



31 May 2023

CHAIR'S AGM ADDRESS

Dear Stanmore Shareholders

Before I begin my address to shareholders, I would like to acknowledge the Barada Barna people, who are the Traditional Owners of the land on which the Isaac Plains Complex, South Walker Creek and Poitrel mines operate, and the Widi people who share some of the Country surrounding South Walker Creek, and pay my respects to their Elders, past, present and emerging. I would also like to pay my respects to the Yuggera and Turrbal people, who are the Traditional Owners of the land on which our corporate office is based.

Over the course of 2022, Stanmore has capitalised on the strategic moves made during the previous financial year, which have positioned the Company as one of the world's largest exporters of metallurgical coal.

We successfully completed the acquisition of 80% of BMC in May 2022, and the remaining 20% of the re-named Stanmore SMC in October 2022, taking full ownership of the South Walker Creek and Poitrel mines. Benefiting from the tailwinds created by continued strong demand and pricing for metallurgical coal exports, we began to realise the synergies from integrating these mines into our operations.

Our world-class portfolio of four operating mines and three wash plants, located within a 50-kilometre radius of each other and in the world's leading metallurgical coal region, delivered record production and financial results.

The strong financial performance enabled the Company to reduce net debt to US\$183 million at the end of December 2022, from a peak of US\$795 million immediately before the BMC acquisition. We also closed out the financial year with a cash position of US\$432.4 million.

As a result, Stanmore has a strong financial platform for capital management and to achieve our strategic priorities. We will continue to focus our energies on optimising our operating assets, and investing in capital-efficient opportunities for incremental increases in production at our mines and across our development portfolio.

At the same time, we anticipate that the current market consolidation will continue. We will appropriately assess opportunities with a disciplined approach to capital investment, and concentrating on assets that align with our focus on the efficient production of in demand metallurgical coal.

Safety is our first and most important priority every day, and we are proud of our safety leadership and culture at Stanmore. While we managed record production and the successful integration of the new assets into the portfolio, the Company also recorded improved safety outcomes across an expanded workforce of more than 700 people. The performance of our business and our workforce over the course of 2022 has been outstanding by any measure.

Sustainability

I am pleased to report that Stanmore also made great strides in our sustainability journey during 2022. Our vision is to be a leading resources company in Australia, creating value through sustainable development. This means conducting our operations in a way that continuously seeks to minimise any adverse impacts on our people, communities and environment.

Our goal is to embed sustainability into the Company's operations and over time, move beyond compliance to a higher standard of performance. Establishing a Sustainability Committee of the Board, chaired by Caroline Chan, has been an important step towards achieving this goal. The Committee is responsible for overseeing the implementation of our strategy, and ensuring it is implemented in line with our business goals and values.

Safeguard Mechanism

The Commonwealth Government passed Safeguard Mechanism legislation on 31 March 2023, to reduce emissions limits on a trajectory that is consistent with achieving net zero by 2050. Our Poitrel and South Walker Creek mines fall within the mechanism and will be required to progressively lower emissions over time. The Company commissioned an independent energy assessment during 2022, to give us an accurate picture of energy usage at these mines, and to identify energy efficiency and renewable energy opportunities.

Key elements of the Safeguard Mechanism are yet to be finalised, and the Company continues to be involved in consultations with the Government about the details as they affect our business. We will update the market in due course, as these policy settings are finalised and the impact on our operations becomes clear. In the meantime, we continue to assess carbon abatement opportunities at our operations, and ways in which we can optimise carbon offset generation across our land holdings.

Governance

At the last general meeting of shareholders in May 2022, Matt Latimore, Brett Garland and Caroline Chan were elected as directors of the Company and have added significant skills and experience to our Board.

At today's meeting, four directors – our CEO, Marcelo Matos; and three non-executive directors: Mark Trevan, Richard Majlinder and myself – retire by rotation and are standing for re-election. I will introduce each of the directors who are standing for re-election during the proceedings of the meeting, before shareholders will be asked to cast their vote. As I noted earlier, unfortunately Mr Mark Trevan could not attend today's meeting due to personal reasons. Mr Trevan sends his apologies.

To strengthen the ability of the Company to attract and retain high-calibre Non-Executive Directors with the necessary skills and experience that are appropriate to the now increased size and complexity of Stanmore, the board has proposed to increase the Non-Executive Director fee pool to \$1,000,000.

Closing

On behalf of the Board, I would like to thank all of the staff and the leadership team of Stanmore. The outstanding performance of the business during the year has resulted from their hard work and dedication to the Company's success. I am especially grateful for their continuing commitment to the safe operation of our assets while delivering a record production year.

I would also like to thank my Board colleagues for their continuing efforts to guide the direction and performance of the business in a landmark year.

Finally, sincere appreciation and thank you to you, the shareholders of Stanmore Resources, for your continuing support as we build a world class, sustainable resources company.

Further information

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Media

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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.