stanmore

31 October 2022

Coal Resource and Reserve Update

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Highlights

- Coal Resources for Stanmore SMC Pty Ltd (SMC) mines, South Walker Creek and Poitrel and the Wards Well project, have been updated from the previous estimates[1] with updated Resource classification and mining depletion to 30 June 2022 (depletion not applicable to Wards Well):
    - **South Walker Creek** Resources decreased 5Mt from 30 June 2021, now totalling 684 million tonnes (Mt) as at 30 June 2022, comprised of 258Mt Measured Resources, 303Mt Indicated Resources and 123Mt Inferred Resources
    - **Poitrel** Resources total increased 2Mt from 30 June 2021, now totalling 152Mt as at 30 June 2022, comprised of 59Mt Measured Resources, 45Mt Indicated Resources and 47Mt Inferred Resources
    - **Wards Well** Resources increased 104Mt from 30 June 2021, now totalling 1,417Mt as at 30 June 2022, comprised of 547Mt Measured Resources, 769Mt Indicated Resources and 101Mt Inferred Resources
    - Coal Resource estimates of satellite deposits **Bee Creek** (23Mt total; 9Mt Indicated and 13Mt Inferred) and **Nebo West** (71Mt Inferred) remain unchanged from 2021 estimates
- Coal Reserves for SMC mines, South Walker Creek and Poitrel have been updated from the previous estimates[1] reflecting the updated Reserve categorisation underpinned by reclassified Coal Resources and mining depletion to 30 June 2022:
    - **South Walker Creek** recoverable open cut (ROM) Coal Reserve estimates increased 63Mt and Marketable Coal reserves increased 47Mt from 30 June 2021, with ROM Coal Reserves now totalling 186Mt (166Mt Proved and 20Mt Probable) and Marketable Coal Reserves 145Mt (130Mt Proved and 15Mt Probable) of low-volatile PCI product as at 30 June 2022
    - **Poitrel** ROM Coal Reserve estimates decreased 2Mt and Marketable Coal reserves decreased 7Mt from 30 June 2021, with ROM Coal Reserves now totalling 46Mt (28Mt Proved and 18Mt Probable) and Marketable Coal Reserves 32Mt (20Mt Proved and 12Mt Probable), with a product split of 20Mt mid-volatile hard coking coal and 12Mt PCI coal, as at 30 June 2022
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the Coal Resources included in the original announcements continue to apply and have not materially changed

[1] See ASX announcement by 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 4 November 2021 "Stanmore Resources to acquire BHP's 80% interest in BMC".

Stanmore Resources Limited (Stanmore or the Company) is pleased to announce an update to the Coal Resources and Coal Reserves for the Stanmore SMC Pty Ltd (SMC) assets of South Walker Creek, Poitrel and Wards Well. Coal Resources and Reserves have been estimated as at 30 June 2022 and have been estimated in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), 2012 Edition.

Stanmore acquired an 80% interest in South Walker Creek from BHP as a result of its acquisition of all of the shares in Dampier Coal (Australia) Proprietary Ltd (Dampier) on 3 May 2022. Stanmore acquired the remaining 20% interest in SMC as a result of its acquisition by Dampier of Mitsui's shares in SMC on 7 October 2022.

CEO Statement

Marcelo Matos, Chief Executive Officer and Director

"The release of this Resource and Reserves update further demonstrates the value of the recent SMC acquisition to our organisation. The update also helps illustrate the optionality and opportunities available to Stanmore to continue to grow into the future.

Scope optimisation work being carried out on the Mulgrave Resource Area 2C (MRA2C) creek diversion project at the South Walker Creek mine further supports the inclusion of the pit into Reserves ahead of a Board investment decision on the project.

Work to further optimise the reserve estimate is ongoing with additional mining targets recently identified and further improvements to mining method efficiencies subject to future inclusions in the plan."

Coal Resources – South Walker Creek

South Walker Creek Resources have been re-classified by Palaris using a set of criteria specific to the deposit and exploration methodologies used and which the Competent Persons believe provide a reliable representation of Measured, Indicated and Inferred levels of Resource confidence based on recommended borehole spacings from geostatistical drill hole spacing analysis (DHSA). Stated Coal Resources are contained within granted mining lease ML 4750.

The following table summarises the updated Coal Resources for South Walker Creek:

Coal Resources – South Walker Creek

Seam	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
MT1	18	27	23	68
MT2	7	5	13	25
MT	6	0	0	6
MB	30	33	25	88
MB2	197	238	48	482
HB	0	0	15	15
Total	**258**	**303**	**123**	**684**

Note: Totals are subject to rounding

The Resource estimate differs from the previous estimate by 5Mt (-1 %), slightly less than the FY22 mining depletion (8Mt) and with a higher portion of Measured Resources 21Mt(+9%) and Indicated Resources 30Mt (+11%) and a lower proportion of Inferred Resources 56Mt (-31%) than the previous classification. The main

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difference between this estimate and the previous is due to additional exploration completed, alternate classification of Resources in the MB2 seam in the northern part of the deposit and use of alternate point of observation criteria.

The reconciliation to previous coal Resources estimate is shown below:

Resource Classification	2021 Resource Estimate June 2021 (Mt)	2022 Resource Estimate June 2022 (Mt)	Difference (Mt)
Measured	237	258	+21
Indicated	273	303	+30
Inferred	179	123	-56
Total	**689**	**684**	**-5**

Note: Totals are subject to rounding

Coal Resources – Poitrel

Poitrel Resources have been re-classified by Palaris using a set of criteria specific to the deposit and are underpinned by DHSA, and which the Competent Persons believe provide a reliable representation of Measured, Indicated and Inferred levels of Resource confidence. Coal Resources are all contained within granted mining leases ML 4749 and ML 1791.

The following table summarises the updated Coal Resources for Poitrel:

Coal Resources - Poitrel				
Seam	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
L12	16	11	16	43
L3	21	14	15	50
L4	1	3	3	7
V1	21	17	13	51
Total	**59**	**45**	**47**	**152**

Note: Totals are subject to rounding

There is no material difference from the prior total Resource estimate however the Resource classification has been revised since the previous classification (2019) with additional exploration, (points of observation) and an updated geological model completed in 2021. These factors result in a larger proportion of Measured Resources 17Mt (+40%) and lesser proportions of Indicated Resources 4Mt (-8%) and 12Mt Inferred Resources (-20%).

A reconciliation to previous Mineral Resource estimates is shown below:

Resource Classification	2021 Resource Estimate June 2021 (Mt)	2022 Resource Estimate June 2022 (Mt)	Difference (Mt)
Measured	42	59	+17
Indicated	49	45	-4
Inferred	59	47	-12
Total	**150**	**152**	**+2**

Note: Totals are subject to rounding

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Coal Resources – Wards Well

Wards Well Resources have been independently estimated by Palaris using an updated geological model prepared in 2021 incorporating the results of a major 3D seismic program in the Lancewood area and additional drilling. Resources were re-classified by Palaris using a set of criteria specific to the deposit, and which the Competent Persons believe provide a reliable representation of Measured, Indicated and Inferred levels of Resource confidence based on recommended borehole spacings from geostatistical drill hole spacing analysis (DHSA). Coal Resources are reported within granted mining leases ML 4752, ML 1790, ML 70495, and ML 70443.

The following table summarises the updated Coal Resources for Wards Well:

Coal Resources – Wards Well

Seam	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
GU0	86	141	34	262
GM0	249	344	39	632
GL7	13	27	18	59
GL8	199	256	9	465
Total	**547**	**769**	**101**	**1,417**

Note: Totals are subject to rounding

The Wards Well Resource estimate differs from the previous estimate by 104Mt representing an increase of 8%. Coal Resources were reclassified as part of the 2022 estimate. The reclassification resulted in Measured Resources to be reported whereas previously there were limited to Indicated classification. The reclassification has resulted in Measured Resources of 547Mt being stated (previously zero). There is a corresponding decrease of 395Mt of Indicated Resources (-34%) and 48Mt Inferred Resources (-32%) relative to the FY21 estimate.

The reconciliation to the previous estimates is shown below:

Resource Classification	2021 Resource Estimate June 2021 (Mt)	2022 Resource Estimate June 2022 (Mt)	Difference (Mt)
Measured	0	547	+547
Indicated	1,164	769	-395
Inferred	149	101	-48
Total	**1,313**	**1,417**	**+104**

Note: Totals are subject to rounding

Reserve Estimates

Coal Reserves have been estimated for the operating assets of Poitrel and SWC according to the face positions at 30 June 2022 and reflecting the updated Reserve categorisation underpinned by reclassified Coal Resources. ROM Reserves estimated total 231Mt and are categorised as 194Mt Proved and 37Mt Probable.

The Reserves stated are included in, and not additional to, the JORC Resources reported for Poitrel and SWC.

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The following table summarises the updated ROM Coal Reserves estimated for SMC:

SMC ROM Reserves - 30 June 2022			
Mine	Proved ROM (Mt)	Probable Reserves (Mt)	TOTAL
Poitrel	28	18	46
SWC	166	20	186
TOTAL	194	37	231

Note: Poitrel ROM Reserves stated at 7% moisture basis, SWC ROM Reserves stated at 6% moisture basis. Numbers are subject to rounding

Marketable Reserves have been estimated for Poitrel and SWC with a combined total of 177Mt (150Mt Proved and 27Mt Probable). Total Marketable Reserves include 20Mt of mid-volatile hard coking coal and 157Mt of low and mid-volatile PCI product.

The following table summarises the updated Marketable Coal Reserve estimate for SMC:

SMC Marketable Reserves - 30 June 2022			
Mine	Proved Marketable Reserves (Mt)	Probable Marketable Reserves (Mt)	TOTAL
Poitrel	20	12	32
SWC	130	15	145
TOTAL	**150**	**27**	**177**

Note: Poitrel Marketable Reserves reported at 9-11% product moisture, SWC Marketable Reserves reported at 9.6% product moisture. Numbers are subject to rounding

SMC's three non-operating deposits are Wards Well, Bee Creek and Nebo West. Resources are declared for these deposits, but as recent feasibility studies have not been completed, Reserves are not declared.

Coal Reserves - Poitrel

There is a high level of confidence in Coal Reserve and Marketable Coal Reserve, due to recent and ongoing mining operations with 69% of the Coal Resource being classified as Measured and Indicated. All Reserves are contained within ML 4749. Poitrel Open cut ROM Reserves total 46Mt and are classified as 28Mt Proved and 18Mt Probable.

The following table summarises the updated Open cut ROM Coal Reserve Estimate by seam for Poitrel:

Poitrel Open-cut ROM Reserve Estimate			
Seam - Ply	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
Leichardt 12	8	5	13
Leichardt 3	12	6	18
Leichardt 4	1	2	3
Vermont 1	7	5	12
Total	**28**	**18**	**46**

Note: Poitrel ROM Reserves reported at 7% moisture. Numbers are subject to rounding

Poitrel Open Cut Marketable Reserves total 32Mt and are classified as 20Mt Proved and 12Mt Probable. Marketable Reserves are comprised of 20Mt mid-volatile hard coking product at 8.3% ash and 12Mt mid-volatile PCI product at 9.3% ash.

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The following table summarises the updated Marketable Coal Reserve estimate by product for Poitrel:

Poitrel Open-cut Marketable Reserve Estimate by Product

Product Type	Proved Marketable (Mt)	Probable Marketable (Mt)	Total ROM (Mt)
Coking (8.3% Ash)	12	8	20
PCI (9.3% Ash)	8	4	12
Total	**20**	**12**	**32**

Note: PCI products are reported on 9% product moisture and Coking products are reported on 11% product moisture. Numbers are subject to rounding.

Coal Reserves – South Walker Creek

There is a high level of confidence in Coal Reserves and Marketable Coal Reserves, due to vast amounts of exploration data, ongoing mining operations with 82% of the total Coal Resource being classified as Measured or Indicated.

All Reserves stated are contained within ML 4750. South Walker Creek ROM Reserves total 186Mt and are classified as 166Mt Proved and 20Mt Probable. A significant proportion of the ROM Reserves (68%) is within the MB2 Seam.

The following table summarises the updated Open cut ROM Coal Reserve estimate for SWC:

South Walker Creek Open Cut ROM Reserve Estimate

Seam - Ply	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
MT1	15	6	21
MT2	6	2	8
MT	4	0	4
MB	23	3	26
MB2	118	9	127
Total	**166**	**20**	**186**

Note: SWC ROM Reserves reported at 6% moisture

SWC Marketable Reserves total 145Mt of low-volatile PCI product and are categorised as 130Mt Proved and 15Mt Probable.

The Marketable Reserve seam contributions above are combined for a single low-volatile PCI product with 9.2% average ash content.

The following table summarises the updated Open cut Marketable Coal Reserve estimate by product for SWC:

South Walker Creek Open-cut Marketable Reserve Estimate

Product Type	Proved Marketable (Mt)	Probable Marketable (Mt)	Total Marketable (Mt)
PCI (9.2% Ash)	130	15	145
Total	**130**	**15**	**145**

Note: Totals are subject to rounding. SWC Marketable Reserves reported at 9.6% product moisture

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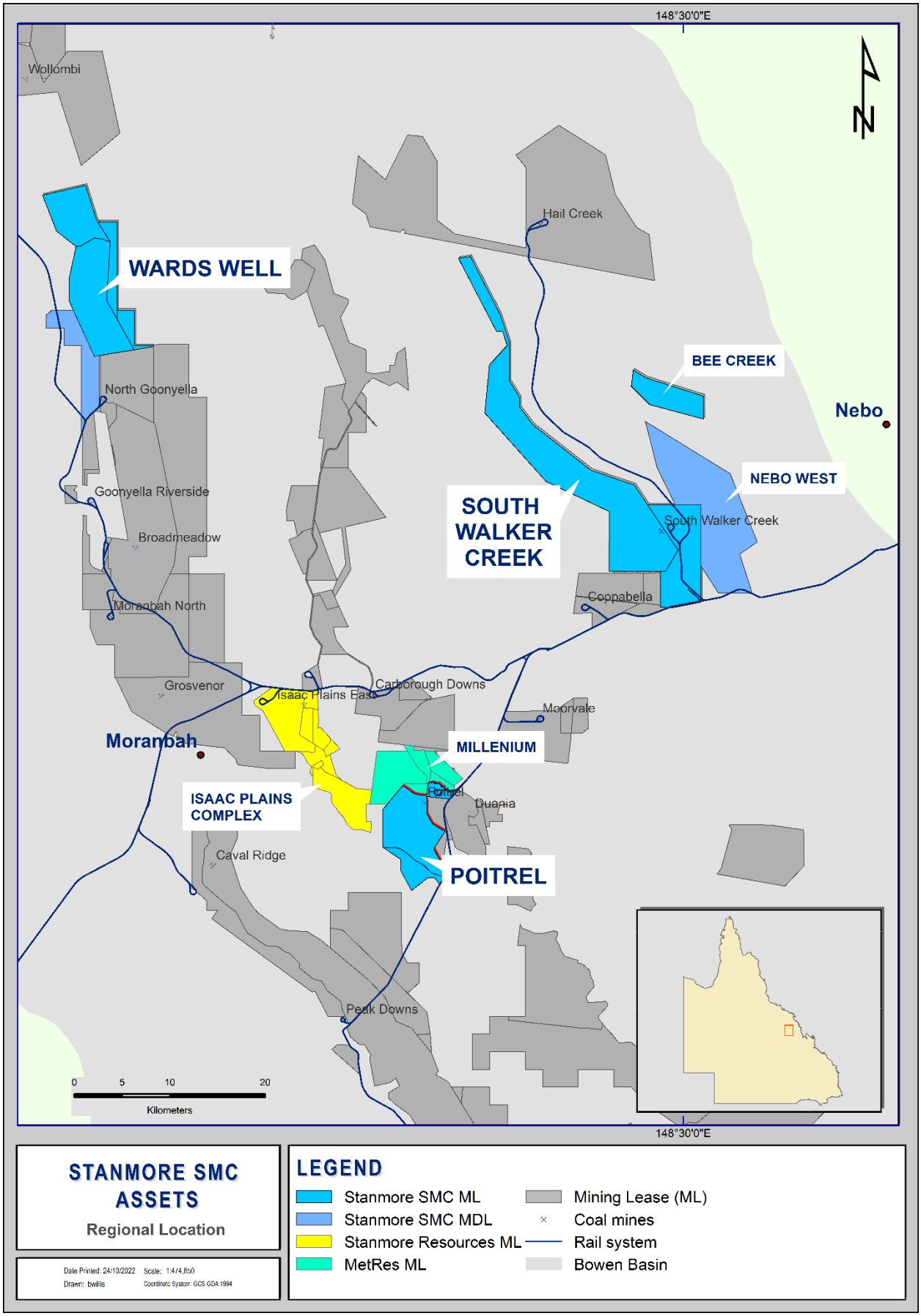
Regional Location Map



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Coal Reserve Update

Updated Coal Reserves for the South Walker Creek mine, represent a material change to the previous estimates, and the following information is provided in accordance with ASX Listing Rule 5.9.

Economic Viability

The South Walker Creek mine, located in the Bowen Basin, Queensland Australia, has been actively producing PCI coal since commencement of open cut operations in 1996. Palaris assess the project to have completed all areas of modifying factors to be at a feasibility level study.

Pit shells and Reserves were assessed to include all areas with a positive cash margin. Life of Mine plans were completed with full financial models to test economic viability and technical feasibility of the declared Reserves. All financial modelling was conducted on a real basis using a discount rate of 8%. Operating costs were calculated based on a bottom-up build using data gleaned during the due diligence process, from Palaris databases and benchmarked against historical mine performance. The financial model considers all sustaining capital to undertake the mining schedule as well as royalties and levies. Capital estimates were calculated based on data gleaned during the due diligence process and from Palaris and Stanmore insight.

Sensitivities were conducted on several parameters to test economic viability, including operating costs, coal price, processing yield, foreign exchange rate, capital costs, production rate and mine closure costs. South Walker Creek is most sensitive to export coal price, CHPP yield and operating costs. However, all years of the mine life show a positive operating cash flow.

Criteria Used for Classification of Resources and Reserves

The Resource classification follows the categories described by the JORC Code (2012 Edition). The drill hole spacing analysis (DHSA) technique provides quantitative measures of the precision with which quality and volume variables can be estimated. The geostatistical analyses were used to inform the required drill hole spacings required to meet levels of confidence for classification of Resources into Measured, Indicated, and Inferred classes, based on the criteria of raw ash and thickness. A summary of the distances used for Resource classification based on the outcomes from DHSA are summarised in Appendix A (Table 1, Section 3 - Estimation and Reporting of Mineral Resources). Only distances from coal quality points of observation have been considered for the Resource classification, consistent with previous estimates.

Coal Reserves have been classified into Proven and Probable categories by intersecting the planned mining blocks from the LOM plan with the Measured and Indicated Resource polygons respectively. The Reserve was then assessed to determine if the application of any modifying factors would result in subsequent reclassification. A summary of the modifying factors assessed is summarised in Appendix A (Table 1, Section 4 - Estimation and Reporting of Ore Reserves).

Mining Method and Assumptions

The strip-mining technique has also been adopted as the mining method. Initial mining operations commenced on the sub-crop of the MB seam in 1996 using fleets of excavators, trucks and dozers as the primary overburden removal equipment to uncover coal in 55 m wide strips orientated along the strike of the seam. Mining has since progressed along strike and down-dip and two draglines have been deployed. Overburden stripping operations are primarily dragline, cast and excavator and truck, with overburden progressively backfilled into already mined strips. Draglines account for 25% of the prime was movement on average, with the remaining overburden and interburden removed by excavators.

The working sections are comprised of the main MT1, MT2, MT, MB and MB2 seams and are processed to form a single PCI coal product.

A recoverable working section thickness of 0.5 m and a maximum non separable parting thickness 0.44m were used in Reserve estimation. Loss and dilution assumptions applied to working sections include roof loss (0.19m),

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floor loss (0.14m), edge loss (1,43m), roof dilution (0.1m), floor dilution (0.1m) and edge dilution (0.24m). Open cut designs take into consideration geotechnical conditions and recommendations summarised in Appendix A (Table 1, Section 4 - Estimation and Reporting of Ore Reserves).

Coal Processing

The South Walker Creek CHPP consists of the ROM dump hopper and crusher, the coal processing plant, product stockpile and train load-out facilities. ROM coal is transported by rear dump trucks to the South Walker Creek CHPP ROM pad where it stockpiled and fed into the CHPP via front-end loader and hopper. Raw coal is crushed to -50 mm and distributed to coarse and fines circuits by desliming screens.

In the coarse circuit, dense medium cyclones separate coal and the higher density non-coal by passing the material through a dense medium via centrifugal force. Fine coal is cleaned through either classifying cyclones, froth flotation or spirals. Coarse rejects are hauled back to the mining pits for disposal with fine rejects thickened before being discharged into tailings disposal dams.

Dilution washability data was used for generating diluted working section washability data sets. LIMN simulations are used to derive the product yields. The PCI coal product is expected to yield between 74% to 81% based on modelling, with an average processing yield of 78% over LOM. Deleterious elements including phosphorus and fluorine are managed by scheduling, processing and blending on site.

Cut-off parameters

There is no specific cut off grades applied as any lower quality seams have been excluded from the mine plans.

The marketable product is defined as a low-volatile PCI with an average ash content of 9.2% (ad) and volatile matter 13.6% (ad).

A detailed mine layout in conjunction with a DCF model has been used to assess the economic extents of the pit.

Reserve Estimation Methodology

Geological structure and quality grids used for the generation and reserving of mining blocks were sourced from the latest published and complete geological models available at the time of development of the LOM plans. Maptek's Vulcan software package is used for geological modelling for Coal Resource estimation purposes. Coal Resources underpinning Coal Reserves have been independently estimated using the most recent geological models provided by BHP and face positions as at 30 June 2022.

Coal Reserves have been estimated for the operating asset of SWC with face positions at 30th June 2022 and reflecting the updated Reserve categorisation that is underpinned by reclassified Coal Resources. As SWC is an existing mining and processing operation, the estimation of Coal Reserves includes knowledge gained from actual operations and performance of plant and equipment.

The LOM pit shells were determined by assigning revenues to all Resource categories including Measured, Indicated and Inferred Resource, and unclassified coal. Within the economic pit shell only Measured and Indicated Resource categories were converted to Reserves.

Other Material Modifying Factors

Mining of the open cut Reserves is considered technically achievable and economically viable. The assignment of Reserves classification Proved and Probable must satisfy the Reserve modifying factors as follows:

- Mining blocks must be economic to mine, and
- Mining blocks must be within a fully permitted mining lease

SWC has the required Environmental Authorities (EA) (EPML001712313) to undertake mining and processing operations. Overburden material is capped and rehabilitated as per the EA requirements.

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SWC has three mining leases that expired in 2020 (ML4750, ML4751 and ML70131). A twenty-one year renewal application was lodged on 28 January 2020 and operations are continuing without interruption whilst the application is assessed by the regulator. There are no expected impediments to renewal.

A material increase in the SWC ROM and Marketable Reserves is due to the inclusion of the Toolah and MRA 2C pits. Current approvals that are in place for the ongoing operation include State and Federal approvals required for the expansion of the Mulgrave Pit area, and the diversion of the Walker Creek waterway (MRA 2C diversion) and associated offset management plans and major approvals. There are reasonable grounds to expect all necessary approvals and necessary development capital will be available for extension of mining into these areas, and therefore they are included in the Reserve estimate.

Under Stanmore's optimised LOM plan, a number of approvals are still required for continued operation in the proposed Kemmis 3 pit expansion area. The Kemmis 3 area has not been included in this Reserve estimate.

Comparison with Previous Estimates

Coal Reserves have been compared to the previous estimates as at 30 June 2021 (prior to Stanmore's acquisition of SMC). ROM Reserves have increased 35% and Marketable Reserves 22% relative the previous estimate with a material increase in the Proved ROM Reserve category (75% increase).

A comparison between the FY22 and the previous estimate is provided below:

SMC Reserves Comparison to Previous Estimate

Estimate	Mine/Project	Proved ROM Reserves (Mt)	Probable ROM Reserves (Mt)	Total ROM Reserves (Mt)	Total Marketable Reserves (Mt)
(FY 2022)	Poitrel	28	18	46	32
	SWC	166	20	186	145
	Total	194	37	231	177
(FY 2021)	Poitrel	24	24	48	39
	SWC	87	36	123	98
	Total	111	60	171	137
Difference (FY 2022 vs FY 2021)	Poitrel	4	-6	-2	-7
	SWC	79	-16	63	47
	Difference	83	-23	60	40
	Difference (% change)	**75%**	**-38%**	**35%**	**29%**

Note: Numbers are subject to rounding. FY21 reported Poitrel ROM and SWC ROM on a 4% ROM moisture basis. Figures for FY22 above are reported at 6% moisture for SWC and 7% ROM moisture for Poitrel

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Comparison with Previous Estimates - Poitrel

A reconciliation between the 30 June 2022 Coal Reserve estimate and the 30 June 2021 Coal Reserve estimate are presented below.

The difference in the ROM and Marketable Reserves to the previous estimates are due to:

- Different ROM moisture basis,
- Changes to Resource classification driven by additional exploration drilling,
- Lower product yield due to updated yield simulation modelling,
- Mining depletion during FY22.

Work to further optimise the reserve estimate is ongoing with additional mining targets recently identified and further improvements to mining method efficiencies subject to future inclusions in the plan.

The following two tables summarises the difference in the ROM and Marketable Reserves to the previous estimates for Poitrel.

Poitrel ROM Reserves Reconciliation

	Estimate Date	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
Opening Value	30 June 2021	24	24	48
ROM moisture adjustment 4% to 7%		+1	+1	+2
Resource re-classification impact on Reserves	30 June 2022	+8	-7	+1
Depletion	30 June 2021 – 30 June 2022	-5	0	-5
Closing Value	**30 June 2022**	**28**	**18**	**46**

Note: Numbers are subject to rounding.

Poitrel Marketable Reserves Reconciliation

	Estimate Date	Proved Marketable (Mt)	Probable Marketable (Mt)	Total Marketable (Mt)
Opening Value	30 June 2021	20	19	39
Moisture, updated lower yield modelling and Resource re-classification impacts on Reserves		+3	-7	-4
Depletion	30 June 2021 – 30 June 2022	-3		-3
Closing Value	**30 June 2022**	**20**	**12**	**32**

Note: Numbers are subject to rounding. The PCI product is reported on 9% product moisture and the coking product is reported on 11% product moisture

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Comparison with Previous Estimates - South Walker Creek

A reconciliation between the 30 June 2022 Coal Reserve estimate and the 30 June 2021 Coal Reserve estimate are presented below.

The material difference in ROM and Marketable Reserves are due to

- Addition of the Toolah and Mulgrave Resource Area 2C (MRA 2C) pits that were previously excluded. There are reasonable grounds to expect approvals for mining these open cut areas within the LOM plan, and they are included in the Reserve estimate. The inclusion of Reserves is supported by a feasibility level mine plan, a margin rank and financial model,
- Different ROM moisture basis,
- Changes to Resource classification driven by additional exploration drilling,
- Mining depletion during FY22.

The following two tables summarise the difference in the ROM and Marketable Reserves to the previous estimates for South Walker Creek.

SWC ROM Reserves Reconciliation

	Estimate Date	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
Opening Value	30 June 2021	87	36	123
MRA 2C and Toolah pits		+41	+7	+48
ROM moisture adjustment		+2	+1	+3
Resource re-classification impact on Reserves		+42	-22	+20
Depletion		-6	-2	-8
Closing Value	**30 June 2022**	**166**	**20**	**186**

Note: Totals are subject to rounding.

SWC Marketable Reserves Reconciliation

	Estimate Date	Proved Marketable (Mt)	Probable Marketable (Mt)	Total Marketable (Mt)
Opening Value	30 June 2021	69	29	98
MRA 2C and Toolah		+32	+5	+37
Moisture, Resource re-classification impacts on Reserves		+34	-18	+16
Depletion	30 June 2021 – 30 June 2022	-5	-1	-6
Closing Value	**30 June 2022**	**130**	**15**	**145**

Note: Totals are subject to rounding.

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

Further Information

Investors

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Media

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Competent Person Statement

The Poitrel and South Walker Creek Coal Resource estimates are based on information compiled by Dr William Bamberry and Mr Brad Willis. The Wards Well Resource estimate is based on information compiled by Mr Brad Willis.

Dr William Bamberry is a Member of the Australasian Institute of Geoscientists (#4090). Dr Bamberry is Principal Geologist at Allegiant Geological Services, sub-consulting to Palaris Australia Pty Ltd (Palaris). He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bamberry has more than 30 years' experience in exploration and mining of coal deposits. Dr Bamberry consents to the inclusion of this Resource Estimate in reports disclosed by the Company in the form in which it appears.

Mr Brad Willis is a Member of the Australasian Institute of Mining and Metallurgy (#205328) and is a full-time employee of Palaris Australia Pty Ltd, Willis is a Principal Geologist at Palaris. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Willis has more than 23 years' experience in exploration and mining of coal deposits. Mr Willis consents to the inclusion of this Resource Estimate in reports disclosed by the Company in the form in which it appears.

The Reserve estimates for Poitrel and SWC is based on information compiled by Mr John Pala, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) (#112634). Mr Pala is Managing Director of Palaris. He has sufficient experience relevant for the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pala has over 35 years' experience in the estimation, assessment, evaluation, and economic extraction of Coal Reserves. Mr Pala consents to the inclusion of this Reserve Estimate in reports disclosed by the Company in the form in which it appears.

Neither Dr Bamberry, Mr Willis, Mr Pala or Palaris have a direct or indirect financial interest in, or association with Stanmore Resources, or the properties and tenements reviewed in this report, apart from standard contractual arrangements for the preparation of this report and other previous independent consulting work. In preparing this report, Palaris has been paid a fee for time expended based on its standard hourly rates. The present and past arrangements for services rendered to Stanmore Resources do not in any way compromise the independence of Palaris with respect to this review.

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited controls and operates the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines, as well as the undeveloped Wards Well, Isaac Plains underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources is also a joint owner of the Millennium and Mavis Downs Mines and holds several additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins. The Company is focused on the creation of shareholder value via the efficient operation of its mining assets and the identification of further development opportunities within the region.

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Appendix A

JORC CODE 2012 EDITION – TABLE 1 FOR SMC COAL RESOURCES AND RESERVES AT 30 JUNE 2022

The Appendix details Sections 1,2,3 and 4 of the JORC Code2012 Edition Table 1. Section 5 Estimation and Report of Diamonds and Other Gemstones have been excluded as they are not applicable to this deposit and estimation.

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used Aspects of the determination of mineralisation that are Material to the Public Report	Exploration drill cores provide the main method for obtaining samples of coal and stone for analysis. Documentation of sampling methods undertaken in early drilling (1960's-1980's) could not be located through searches of Government databases (noting that much of the scanned exploration reports are digitally corrupt). Representivity of sampling of the coal seams is achieved by sampling the whole coal seam and reconciling sampled intervals to wireline geophysical logs (where surveyed). Sampling of geophysical properties of the stratigraphic sequence includes downhole wireline geophysical logging, which has been undertaken on drilling since the mid-1990's. This has included combination sondes (caliper, gamma, dual density), multi-channel sonic (wet holes), and verticality. Acoustic scanner tools have been run on geotechnical holes. Calibration of geophysical tools is undertaken by the wireline logging providers using calibration holes and calibration standards. Prior to commencing logging at site, a calibration hole is logged and data presented to site personnel for validation. LOX line drillholes (chip-holes) are sampled to determine oxidation limits.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc)	Early drilling (1960's to 1980's) used Mayhew 1000 rotary drilling rigs, with average hole diameter of 115 mm. Air, water or mud were used for cuttings return dependent on ground conditions. Cores taken during this drilling included NMLC (51 mm) or HMLC (63.5 mm) size. Drilling in the 1990's to current has included HQ3, PQ and 4" core for coal quality and geotechnical analysis, and 200mm cores for sizing and detailed washability. Chip holes at site have been drilled using blade bits, polycrystalline diamond and hammer. Air, water injection and water/mud have been used as drilling media. The cored holes have mostly been drilled using diamond bits. Triple-tube and conventional coring have been employed in sample recovery.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed Measures taken to maximise sample recovery and ensure representative nature of the samples Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material	Core recoveries are recorded / logged by the geologist and during reconciliation of the lithological logged thicknesses to geophysical-interpreted intervals. These data are recorded in core recovery tables for each coring run in Geobank software. Core is logged in splits to ensure correct measurement of core and accounting for core losses. Fine-grained diamond drill bits are used to enhance core recovery. Methods described recording of core losses and gains are provided in company standards for core logging.

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Criteria	JORC Code explanation	Commentary
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography The total length and percentage of the relevant intersections logged	Lithological logging has been undertaken by geologists on exploration drillholes. Early drilling was logged on paper records in full English prose. Coal seams were logged using coal brightness lithotypes (e.g. clarain). Chip holes were logged in by imperial foot measurements. Core-logging from 1990's has employed coding lithologies into data entry sheets or directly into field computers. In 2018, BHP introduced a procedure called "Cool Runnings" that involves logging of cores in core boxes at a cool room located at an offsite coal laboratory. Logging is undertaken with reference to geophysical logs, to define the seams and sampling intervals and is recorded to the nearest centimetre. Chip-logging (since 2018) is undertaken by geologist at rigs to the nearest metre until the base of weathering and Tertiary, and is then "auto logged", which involves the use of algorithms to derive lithologies from wireline logs. All core is photographed, and the photographs stored in the Geobank database. Dedicated geotechnical holes are drilled for the purposes of providing samples for geomechanical samples. Features that impact geotechnical conditions in the pit, such as faults, are also recorded in standard core holes.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all cores taken If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry For all sample types, the nature, quality and appropriateness of the sample preparation technique Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling Whether sample sizes are appropriate to the grain size of the material being sampled	Cores are sampled according to site specific seam and ply systems. Coal samples are not split so that coal sample mass is maximised for the required analysis. Complete coal seams are routinely sampled as part of the exploration activities. Coal preparation at the laboratories involves use of rotary sample dividers to split samples into Reserve and sample portions in equal quantities. This follows AS4264.1. Large diameter cores (200 mm) have been drilled to obtain sufficient sample for sizing analysis where the top-size is 50 mm. Sample preparation includes drop-shatter, dry and wet tumbling to simulate coal-handling, prior to analysis.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established	Analysis of cores from the early phases of drilling was undertaken at ACIRL laboratories and the former TDM Barney Point laboratory. Laboratory reports from this era show that the labs had NATA (National Association of Testing Authorities) accreditation. A contractual requirement of the laboratories utilised by BMC is that they must be accredited by (NATA). To achieve NATA-accreditation, a coal testing laboratory is assessed against ISO/IEC 17025 "General requirements for the competence of testing and calibration laboratories". BMC conducted audits on external laboratories on a six-monthly basis, which include management and technical aspects of the analytical processes. All coal quality laboratory tests are performed in duplicate using National and International Standards. These standards describe precision for repeatability and reproducibility. BMC request annual round robins to be undertaken, and the results provide a proficiency test for the laboratories. BMC Audits of laboratories included a review of the calibration records, as required by NATA accreditation.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel The use of twinned holes Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols Discuss any adjustment to assay data	The thickness of coal seam intervals is interpreted by internal geologists from geophysical logs. Twinned holes are not undertaken, as this is not common practice in the coal industry. However, some locations of earlier drilling have been redrilled to improve the accuracy of Resource knowledge. Primary sampling data and assay data is stored in the Geobank database. Data is verified prior to entry into the database including no samples missing, correct analysis undertaken and results within expect range. The laboratory produces cross-plots to check, and potentially re-analyse samples where they may fall outside of expected ranges. Data received from the laboratory undergoes validation checks of raw, washability and product composite results. These include checks that results are within expected ranges, cross-plots of related variables (e.g., ash and relative density) and mathematical checks (e.g. fractional mass adds up to 100%). There is no alteration of assay results except for reporting of variables to different moisture basis, as per standard change of basis equations.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	All borehole collars and geophysical survey locations are recorded and stored in a Geobank database with notation of the survey method (even if unknown). Survey methods of the early phases of drilling (1960's-1980's) is not documented; however, the locations of drillholes are recorded with distances along traverse-lines with reference to landmarks. The locations of the holes are recorded on Company maps in Government reports. The location of more recent drilling is determined by Differential GPS, which has less than decimetre accuracy in elevation. Exploration surveys are undertaken by accredited mine surveyors. The projected geographic grid system used for the location of drilling data is Australian Mapping Grid, AMG84, Zone 55. LIDAR surveys are undertaken on the active mine areas and have sub-decimetre accuracy. The accuracy of the original topography (pre-mining) is not documented.

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	Data spacing for reporting of Exploration Results Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied Whether sample compositing has been applied	The spacing of holes yielding structure and coal quality information is as follows: **Poitrel** The spacing of structural holes is as follows: ▪ < 75 m apart over current mining areas and up to ~400 m west of the coal extraction limits (as at end June 2022) ▪ <150 m apart across most of the remaining open cut Reserves area and < 500 m apart across the whole of ML 4749 and ML 1791. The spacing of holes yielding coal quality information is as follows: ▪ <300 m apart over current mining areas and up to ~800 m west of the coal extraction limits (as at end June 2022) ▪ < 800 m apart over the remaining open cut Reserve and the whole of ML 4749 and ML 1791 **South Walker Creek** The spacing of structural holes is as follows: ▪ < 100 m apart over current mining areas (as at end June 2022) and over one-half of the proposed life of mine plan ▪ <200 m apart across most of the remaining open cut Reserves area and < 400 m apart across the remainder of ML4750 The spacing of holes yielding coal quality information is as follows: ▪ <250 m apart over current mining areas and over ~75% of the proposed life of mine plan limits ▪ < 500 m apart over the most of ML4750 and < 1,000m apart over the whole of the tenement **Wards Well** Wards Well has a variable distribution of drilling. The south of ML1790 has <300-450 m spacing with coal quality holes at 300-600m on an offset grid. Northern ML1790 has coal quality holes at 800 – 1km spacing. ML4752 has tight borehole spacing near the western subcrop and a spacing of 800m – 1km elsewhere. Where ply sampling has occurred, sample results are mathematically composited to understand coal quality variables across the whole seam interval. This is done using compositing functions in the Vulcan software. Compositing of samples in the laboratory occur where ply samples are composited in full seam or working section composites for whole of seam analysis, such as float-sink and product composite analysis.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material	The coal seams typically dip at shallow angles. As such, the coal seams are intersected almost perpendicular to vertical drilling intersecting the full thickness of coal, except where faulting occurs. Verticality surveys are undertaken on geophysically logged holes, providing accurate downhole coal locations (exploration holes without verticality surveys are assumed to be vertical).
Sample security	The measures taken to ensure sample security	Sample dispatch is accompanied by a chain of custody form that is filled out and emailed to the laboratory prior to sample dispatch. Samples dispatched between laboratories are tracked. Sample are stored in a cold room to restrict deterioration of coking properties.
Audits or reviews	The results of any audits or reviews of sampling techniques and data	Contracts with the laboratories utilised by BMC prior to divestment of the assets included the provision for laboratory audits to be held on a 6 monthly basis.

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Section 2 - Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area	The Poitrel deposit tenure consists of mining leases and exploration licences. Tenure held the Poitrel mine include:

Title	Name	Expiry Date	Area (ha)
EPC 1646	Poitrel West	3/11/2023	318.5
ML 1791	Winchester	31/07/2041	843.9
ML 4749	Poitrel	31/07/2041	3360
ML 70312	Millennium East	31/12/2034	290.9

In addition, Poitrel mine includes tenure that is jointly held by Stanmore SMC Pty Ltd (50%) and BHP Mitsubishi Alliance JV (50%)

Title	Name	Expiry Date	Area (ha)
EPC 1951	Red Mountain	18/06/2025	955.5
ML 70116	Red Mountain	31/12/2031	754

ML 4749 is the main mining licence for the Poitrel mine. The mine has operated since 2006, and there are no known impediments for continued operation in the area.

The SWC deposit tenure consists of mining leases and exploration licences. Tenure held by SMC for the mine include: -

Title	Name	Expiry Date	Area (ha)
ML4750	Kemmis-Walker	31/07/2020*	11390
ML70131	Tootoolah	31/07/2020*	3788.8
EPC1647	Kemmis Creek Extended	28/10/2025	1272
EPC2071	Mulgrave	12/10/2025	1590
EPC2109	Kemmis North	21/03/2023	954

* renewal lodged

ML4750 is the main mining licence for the SWC mine. The mine has operated since 1996, and there are no known impediments for continued operation in the area

Wards Well consists of four granted MLs covering 8,112 ha while MDL 3048 was recently granted for infrastructure retention/

Title	Name	Expiry Date	Area (ha)
ML 1790	Wards Well	31/07/2041	4392
ML 4752	Lancewood	31/07/2041	2363
ML 70443	Wards Well East	31/05/2038	867.6
ML 70495	Wards Well South East	31/05/2038	489.6
MDL 3048	Wards Well Infrastructure	31/08/2026	2134.2

Criteria	JORC Code explanation	Commentary
Exploration by other parties	Acknowledgment and appraisal of exploration by other parties	**Poitrel:** Significant exploration was undertaken by Thiess Dampier Mitsui Pty Ltd across the large Authority to Prospect 3C, which was granted 1964. This included chip and cored holes drilled along traverse lines. This drilling and subsequent studies lead to the granting of Mining Lease 366, later to be replaced by ML4749. MGC Resources Australia carried out 2D (dynamite) seismic surveys for Authority to Prospect 364P, a petroleum tenement for exploration for coal seam gas. One survey line (MGC93-4) transects the middle of Poitrel and is of poor quality **SWC:** Significant exploration was undertaken by Thiess Dampier Mitsui Pty Ltd across the large Authority to Prospect 3C, which was granted 1964. This included chip and cored holes drilled along traverse lines. This drilling and subsequent studies lead to the granting of Mining Lease 356, later to be replaced by ML4750. 2D seismic lines have been carried out in adjacent areas for coal seam gas exploration.
Geology	Deposit type, geological setting and style of mineralisation	**Poitrel:** The Poitrel mine is located in the Nebo Synclinorium, a structural subdivision of the Permian-Triassic Bowen Basin. The coal-bearing sequence of interest is the Rangal Coal Measures, and the target coal seams include the ~5 m thick Leichhardt seam and the ~1.6 m thick upper Vermont seam, which occurs approximately 25 m below the Leichhardt seam. The mineable deposit occurs between regional thrust faults (New Chum in the east, and Isaac Fault in the west). These faults delimit the area of open cut mining. Within the mining area, north-south reverse faults and east-west normal faults cause local disruption to seam continuity. Seam splitting is locally developed in the basal plies within the Leichhardt seam and includes splitting in the far north and southwestern parts of the deposit. The Vermont seam is also present in ML1791, which occurs south of the Isaac River. Only local, erosional remnants of the Leichhardt seam occur in this ML. **SWC:** SWC is located in the Nebo Synclinorium, a structural subdivision of the Permian-Triassic Bowen Basin. The coal-bearing sequence of interest is the Rangal Coal Measures, and the target coal seams include the Main Seam, and its component splits. This seam is equivalent of the Leichhardt seam and has a cumulative coal thickness of 5 to 13 m. The Hynds Seam occurs ~40 m the Main Seam and consists of an average 3.7m of banded coal. The Rangal Coal Measures crop out along the 40 km ML4750. Faults with a largely NE/SW to NNE/SSW orientation are present along the subcrop and are mostly <10m throw. Igneous intrusions have been intersected in <1% of the holes drilled at site. The Main Seam is mostly split into its thick split component in the southern part of the deposit, while elsewhere, the seam is mostly represented as the MB2 seam. **Wards Well:** The Wards Well project is located on the relatively undisturbed western limb of the northern Bowen Basin, on the Collinsville Shelf. At Wards Well, the target coal seams present are contained within the Moranbah Coal Measures of the Upper Permian Blackwater Group. Deep Tertiary sediments results in deep subcrop for the MCM at depths typically between 150 and 200 metres. The main target seams subcrop beneath the Tertiary strata and dip eastwards at ~ 8 degrees. Three seams are potentially mineable by underground methods: the Goonyella Upper (3.2 – 5.4m thick), Goonyella Middle (4.5 – 8.5m thick) and Goonyella Lower (5.5 – 7.5m thick).

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Criteria	JORC Code explanation	Commentary
Drill hole information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: Easting and northing of the drill hole collar Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar Dip and azimuth of the hole Down hole length and interception depth Hole length	**Poitrel** A summary of the number of holes by purpose is presented below. Of the 5,703 holes drilled for structure, 1717 are blast holes that have been geophysically logged. The details of all of these holes have not been included in this report. **Purpose** / **No of holes** Structure: 5703 Coal Quality: 766 Geotechnical: 36 LOX: 277 Other: 37 Total: 6819 It is significant to note that 24 % of the drilling data was collected prior to the 1990's prior to the regular geophysical logging of drillholes. The older data is supported by newer (more reliable) information, and it is considered that their inclusion in the geological model does not impact in the veracity of this Resource assessment **South Walker Creek** A summary of the number of holes drilled to the end of FY21 by purpose is presented below. This number of holes is greater than the number of the holes used in the model, as the model, built in 2018, does not include the most recent drilling. The details of all of these holes have not been included in this report. **Purpose** / **No of holes** Structure: 2946 Coal Quality: 2981 Geotechnical: 119 LOX: 750 Other: 36 Total: 6832 13% of the drilling data was collected prior to the 1990's prior to the regular geophysical logging of drillholes. **Wards Well** The Wards Well project is reasonably well explored; the exploration data for the whole project includes 617 holes have been completed at the project, including 358 structure holes, 299 cored holes and five surface to in seam lateral holes.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail The assumptions used for any reporting of metal equivalent values should be clearly stated	The target of the mine site are coal seams for the production of PCI and coking coals. Coal analytical data collected across coal seams at site are composited using appropriate weighting parameters for compositing. For example, weighting raw coal quality variables by mass (density x thickness).

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Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known')	The coal seams dip at shallow angles. As such, the coal seams are intersected at right angles by vertical drilling intersecting the full thickness of coal, except where faulting occurs. Verticality surveys are undertaken on geophysically logged holes, providing accurate downhole coal locations (exploration holes without verticality surveys are assumed to be vertical).
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views	Cross-section, isopach maps, and raw coal ash plots are included in the full version of the JORC report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results	The thickness and average quality of all seams is described in this report. This includes seam splits of the Leichhardt seam and seams below the upper Vermont, which are not included in the Resource assessment.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances	**Poitrel** In 2005 five 2D-Mini-SOSIE east-west lines were surveyed and showed the continuity of the coal seams across the mining area and highlighted the complexity of the New Chum Fault zone, and the Isaac Fault to the west. 3D seismic surveys were undertaken in 2017 and 2019 across the remaining life of mine areas for the deposit. These defined many faults with mostly high confidence of interpretation. **South Walker Creek** Seismic surveys have been undertaken in adjacent tenements, close to the boundary of ML4750. These data provide evidence for the continuity of coal but have not been used in this assessment. Phosphorus and fluorine are deleterious elements in the product coal and are tested in raw and product samples. **Wards Well** Drilling is complemented by seismic survey coverage in an attempt to delineate faults that may impact an underground operation. 2D seismic surveys were completed in 2011 and 2017 however Tertiary basalt flows proved a challenge for reliable imaging of the underlying coal seams. In 2018, a 3D seismic survey covering 11.9 km^2 was undertaken in the northern Lancewood area.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling) Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	**Poitrel** As the project has been recently acquired by Stanmore, future exploration work plans are currently being developed. Potential extensions for testing by further exploration exist in areas down-dip and adjacent to the current planned open cut mine. Resource in ML1791 is undeveloped and require further study to delineate limits for potential future mining. **South Walker Creek** As the project has been recently divested, future exploration work plans have not yet been developed. Further exploration of areas down-dip of open cut coal Resources will be required to better the classification of underground Resources. Opportunity exists for further exploration in ML4751 (Bee Creek) and MDL235 (Nebo West).

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Section 3 - Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes Data validation procedures used	Data is directly input into a digital geological database that restricts errors through inbuilt validation rules. Logging and sampling data is entered directly into this database at collection points. Information on the limitation of transcription errors of pre-1980's data is not available; however, the data has been encoded and stored into Geobank, and would be subject to the data-entry validation rules.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits If no site visits have been undertaken indicate why this is the case	The Competent Persons visited the sites in July 2021 as part of a due diligence team. The site visit involved a tour of the pits and the CHPP.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit Nature of the data used and of any assumptions made The effect, if any, of alternative interpretations on Mineral Resource estimation The use of geology in guiding and controlling Mineral Resource estimation The factors affecting continuity both of grade and geology	The confidence in the geological interpretation of the contained coal seams is high. This level of confidence in the geology is reflected in: ▪ The coal seams have been mined at the deposits for 16-26 years ▪ correlation of coal seams is assisted by geophysical logs and the lithological characteristics of the coal seams ▪ 3D and 2D seismic has been integrated into the geological model and demonstrates continuity of faults ▪ Fault locations are supported by seismic surveys, face mapping and borehole intersections ▪ Adjacent mines have worked the same coal measures
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	**Poitrel** Isopach maps are presented in this report showing the dimensions of contained coal Resources. ▪ L12, L3 and V1 Resources s in ML4749 cover an approximate area of 7 km (north-south) by 3 km (east-west). ▪ L4 Resources cover an approximate area of 4.5 km (north-south) by 2.5 km (east-west). ▪ In ML1791, V1 Resources cover an approximate area of 3 km (north-west - south-east) by 1.5 km (south-west – north-east). Depth of cover to the V1 seam Resources (the deepest seam), ranges from 10 m at subcrop to 150 m down-dip of the open cut **South Walker Creek** Resources in the Main Seam occur from the southern boundary to the northern boundary of ML4750. The subcrop length in ML4750 of the Main Seam is 42 km length. At the widest point of the leasehold, the Main Seam extends for 5.2 km from subcrop to the edge of the lease boundary. In the narrow very northern part of the lease, the subcrop to lease boundary distance is ~580 m. Resources contained in the Hynds seam are confined to the northern part of the deposit, where it extends over two distinct areas, 3.2 and 2.4 km length. **Wards Well** The target coal measures subcrop beneath Tertiary-age basalts and sediments at depths typically between 150 and 200 metres. The main target seams dip eastwards at ~ 8 degrees. The three target seams (GU0, GM0 and GL8) all occur along the entire project area with a strike length of ~17.5 km. Each of the three target seams has been intruded or heat affected (coked) in different positions, particularly in the northern (Lancewood) area of the deposit. The seams reach depths of 490 – 690 metres in the eastern down-dip areas of the project.

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Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data The assumptions made regarding recovery of by-products Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation) In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed Any assumptions behind modelling of selective mining units Any assumptions about correlation between variables Description of how the geological interpretation was used to control the Resource estimates Discussion of basis for using or not using grade cutting or capping The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available	The geological models and the estimate were undertaken in Maptek Vulcan software. The model includes modelled surfaces for topography, base of weathering and base of Tertiary. The resource modelled includes the models of the structure of each coal seam, and raw, washed and clean coal properties. All three geological models have been constructed on a ply basis with any working section aggregations undertaken during the reserving process. The interpolators used include triangulation for structure, and inverse distance for coal quality modelling. These interpolators are appropriate for the variables modelled. BMC produced a dossier of model checks and validation for release of new resource models, done by peer review. The range of checks undertaken by the peer reviewer are considered relevant and appropriate for the release of a new geological model. Phosphorus and sulphur are modelled as part of the suite of clean coal properties modelled. They have been modelled by grid modelling using the inverse distance interpolator. While they are deleterious elements in the PCI and /or coking coal products, the concentration of these elements is not sufficiently high to be of concern and limit the Resources. Many appropriate PCI and coking coal variables are modelled in the same way and inform the mine plan of potential products and possible utilisation concerns. None of these variables have been used to cut-off Resources. For SWC, phosphorus and fluorine are modelled as part of the suite of clean coal properties modelled. They have been modelled by grid modelling using the inverse distance interpolator. While the levels of the P and F are relatively high, they have not impeded sale of the coal and are not considered factors that delimit the Resource. Appropriate PCI coal variables are modelled in the same way and inform the mine plan of potential products and possible utilisation concerns. None of these variables have been used to cut-of Resources.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content	Coal Resource tonnes have been estimated to an in-situ moisture (Mis) basis. This is Australian coal industry standard practice. The in-situ moisture used here has been estimated from moisture holding capacity (MHC) tests undertaken on raw coal samples. The estimation method uses the formula from ACARP Study C10041 (Fletcher & Sanders, 2003) to model in-situ moisture from moisture holding capacity, which is: ***Mis = 1.431 x MHC high + 0.348***
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied	No raw ash cut-off has been applied for Poitrel and SWC during Resource estimation. Previous cut-offs in the 2021 estimate (maximum 35% raw ash) have no bearing on the Resources defined herein, as the Resource areas are delineated by thickness criteria, within which, ash content is lower than 35%. Coal seams that are predominantly higher than 35% ash (such as the MF seam and HT seams at SWC and Vermont Lower at Poitrel) have not been reported as Resources. At Wards Well, a coal processing yield of minimum 50% has been applied consistent with previous estimates.

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Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made	The lateral and vertical extents of the coal seams have been defined in the geological model for each seam. These include LOX line limits and parent/splits seam limits. Poitrel and SWC are operating open cut mines. A minimum coal seam thickness of 0.3 m for open cut Resources has been used,. Resources have been estimated inside and outside of the LOM open cut pit extents. Outside of these extents, coal seams may be extracted by either extension of pit limits (due to changing economic circumstances or may be available for auger or forms of underground mining. Stripping ratios have not been used to define open cut Resources. Wards Well is considered a greenfields underground mining project with longwall mining potential in three seams. Underground Resources at Wards Well are limited by a minimum parent seam thickness of 2.0 metres with no maximum depth limit. Coal Resources have been restricted to areas of current tenure and no offsets from tenement boundaries, LOX lines or faults has been applied.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made	**Poitrel** The seams mined at Poitrel are sized to produce PCI and/or coking coal, depending on the seams that are mined. The washability and the products from each seam are well understood from 16 years of processing history and the extensive analytical testing that has been undertaken on the coals. Yield and ash grids from LIMN simulations have been produced at target ash contents, and at a range of cut-point densities. A minimum yield cut-off from these grids has not been applied as the site has the flexibility to blend low and high yield coals to manage the variability in washability. **South Walker Creek** The seams mined at SWC are washed to produce PCI coal. The washability characteristics from each seam are well understood from 26 years of processing history and the extensive analytical testing that has been undertaken on the coals. Yield and ash grids from LIMN simulations have been produced a range of cut-point densities. A minimum yield cut-off from these grids has not been applied as the site has the flexibility to blend low and high yield coals to manage the variability in washability. **Wards Well** The three target seams at Wards Well (GU0, GM0 and GL8) are generally medium to low volatile bituminous rank (ASTM) with a vitrinite reflectance of 1.08 – 1.49%. The three target coal seams have moderate raw ash contents ranging from the GM0 Seam (19.9 % ash) to the GL8 seam (28 % ash). The three target seams (GU0, GM0 and GL8) are likely to produce mid to low-volatile premium hard coking coal products.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made	No environmental factors or assumptions have been made with respect to the Resource estimate. The operating mines are subject of an Environmental Authority and are supported by an EIS that was approved prior to mine development.
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples The bulk density for bulk material must have been measured by methods that adequately	The in-situ density (RD_{is}) has been calculated from the analysed relative density (RD_{ad}) (tested in the laboratory), the inherent moisture (M_{ad}) and the calculated in-situ moisture using the Preston-Sanders equation as below: $RD_{is} = (RD_{ad} \times (100 - M_{ad}) / (100 + RD_{ad} \times (M_{is} - M_{ad}) - M_{is})$ The estimation methods of in situ moisture and density follow accepted industry standard.

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Criteria	JORC Code explanation	Commentary
	account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials	
Classification	The basis for the classification of the Mineral Resources into varying confidence categories Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data) Whether the result appropriately reflects the Competent Person's view of the deposit	The classification of Resources is based on geostatistical analysis of drill hole spacing (DHSA). This analysis was carried out for all three assets and included analysis of thickness and ash variables. Since the results for both ash and thickness have very similar DHSA results, and those Resources should be supported by both structural and coal quality points of observation, Resource classification polygons were only generated around boreholes considered as coal quality points of observation. The Resource polygons were trimmed to mine extraction limits for each seam, and to tenure limits. Isolated polygons around single points of observation were omitted **Poitrel** Seam / Measured (+/-10%) / Indicated (+/-20%) / Inferred (+/-50%) L12 / 525 / 1025 / 2300 L3 / 550 / 1025 / 2175 L4 / 325 / 625 / 1500 V1 / 450 / 775 / 1525 **South Walker Creek** Seam / Measured (+/-10%) / Indicated (+/-20%) / Inferred (+/-50%) MT1 / 500 / 1,000 / 2,200 MT2 / 400 / 650 / 1,450 MT / 600 / 1,100 / 2,200 MB / 500 / 1,000 / 1,900 MB2 / 800 / 1,500 / 2,900 HB / 250 / 550 / 1,300 **Wards Well** Seam / Measured (+/-10%) / Indicated (+/-20%) / Inferred (+/-50%) GU0 / 900 / 1,600 / 3,200 GM0 / 900 / 1,600 / 3,200 GL8 / GL7 / 900 / 1,600 / 3,200
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates	A technical due diligence session relating to this Resource and Reserve estimate was held in October 2022 with Palaris, Stanmore and GEAR attending. A formal audit has not been undertaken.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the Resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used These statements of relative accuracy and confidence of the estimate should be compared with production data, where available	The DHSA analysis provides the following degrees of confidence, considering the spacings used: ▪ Measured is up to +/- 10 % error @ 95% confidence ▪ Indicated is from +/- 10% to +/- 20% error @ 95% confidence ▪ Inferred is from +/- 20% to +/- 50% error @ 95% confidence

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Section 4 - Estimation and Reporting of Ore Reserves

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Resources are based on the geological models constructed by BHP on behalf of BMC, and the Resource classification polygons and estimate of coal Resources were prepared by Dr William Bamberry and Mr Brad Willis of Palaris Australia Pty Ltd. The estimate is reported as at 30 June 2022. The Reserves are included in, and not additional to, the JORC Resources as reported by Palaris Australia Pty Ltd.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	Mr John Pala has not visited the Poitrel and South Walker Creek mines however a site visits were completed by the Palaris technical team in 2021 as part of the due diligence process.
Study status	The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	**Poitrel** Open Cut mining has been undertaken at Poitrel since 2006. Palaris assess the project to have completed the following areas of study to a Feasibility level: Mining, Metallurgy, Economic, Marketing, Legal, Environmental, Social, Governmental, Native Title and Cultural Heritage. The Reserve estimation is based on a SPRY scheduling model for the purposes of due diligence on Poitrel. This model incorporates the current Poitrel open cut pit shell designs. Results from the model were used for independent economic viability testing. Mining of the open cut Reserves is considered technically achievable and economically viable. **South Walker Creek** Open Cut mining has been undertaken at South Walker Creek since 1996. Palaris assess the project to have completed the following areas of study to a Feasibility level: Mining, Metallurgy, Economic, Marketing, Legal, Environmental, Social, Governmental, Native Title and Cultural Heritage. The Reserve estimation is based on a SPRY scheduling model developed by Precision Mining Pty Ltd for the purposes of due diligence on South Walker Creek. This model incorporates the current South Walker Creek open cut pit shell designs. Results from the model were used for independent economic viability testing. Mining of the open cut Reserves is considered technically achievable and economically viable.
Cut-off parameters	The basis of the cut-off grade(s) or quality parameters applied.	**Poitrel** There is no specific cut off grades applied. The final target products are defined as 8.3% ash coking coal product and a 9.3% ash PCI coal product. A detailed mine layout in conjunction with a DCF model has been used to assess the economic extents of the pit. **South Walker Creek** There is no specific cut off grades applied. The final target product is defined as 9.2% ash PCI coal product. A detailed mine layout in conjunction with a DCF model has been used to assess the economic extents of the pit.

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Criteria	JORC Code Explanation	Commentary
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods.	**Poitrel** Open cut mining operations use a conventional strip mining method, using a combination of excavator, dozer push and cast blast. Access is via constructed haul roads and low wall ramps. The open cut mine is designed in consideration of the localised geology and geotechnical conditions, with geotechnical design parameters tabulated below:

Area / Pit Component	Minimum Bench Width m)	Batter Angle (deg)	Maximum Batter Height (m)
Main Pit (Highwall) - Tertiary	10	45	15
Main Pit (Highwall) - Weathered	10	65	30
Main Pit (Highwall) - Fresh	10	70	60
Main Pit (Highwall) – Fault Zone	10	45	45-60

Allowances for loss and dilution were made when estimating ROM Coal Reserves:

Ply	Roof Loss (m)	Floor Loss (m)	Edge Loss (m)	Roof Dil. (m)	Floor Dil. (m)	Edge Dil. (m)
L12	0.10		0.5			0.02
L3		0.05			0.07	
L4		0.05	0.5		0.07	
V1	0.10	0.05	0.5	0.00	0.07	0.02

Minimum recoverable coal thickness of 0.2 m

All unclassified Resources were removed from the Reserve. Of the coal scheduled in the open cut LOM plan, 54% was classified as Proved Reserve, 34% was classified as Probable Reserve and 12% was unclassified. The timing of these unclassified Reserves is towards the end of LOM and it is expected future drilling programs will further define the Resources.

Infrastructure at Poitrel includes mine water dams, access road, haulage roads, ROM stockpile area, CHPP, product stockpile area, train load out, offices and workshops and levees.

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Criteria	JORC Code Explanation	Commentary
Mining factors or assumptions	The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). The mining dilution factors used. The mining recovery factors used. Any minimum mining widths used. The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. The infrastructure requirements of the selected mining methods.	**South Walker Creek** Open cut mining operations use a conventional strip mining method, using a combination of dragline, excavator, dozer push and cast blast. Access is via constructed haul roads and low wall ramps. The open cut mine is designed in consideration of the localised geology and geotechnical conditions, with geotechnical design parameters tabulated below:

Area / Pit Component	Minimum Bench Width (m)	Batter Angle (deg)	Maximum Batter Height (m)
Main Pit (Highwall) - Tertiary	10-15	45-65	15
Main Pit (Highwall) - Weathered	10	65	30
Main Pit (Highwall) - Fresh	10	65-70	60

Allowances for loss and dilution were made when estimating ROM Coal Reserves:

Ply	Roof Loss (m)	Floor Loss (m)	Edge Loss (m)	Roof Dil. (m)	Floor Dil. (m)	Edge Dil. (m)
MT1	0.19	0.14	1.43	0.1	0.1	0.24
MT2	0.19	0.14	1.43	0.1	0.1	0.24
MT	0.19	0.14	1.43	0.1	0.1	0.24
MB	0.19	0.14	1.43	0.1	0.1	0.24
MB2	0.19	0.14	1.43	0.1	0.1	0.24

Minimum coal thickness recoverable 0.05 m

Maximum non separable parting thickness 0.44 m.

All unclassified Resources were removed from the Reserve. Of the coal scheduled in the open cut LOM plan, 81% is classified as Proved Reserve, 10% is classified as Probable Reserve and 9% was unclassified. Unclassified includes a mining area in the north where nil surface rights exist. The timing of these unclassified Reserves is towards the end of LOM and it is expected future drilling programs will further define the Resources and there will be opportunity to gain the surface rights.

Infrastructure at South Walker Creek includes mine water dams, access road, haulage roads, ROM stockpile area, CHPP, product stockpile area, train load out, offices and workshops and creek diversions.

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Criteria	JORC Code Explanation	Commentary
Metallurgical factors or assumptions	The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. Whether the metallurgical process is well-tested technology or novel in nature. The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. Any assumptions or allowances made for deleterious elements. The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	**Poitrel** ROM Coal from the open cut operation is planned to be washed to produce coking and PCI coal products at the Red Mountain CHPP. In-situ coal tonnages are calculated on an average 3.9% (in situ) moisture for the coal portion. An assumed 7% ROM moisture, 11% coking product moisture and 9% PCI product moisture was used for the calculation of Coal Reserves and Marketable Reserves. Marketable Reserves are estimated from ROM Reserves using the 8.3% ash and 9.3% ash coking and PCI products, respectively. The coking coal product is expected to yield between 55% to 67% based on modelling, with an average of 61% over LOM. The PCI product us expected to yield between 33% to 44% based on modelling, with an average of 38% over LOM. The Coking and PCI products appear to have lower yields as the L3 ply is processed to both a Coking and PCI product. Overall yield is expected to range between 64% and 78%, with an average of 70%. The product split is 62% coking and 38% PCI. Coking and PCI product specifications are detailed in the main body of the report. A full coal quality model was used to develop practical yields using LIMN simulations and reconciliation of the mine parameters with BMC performance and Palaris databases. **South Walker Creek** ROM Coal from the open cut operation is planned to be washed to produce PCI coal products at the South Walker Creek CHPP. In-situ coal tonnages are based on assumed 4.0% (in situ) moisture for the coal portion. An assumed 6% ROM moisture and 9.6% PCI product moisture was used for the calculation of Coal Reserves and Marketable Reserves. The PCI coal product is expected to yield between 74% to 81% based on modelling, with an average of 78% over LOM. A full coal quality model was used to develop practical yields through the use of LIMN simulations and reconciliation of the mine parameters with BMC performance and Palaris databases.
Environmental	The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	**Poitrel** The tenements at Poitrel comprise Mining Lease's 1791, 4749, 70312 and 70116 and Exploration Permit Coal 1646 and 1951. An EIS was completed in 2005. Poitrel has the required Environmental Authority (EA) (EPML00963013) to undertake mining and processing operations. Overburden material is capped and rehabilitated as per the EA requirements. Stanmore assesses and monitors environmental and approval risks on an ongoing basis for their current mines and this is assumed to transfer to Poitrel. **South Walker Creek** The tenements at South Walker Creek comprise Mining Lease's ML4750, ML 4751 and ML70131, Mineral Development Licence MDL235 and Exploration Permit Coal EPC1647, EPC2071 and EPC2109. South Walker Creek has the required Environmental Authorities (EA) (EPML001712313) to undertake mining and processing operations. Overburden material is capped and rehabilitated as per the EA requirements. SMC assesses and monitors environmental and approval risks on an ongoing basis for their current mines and this is assumed to transfer to South Walker Creek.
Infrastructure	The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.	**Poitrel** Key infrastructure already exists at Poitrel including CHPP for coal processing, means of disposing of rejects and tailings, rail spur and balloon loop and train load out facility, internal haulage roads, water supply, power and communications. The workforce is accommodated at the nearby Coppabella camp. **South Walker Creek** Key infrastructure already exists at South Walker Creek including CHPP for coal processing, means of disposing of rejects and tailings, rail spur and balloon loop and train load out facility, internal haulage roads, water supply, power and communications. The workforce is accommodated at the nearby Nebo camp.

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Criteria	JORC Code Explanation	Commentary
Costs	The derivation of, or assumptions made, regarding projected capital costs in the study. The methodology used to estimate operating costs. Allowances made for the content of deleterious elements. The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products. The source of exchange rates used in the study. Derivation of transportation charges. The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. The allowances made for royalties payable, both Government and private.	Palaris prepared a fully costed, first principles, financial model during the due diligence process in order to estimate operating costs and to determine the operating mines are economically viable. Exchange rates were based on Consensus Economics (October 2021) foreign exchange forecast. Capital and operating cost estimates were prepared from information gleaned during the due diligence process and from Palaris' databases and are considered appropriate and viable. The financial model considers all project and sustaining capital required to undertake the mining schedule as well as royalties and levies. A revised State Government Royalty came into effect on 1 July 2022 and is payable at the rate of: ▪ 7% for equal to or less than $100/t selling price (A$) ▪ 12.5% between $100 and $150/t ▪ 15% between $150 and $175/t ▪ 20% between $175 and $225/t ▪ 30% between $225 and $300/t ▪ 40% above $400/t
Revenue factors	The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	**Poitrel** A marketing report was undertaken by M Resources, who estimated the realised price for Poitrel's coking and PCI products relative to the Low Volatile Hard Coking Coal Index and Low Volatile PCI Index, respectively. Consensus Economics (October 2021) macroeconomic inputs were used for purposes of undertaking the economic viability test. **South Walker Creek** M Resources also estimated the realised price for South Walker Creek PCI products, providing a price relativity to the Low Volatile PCI Index. Consensus Economics (October 2021) macroeconomic inputs were used for purposes of undertaking the economic viability test.
Market assessment	The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. A customer and competitor analysis along with the identification of likely market windows for the product. Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	A market assessment was conducted by M Resources on the SMC assets, having regard to quality, marketing arrangements and strategy. In relation to the quality of SMC coals, both Poitrel and South Walker Creek produce consistent, high quality metallurgical products. The products are available from strategic east coast Australian ports making the coals highly marketable in a wide range of geographies and in essentially all market conditions. BMC has been able to demonstrate a track record of shipments at stable quality to all major metallurgical coal importing markets, and an ability to adapt to changing market conditions, such as the import ban of Australian coal to China. M Resources' market assessment combined independent external forecasts with in-house research and direct market feedback. M Resources has identified the addressable market for BMC coals is the seaborne metallurgical coal market, and that from 2021 to 2035 this market is expected to increase from some 290 Mt in 2021 to approximately 375 Mt in 2035. Importantly, the seaborne PCI market, as a subset of the metallurgical coal market, is forecast to demonstrate a demand increase of 20 Mt per annum over the same period. PCI is important to the economic operation of a blast furnace as it increases productivity through displacement of coke, and PCI has an important function in maintaining unit carbon emissions per tonne of hot metal as low as possible with existing technology. The forecast net seaborne demand increase for metallurgical coal is mostly driven by deployment of blast furnace based steel production through India and South East Asia, as steel consumption patterns grow towards average regional levels. Increased seaborne demand for metallurgical coal takes into account a peak and decline in Chinese steel production, as well as increasing share of electric arc based steel derived from scrap in China.

Criteria	JORC Code Explanation	Commentary
Economic	The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.	Palaris has undertaken mine design and scheduling for the purposes of due diligence and evaluated them in the Palaris first principles DCF model. Mining costs were built-up on a first principles basis informed by an assessment of cost elements such as mining contracts, Enterprise Agreements, OEM supplied fuel burn and maintenance costs for major equipment, energy and water costs. All modelling was conducted on a real basis using a discount rate of 8%. Depreciation of capital is on a double declining balance method. Analysis shows a positive NPV for the LOM. South Walker Creek and Poitrel's NPV is not disclosed due to its commercially sensitive nature. Sensitivities were conducted on several parameters to test economic viability, which included: • Operating costs • Coal price • CHPP yield • Foreign exchange rate • Capital costs • ROM production • Closure costs South Walker Creek and Poitrel are most sensitive to export coal price, CHPP yield and operating costs. However, all years of the mine life show a positive operating cash flow.
Social	The status of agreements with key stakeholders and matters leading to social licence to operate.	Nil agreements outstanding.
Other	To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the Reserve is contingent.	**Poitrel** There are no identified naturally occurring material risks that have a material impact on the Reserve. **South Walker Creek** There are no identified naturally occurring material risks that have a material impact on the Reserve. The status of Mineral Tenements is outlined in Section 3 Tenure. A twenty-one year renewal application was lodged on 28th January 2020 for ML4750, ML4751 and ML70131, with these Mining Leases continuing without interruption whilst the application is assessed by the regulator. There are no expected impediments to renewal. Approvals are required for two mining areas, MRA 2C and Toolah Pits. It is Palaris view there are reasonable grounds to expect approvals for mining and therefore it is reasonable to include these mining areas in the Reserve estimate. All other approvals for mining are in place.

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Criteria	JORC Code Explanation	Commentary
Classification	The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Mineral Resource to Ore Reserve conversion: • Mining domains within Measured Resource areas have been converted to Proved Reserves • Mining domains within Indicated Resource areas have been converted to Probable Reserves • Mining domains within Inferred Resources have not been converted to Reserves **Poitrel** The Reserve estimate consists of 54% Proved, 35% Probable and 11% unclassified. This appropriately reflects the view of the Competent Person regarding the confidence levels for Poitrel Reserves. **South Walker Creek** The Reserve estimate consists of 86% Proved, 11% Probable and 3% unclassified. This appropriately reflects the view of the Competent Person regarding the confidence levels for South Walker Creek Reserves.
Audits or reviews	The results of any audits or reviews of Ore Reserve estimates.	A technical due diligence session relating to this Resource and Reserve estimate was held in October 2022 with Palaris, Stanmore and GEAR attending. A formal audit has not been undertaken.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The confidence level determined in Resources was estimated by Dr William Bamberry and Brad Willis, the Competent Person signatory for Resources. Distances from boreholes used in Resource classification are derived from geostatistical drill hole spacing analyses. John Pala considers the Resource categories are appropriate for the Reserve classification. This meant it was possible to directly transfer Measured Resources into Proved Reserves and Indicated Resources into Probable Reserves for all areas with sufficient Reserves confidence. As with most mines the pit extents are heavily reliant on forecast coal prices and foreign exchange. Material negative changes in these forecasts are likely to reduce mining extents. As South Walker Creek and Poitrel are operating mines there is a high level of confidence in ability to achieve the modifying factors, productivities and operating costs detailed in the DCF model and utilised for this Reserve statement.

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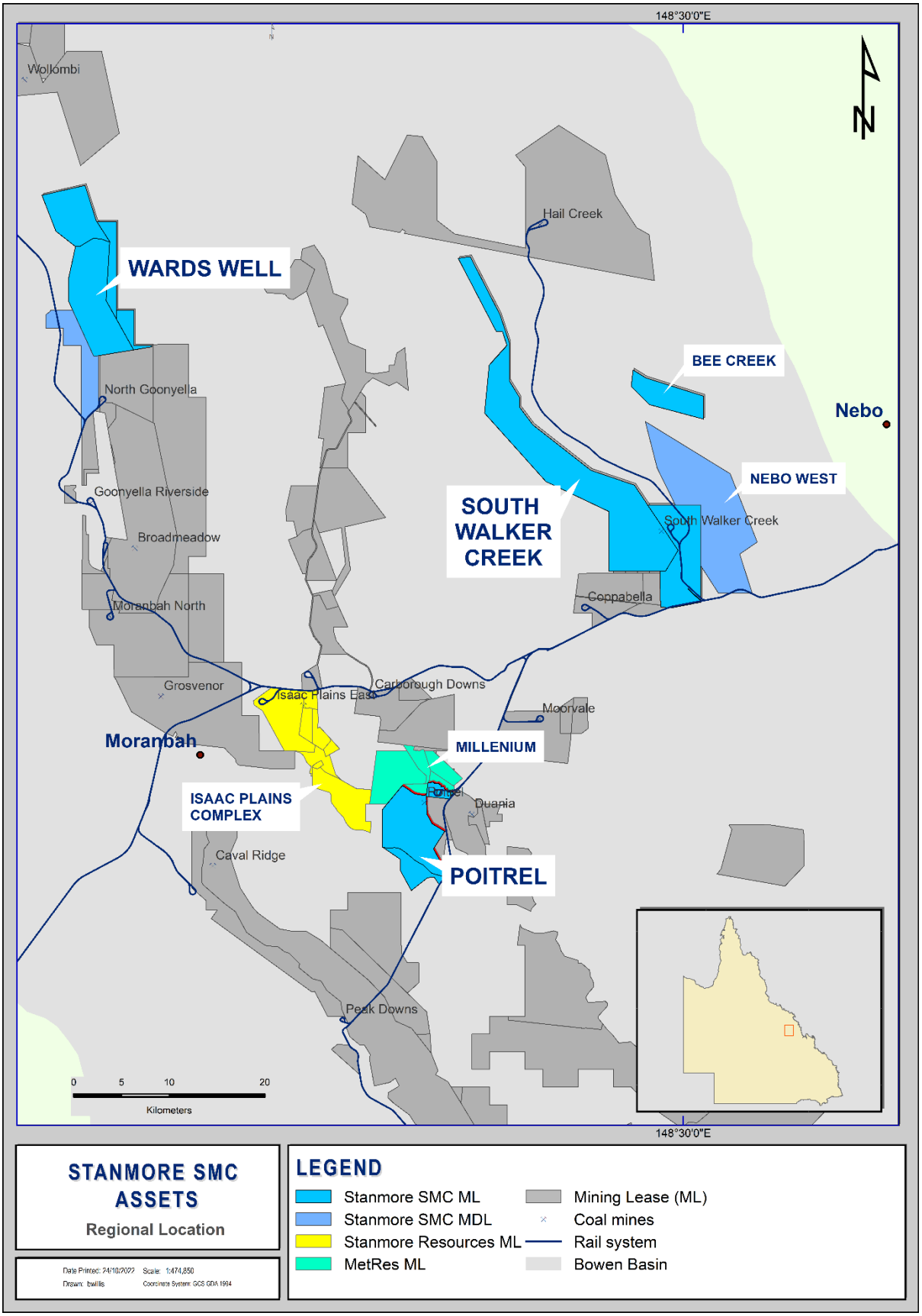
Appendix B

MAPS AND PLANS



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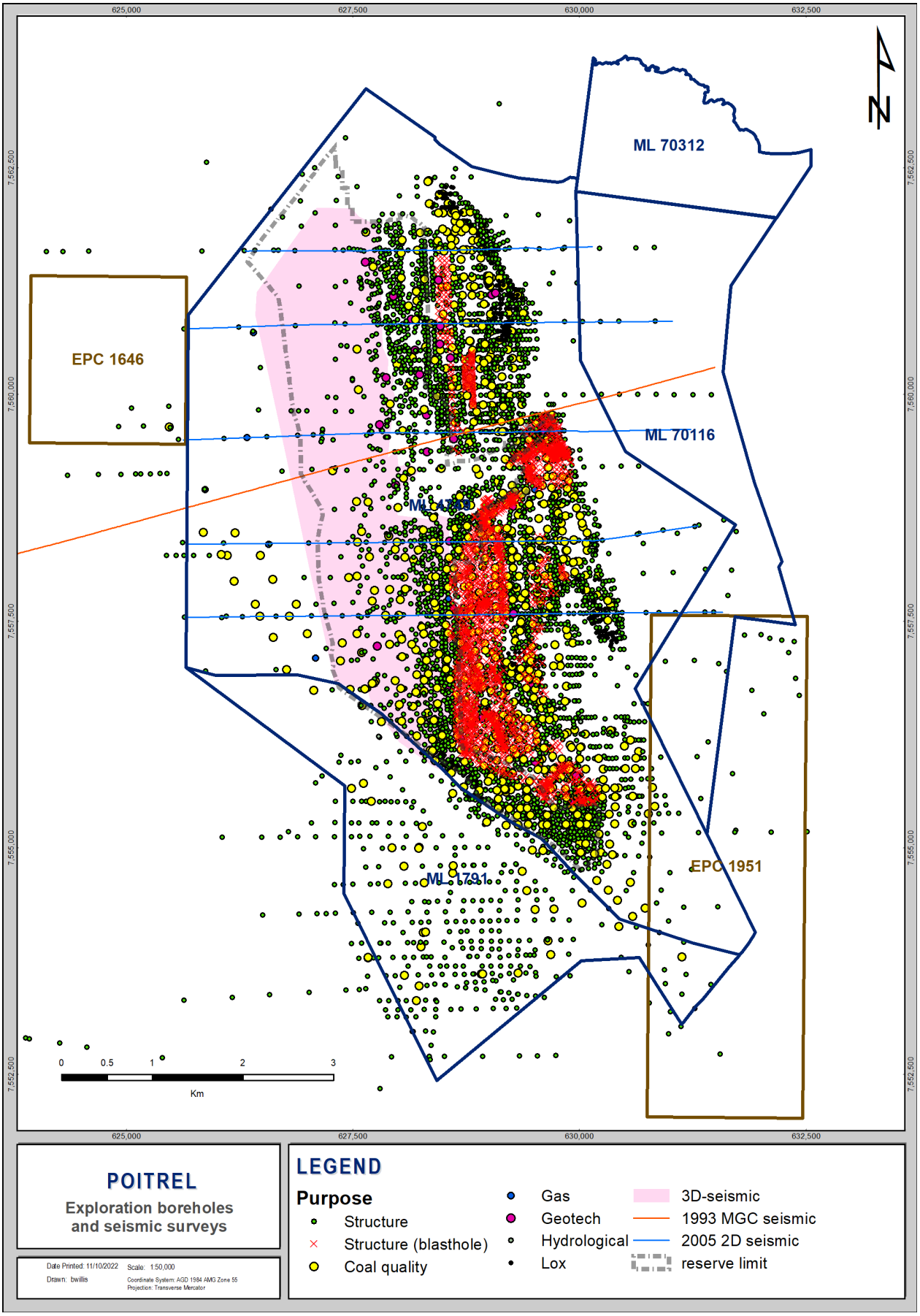

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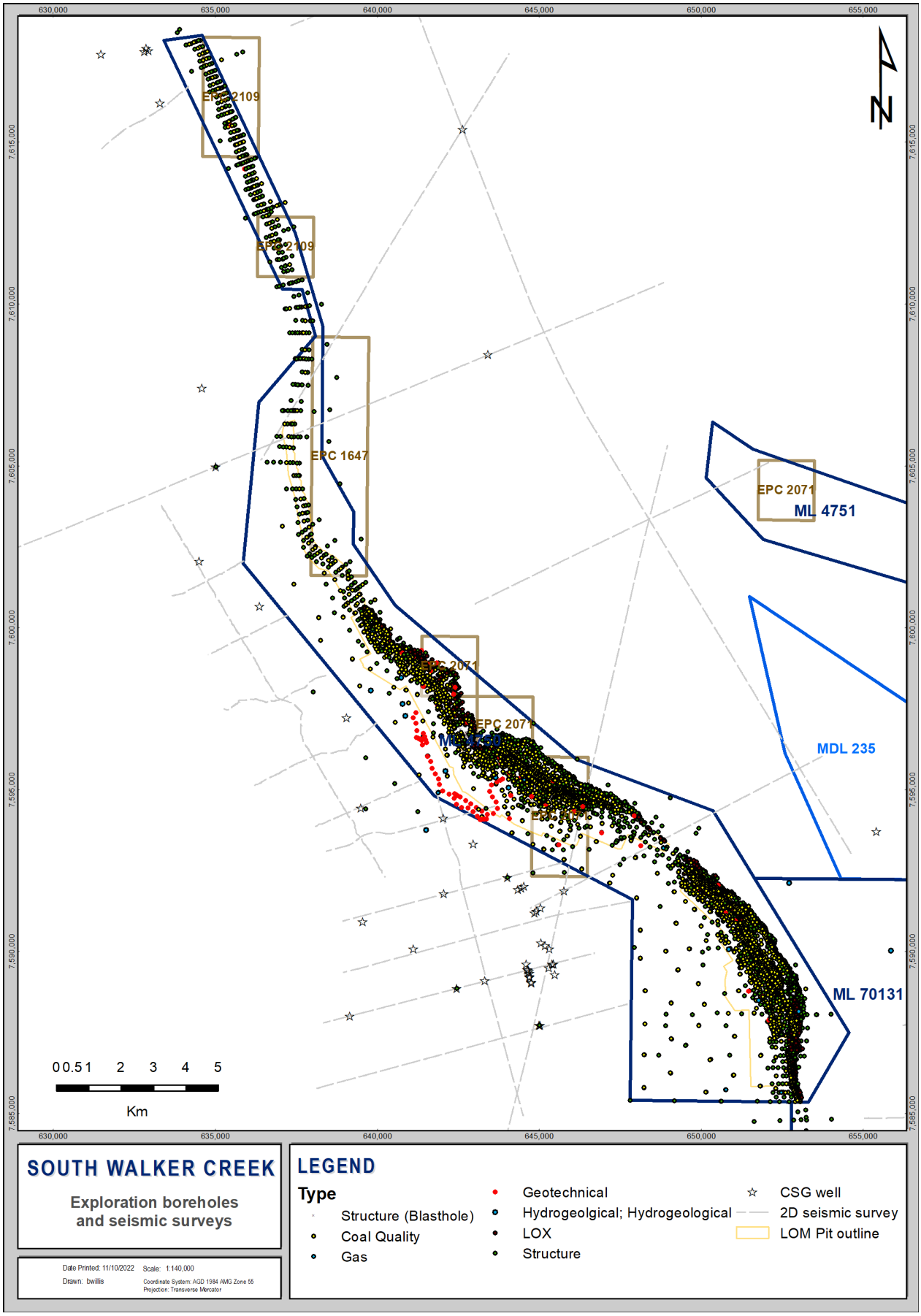

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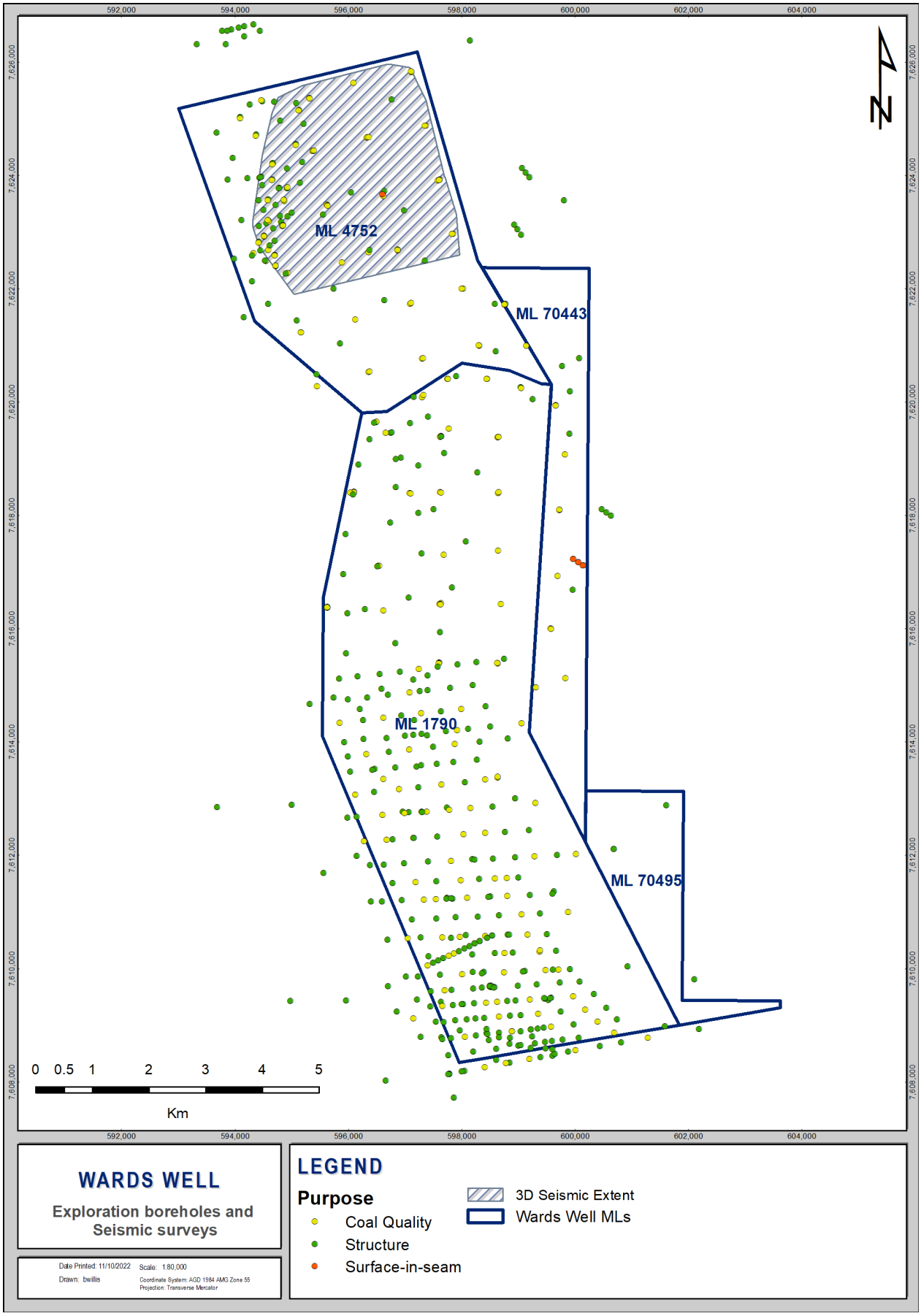

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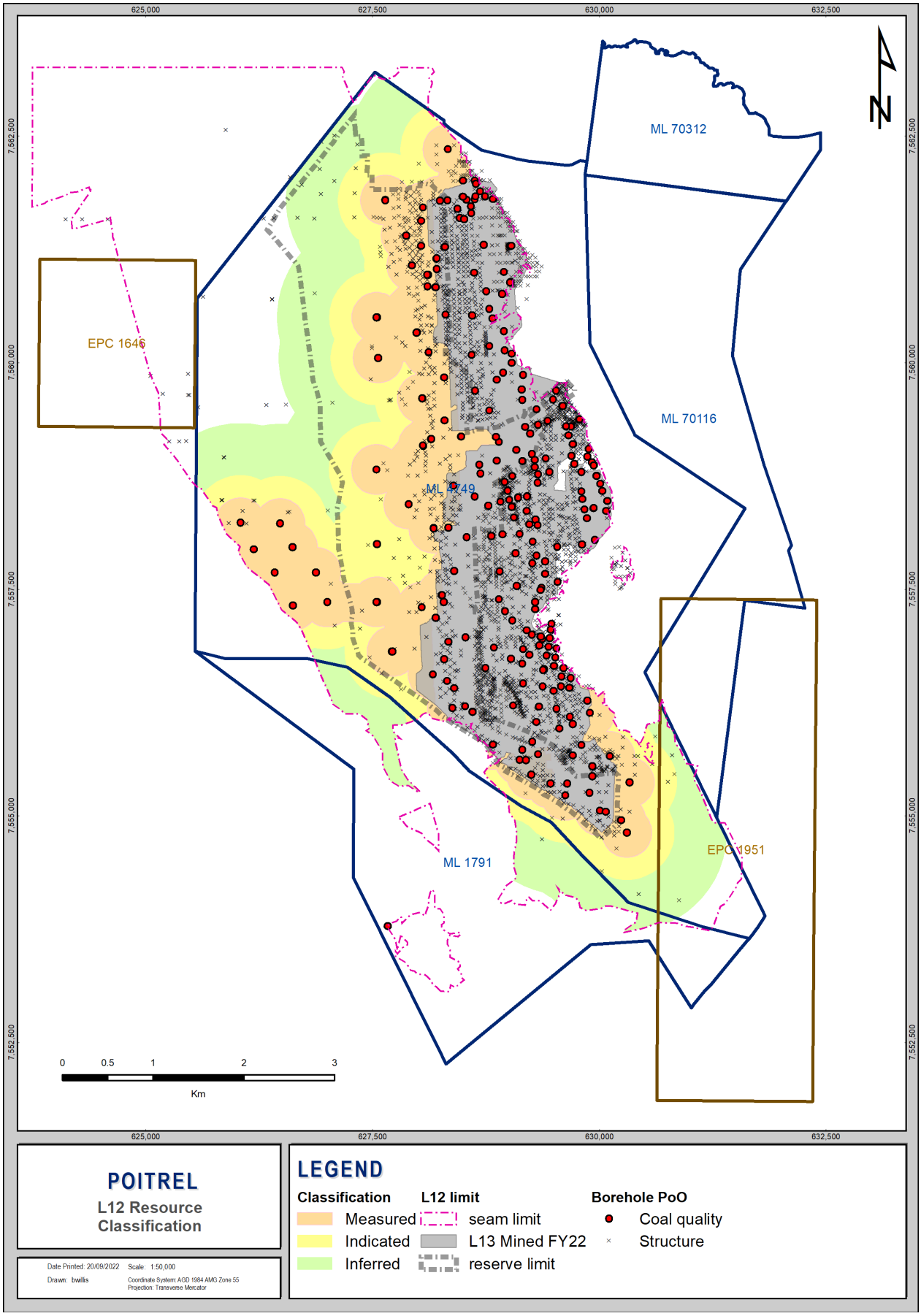

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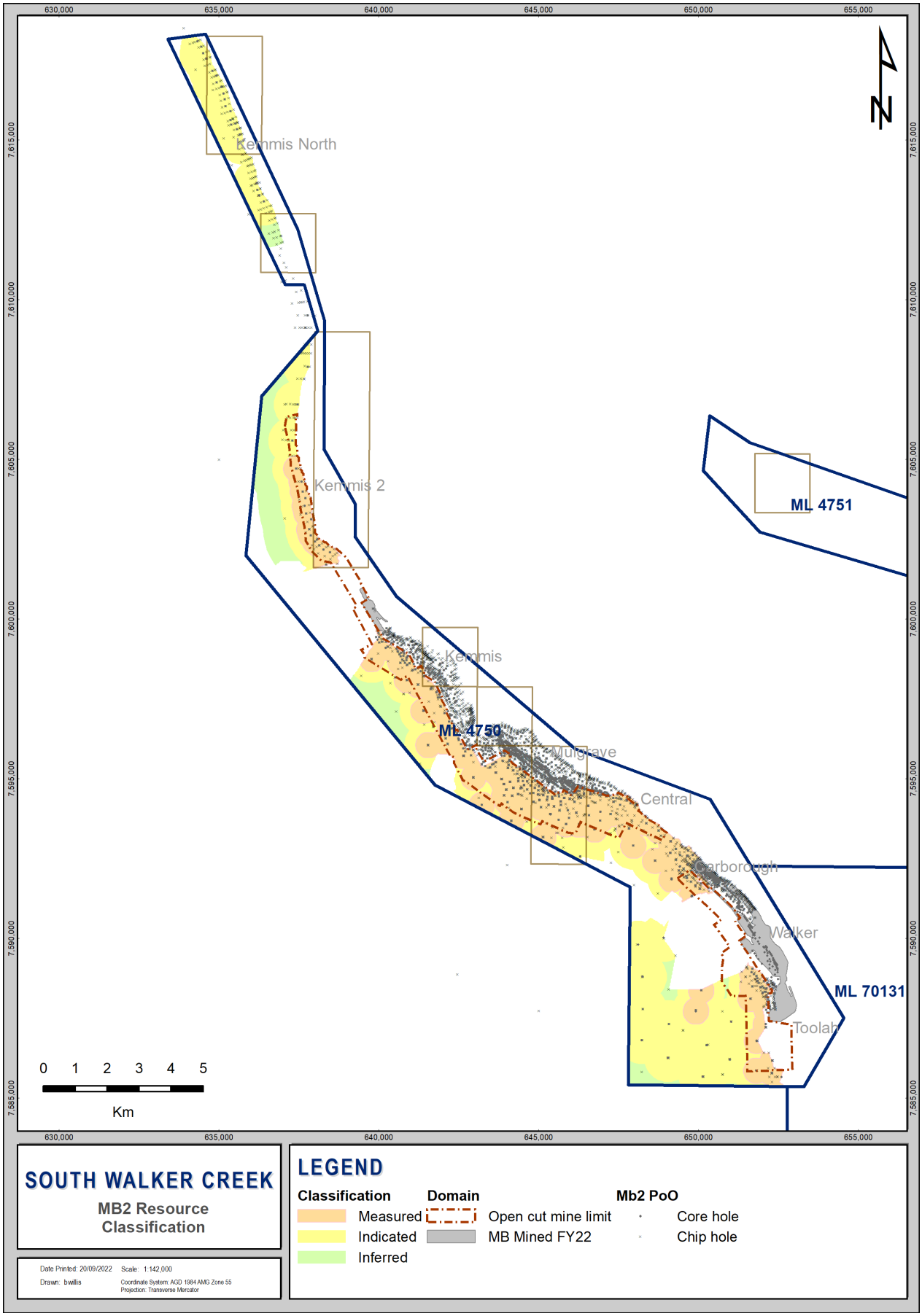

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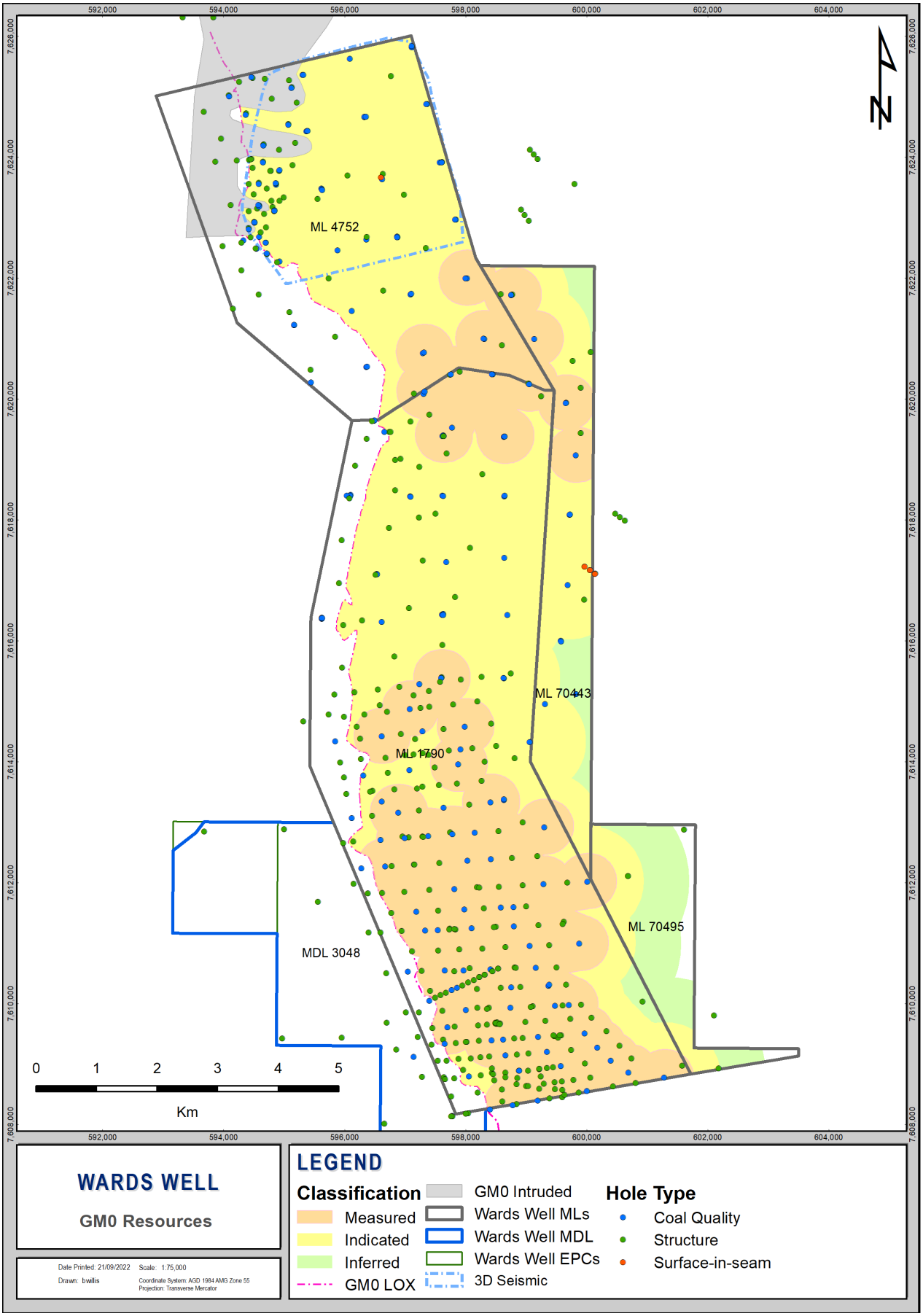

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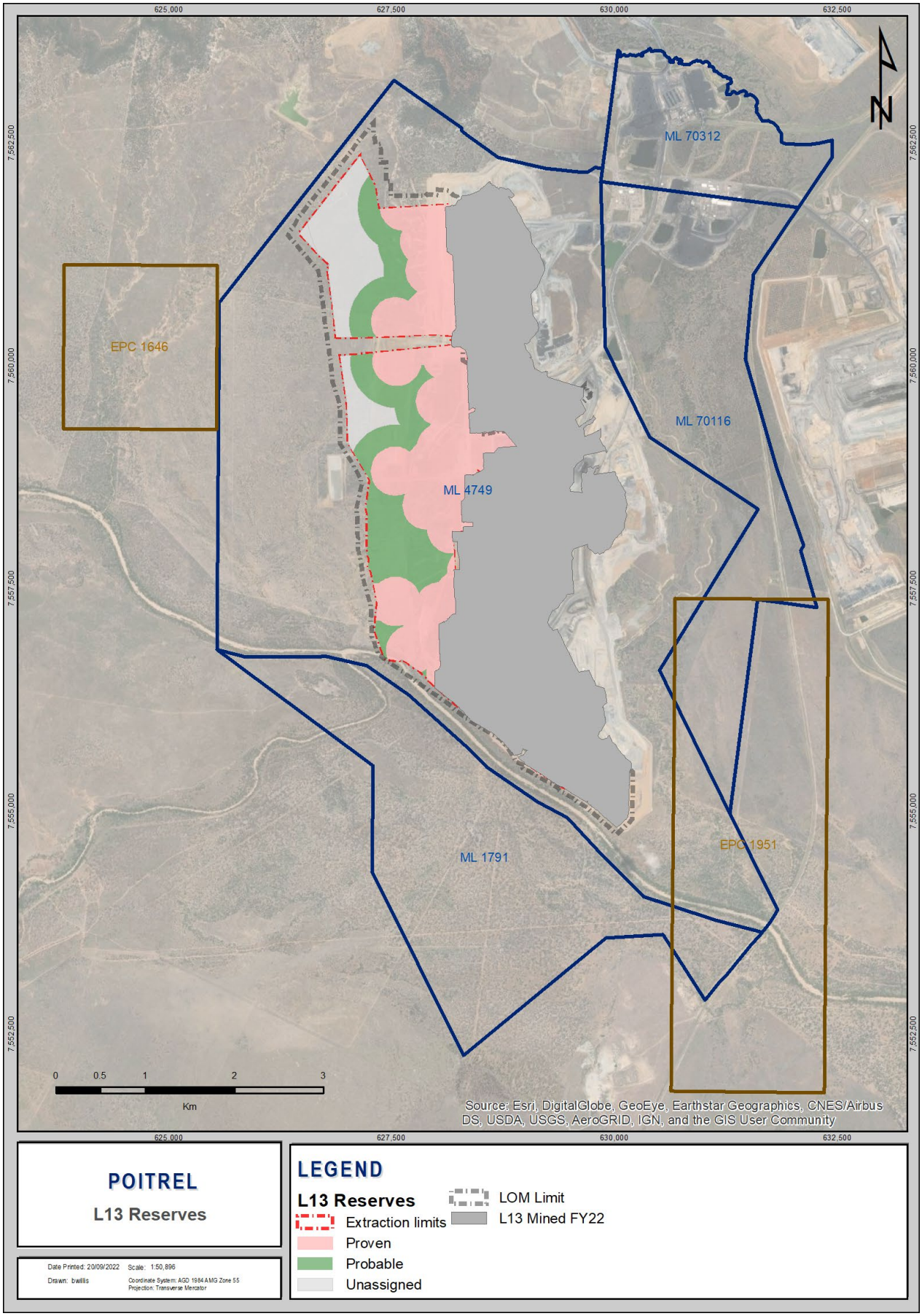
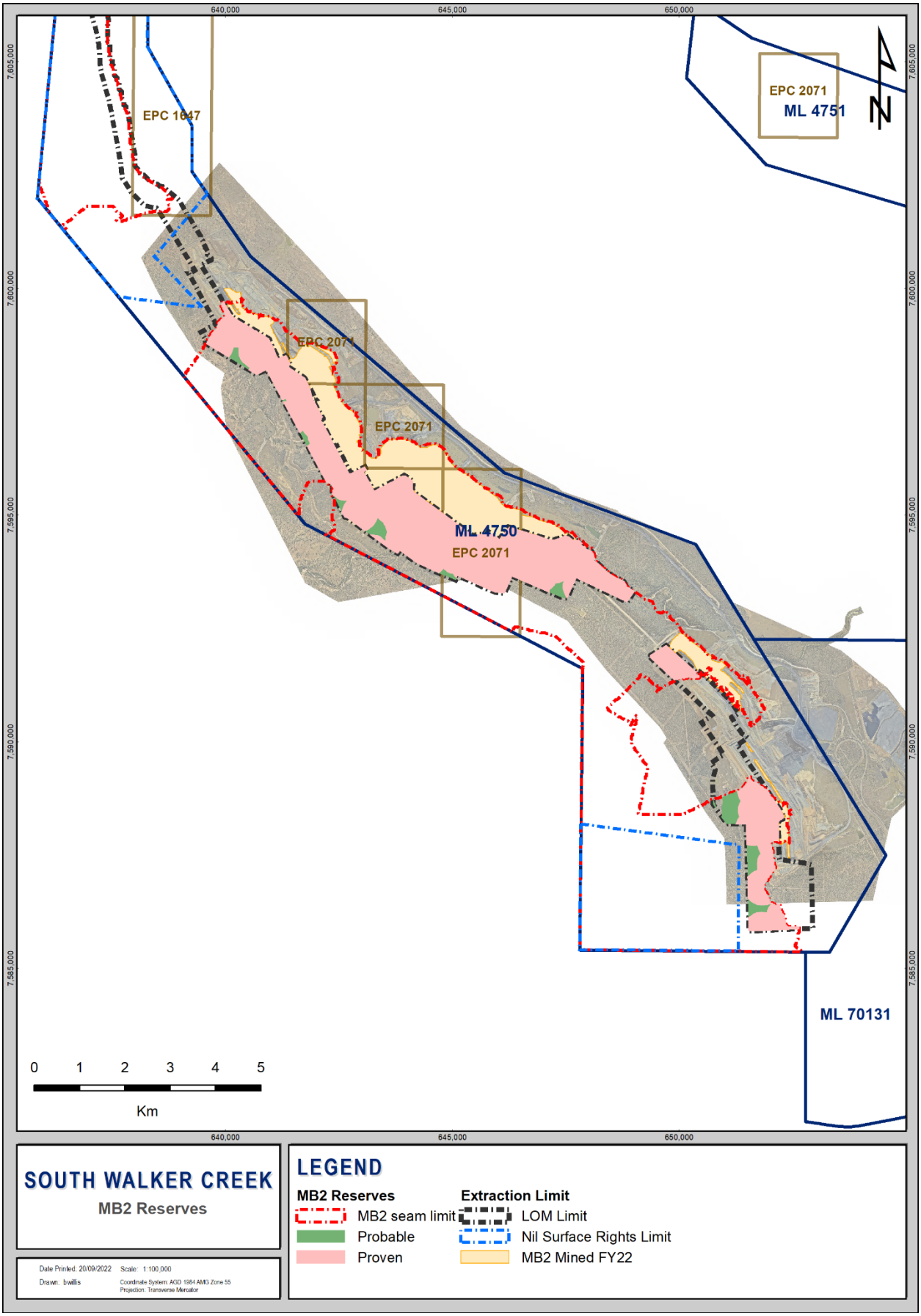
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