

# 2024 Half Year Results

## Strong 1H 2024 results

*"Stanmore's strong first half production performance has set up our portfolio well for the full year, with increased production at Poitrel forecasted to offset lower volume from Millennium, and full year production Guidance unchanged on a consolidated basis.*

*This has translated into higher sales and lower FOB cash costs for 1H 2024, flowing into a reduction in consolidated full year cost Guidance.*

*These improvements drove a first half underlying EBITDA of US\$375 million and operating cash flows of US\$208 million, enabling further deleveraging of the balance sheet and positioning Stanmore well for the future, as well as enabling the declaration of an interim dividend.*

*Having secured binding commitments to refinance our acquisition debt into new corporate debt facilities, will also strengthen our balance sheet, simplify our security structure and provide additional liquidity to the business overall.*

*In completing the 100% acquisition of the Eagle Downs project, Stanmore now has full control over the asset and can commence the detailed studies required to assess development and funding options.*

*Metallurgical coal prices moderated generally over the first half of 2024 compared to 2023, as supply conditions from East Coast Australia improved. PCI prices have recently strengthened relative to prime hard coking coal prices, with the company maintaining a strong forward sales program to be well placed through the second half of the year."*

*Marcelo Matos, Chief Executive Officer & Executive Director*

## Highlights

- First half 2024 Run of Mine (ROM) coal mined of 9.4Mt, saleable production of 6.8Mt and total coal sales of 7.0Mt, with full year Guidance updated to reflect additional volumes at Poitrel and reductions at the Mavis UG post closure, and still maintain full year consolidated saleable production at between 12.8 to 13.6 million tonnes
- Underlying EBITDA of US\$375 million, with lower 1H 2024 FOB cash costs and full year cost Guidance reduced by \$6 per tonne to US\$93 to \$98 per tonne (excluding royalties), primarily due to higher full year sales volumes and the removal of the higher cost Mavis underground, with the cash benefit of lower FOB cash costs partially offset by higher leasing cash impacts
- Declaration of a fully franked interim dividend to shareholders of US 4.4 cents per share
- US\$404 million cash as at June 30, with net cash of US\$192 million after accounting for long-term debt, which we subsequently have binding commitments to refinance into a new US\$350 million term loan, US\$100 million revolving credit facility and restructured Contingent Instrument facilities by traditional commercial bank markets
- Significant progress on the 2024 capital program with completion of the Southern levee extension at Poitrel and well advanced on MRA2C works and the Dragline 27 AC conversion at South Walker Creek, with no change to full year capital Guidance
- Completion of the sale of the southern portion of Ward's Well, with approximately US\$134 million cash consideration received on April 16, 2024; and completion of the acquisition of 100% of the Eagle Downs project subsequent to period end

## Safety

Stanmore's 12-month rolling Serious Accident Frequency Rate (SAFR) increased to 0.48 from 0.19 reported as at December 31, 2023, compared to the industry average of 0.56 (reported as at March 31, 2024, by Resources Safety and Health Queensland for Surface mines).

We also experienced an increase in hand and finger related as well as musculoskeletal recordable injuries and are constantly assessing our site existing procedures, focusing especially on recurring patterns. This includes improving on the quality of our investigations as well as on the quality of our field leadership engagement. In line with our proactive risk management strategy, we have finished a thorough review of principal hazards and critical control at our operations and are actively updating our site systems and Principal Hazard Management Plans for all recommendations made.

## Consolidated Production & Sales Performance

		June-24	Year-to-Date	June-23
<b>ROM Coal Mined</b>	Mt	<b>9.4</b>		9.1
ROM Strip Ratio	Prime	<b>8.1</b>		8.0
<b>Saleable Coal Produced</b>	Mt	<b>6.8</b>		6.4
Sales of Produced Coal	Mt	<b>6.9</b>		5.9
Sales of Purchased Coal	Mt	<b>0.1</b>		0.1
<b>Total Coal Sales</b>	Mt	<b>7.0</b>		6.0

## Consolidated Financial Performance

		June-24	Year-to-Date	June-23
Revenue	US\$M	<b>1,226</b>		1,493
EBITDA	US\$M	<b>407</b>		650
Underlying EBITDA	US\$M	<b>375</b>		650
Profit after tax	US\$M	<b>136</b>		340
Cash flow from operations	US\$M	<b>208</b>		395
Average sales price achieved	US\$/t	<b>175</b>		250
FOB cash cost (ex. royalties)	US\$/t sold	<b>91</b>		97
Capital expenditure	US\$M	<b>106</b>		46

Total Coal Sales increased to 7.0 million tonnes compared to 6.0 million tonnes in 2023 following improved production volumes and utilisation of strong inventory positions at December 31, 2023. Saleable coal produced increased to 6.8 million tonnes from 6.4 million tonnes which is at the top end of annualised volumes of Guidance range of 12.8 to 13.6 million tonnes previously provided in the Full Year Report and Accounts released by the Company on ASX on 26 February 2024 (**Guidance**). While the sales volume increase has driven profitability, the reduction in average realised sales price to US\$175/tonne has more than offset the increased sales volumes and reduced FOB cash cost per tonne to produce an Underlying EBITDA of US\$375 million.

Weather events (particularly in 1Q 2024) had an operational impact to 1Q 2024 compared to 1Q 2023, however operations recovered well with production targets achieved on an annualised basis as per Guidance. Performance

improvements from the coal logistics chains has assisted in driving the improved 1H 2024 sales volumes compared 1H 2023.

Cash generated from Operations decreased to US\$208 million from US\$395 million, following the reduction in average sales price received as well as an income tax payment made of US\$170m in June 2024 as anticipated.

FOB cash costs per tonne have decreased from the comparable period with robust sales and production volumes more than offsetting inflationary pressures, natural strip ratio increases, cost of expansion fleets at South Walker Creek, prioritisation of stripping at Poitrel and the higher cost Millennium complex, finishing the period lower than the Guidance range (US\$99/t to US\$104/t). Note that the cash impact of this improvement was partially driven by, and will be partially offset by, higher cash impacts of equipment leasing, that manifests in lease liability repayments, amortisation charges and interest costs.

Year to date capital expenditure is higher when compared to 1H 2023, due to the expansion projects in place at South Walker Creek including the MRA2C creek diversion, Y-South Pit Box-cut and the CHPP expansion. In contrast to 2023, in 2024 our capital expenditure was planned to be weighted towards the first half of the year, and remains on track to fall within the full year Guidance range (US\$165 to US\$185 million).

## Operational Highlights

### South Walker Creek

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	4.3	4.0
ROM Strip Ratio	Prime	7.2	8.3
Saleable Coal Produced	Mt	3.2	3.1
Total Coal Sales	Mt	3.2	2.9

Effective mining operations supported by optimised pit sequencing and healthy opening inventories has driven a robust production profile at South Walker Creek of 3.2Mt saleable coal, which is on plan for the full year. Wet weather early in the year did not materially impact on operations with lessons learned from 2023 assisting the mine response in 2024.

Strip ratio improvements and increases to ROM coal mined are a factor of pit sequencing and strong dragline performance in the period driving coal uncover rates. A quarterly record 8.6Mbcm in 1Q 2024 by the draglines has set the operation up for the remainder of the year. The 70-day shutdown to upgrade Dragline 27 to AC was successfully completed following the end of the 1H 2024 reporting period and following commissioning has recommenced at full production rates.

Coal sales were in-line with saleable production, supported by robust closing raw coal and product inventories.

### Poitrel

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	2.9	3.1
ROM Strip Ratio	Prime	9.5	8.1
Saleable Coal Produced	Mt	2.1	1.6
Total Coal Sales	Mt	2.3	1.6

The advancement of 786Kt of ROM coal from 1Q 2024 into 4Q 2023 strengthened opening ROM coal inventories and enabled strong wash plant utilisation driving improved saleable production performance compared to 1H 2023. This has also allowed Poitrel to prioritise overburden mining in 1H 2024, with 2H 2024 to focus more on coal production, building year end inventories and ultimately providing a similarly strong opening stock position for 2025. The higher stripping activities were also attributed to favourable digging locations, operational discipline and improvements in

equipment availability. Strip ratio increases are a consequence of the ROM coal brought forward into 4Q 2023, as well as from a reduction in capitalised volume from the Ramp 10 North (R10N) box-cut compared to prior period.

### Isaac Plains Complex

		Year-to-Date	
		June-24	June-23
ROM Coal Mined	Mt	2.0	2.0
ROM Strip Ratio	Prime	8.9	7.2
Saleable Coal Produced	Mt	1.3	1.6
Total Coal Sales	Mt	1.3	1.6

Timing of ROM coal to the CHPP has impacted 1H 2024 saleable production, noting in 1H 2023, ROM coal haulage by road to our Red Mountain CHPP assisted production and sales. Increased utilisation in the latter half of 1H 2024 of the primary crushing unit at the CHPP has resulted in saleable production performance improvements driving confidence for improved performance in 2H 2024 in stronger ROM coal and saleable production volumes.

Strip ratios have increased in the period with a combination of overburden mining of Pit 5 continuing in 2024 before realising the majority of coal mined in 2025 and at Isaac Downs as mining continued down dip.

Improving mining fleet performance with a focus on the underpinning drivers is providing a high level of confidence on achieving mined volumes over the remainder of 2024.

## Projects

### South Walker Creek

#### *Expansion Project to 9.4Mtpa of ROM Coal & 7.0 Mtpa Saleable Production*

Development of the critical Y-South pit continues to progress well, with all expansion fleets of excavators and trucks fully operational with first coal mined from Y-South in August 2024. Y-South is expected to contribute 13Mt of low strip ratio and high yielding ROM coal adjacent to the CHPP.

The CHPP expansion project continues to progress with 100% of the construction packages awarded with initial hardstand construction, piling and foundation work completed and structural works well underway. The tie-in of the new plant module is planned to occur concurrently with the 14-day CHPP major shutdown scheduled for 4Q 2024. The project remains in line with cost forecasts.

#### *MRA2C Project*

The project continued to perform well, remaining ahead of program and below budget. All ancillary works are complete, with over 5.3 million cubic metres moved to July 31, 2024. Bulk earthworks are scheduled to be completed early 4Q 2024 with 82% of bulk earthworks already completed.

The first pit to be mined in the MRA2C area post conclusion of the creek diversion is E-North, where commencement of clearing and box cut waste are also subject to the sign-off of our Biodiversity Offset Management plans submitted to the Federal Environment regulators.

### Poitrel Southern Levee & Ramp 10 Box Cut

The Southern Levee Extension Project is now complete including receipt of levee certification ahead of schedule and below budget.

Stripping of the Ramp 10 North box cut area continued, with completion expected 3Q 2024, enabling Poitrel to maintain or lower strip ratios in R10N in 2025. There is a planned reduction in the fleet size that coincides with the completion of the box cut stripping.

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## Isaac Plains Complex Pit 5 Development & MIA

Development of the small Pit 5 North continued in the period with various civil activities completed supporting pit establishment ahead of ongoing coal mining over the course of 2024 and 2025. Mining activities have faced challenging drill and blast conditions, which have contributed to an increase in strip ratio and blasting costs.

## Millennium Complex Underground Development

A total of 242Kt of ROM coal was mined in the period from underground operations, with 194Kt of saleable coal produced and net shipments of 206Kt.

As noted in a prior announcement, mining operations ceased on 28 June 2024 with the focus now on safely closing the Mavis E-Pit Underground mine and demobilising all contractors and equipment by end of 3Q 2024. As a result of the decision to close the operations at Mavis underground, a one-off, non-cash accounting impairment and restructuring charge of US\$59 million was taken at 30 June 2024.

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## Corporate & Guidance

### Cash

Stanmore concluded the period with a net cash<sup>1</sup> position of US\$192 million as at June 30, 2024. The sale of the southern portion of Wards Well to Peabody was completed, resulting in the receipt of approximately US\$134 million in cash consideration. Offsetting the cash receipt was an income tax payment in June 2024 of US\$170 million.

With a closing cash position of US\$404 million as at June 30, 2024, the balance sheet remains well positioned to meet future cash flow obligations.

### Financing

Stanmore paid the annual cash flow sweep under the terms of our Acquisition Financing Facility of US\$78 million during 1H 2024, which, together with scheduled amortisation payments of US\$30 million, reduced the principal balance of that facility to US\$210 million.

Also during the period, the Company extended the US\$70 million loan facility with Golden Energy and Resources Pte. Ltd. (GEAR) until 30 June 2026. This provides a continued source of additional liquidity for corporate purposes and general operating requirements as and when needed. The facility is currently undrawn.

Subsequent to the end of the half year, the Company successfully secured binding commitments to refinance the Acquisition Finance Facility, which will result in a new US\$350 million five-year amortising Term Loan Facility, US\$100 million Revolving Credit Facility and restructured Contingent Instrument facilities, with long-form legal documentation expected to be completed by the end of October 2024.

### Dividends

The Board of Directors of Stanmore have today resolved to declare a fully franked interim dividend of US 4.4 cents per share. This demonstrates the company's commitment to consistent shareholder returns, supported by the improved cash flow certainty established by our corporate refinancing.

The timing for the payment of this dividend is as follows:

- a) Declaration date: 26 August 2024
- b) Ex-Dividend date: 3 September 2024
- c) Record date: 4 September 2024

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<sup>1</sup> Unaudited net cash (debt) is calculated as the outstanding principal balance of any balance sheet debt facilities and finance leases, excluding lease liabilities accounted for under IFRS-16, less consolidated unrestricted cash on hand.

- d) Payment date: 18 September 2024  
 e) Payment currency: Australian Dollars  
 f) Foreign exchange: Reserve Bank of Australia published AUD/USD exchange rate at 4:00pm AEDT on Record Date

Full details are contained in the Appendix 3A.1 filed with the ASX on today's date.

## Other Corporate

The Company released its 2023 Sustainability Report on April 12, 2024. In addition, the Company also released its Modern Slavery Statement for the year ended 31 December 2023.

Subsequent to the end of the half year, agreements to acquire 100% of the Eagle Downs metallurgical coal Project from South32 and Aquila, together with the Eagle Downs South tenements from Aquila, were completed.

Subsequent also to the end of the half year, the Company announced it had entered into an agreement with the Queensland Government for funding under its Low Emissions Investment Partnership (LEIP) program towards a new 20MW gas to electricity power station at the South Walker Creek open cut coal mine.

## Guidance

Public Guidance for 2024 has been revised to reflect the Mavis Underground closure decision in the Millennium Complex, with consolidated saleable production now reflecting reduced annual output from this site. However, higher production from Stanmore's core operating sites is expected to fully offset this loss, reflecting the strong performance of Poitrel in particular, to keep full year saleable production Guidance unchanged.

FOB cash costs have been positively impacted by increased sales volumes and the removal of the higher unit cost of the Millennium Complex, resulting in a lower full year FOB cash cost range expected. Notwithstanding this, please note that this will be partially offset from a cash perspective by higher cash impacts of equipment leasing, manifested in lease liability repayments, amortisation charges and interest costs.

Full year capital expenditure Guidance is unchanged, with capital expenditure weighted more towards 1H 2024 vs. 2H 2024, as planned.

		Revised Guidance	February 2024 Guidance
<b>Saleable Production</b>	Mt	<b>12.8 – 13.6</b>	12.8 – 13.6
South Walker Creek	Mt	5.9 – 6.1	5.8 – 6.0
Poitrel	Mt	4.1 – 4.4	3.9 – 4.1
Isaac Plains Complex	Mt	2.6 – 2.9	2.6 – 2.9
Millennium Complex		0.2	0.5 – 0.6
<b>FOB Cash Cost</b>	US\$/t sold	<b>93 - 98</b>	99 - 104
<b>Capital Expenditure</b>	US\$ million	<b>165 - 185</b>	165 - 185

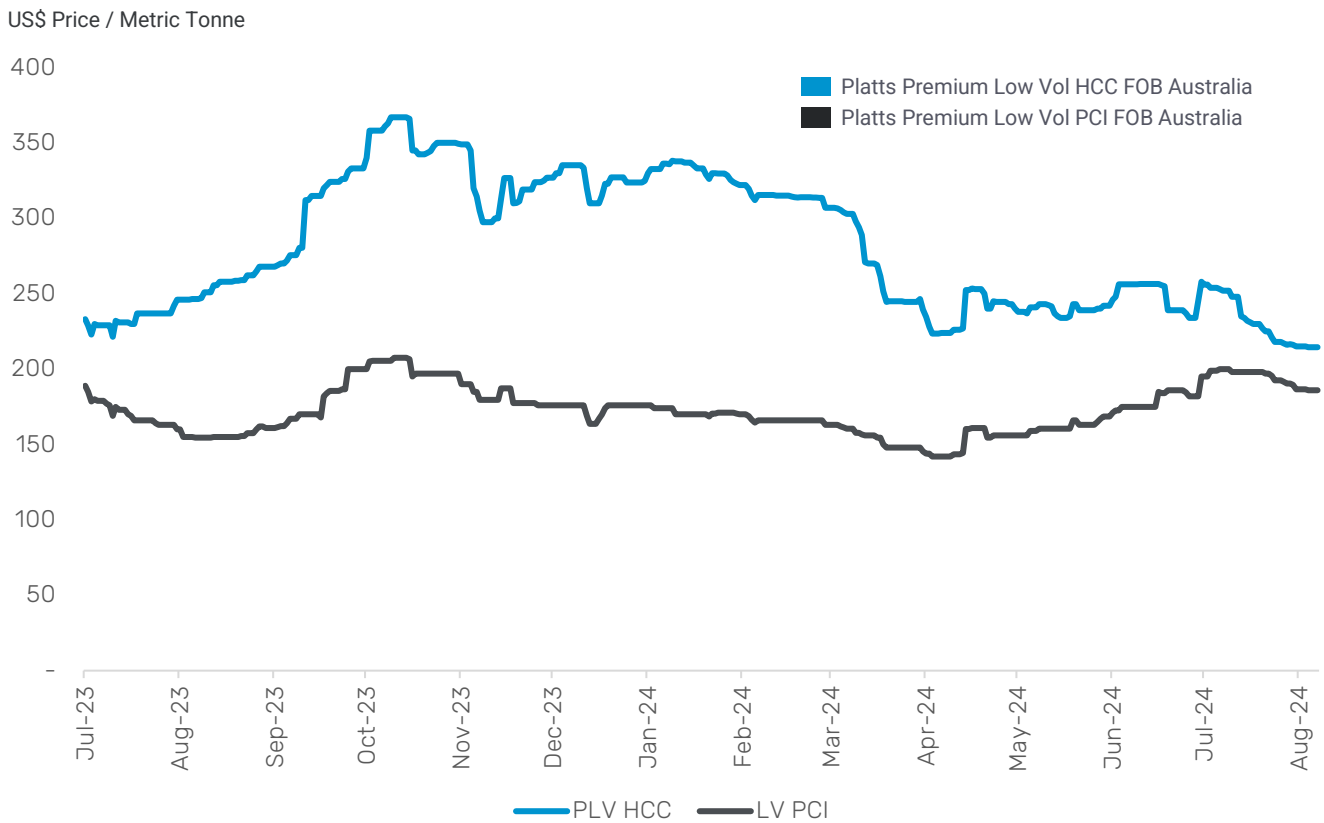
## Metallurgical Coal Markets

Following the high level of steel production through 2023 and early 2024, steel demand in China has not generally kept pace, and stimulus measures for the property sector have not been sufficient to return steel demand to balance. With improvement in supply conditions of coal mines in China, coal prices have responded and softened. Consequent surplus steel exports have generated steel price competition and affected regional steel prices in export markets, in turn affecting the production expectations for steel producers in the region. Chinese steel exports have contributed to a challenging steel pricing environment, however metallurgical coal demand remains generally stable.

The prime hard coking coal price closed the period at US\$234 after a weakening trend late in the period, attributable to a release of Australian prime hard coking coal cargoes as well as Indian demand retreating with onset of monsoon. An accident at a major Australian prime hard coking coal mine at the close of the quarter is still being understood by markets, although has contributed to a tightening sentiment, particularly towards the latter part of the year.

Announcements of further sanctions on Russian companies in 2Q 2024, restricted access to material of this origin in some markets that had been previously consuming it. In some instances, concerns for future security of supply are driving buyers back towards a preference for Australian material. This has contributed to a general decrease in availability of Australian PCI material through the quarter, supporting higher PCI relativities.

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Notes: S&P Global Commodity Insights Platts Premium Low Vol HCC FOB Australia and Low Vol PCI FOB Australia indices: July 3, 2023, to August 23, 2024

## Summarised Production and Financial Statistics

		Year-to-Date	
		June-24	June-23
<b>ROM Coal Mined</b>	Mt	<b>9.437</b>	<b>9.120</b>
South Walker Creek	Mt	4.309	3.997
Poitrel	Mt	2.923	3.128
Isaac Plains Complex	Mt	1.963	1.995
Millennium <sup>1</sup>	Mt	0.242	-
<b>Strip Ratio</b>	Prime	<b>8.1</b>	<b>8.0</b>
South Walker Creek	Prime	7.2	8.3
Poitrel	Prime	9.5	8.1
Isaac Plains Complex	Prime	8.9	7.2
<b>Saleable Production</b>	Mt	<b>6.760</b>	<b>6.373</b>
South Walker Creek	Mt	3.195	3.106
Poitrel	Mt	2.084	1.621
Isaac Plains Complex	Mt	1.287	1.646
Millennium <sup>1</sup>	Mt	0.194	-
<b>Total Coal Sales</b>		<b>6.990</b>	<b>5.978</b>
South Walker Creek	Mt	3.245	2.856
Poitrel	Mt	2.276	1.562
Isaac Plains Complex	Mt	1.263	1.560
Millennium <sup>1</sup>	Mt	0.206	-
Sales – Coking Coals	%	34%	36%
Sales – PCI	%	59%	59%
Sales – Thermal Coals	%	7%	5%
<b>FOB Cash Cost (ex. royalties)</b>		<b>91</b>	<b>97</b>
South Walker Creek	US\$/t sold	75	80
Poitrel	US\$/t sold	100	136
Isaac Plains Complex	US\$/t sold	95	92
Millennium <sup>1</sup>	US\$/t sold	212	-
<b>Average Selling Price</b>		<b>175</b>	<b>250</b>
South Walker Creek	US\$/t	160	267
Poitrel	US\$/t	179	237
Isaac Plains Complex	US\$/t	201	231
Millennium <sup>1</sup>	US\$/t	217	-

<sup>1</sup> Note that Millennium's results were not consolidated into the 2023 results as Stanmore only gained control of the asset on December 22, 2023

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

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#### Further Information

##### Investors

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##### Media

Media@stanmore.net.au

Our Brisbane corporate office is located on Turrbul and Jagera Country, on the banks of Meanjin, while our mining leases sit within Barada Barna, Jangga and Widi country.

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

*Stanmore Resources Limited controls and operates the South Walker Creek, Poitrel and Isaac Plains Complex metallurgical coal mines as well as the undeveloped Eagle Downs, Lancewood, 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.*