



23 May 2024

## 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 we operate, and the Widi people who share some of the Country surrounding our South Walker Creek mine, and pay my respects to their Elders past and 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.

Our aspiration is to create an organisation that focuses on safety and operational excellence. The safety of our people and everyone on our sites is the first and most important priority for everybody at Stanmore. Our safety culture is based on continuous learning and improvement with a focus on the quality of safety interactions and investigations. During the year we reviewed the standard of safety investigations across our assets, to identify where we can lift our capability as a Company to prevent recurrence of hazards and future incidents, particularly those that have been repeated.

We are transitioning our injury reporting statistics to Serious Accident Frequency Rate or SAFR, which is the Queensland coal mining regulator's preferred measure across the industry. Stanmore's SAFR for 2023 was 0.19, which was well below the reported industry average. The new measure will support our efforts to identify and mitigate the risks of serious accidents, and provide improved industry-wide comparison of safety performance. Regrettably, our 12-month average Total Recordable Injury Frequency Rate or TRIFR increased to 3.2 per million hours over the course of the year.

2023 has been a standout year for the business, and for the shareholders of Stanmore Resources. The Company delivered total shareholder returns of more than 40%, which was approximately three times the ASX300 average of 13.7%. The return to shareholders includes the November 2023 Special Dividend of US 5.82 cents per share. In addition, a fully franked 2023 Final Dividend of US 8.4 cents per share was paid in March 2024.

These market-leading returns were built on record operational performances across our portfolio, and outstanding financial results.

On 18 September 2023, Stanmore was added to the S&P/ASX 300 Index, and on 18 March 2024, we were added to the S&P/ASX 200 Index. This reflects a resounding endorsement of what we have achieved in transforming the business to become a leading resources company in Australia, creating value for our stakeholders through sustainable development.

In 2023, the Company achieved record operational performances across all of our mines. Revenue increased by 4 percent to US\$2.8 billion, compared to US\$2.7 billion in 2022. While we achieved new records for saleable production and sales volumes, average sales prices moderated from their peaks in 2022, which resulted in underlying EBITDA of US\$1.10 billion, compared to US\$1.46 billion the previous year.

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The business generated operating cash flow of US\$737 million allowing us to strengthen the Company's financial position, ending 2023 with a net cash position of US\$126 million after commencing the year in a net debt position of US\$183 million providing Stanmore with a strong financial platform for capital management and achievement of our strategic priorities.

We also paid A\$835 million in royalties to the Queensland government during the year.

We continue to invest in exploration to identify opportunities to expand production at our existing operations. Our priority is to be able to mine in lower strip ratio areas which are close to our operating infrastructure, and therefore more profitable.

We have progressed our pre-feasibility works for the Lancewood hard coking coal project.

We also continue to pursue M&A projects that open new pathways to profitable growth and especially providing synergies to our existing infrastructures.

The highlight has been our acquisition of the Eagle Downs joint venture and Eagle Downs South tenements through two transactions, after the reporting period. Eagle Downs is a fully permitted option to develop a world class, high-quality hard coking coal underground project which complements our existing portfolio.

Last month, we also completed the sale of the southern area of the Wards Well tenements which realises additional value from the assets we acquired in 2022, and allows us to focus on the capital-efficient expansion opportunities in the northern part of the deposit and the Lancewood tenements.

### Sustainability

Our vision is to be a leading resources company in Australia, creating value through sustainable development. This means conducting our operations in a responsible way that continually manages and seeks to minimise any adverse impacts on our people, communities and environment.

Over the course of 2023, we developed a number of foundational documents that will guide us to meet our sustainability goals. Our Sustainability Policy has been approved by the Board. We have also developed a comprehensive Social Performance Strategy and five-year Sustainability Roadmap, and we are continuing to develop our Decarbonisation Plan.

Mandatory climate-related financial reporting is likely to be required for ASX listed companies from 1 January 2025, which means Stanmore will first make these disclosures for the year ending December 2025. We have designed our climate risk management processes to align with the recommendations of the Task Force on Climate-Related Financial Disclosures and are well positioned for compliance with the new disclosure requirements.

The Commonwealth Government's Safeguard Mechanism was reformed to introduce new obligations and reporting requirements from 1 July 2023. Our Isaac Plains Complex, Poitrel and South Walker Creek mines are included in the mechanism and will be required to progressively reduce the intensity of their carbon emissions. The financial impact of this obligation will be a function of the emissions intensity of our mines as well as available abatement technologies, the cost of carbon offsets, and any future changes to the mechanism.

## Governance

At today's meeting, one director, Jimmy Lim, retires by rotation and is standing for re-election.

Mr Mark Trevan resigned for personal reasons as a Director on 30 June 2023. I would like to sincerely thank him for his service to Stanmore Resources and his contribution to the Board.

Ms Keira Brennan was appointed to the Board as an Independent Non-Executive Director on 12 April 2024 to fill the vacancy created after Mr Trevan's retirement. Keira has more than 30 years' experience advising in the resources and energy sectors and is recognised as one of Queensland's leading lawyers in these industries. Shareholders will be asked to vote to confirm Ms Brennan's appointment at this meeting.

I will introduce Mr Lim and Ms Brennan during the proceedings of the meeting before shareholders will be asked to cast their votes on these resolutions.

## Closing

On behalf of the Board, I would like to thank all of the staff, the leadership team, partners, advisors, Traditional Owners of the land on which we operate and all relevant stakeholders of Stanmore. The outstanding performance of the business during the year would not have been achieved without 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 fellow directors for their continuing efforts to guide the direction and performance of the business in a standout year for Stanmore.

Finally, thank you to you, the shareholders of Stanmore Resources, for continuing to place your trust in the Board and leadership as stewards of the business, and for your support for our vision to build a world class, sustainable resources company.

## Further information

### Investors

investors@stanmore.net.au

### Media

media@stanmore.net.au

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

*Stanmore Resources Limited controls and operates the South Walker Creek, Poitrel, Isaac Plains Complex and Millennium Complex 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 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.*



23 May 2024

## CHIEF EXECUTIVE OFFICERS AGM ADDRESS

I would like to begin by acknowledging the Barada Barna people, who are the Traditional Owners of the land on which we operate, and the Widi people who share some of the Country surrounding our South Walker Creek mine. I would like to pay my respects to their Elders past and 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 and where today's meeting is being held.

It is my pleasure to provide an update for shareholders on another outstanding year for Stanmore Resources.

### Health and Safety

Genuine care for our people and their safety is part of Stanmore's Mission. We are committed to safety as our number one priority and to always achieving the best possible outcomes.

Leading safety indicators were included in our Safety and Health targets for 2023 and are included in Stanmore's short-term incentive program, with the intention to drive focus on initiatives and actions to prevent safety incidents from occurring. This is part of a shift from a compliance-led safety culture, to one where everybody at Stanmore feels mutual ownership and accountability for health and safety outcomes.

As stated by the Chair, our Total Recordable Injury Frequency Rate increased in 2023. While this contrasts with a Serious Accident Frequency Rate which is still below the industry average, immediate and appropriate actions are required to reduce the number of incidents on our sites.

In 2024, we will focus on specific areas to improve health and safety outcomes. Our business-wide Safety Learning program will also continue to give our leaders time in the field with their teams, promoting a positive safety culture.

### Operational & Financial Performance

The operating and financial results delivered by our team in 2023 have been exceptional and demonstrate the exciting potential of our business.

2023 was the first full year of full ownership of the integrated asset platform made up of our three operating mines - South Walker Creek, Poitrel and the Isaac Plains Complex - located within close proximity. We delivered outstanding operational results across our sites including various production records. We also demonstrated the resilience of our operations and the ability of our people to adapt and react to the various wet weather impacts and other challenges experienced by our operations during the year.

The financial outcome of this performance enabled Stanmore to deliver market-leading returns to shareholders and strengthen our balance sheet further.

Strong performances across the portfolio delivered record Run of Mine coal production of 18.4 million tonnes, which was an increase of 36% over the previous year, with a full year of ownership of the South Walker Creek and Poitrel assets.

Saleable coal production rose by 44% for the year to 13.2Mt, which beat our 2023 Guidance range of 12.3Mt to 13.0Mt, and total coal sales were 13.1Mt.

South Walker Creek achieved a number of production records in the year after recovering from significant rainfalls in January and March. Saleable coal production was an all-time record of 6.3Mt.

Poitrel also recovered very well closing the year with saleable production of 4.0 Mt exceeding annual production guidance.

The Isaac Plains Complex also achieved a number of production records including an all-time record for saleable production of 2.9Mt, 21% up on the previous year.

Inflationary pressures and natural increases in strip ratios led to a marginal increase in operating costs, which was partially offset by robust production volumes and coal sales. Through disciplined cost management, we contained Free on Board cash costs, excluding royalties, to an average of US\$86 per tonne, which was below the guidance range of US\$87 to US\$93 per tonne.

The increase in full year saleable coal production drove profitability for the year, despite the fall in our average realised sales price to US\$214 per tonne compared to US\$290 per tonne in 2022.

Our financial results for 2023 allowed us to progress a number of capital efficient projects to keep improving the performance of our existing assets and set us up for a resilient future.

The expansion of South Walker Creek was approved during the year and will see run of mine production increase from 8.0 million ROM tonnes per annum to an annualised rate of 9.4Mtpa ROM by the third quarter of this year and reach annualised saleable coal production rates of 7.0Mtpa from early 2025.

We made good progress with the MRA2C project in 2023 and the project is ahead of schedule and below budget. It will allow us to access lower strip ratio, high yield and high value coal at South Walker Creek in early 2025, at very attractive rates of return and payback on our investment.

The extension of the southern levee at Poitrel progressed well during 2023 and has since been completed within budget. It will enable, together with the Ramp 10 North pit, mining to progress in the Southern and Northern parts of the mine from 2024 and sustain volumes for the next 10 years.

Development of Pit 5 North at Isaac Plains East commenced in the second quarter of 2023 and will produce 1.4Mt of run of mine coal during 2024 and 2025.

Conventional open-cut truck and shovel production ended at the Millennium Complex in the fourth quarter of 2023. The operation is now focused on underground coal mining in the Mavis Pit.

Pre-feasibility works to assess development options at our Lancewood project will be completed during 2024.

During 2023 and early in 2024, we also executed a number of M&A transactions.

In October 2023, we agreed to sell the Southern area of our Wards Well tenements for US\$136 million and additional contingent royalty streams. We will focus on development of the Northern parts of Wards Well and Lancewood tenements, and the sale agreements allow us to utilise potential latent coal processing capacity or expand existing infrastructure at Peabody's Centurion complex, which if proven attractive and advantageous could minimise the start-up capital required to develop Lancewood. This transaction was completed on 16 April 2024.

In December 2023, we also acquired the remaining 50% of the MetRes joint venture which owns the Millennium and Mavis Downs mines.

Subsequent to the end of 2023, in February this year, we signed agreements to acquire South32's 50% interest in the Eagle Downs joint venture and 100% of Eagle Downs Coal Management. In April 2024, we agreed to acquire the remaining 50% of the Eagle Downs joint venture and 100% of the Eagle Downs South tenements from Aquila Resources, controlled by the giant Chinese Steelmaker, BaoWu.

This is a high quality, fully permitted project with a substantial premium hard coking coal resource base located close to our existing operations. In acquiring 100% of the Eagle Downs project, Stanmore will gain full control over its development and is able to streamline management and leverage our strong technical capabilities, unique infrastructure and logistics portfolio to unlock the value of the asset to its full extent. Stanmore will seek to optimise development and take a capital efficient approach to any future investment decision.

The transactions for Eagle Downs are expected to be completed prior to the end of the third quarter of 2024.

These exciting development projects have the longer term potential to transform our production platform.

### Sustainability

We believe that strong sustainability values and performance can support strong operational and financial results.

We acknowledge that our operations have a direct impact on the environment and the nearby communities, and we are committed to minimising this impact and leaving a positive legacy.

I am pleased that we advanced our sustainability practices within the business during 2023, and made some important steps to set Stanmore up for future progress in this area.

The continued development of a Decarbonisation Framework and Plan has been one of the most important steps forward in our sustainability journey. The Plan, which is scheduled for completion in 2024, sets out practical actions and initiatives to reduce the carbon footprint of our operations. Executing the plan will be critical to meeting our emissions reduction targets under the Safeguard Mechanism reforms and minimising our offset obligations.

We have also prepared a comprehensive Social Performance Strategy which focuses on assessing and minimising our social impacts and engaging with our stakeholders. Our Community Investment Framework is an important element of the strategy, and guides our sustainable, long-term community investments that will make a positive difference.

The Stanmore Reconciliation Action Plan was formally endorsed by Reconciliation Australia on 17 August 2023. We are proud to have reached this milestone with the involvement of our Traditional Owners, the Barada Barna, Widi and Janga Peoples. Our plan is currently at the Reflect stage, which means that we are preparing for reconciliation by building relationships, respect and trust with Aboriginal and Torres Strait Islander stakeholders and communities.

## Closing

In closing, the performance of the business in 2023 has put Stanmore in a stronger position to focus on safety and operational excellence and deliver on our strategic priorities.

The contributions made by all our people are the foundation for the impressive performance of the business and the outcomes for shareholders. I would like to extend my personal thanks to our leadership team and all of our people for their hard work and dedication.

I would also like to thank the Board for their guidance and support during a standout year for Stanmore. Lastly, I would also like to thank shareholders for your continued support for the business.

## Further information

### Investors

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### Media

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# 2024 AGM

Date: 23 May 2024

Time: 01:00 pm (AEST)

Venue: Level 21, 111 Eagle Street, Brisbane



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## **WELCOME AND ORDER OF PROCEEDINGS**

- 1 Welcome
- 2 Chair's Address
- 3 CEO's Address
- 4 Formal Items of Business
- 5 Question Time
- 6 Voting
- 7 Meeting Close

**BOARD OF DIRECTORS**

**Mr Dwi Suseno**

Non-Executive Director, Chair of the Board

**Mr Marcelo Matos**

Executive Director and Chief Executive Officer

**Ms Caroline Chan**

Non-Executive Director, Chair of the Sustainability Committee

**Mr Jimmy Lim**

Non-Executive Director, Chair of the Remuneration and Nominations Committee

**BOARD OF DIRECTORS**

**Mr Brett Garland**

Non-Executive Director, Chair of the Health and Safety Committee

**Mr Richard Majlinder**

Non-Executive Director, Chair of the Audit and Risk Management Committee

**Mr Matthew Latimore**

Non-Executive Director

**Ms Keira Brennan**

Non-Executive Director



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## CHAIR'S ADDRESS

Mr Dwi Suseno



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**CHIEF EXECUTIVE  
OFFICER'S ADDRESS**

Mr Marcelo Matos



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# RESOLUTIONS



## Resolution 1: Remuneration Report



*'That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the year ended 31 December 2023 be adopted.'*

	<b>Proxy votes received</b>	<b>% of votes</b>	<b>Shareholders</b>
For	690,631,320	91.3	46
Against	65,634,977	8.7	16
Open	33,557	0.0	3

## Resolution 2: Re-election of Director – Mr Jimmy Lim



*'That Mr Jimmy Lim, who retires by rotation in accordance with rule 11.7(a) of the Constitution and, being eligible, offers himself for re-election as a Director of the Company, be re-elected as a Director of the Company'*



	<b>Proxy votes received</b>	<b>% of votes</b>	<b>Shareholders</b>
For	726,684,266	96.1	52
Against	29,552,377	3.9	9
Open	33,557	0.0	3

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## Resolution 3: Re-election of Director – Ms Keira Brennan



That the appointment of Ms Keira Brennan, who was appointed as a Director by the Board on 12 April 2024, be confirmed under rule 11.3(a) of the Constitution and that, in accordance with ASX Listing Rule 14.4, Ms Keira Brennan, being eligible and offering herself for re-election as a Director of the Company, be re-elected as a Director of the Company.'



	<b>Proxy votes received</b>	<b>% of votes</b>	<b>Shareholders</b>
For	755,212,792	99.9	51
Against	1,004,856	0.1	2
Open	42,552	0.0	5

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# Contacts

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