering returns to shareholders

The combination of the operating performance, a disciplined investment pipeline and the foundation of a fully prepared company drives focus on costs / margin / cash generation

ASX CODE

SMR

SHARE PRICE

A\$1.48¹

SHARES

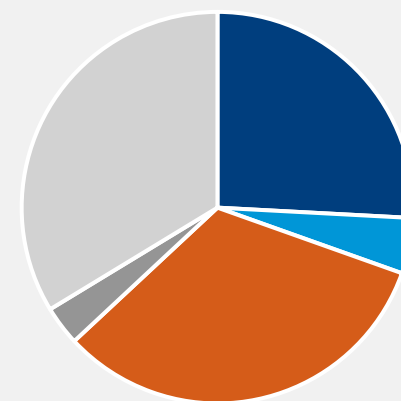
256,094,238

MARKET CAP

\$379m¹

1. AS AT 21 Aug '19

SHARE OWNERSHIP



- Golden Energy & Resources
- Institutions
- Private & Other
- Corporate
- Employees and Directors

Record after Record in Operational and Financial Results

Record Net Profit after Tax of \$91.6m (FY18 \$6.0m)
delivering a 1,435% increase on prior year NPAT due strong sales growth (76% increase) and margin (99% increase)

Record Underlying EBITDA¹ of \$154.9m (FY18 \$45.6m)
supported by strong pricing and costs reducing from \$98.1/t to \$88.8/t (ex state royalty)

Record ROM² and Saleable coal production of 2.9Mt and 2.4Mt respectively (FY18 1.6Mt and 1.1Mt), pushing infrastructure to full capacity

Record Net Cash build to \$90.5m (FY18 \$19.8m) and no debt as a result of strong cashflows from operations of \$140m (FY18 \$21.9m)

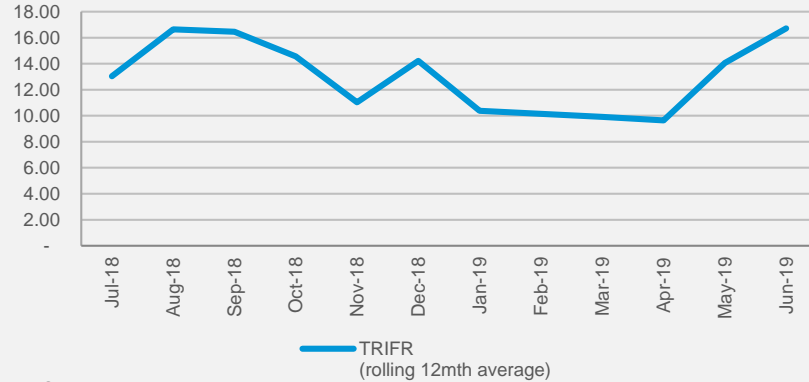
Record final dividend of 8cps taking full year dividends to 11cps and a FY19 TSR of 69.6%

Successful transition to Isaac Plains East and the approvals on Isaac Downs progressing to plan

¹ EBITDA is a non-IFRS measure

² Run of Mine

Stanmore Coal Safety Statistics Past 12 Months to Date



Safety

- The Group undertook or managed 657,966 hours of activities directly and through its contractors during the financial year. The Total Recordable Injury Frequency Rate deteriorated to 16.7 over the year
- Stanmore has developed an intervention plan to address the poor performance and integrated this into the State level actions following the recent series of significant incidents in Queensland

Environment

- Rehabilitation activity increased by 17% to 129ha of re-contouring
- Significant flood protection measures completed and certified

Community

- Stanmore has continued to support the communities in which we operate with multiple grants supporting important local community initiatives



Isaac Plains Rehabilitation and Flood Protection

\$M	FY2019	FY2018	Comments
Key financial measures			
Underlying EBITDA ¹	154.9	45.5	Record earnings with 240% increase on prior year. Refer adjustments on following page
Net profit /(loss) after tax for the year	91.6	6.0	Record profit with 1,435% increase on prior year, driven by strong sales volumes (76% increase pcp ²) and margin (99% increase pcp)
Cash generated from operations	140.0	21.9	Record cash generation from Isaac Plains operations
Net cash / (debt)	90.5	19.8	No debt

¹ Non IFRS measure

² Prior corresponding period

Operational Highlights

Record Full Year Earnings

\$M	FY2019	FY2018	Comments
Revenue	403.1	208.1	Record revenue, 94% higher than prior year
Cost of sales	(238.3)	(155.8)	Increase in costs reflects higher production, increase in State royalties, increased demurrage at port and higher sales volumes
Gross Profit/(loss)	164.8	52.3	215% increase on prior year
Other income and expenses	(26.6)	(33.5)	Relates to depreciation & amortisation, employee costs, Fair Value movements on contingent consideration, onerous contracts & rehab
Profit/(loss) before income tax and net finance expenses	138.2	18.8	
Finance income	0.5	0.3	
Financial expenses	(10.1)	(9.1)	
Profit/(loss) before income tax benefit/(expense)	128.5	10.0	
Income tax benefit / (expense)	(36.9)	(4.0)	
Profit/(loss) after income tax expense	91.6	6.0	

Reconciliation to Underlying EBITDA (non – IFRS measure)

Profit/(loss) before income tax & net finance expenses	138.2	18.8
Depreciation and amortisation	11.4	5.2
Take-over defence costs	1.1	-
Write-off of non-current inventory	4.4	0.0
Fair Value movement of contingent consideration	6.2	25.8
Remeasurement of onerous contracts	(9.4)	(4.0)
Remeasurement of rehabilitation provision	3.1	(0.3)
Underlying EBITDA (non – IFRS measure)	154.9	45.5

Financial Highlights

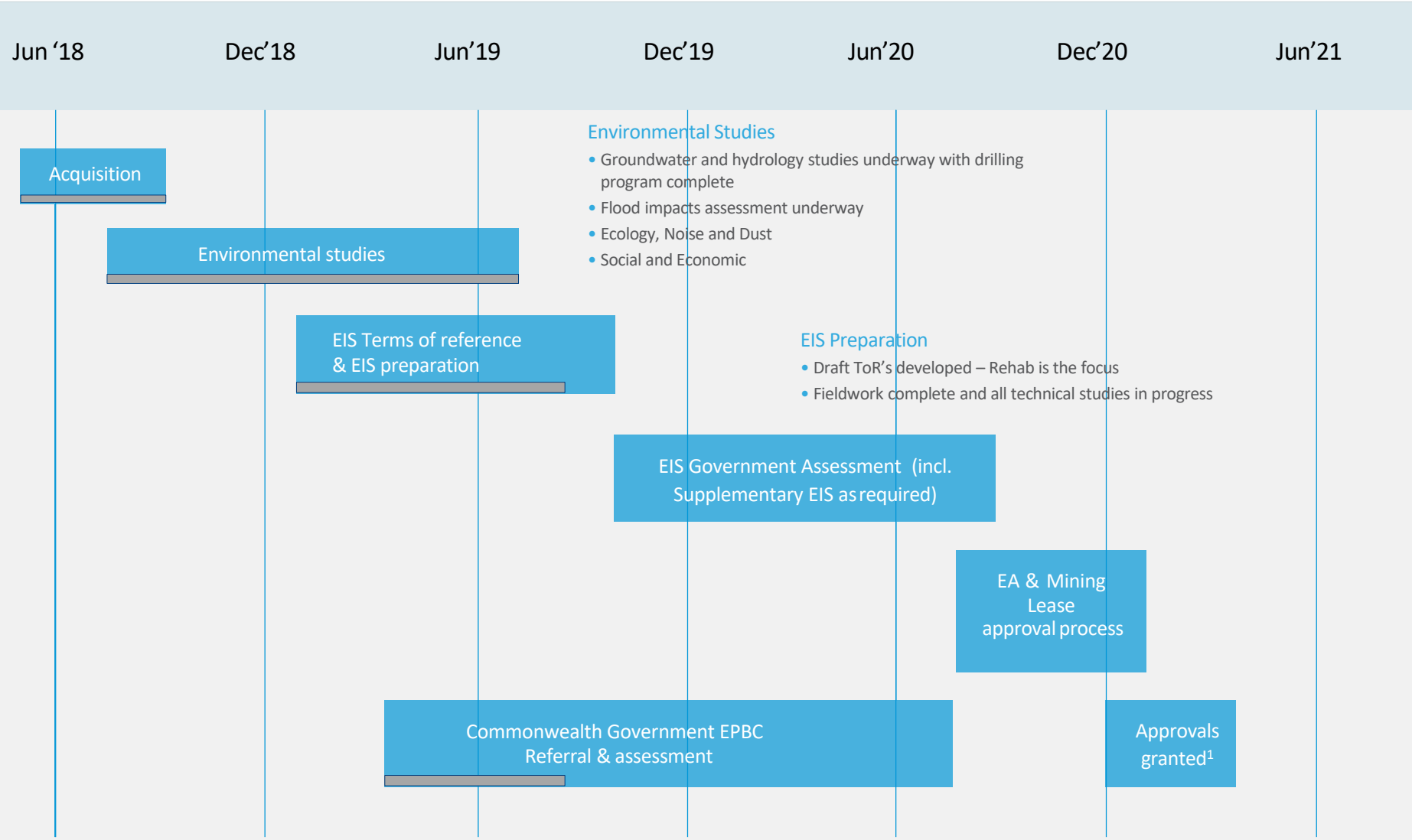
Certainty in the Balance Sheet

\$M	FY2019	FY2018	Comments
Cash on hand	90.5	19.8	Cash invested in the development of Isaac Plains East (\$7.3m)
Interest bearing liabilities	-	-	Debt fully repaid. US\$22m working capital facility undrawn
Net cash / (debt)	90.5	19.8	357% increase in net cash position to fund capital light future growth projects with a fully undrawn working capital facility available
Net Equity	157.1	73.2	115% increase due operating performance

PHYSICALS	FY2019	FY2018
Prime Overburden (bcm)	25,758	23,382
ROM coal produced - Open cut (kt)	2,929	1,643
ROM strip ratio (prime)	8.8	14.2
CHPP feed (kt)	2,951	1,602
ROM stockpile (kt)	109	85
Saleable coal produced (kt)	2,390	1,128
Saleable coal purchased (kt)	27	10
Coal sales		
- Metallurgical (kt)	1,985	835
- Thermal (kt)	334	483
Total gross coal sales (kt)	2,319	1,318

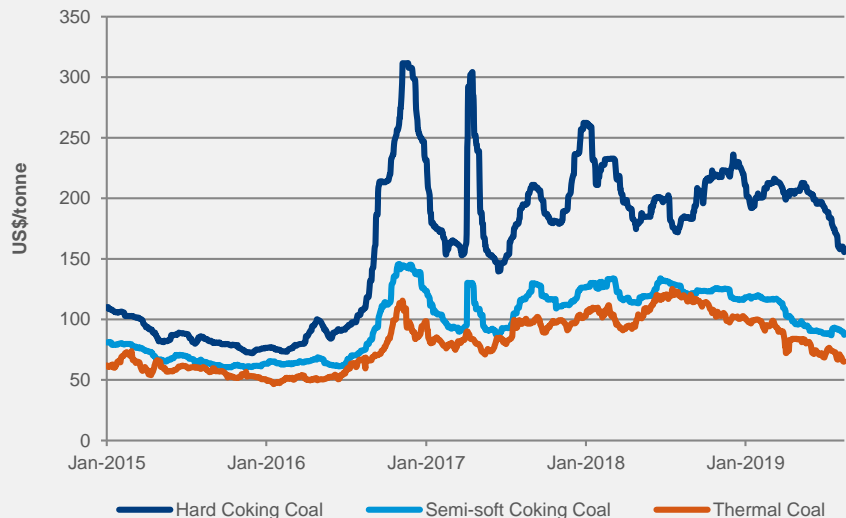


- During FY19, Isaac Plains East was fully commissioned and dragline operations were transitioned by late December 2018.
- The combination of the higher quality resource and lower strip ratio resulted in costs being reduced from \$98.1/t in FY18 to \$88.8/t (ex state royalty) in FY19
- IPC CHPP processed 3.0Mt of ROM coal in FY19, with 3.4Mt annualised rate in H2 FY19



¹ Based on no material objections arising during public notification processes or any matters requiring Land Court determination

Coal Type Price



Share Price



- Metallurgical coal pricing has remained very well supported although there has been some recent softening in hard coking coal pricing
- A combination of lower global investment in projects, continued strong Chinese steel output and metallurgical coal and coke production rationalisation has held pricing up over historical periods
- Potential pricing volatility is expected, however, with a large proportion of tonnage contracted into term customers, the Company expects its achieved prices to remain stable, to be in line with industry forecasts, and well above the company's cost of production
- Whilst the Company achieves better than long term coal prices, the Company will continue to maintain production where it makes financial and commercial sense to do so
- The expected higher ranking coking coals and lower strip ratio of Isaac Downs will see a considerable improvement in unit margins for Stanmore once operational

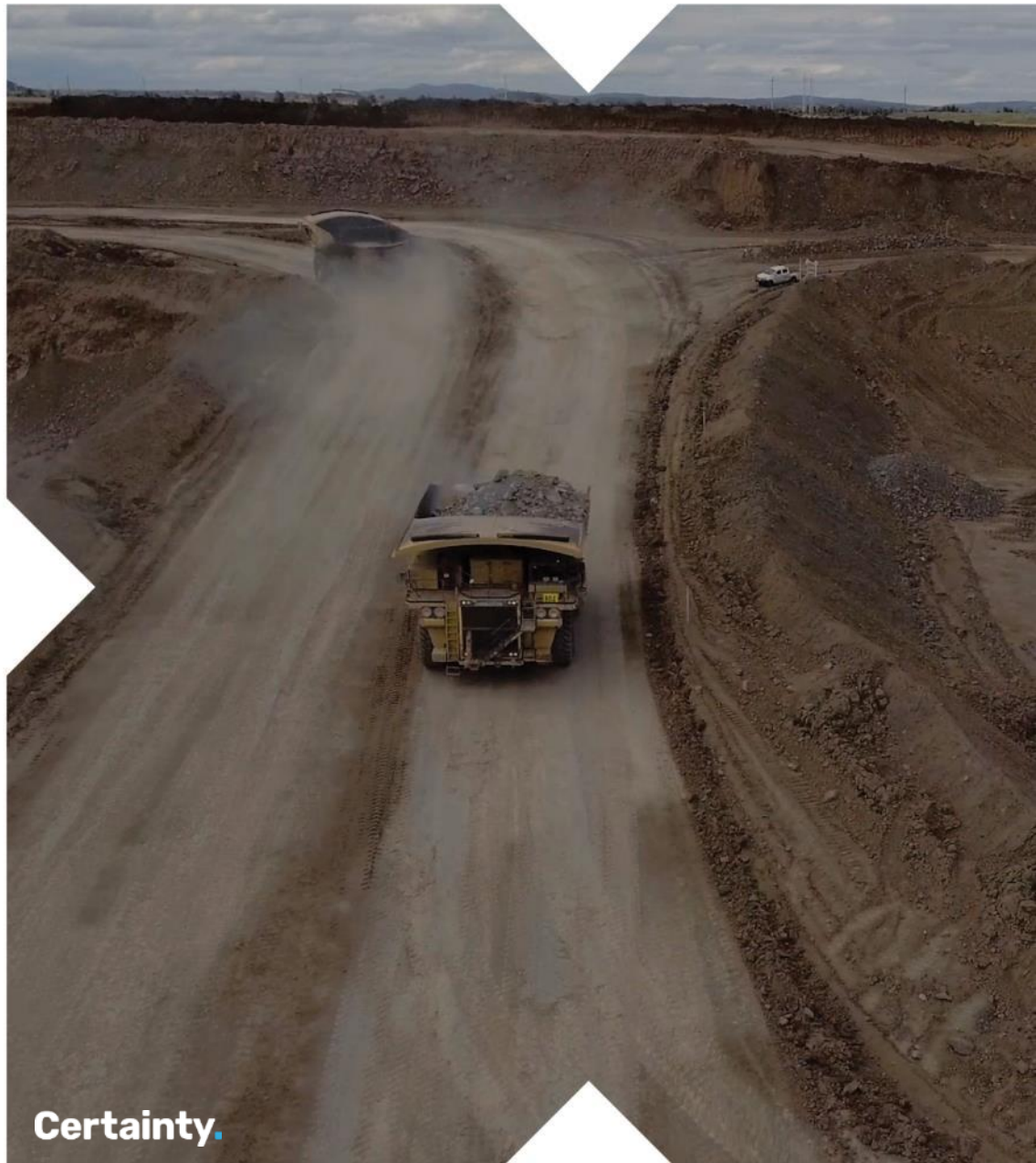
FY20 Guidance

- Production guidance for FY20 is 2.35Mt, incorporating the arrival of the newly acquired CAT 6060 excavator.
- As mining progresses down dip with an increasing strip ratio, unit costs are expected to rise to \$99.5/tonne (excluding state royalties), from \$88.8/tonne in FY19.

BACKGROUND
INFORMATION

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Certainty.



Board of Directors

Wealth of experience creating the building blocks for a growing organisation

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STEWART BUTEL

Non-executive Chairman

- 40 years of experience in operational management and board roles in the resources industry in New South Wales, Queensland and Western Australia.
- Stewart joined Wesfarmers Limited in 2000 as Managing Director of the Curragh mine, and was Managing Director of Wesfarmers Resources.
- He has held several directorships and was President of Queensland Resources Council.



DAN CLIFFORD

Managing Director

- More than 25 years' experience in the coal mining industry.
- Has worked in Australia, South Africa and New Zealand.
- Substantial open-cut and underground coal mining experience.
- Previous roles were with Solid Energy, Glencore, Anglo Coal and BHP Billiton.



STEPHEN BIZZELL

Non-executive Director

- Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd.
- He was an Executive Director of Arrow Energy Ltd until its acquisition in 2010 by Shell and PetroChina for \$3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company.
- Stephen has considerable experience in the resources and energy sectors in Australia and Canada with various public companies.



NEAL O'CONNOR

Non-executive Director

- 30 years of legal experience in private practice in Australia and the United Kingdom, and within the resources industry.
- He was Company Secretary and General Counsel of the global copper business unit of Xstrata plc, prior to which he was the General Manager Legal at MIM Holdings.
- He is currently a non-executive director of Mitchell Services (ASX: MSV) and Dingo Software.
- Neal is admitted to practice as a solicitor in Queensland and England and Wales. He is also a Member of the Australian Institute of Company Directors.



DARREN YEATES

Non-executive Director

- Darren has over 30 years' operational management and board roles in Queensland and Western Australia.
- Darren's roles include CEO of GVK Hancock Coal, Acting Managing Director and Chief Operating Officer for Rio Tinto Coal Australia,
- Darren is currently a non-executive director of Emeco Holdings Limited and WorkPac Pty Ltd
- Darren is a Fellow of the Australian Institute of Company Directors.



DAN CLIFFORD

Managing Director

- More than 25 years' experience in the coal mining industry.
- Has worked in Australia, South Africa and New Zealand.
- Substantial open-cut and underground coal mining experience.
- Previous roles were with Solid Energy, Glencore, Anglo Coal and BHP Billiton.



IAN POOLE

Chief Financial Officer

- 30 years' experience in financial and commercial roles in the resources industry in Australia and the United States.
- Previously CFO of ASX-listed minerals processing and infrastructure company Sedgman Limited.
- Formally with Rio Tinto Coal Australia Pty Ltd and Pasminco Resources.



BERNIE O'NEILL

General Manager – Operations

- More than 30 years' experience in the coal sector in New South Wales and Queensland.
- Previously General Manager of Newlands /Collinsville Coal for Glencore Coal Australia, responsible for open-cut and underground operations across the Newlands and Collinsville complex in the northern Bowen Basin.
- As Group Manager, Business Development for Glencore Coal Australia Bernie was responsible for feasibility studies and financial evaluation of new projects and brownfield expansions.



JON ROMCKE

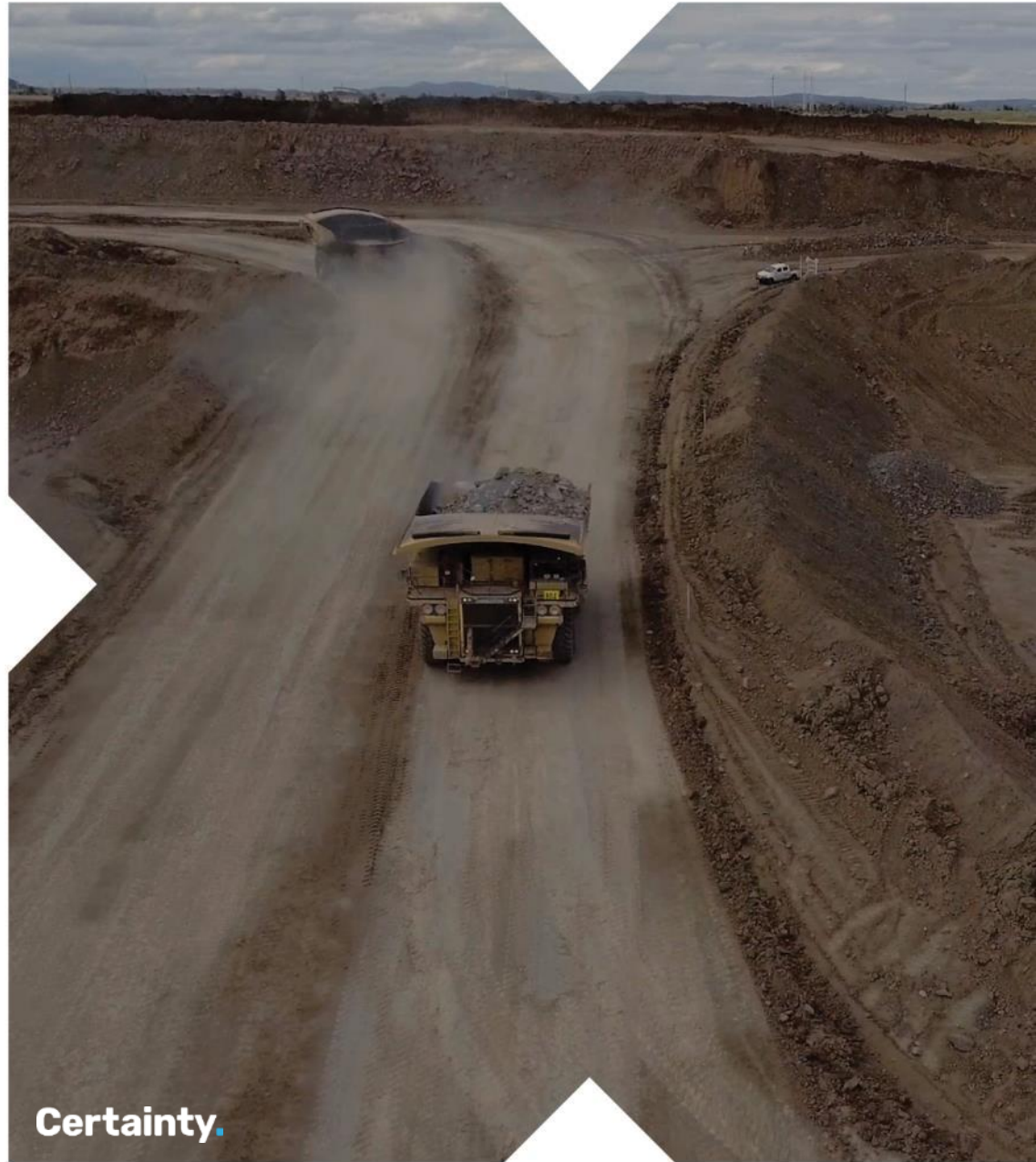
General Manager – Development

- Previously Head of Iron Ore Assets with Glencore International. Jon also worked for Xstrata Iron Ore in Switzerland and Xstrata Coal in Queensland.
- Identification, targeting and the development of new business opportunities is underpinned by his technical, financial and commercial skills.
- Provides the step changes required to successfully develop our business and provide our shareholders with great sustainable and cost-effective returns.

Appendix A

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Certainty.



Stanmore Coal - Coal Resources, June 2019

Project Name	Tenement	Coal Type *	Measured Resources	Indicated Resources	Inferred Resources	Total Resources	Competent Person	Report Date
Isaac Plains	ML 70342, ML 700018, ML 700019	C,T	22.2	21.3	9	52	A	May-18
Isaac Plains East	ML 700016, ML 700017, ML 700018, ML 700019	C	12.9	8.8	8	30	A	May-18
Isaac Downs	MDL 137, EPC 728	C, PCI	17.0	12.0	4	33	B	Mar-18
Isaac South	EPC 755	C, T	11.9	14.5	25	52	C	Jun-18
Isaac Plains Complex	Sub Total		64.0	56.6	46	167		
Clifford	EPC 1274, EPC 1276	T	0.0	200.0	430	630	D	Aug-16
The Range	EPC 1112, EPC 2030	T	18.1	187.0	81	286	A	Oct-12
Surat Basin Complex	Sub Total		18.1	387.0	511	916		
Mackenzie	EPC 2081	C, T	0.0	25.7	117	143	A	Nov-11
Belview	EPC 1114, EPC 1186, EPC 1798	C, PCI	0.0	50.0	280	330	A	Mar-15
Tennyson	EPC 1168, EPC 1580	T	0.0	0.0	139	139	A	Dec-12
Lilyvale	EPC 1687, EPC 2157	C	0.0	0.0	33	33	A	Feb-19
Total Coal Resources	Sub Total		82.1	519.3	1126	1728		

*** Coal Types Potential Legend**

C - Coking Coal, semi-soft or greater potential
 PCI - Pulverised Coal Injection
 T - Export Thermal grade

Competent Person

A - Troy Turner - Xenith
 B - James Knowles - Measured Group
 C - Mal Blaik - JB Mining
 D - Oystein Naess - Xenith

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Rounding to the nearest significant figure is applied to Total Resource Tonnes in the Inferred Category. This is deemed conservative and reflective of the Inferred Resource category confidence level and accounts for the minor differences in the overall total reported resources.

Note 3: All Coal Resources are reported on a 100% basis; Stanmore Coal's economic interest in Clifford is 60%, Mackenzie is 95%, and Lilyvale is 85%, all other tenure is 100% owned by Stanmore Coal.

Stanmore Coal - Coal Reserves, June 2019

Project Name	Tenement	Coal Reserves			Marketable Reserves			Competent Person	Report Date
		Proved	Probable	Total	Proved	Probable	Total		
Isaac Plains Open-cut	ML 70342	1.0	0.1	1.1	0.7	0.0	0.7	E	Aug-19
Isaac Plains East Open-cut	ML 700016, ML 700017, ML 700018, ML 700019	9.4	2.6	11.9	7.2	2.0	9.2	E	Aug-19
Isaac Plains Underground	ML 70342, ML 700018, ML 700019	0.0	12.9	12.9	0.0	9.4	9.4	F	Apr-18
Isaac Downs	MDL 137, EPC 728	17.0	7.5	24.5	11.2	4.6	15.8	E	Dec-18
Isaac Plains Complex	Sub Total	27.3	23.1	50.4	19.1	16.0	35.1		
The Range	EPC 1112, EPC 2030, MLA 55001	0.0	116.6	116.6	0.0	94.2	94.2	G	Jul-11
Total Coal Reserves	Sub Total	27.3	139.7	167.0	19.1	110.2	129.3		

Coal Type Ratio - Coking:Thermal (% of Marketable Coal Reserve) Competent Person

Isaac Plains OC	69%:31%	E - Tony O'Connell - Optimal / Measured Group
Isaac Plains East OC	98%:2%	F - Mark McKew - Geostudy
Isaac Plains Underground	88%:12%	G - Richard Hoskings - Minserve
Isaac Downs	100% Coking	
The Range	100% Thermal	

Note 1: All Coal Resources are reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') applicable at the time each report was published. Reports dated 2012, and earlier, used the JORC 2004 version, reports dated after 2012 reported against the requirements of the 2012 JORC code.

Note 2: Totals may not be exact due to significant figure rounding.

Note 3: The Reserves quoted for The Range project were established in 2011 under the relevant JORC Code at the time and used a coal price of A\$120/tonne for benchmark NEWC thermal coal equivalent. These Reserves were supported by a Feasibility Study that assumed the completion of the Surat Basin rail to connect the mine to the Port of Gladstone.

Note 4: All Coal Reserves are reported on a 100% basis, and Stanmore Coal's economic interest in the tenure above is 100%.

Note 5: The IP & IPE Coal Resources above shows the May 2018 Coal Resource Report and does not include a reduction due to mining depletion during FY19 of approximately 3 Million tonnes