stanmore

Results for Announcement to Market

Appendix 4E– Period ended 31 December 2025

This document relates to Stanmore Resources Limited's (**Company**) results for the year ended 31 December 2025.

Reporting period	year ended 31 December 2025
Previous reporting period	year ended 31 December 2024

	Year to 31 December 2025 US$m	Year to 31 December 2024 US$m	Change %
Revenue from ordinary activities	1,881.2	2,395.5	-21
(Loss)/profit after tax from ordinary activities attributable to members	(47.2)	191.5	-125
Net (Loss)/profit attributable to members	(47.2)	191.5	-125

Dividends paid and proposed

Paid during the period

A fully franked final dividend for 2024 of US 6.7 cents per share was declared on February 24, 2025 and paid on March 13, 2025.

Declared after the period

The Directors have declared a final dividend of US 8.9 cents per share. The dividend is fully franked based on tax paid of 30 per cent. The dividend is payable on Friday, 13 March 2026 to shareholders registered as at Friday, 27 February 2026.

No other dividends were paid or declared during or after the period.

The Company does not have in operation a dividend or distribution reinvestment plan.

Explanation of key information and commentary on the results for the period

The reduction in profit for the financial year ended 31 December 2025 is primarily related to a decline in the sales price received for product during the financial year. Detailed commentary on the consolidated results and outlook are set out in the Operating and Financial Review section of the Directors' Report.

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Rounding of amounts to the nearest hundred thousand dollars

The Company satisfies the requirements of the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the ASIC relating to "rounding off" of amounts in the financial statements to the nearest hundred thousand dollars. Amounts have been rounded off in the financial statements in accordance with that ASIC Instrument.

Net tangible assets per security

	31 December 2025 US$	31 December 2024 US$	Change %
Net tangible assets/(liabilities) per security	1.910	2.030	(6%)

Details of entities over which control has been gained or lost during the year

No change

Details of joint venture entities

Name of Entity	31 December 2025 %	31 December 2024 %	Change %
Clifford Joint Venture – EPC 1274 and EPC 1276	60%	60%	-
Lilyvale Joint Venture Agreement – EPC 1687 and EPC 2157	85%	85%	-
Mackenzie Joint Venture Agreement – EPC 2081	95%	95%	-

Compliance statement

The Consolidated Financial Statements upon which this Appendix 4E is based have been audited by Ernst & Young, the Company's auditors.

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Stanmore Resources Limited

ABN 27 131 920 968

Annual Financial Report
December 2025

Stanmore Resources Limited

ABN 27 131 920 968

Annual report - 31 December 2025

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These consolidated financial statements are the consolidated financial statements of the consolidated entity consisting of Stanmore Resources Limited and its subsidiaries.

This annual report, including the Directors' report and financial statements, are presented in United States dollars and all amounts are reported in United States dollars unless otherwise stated.

Stanmore Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Stanmore Resources Limited
Level 32
12 Creek Street
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 2, which is not part of these consolidated financial statements.

The consolidated financial statements were authorised for issue by the Directors on 23 February 2026.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.stanmore.au

Directors	Mr Dwi Suseno *Non-Executive Director and Chair*
	Mr Marcelo Matos *Chief Executive Officer and Executive Director*
	Mr Jimmy Lim *Non-Executive Director*
	Mr Richard Majlinder *Non-Executive Director*
	Mr Brett Garland *Non-Executive Director*
	Mr Matthew Latimore *Non-Executive Director*
	Ms Caroline Chan *Non-Executive Director*
	Ms Keira Brennan *Non-Executive Director*
	Mr Murray Smith (resigned 10 June 2025) *Alternate Director for Matthew Latimore*
	Mr Ben Gargett (appointed 25 July 2025) *Alternate Director for Matthew Latimore*
Secretary	Mr Rees Fleming
Principal registered office in Australia	Level 32 12 Creek Street Brisbane QLD 4000 Australia +61 7 3238 1000
Share register	MUFG Corporate Markets Level 21 10 Eagle Street Brisbane QLD 4000 1300 554 474
Auditor	Ernst & Young Level 51 111 Eagle Street Brisbane QLD 4000 +61 7 3011 3333
Stock exchange listings	Australian Securities Exchange ASX Code: SMR
Website address	www.stanmore.au

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Directors' report

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the exploration, development, production and sale of metallurgical coal in Queensland, Australia.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year that have not been noted in the review of operations.

Directors and company secretary

Mr Dwi Suseno
Mr Marcelo Matos
Mr Jimmy Lim
Mr Richard Majlinder
Mr Brett Garland
Mr Matthew Latimore
Ms Caroline Chan
Ms Keira Brennan
Mr Murray Smith (alternate to Mr Matthew Latimore, resigned 10 June 2025)
Mr Ben Gargett (alternate to Mr Matthew Latimore, appointed 25 July 2025)

The following person was the Company Secretary of the Company during the financial year and up to the date of this report:

Mr Rees Fleming

INFORMATION ON DIRECTORS

Dwi Suseno

Chair and Non-Executive Director
Appointed: 15 May 2020

Experience and expertise

Mr Dwi Suseno is the Executive Director and Group CEO of Golden Energy and Resources Pte. Ltd (GEAR), an international mining and resources company. Mr Suseno is responsible for managing operations for GEAR, including mining, logistics and coal marketing, as well as leading strategic initiatives and expansions.

Mr Suseno began his career in Australia, where he was raised and educated, and he has over 27 years of experience in management, commercial and finance in mining resources as well as oil and gas related industries in both Australia and internationally. Mr Suseno was previously an Executive Director and Chief Financial Officer of Straits Corporation Group, which was then part of the SGX-listed coal mining company Straits Asia Resources Limited. Mr Suseno has previously worked with Baker Hughes Inc. (Fortune 500 NYSE listed oilfield services company), Arthur Andersen Australia and Ernst & Young LLP.

Mr Suseno is a Certified Public Accountant in both Australia and Singapore, graduated with a Bachelor of Commerce Degree from the University of Western Australia, Graduate Diploma in Tax from the University of Melbourne's Law Masters program, as well as a Postgraduate Diploma in Business from Curtin University. He also holds an Executive MBA from the Kellogg School of Management, and Hong Kong University of Science and Technology.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Executive Director of Golden Energy and Resources Limited (SGX: AUE). Directorship ceased due to delisting from the SGX on 28 September 2023.

INFORMATION ON DIRECTORS (continued)

Special responsibilities

Chair of the Disclosure Committee

Marcelo Matos

Chief Executive Officer and Executive Director
Appointed 27 November 2020

Experience and expertise

Mr Marcelo Matos has over 25 years of experience in the mining sector in a number of operations, projects, business development, marketing and sales, strategy and planning roles in Australia, China, Singapore, Brazil and spent many years involved with large developments in Mozambique.

Having started with Stanmore Resources initially as a Non-Executive Director in late 2019, he took the helm as CEO in August 2020 and led the acquisition of the SMC assets and the transformation of Stanmore into a large metallurgical coal producer. Prior to that and amongst other roles, Mr Matos worked for Vale for close to 20 years in various senior roles, starting in iron ore and moving into coal as its Chief Marketing and Strategy Officer as well as their Managing Director in Australia. He is also a Board Director of the Queensland Resources Council.

Mr Matos holds a Bachelor of Business Administration degree from the Pontifical Catholic University of Rio de Janeiro (Brazil) and an Executive MBA from IBMEC Business School.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Nil

Special responsibilities

Member of the Health and Safety Committee
Member of the Disclosure Committee

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INFORMATION ON DIRECTORS (continued)

Jimmy Lim

Non-Executive Director
Appointed 23 October 2019

Experience and expertise

Mr Jimmy Lim has over 20 years of experience in finance and investment management in the metals and mining sector, with extensive industry relationships in Australia and globally. Mr Lim started his career in Perth with Ernst & Young in Tax, serving natural resources and infrastructure companies of all sizes before moving into Corporate Finance with Ernst & Young and then KPMG where he continued advising clients in the natural resources sector. From there, Mr Lim then went on to work for JP Morgan in Melbourne where he worked on assignments advising and financing some of the largest companies in the world before moving to Hong Kong with Morgan Stanley and Goldman Sachs, where he was responsible for coverage of Metals and Mining in Asia excluding China.

Mr Lim is a Fellow of Financial Services Institute of Australasia (FINSIA) and holds an MBA and degrees in Engineering and Science from the University of Western Australia.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Non-Executive Director at Sendero Resources Limited (TSX-V:SEND)
Resigned: 5 June 2024

Non-Executive Director at 5E Advanced Minerals Inc (NASDAQ: FEAM)
Ceased: 12 January 2025

Special responsibilities

Chair of the Remuneration and Nominations Committee
Member of the Audit and Risk Management Committee

Richard Majlinder

Non-Executive Director
Appointed: 15 May 2020

Experience and expertise

Mr Richard Majlinder is the Chief Investment Officer at Maranello Capital, an Australian-owned private wealth fund. He was previously Chief Commercial Officer for Madison Group Enterprises, a manufacturer and B2B distributor of communications technology. Prior to this, he held a number of roles with PricewaterhouseCoopers (PwC), including as a Partner in Private Clients Advisory, leading client projects across mergers and acquisitions, consulting and financial management.

Mr Majlinder has a Bachelor of Science (Honours) in Economic History from the London School of Economics, and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a Member of the Institute of Chartered Accountants in Australia & New Zealand, and a Member of the Australian Institute of Company Directors (MAICD).

Other listed current directorships

Nil

Former listed directorships in last 3 years

Nil

INFORMATION ON DIRECTORS (continued)

Special responsibilities

Chair of the Audit and Risk Management Committee
Member of the Remuneration and Nominations Committee

Matthew Latimore

Non-Executive Director
Appointed: 25 May 2022

Experience and expertise

Mr Matthew Latimore is Chairman and President of M Resources, a rapidly growing and agile company involved in investment, marketing, and trading of metallurgical coal. M Resources is the major controlling shareholder in Mastermyne Group Limited (ASX: MYE), an underground mining services company operating in Australia. M Resources is also 50% shareholder and joint venture operator in Magnetic Rail which owns OneRail Australia, which rails circa 60Mtpa of coal in NSW and QLD and various other investments in listed and unlisted companies such as GM3 in Illawarra Metallurgical Coal Complex and other vanadium, graphite, rare earths and other critical minerals.

Prior to establishing M Resources, Mr Latimore held the position of General Manager for Sales and Marketing at Wesfarmers' Curragh coal mine. In this role, Mr Latimore was responsible for global sales to steel mills and domestic and international power utilities. Mr Latimore was also a Director of Curragh Coal Sales Pty Ltd.

Mr Latimore has held various positions with Mitsui & Co (Australia) Pty Ltd in Brisbane, Sydney and Tokyo, working on joint ventures including Atlantic Richfield and BHP Mitsui Coal.

Mr Latimore has an Executive MBA from the Australian Graduate School of Management, and a Bachelor of International Business from Griffith University. He is a Graduate of the Australian Company Directors Course (GAICD) and graduated from the Columbia Senior Executive Program in New York in 2011.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Non-Executive Director of Bowen Coking Coal Limited (ASX:BCB)
Resigned: 25 July 2023

Non-Executive Director of Magnum Mining and Exploration Limited (ASX:MGU)
Resigned: 8 March 2024

Special responsibilities

Nil

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INFORMATION ON DIRECTORS (continued)

Brett Garland

Non-Executive Director
Appointed: 25 May 2022

Experience and expertise

Mr Brett Garland has worked in the Australian mining industry for more than 45 years and held numerous management and executive management positions, including Executive Vice-President Production - Macarthur Coal, Project Executive, New Saraji - New Hope Group, Managing Director of Caledon Coal and Chief Executive Officer of Baralaba Coal.

Mr Garland served from 2005 until 2015 as a member of the Queensland Ministerial Advisory Committee for the Queensland Coal Mining Safety & Health Act. He was previously Director of the Mining Industry Safety & Health Centre, part of the Sustainable Mining Institute at the University of Queensland. He is also Chairman of the Queensland Mines Rescue Board.

Mr Garland holds a Bachelor of Engineering (Honours) from the University of Wollongong and an Executive MBA from the Queensland University of Technology. He also holds qualifications as a Certified Coal Mine Manager in NSW & Queensland, and is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional with the AusIMM.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Nil

Special responsibilities

Chair of the Health and Safety Committee
Member of the Sustainability Committee
Member of the Remuneration and Nominations Committee

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INFORMATION ON DIRECTORS (continued)

Caroline Chan

Non-Executive Director
Appointed: 25 May 2022

Experience and expertise

Ms Chan brings over 20 years expertise in banking and finance, with a proven track record in leadership, strategy and transformational change. She has held various senior executive roles at Westpac Banking Corporation including Head of Institutional Banking for Western Australia & South Australia and Chief Operating Officer of Corporate & Institutional Banking. Prior to Westpac, Ms Chan developed corporate finance transaction experience through roles in mergers and acquisitions at Deutsche Bank and acquisition finance at NM Rothschild. She also gained commercial and operational experience at Singtel Optus and Perth Airport.

Ms Chan served on the Board of the Australia-ASEAN Council from 2022 - 2024, an advisory body established by the Australian Government to strengthen Australia's engagement with Southeast Asia. Ms Chan is a WA Business News '40 under 40' award winner, and is a passionate advocate for diversity, inclusion and sustainable business practices. She holds Bachelor of Laws and Bachelor of Commerce (Accounting & Finance) degrees from the University of Western Australia, a postgraduate Diploma in Applied Finance & Investment from the Securities Institute of Australia, and is a graduate of the Australian Institute of Company Directors course (GAICD).

Other listed current directorships

Non-Executive Director and Chair of Mastermyne Group Limited (ASX:MYE)
Appointed: 10 October 2025

Non-Executive Director of Coliwoo Holdings Limited (SGX: WSW)
Appointed: 6 November 2025

Former listed directorships in last 3 years

Nil

Special responsibilities

Chair of the Sustainability Committee
Member of the Audit and Risk Management Committee

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INFORMATION ON DIRECTORS (continued)

Keira Brennan

Non-Executive Director
Appointed: 12 April 2024

Experience and expertise

Ms Brennan has over 30 years experience advising in the energy and resources sectors and is recognised as one of the leading lawyers in these sectors in Queensland. Ms Brennan advises energy and resources clients on strategic issues and operational requirements, including multi-transactional and multi-asset mergers and acquisitions, joint venture agreements, organisational restructuring and asset sales. She also has extensive experience advising on contract drafting and negotiation, including coal offtake and strategic supply agreements, and rail and port infrastructure access and pricing, including haulage agreements and access to coal export terminals.

Ms Brennan holds a Bachelor of Laws from the University of Queensland, and since July 2023 has been a Senior Adviser in the Brisbane office of Norton Rose Fulbright, having joined the firm as a partner in 2014, heading the firm's infrastructure, mining and commodities team. She has been recognised as a leading energy and natural resources lawyer in Australia in *Chambers* since 2009, and was named as Brisbane's 2023 Natural Resources lawyer of the Year by *Best Lawyers Australia*. Ms Brennan has been a Director on the National Board of the Energy & Resources Law Association (previously AMPLA), and a non-executive Director of the Australian Rail Track Corporation.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Nil

Special responsibilities

Member of the Sustainability Committee
Member of the Health and Safety Committee

Ben Gargett

Alternate to Matthew Latimore
Appointed: 25 July 2025

Experience and expertise

Mr Gargett is a Chartered Accountant and former PwC Partner with extensive resources sector experience. He was appointed as Group Chief Financial Officer for the M Group on 1 July 2025.

Other listed current directorships

Mastermyne Group Limited (ASX:MYE)
Appointed: 1 July 2025

Former listed directorships in last 3 years

Nil

Special responsibilities

Nil

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INFORMATION ON DIRECTORS (continued)

Murray Smith

Alternate to Matthew Latimore
Appointed: 1 June 2023
Resigned: 10 June 2025

Experience and expertise

Mr Smith is a highly experienced business executive with over 30 years of experience in senior executive and board roles across the resources, financial services, government administration and childcare services industries.

Other listed current directorships

Nil

Former listed directorships in last 3 years

Mastermyne Group Limited (ASX:MYE)
Resigned: 10 June 2025

Special responsibilities

Nil

CHIEF FINANCIAL OFFICER

Shane Young

Appointed: 12 August 2021

Experience and expertise

Mr Shane Young is the Chief Financial Officer of Stanmore Resources and brings over 26 years of senior finance, commercial and corporate leadership experience across the resource and energy sectors. His career spans Australia, the United Kingdom, the Netherlands, the Cayman Islands and the United States, with leading roles at organisations including KPMG, Shell and Peabody Energy, and extensive experience in the mining industry.

Since joining Stanmore in August 2021, Mr Young has been responsible for the Group's end-to-end financial and corporate functions including Financial Reporting, Accounting, Financial Planning & Analysis, Treasury, Taxation, Shared Services and Investor Relations. In addition, he oversees a broad portfolio covering Human Resources, Technology and Supply and Procurement, reflecting a whole-of-business remit across Stanmore's corporate and support services.

Mr Young is a Chartered Accountant and holds a Bachelor of Commerce (Accounting and Finance) degree from Monash University. He is a member of the Chartered Accountants Australia & New Zealand, a certified Finance and Treasury Professional with the Australian Corporate Treasury Association, and a graduate of the Australian Institute of Company Directors (GAICD).

Special responsibilities

Member of the Disclosure Committee

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COMPANY SECRETARY

Rees Fleming

Appointed: 22 July 2021

Experience and expertise

Mr Rees Fleming has more than 25 years' experience as a lawyer in both private practice and in-house roles focusing on M&A, corporate, commercial, litigation, shipping, corporate governance, compliance and risk. He has held General Counsel and Company Secretarial roles for listed and large multinational companies, including Vale, Wilmar Sugar Australia and worked in private practice with major law firms Ashurst and Clayton Utz.

He has held his current role as Company Secretary & General Counsel since July 2021 leading the Legal, Corporate Governance, Compliance and Risk functions.

Mr Fleming holds a Master of Law (International Shipping) and a Bachelor of Law. He is a practising legal practitioner, a graduate of the Australian Institute of Company Directors (GAICD) and a member of Queensland Law Society, Association of Corporate Counsel and Energy Resources Law Association.

Special responsibilities

Member of the Disclosure Committee

No person who was an officer of the Company at any time during the financial year was a partner or director of a firm or entity involved in the audit of the Company.

DIRECTORS' INTERESTS

Mr Latimore and the entities he controls hold 43,593,804 (4.8%) shares in Stanmore Resources Limited.

Ms Chan indirectly holds interests in 30,000 shares in Stanmore Resources Limited.

As at the date of this report, no other Directors held any shares, options and other equity instruments in the Group.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 31 December 2025, and the numbers of meetings attended by each Director were:

	Board		Meetings of Committees							
			Audit & Risk Management		Remuneration & Nomination		Health & Safety		Sustainability	
	A	B	A	B	A	B	A	B	A	B
Mr Dwi Suseno	6	6	-	-	1	1	-	-	-	-
Mr Marcelo Matos	6	6	-	4	-	3	4	4	-	4
Mr Jimmy Lim	6	6	4	4	3	3	-	-	-	1
Mr Richard Majlinder	6	6	4	4	3	3	-	-	-	-
Mr Matthew Latimore	6	6	-	-	-	-	-	-	-	-
Mr Brett Garland	6	6	-	-	2	2	4	4	4	3
Ms Caroline Chan	6	5	4	4	-	-	-	-	4	4
Ms Keira Brennan	6	6	-	3	-	-	4	4	4	4

A= Number of meetings held during the time the Director held office or was a member of the committee during the year, or in the case of an alternate director, the number of meetings that that alternate director was entitled to attend during the year

B= Number of meetings attended

Mr Gargett attended Board Meetings as an invitee where Mr Latimore was also in attendance.

The Disclosure Committee did not meet formally during the course of the year.

DIVIDENDS

Paid
Dividends of US$61.0 million were paid to shareholders during the year ended 31 December 2025 (2024: US$115.5 million).

Declared after year end
On 23 February 2026, the Directors declared a fully franked final dividend of US8.9 cents per share totalling US$80.2 million to be paid on 13 March 2026.

SHARE AND UNISSUED INTERESTS UNDER OPTION

At the date of this report, there were nil unissued ordinary shares or unissued interests under option in the Company or its controlled entities.

No shares or interest of the Company or its controlled entities were issued during or since the year end as a result of the exercise of an option over unissued shares or interest.

CHANGES TO CAPITAL STRUCTURE

At the date of this report, Stanmore had 901,391,634 (2024: 901,391,634) ordinary shares, nil unlisted options and nil rights on issue.

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CHANGES TO CAPITAL STRUCTURE (continued)

INSURANCE OF OFFICERS AND INDEMNITIES

(a) Insurance of officers

The Constitution of Stanmore requires that it indemnifies each of its (and its subsidiaries) directors, officers and company secretaries, to the extent permitted by law, in respect of any liability arising out of any activity of the Company or a relevant subsidiary, or the proper performance of that officer's duties. The current directors, officers and company secretary of Stanmore (as well as individuals who formerly held these positions) have the benefit of this indemnity. As permitted by rule 18.2 of the Constitution, the Company has entered into deeds of indemnity, insurance and access with each of its directors, company secretary and officers, under which it agrees to indemnify those persons on a full indemnity basis, to the extent permitted by law.

Stanmore maintains directors and officers liability insurance, which insures against certain liabilities (subject to exclusions) in respect of current and former directors and officers of the Group. Due to confidentiality obligations and undertakings of the insurance policy, the Company is not permitted to disclose any further details about the premium or insurance.

During the reporting period, and as at the date of this report, no indemnity has been paid in favour of a current or former director or officer of a member of the Group.

(b) Indemnity of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of its terms of its audit engagement agreement against claims by third parties arising from the audit. The Company has made no payment to indemnify Ernst & Young during or since the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No other matters or circumstance have arisen since 31 December 2025 that have significantly affected the Group's operations, results or state of affairs, or may do so in future years.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Report) *Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest hundred thousand dollars unless otherwise stated.

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulation in respect of its operating and exploration activities. During the year, Isaac Downs was issued a penalty infringement notice and Isaac Plains issued four penalty infringement notices for minor, non-compliant releases of mine-affected water in February, April and August 2025.There are no other material matters that have arisen in relation to environmental issues up to the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

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AUDIT AND NON-AUDIT SERVICES

The board of Directors has considered the level and type of non-audit services provided by the auditor and, in accordance with advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved by the Audit and Risk Management Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for non-audit services provided by Ernst & Young, the auditor of the Group:

	2025 **$'000**	2024 $'000
Taxation services		
Ernst & Young Australian firm:		
Fees for tax compliance and advisory services	**192.1**	210.1
Total remuneration for taxation services	**192.1**	210.1
Other services		
Ernst & Young Australian firm:		
Fees for other advisory services	**6.3**	222.0
Total remuneration for other services	**6.3**	222.0
Total remuneration for non-audit services	**198.4**	432.1

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

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OPERATING AND FINANCIAL REVIEW

Highlights of the Group's operations and results for the year ended 31 December 2025 are described below:

- Serious Accident Frequency Rate (SAFR) of 0.33 per million hours (31 December 2024: 0.30 million hours), below the industry average of 0.73 for surface mines (reported as of September 2025 by Resources Safety and Health Queensland);
- Underlying EBITDA (a non-IFRS measure defined below) of $384.6m (31 December 2024: $700.3m);
- Net loss after tax of $47.2m (31 December 2024: $191.5m profit);
- Cash inflows from operations of $380.8m (31 December 2024: $407.7m);
- Cash and cash equivalents of $211.5m as at 31 December 2025 (31 December 2024: $288.9m); and
- Upsized the Revolving Credit Facility from $150.0m to $200.0m with total available liquidity of $481.5m as of 31 December 2025.

(a) Financial performance

	31 December 2025 $M	31 December 2024 $M
Total revenue and other income	**1,886.6**	2,399.6
Operating costs	**(1,902.6)**	(2,144.8)
Other (losses)/gains	**(1.0)**	96.0
Operating (loss)/profit	**(17.0)**	350.8
(Loss)/profit before income tax and net finance expenses	**(17.0)**	350.8
Finance income	**9.8**	21.9
Finance costs	**(62.7)**	(102.6)
(Loss)/profit before income tax benefit/(expense)	**(69.9)**	270.1
Income tax benefit/(expense)	**22.7**	(78.6)
(Loss)/profit after income tax expense	**(47.2)**	191.5

(b) Underlying EBITDA result (unaudited, non-IFRS measure)

Underlying EBITDA (an unaudited, non-IFRS measure) reflects statutory EBITDA as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Group. The items adjusted are determined to be non-cash transactions that are unrelated to mining operations. The presentation of non-IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

OPERATING AND FINANCIAL REVIEW (continued)

(b) Underlying EBITDA result (unaudited, non-IFRS measure) (continued)

	31 December 2025 $M	31 December 2024 $M
Net (loss)/profit after tax	**(47.2)**	191.5
Add back:		
Depreciation and amortisation expense	**400.8**	364.3
Income tax (benefit)/expense	**(22.7)**	78.6
Finance costs - net	**52.9**	80.7
Earnings before interest, depreciation and amortisation (EBITDA)	**383.8**	715.1
Restructuring, transaction and transition costs	**0.8**	7.1
Impairment and closure costs	**-**	74.1
Gain on sale of Wards Well	**-**	(96.0)
Underlying EBITDA (non-IFRS measure)	**384.6**	700.3

The underlying EBITDA of $384.6m for the year ended 31 December 2025 was $315.7m lower than underlying EBITDA of $700.3m for the year to 31 December 2024.

Gross revenue from coal sales decreased to $1,881.2m for the year ended 31 December 2025 from $2,395.5m in the period to 31 December 2024. The decrease was driven by a reduction in the US$ realised price to an average of $133.24/t from $167.94/t in the prior period. Sales of produced coal were in-line with the prior year at 14.1Mt in the period to 31 December 2025.

FOB cash costs per tonne (excluding royalties and inventory movements) have decreased year on year to $87.8/t from $89.4/t, with cost improvement initiatives and strong sales volumes, helping to offset inflationary pressures and the wet weather impacts from the first half of the year.

Despite impacts from wet weather during the year, the Group delivered record production volumes during the year. The increased production has helped partially mitigate impacts from lower realised US$/t sales prices. Pleasingly, coal markets have recovered towards the end of 2025 with premium hard coking coal prices rising to approximately US$218 per tonne as at 31 December 2025.

Depreciation and amortisation costs increased from $364.3m to $400.8m in line with the additions to Property, Plant and Equipment assets during 2024 and 2025.

(c) Cash flow

In the period to 31 December 2025, total cash outflows of $77.4m, including the effect of exchange rate changes, were recorded (31 December 2024: total outflows of $157.4m)

The cash inflow from operating activities was $380.8m (31 December 2024: $407.7m). Lower average selling prices achieved during the period have impacted receipts from customers with offsetting benefits from reduced payments to suppliers and employees as a result of cost reduction initiatives.

Cash outflows from investing activities were $111.0m (31 December 2024: $249.8m), with 2025 returning to normalised capital spending levels, following the elevated spend in 2024, which included the MRA2C project, the BHP-BMC deferred earn out payment and acquisition payments for Eagle Downs and Isaac Downs Extension payments.

Cash from financing activities totalled outflows of $346.1m (31 December 2024: $314.9m). This included the scheduled term debt principal repayments of $70.0m and $61.0m of dividends paid to shareholders.

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OPERATING AND FINANCIAL REVIEW (continued)

(c) Cash flow (continued)

	31 December 2025 $M	31 December 2024 $M
Cash at beginning of period	**288.9**	446.3
Cash flows from operating activities	**380.8**	407.7
Cash flows from investing activities	**(111.0)**	(249.8)
Cash flows from financing activities	**(346.1)**	(314.9)
Effects of exchange rate changes on cash and cash equivalents	**(1.1)**	(0.4)
(Decrease) in cash held	**(77.4)**	(157.4)
Cash at end of period	**211.5**	288.9

(d) Health, safety, environment and community performance

Stanmore's operational safety performance remains strong, despite recording two unfortunate serious accidents during the year. The Serious Accident Frequency Rate 12-month moving average stands at 0.33, well below the latest industry average of 0.73 (31 December 2024: 0.30 per million hours), for surface mines (reported as of September 2025 by Resources Safety and Health Queensland).

Recordable injuries for the year decreased by 57% compared to 2024, which reflects the success of our focus on robust risk mitigation and proactive in-field engagement. In 2025, we advanced critical controls verification and implemented technology-driven safety systems, enabling early hazard detection and mitigation, including psychosocial risks with severe potential consequences.

Along with the SAFR metric, the Group uses a variety of leading safety indicators to ensure hazards and changes to procedures, are being identified in a timely manner.

During the year, Isaac Downs was issued a penalty infringement notice and Isaac Plains issued four penalty infringement notices for minor, non-compliant releases of mine-affected water in February, April and August 2025. No other significant reportable environmental events were reported during 2025.

Stanmore continues to support the communities in which our operations are located with a number of grants, sponsorships, important community initiatives and events undertaken during the year.

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OPERATING AND FINANCIAL REVIEW (continued)

(e) Operations

	31 December 2025	31 December 2024
Physicals		
ROM coal mined (Mt)	**20.5**	19.4
Clean coal produced (Mt)	**14.0**	13.8
Sales of produced coal (Mt)	**14.1**	14.1
Sales of purchased coal (Mt)	**-**	0.1
Total coal sales (Mt)	**14.1**	14.2
Unit costs of sales (US$/t sold)		
Revenue/sales t	**133.2**	167.9
US$ FOB cash costs / sales t (ex-Royalties & Inventories)	**87.8**	89.4

Results for the period benefited from elevated opening stockpile positions which support strong sales volumes throughout the year despite adverse weather impacts. Consistent sales volumes, along with a decrease in FOB cash costs/t, have helped mitigate impacts from a decrease to the average realised sales price of $34.7/t. Despite this, the business recorded underlying EBITDA of $384.6m.

Cash generated from operations has decreased to $380.8m (31 December 2024: $407.7m) which includes the impacts from a reduction in average selling prices previously noted.

The Group continues to progress various improvement initiatives across the group to help mitigate inflationary pressures, the impact of a strengthening Australian Dollar, and a new mining service agreement at South Walker Creek.

FOB cash costs per tonne (excluding royalties and inventory movements) decreased year on year, from $89.4/t to $87.8/t with cost improvement initiatives and strong production volumes during the period helping offset impacts from inflation and wet weather.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

(a) Operations

Financial year 2026 has seen the Group’s operations impacted by ex-tropical cyclone Koji with the wet weather impacting producers and associated infrastructure across the Bowen Basin. Despite this, the Group is well positioned to recover from these impacts due to elevated closing coal stockpiles at 31 December 2025, along with improved water management infrastructure at the operations.

While the impact from the wet weather has seen coal prices climb in early 2026, the Group will continue to maintain its cost discipline and progress various improvement initiatives throughout 2026. Following the completion of major expansion works in 2024 and 2025, the Group’s capital expenditure levels will focus on sustaining the current operations.

While production at South Walker Creek and Poitrel is expected to once again be strong, production at the Isaac Plains complex will decrease in 2026. The decrease at Isaac Plains comes as mining activities and cost structures are optimised ahead of the planned future transition to the Isaac Downs Extension.

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LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(b) Exploration and development

The Isaac Downs Extension project approvals pathway is progressing as planned with supporting baseline studies and impact assessments well advanced. Final pit and landform modelling is complete, groundwater modelling and impact assessments remain on the critical path and early stakeholder engagement is occurring as planned. The Environmental Impact Statement is on track for submission in second quarter of 2026.

On 23 February 2026, Stanmore announced the annual update to coal resources and reserves across the Group under the relevant Australasian Code for Reporting Exploration Results and Ore Reserves (JORC Code).

The total Proved and Probable Coal Reserves across all tenements formally declared and published are now 571Mt (31 December 2024: 534Mt), and the total Marketable Coal Reserves are 388Mt (31 December 2024: 360Mt).

(c) Managing risks

Stanmore is a metallurgical coal company operating in a volatile pricing market. Factors specific to Stanmore, or those which impact the market more broadly, may individually or in combination impact the financial and operating performance of the Group, its prospects and/or the value of Stanmore. These events may be beyond the control of the Board or management of Stanmore.

The material risks associated with an investment in Stanmore are summarised below. Stanmore identifies and actively manages the material risks as part of its risk management governance framework and internal control systems.

(i) Health and Safety risks

Coal mining activities are inherently dangerous and give rise to a range of serious potential health and safety hazards and risks which could result in harm to personnel, or interruptions to operations, at our sites.

At Stanmore, the health and safety of our employees remains central to all exploration and operational activities. We are committed to safeguarding the physical and mental well-being of all personnel across every site. In 2025, we strengthened critical control verification processes and advanced technology-driven safety systems, enabling proactive identification and mitigation of hazards, including psychosocial risks, with severe potential consequences.

Our comprehensive health and safety governance framework is designed to prevent incidents, address root causes, and ensure compliance with regulatory requirements. This framework underpins our commitment to proactive risk management, continuous improvement, and fostering a culture of safety that protects every person connected to our operations.

Through initiatives such as Stanmore Leading Safety, we reinforce leadership engagement, promote meaningful leadership interactions, and verify critical controls. These programs strengthen a resilient, safety-focused culture dedicated to protecting our people while delivering operational excellence. Prioritising leadership involvement and embedding robust systems drives our vision of a workplace where safety is integral to every decision and action.

(ii) Operating risks

Stanmore's mining operations are subject to operating risks that may result in a reduction of performance that decreases the Group's ability to produce high quality metallurgical coal to meet customer's shipping needs. These include but are not limited to weather conditions, machinery failure, critical infrastructure failure or natural disasters and supplier concentration.

Stanmore has in place a framework for the management of operational risks and an insurance program which provides coverage for a number of these operating risks.

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LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(c) Managing risks (continued)

(iii) Market risks

The Group's activities expose it to market risks including commodity price risk and foreign currency risk. The Group's exposure to commodity price risk is predominantly changes in metallurgical coal prices, which are driven by various factors, including but not limited to, changes in seaborne supply, geopolitical economic activity (including changes to trade policy and sanctions), commodity substitution, international demand, contract sales negotiations and potential effects from the introduction of carbon legislation impacting on buying behaviour patterns. Currently, the Group does not hedge against coal price volatility.

In order to diversify its customer base and to maximise reliance on key customers, the Group is continuing to work on identifying new customers and markets where it makes financial sense to do so.

Stanmore maintains a prudent sales book with high quality counterparties providing appropriate levels of forward sales commitments, having regard to market conditions at the time of forward sales commitments.

(iv) Geological risks

Resource and Reserve estimates are prepared in accordance with the JORC Code for reporting and determined by suitably qualified Competent Persons.

Coal reserves are estimated using results from exploration activities and various assumptions regarding loss and dilution, drilling depth and other geotechnical constraints. Furthermore, reserves are sensitive to cost and revenue assumptions used in modelling. Some of the deposits are more sensitive to cost and revenue assumptions used than others due to the characteristics and the geological structure of those deposits. Due care is taken with each estimation, but as more detailed exploration is undertaken the estimates are expected to change.

(v) Regulatory and land access risks

The Group's operations and projects are subject to State and Federal laws and regulations regarding mining, environmental protection, land access and Native Title. These laws and regulations regulate the conduct of mining operations, set requirements in relation to landholder compensation, environmental protection and certain aspects of health, and provide for penalties and other consequences for the breach of such laws. Processes for obtaining regulatory and government approvals for mining projects is becoming increasingly difficult and subject to legal challenges with a heightened risk of negative outcomes.

There is also an obligation to rehabilitate areas impacted by mining activities, which includes the Group providing financial assurances to the Queensland Government in respect of the likely costs and expenses that may be incurred when taking action to rehabilitate areas impacted by mining activities.

The Group seeks to develop strong, long-term effective relationships with landholders and other stakeholders, with a focus on developing mutually acceptable compensation and access arrangements. The Group seeks to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations. In addition, the Group engages experienced advisors to provide expert advice where necessary to ensure it manages its compliance obligations appropriately.

(vi) Climate change risks

The operations of the Group are focused on the production of metallurgical coal for use in the steel making industry. In our ongoing commitment to sustainable practices, the Group has made notable advancements in integrating climate-related risk into our core business strategy. Recognising the inherent physical and transitional climate change risks in our sector, the Group has taken steps to assess and mitigate the potential impacts on our assets, production, and market dynamics.

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LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(c) Managing risks (continued)

(vi) Climate change risks (continued)

Transitional risks, which arise from efforts to shift towards a lower-carbon economy, include changes in policy and regulation, shifts in market demand, technological developments and reputational risks. We have developed robust strategies to navigate this transition effectively. Our approach includes adapting to evolving policies, embracing innovative technologies, and responding to market shifts.

Physical risks, stemming from both acute events such as cyclones, fires, floods and chronic shifts in climate patterns such as temperature changes have been rigorously evaluated for their direct financial implications to the Group. Our risk management strategies are increasingly focused on both resilience and adaptability.

We have observed a growing interest from stakeholders in how climate-related risks and opportunities shape our business and the broader sector. This includes addressing the impact of increasing stakeholder interest in climate action on the business. As climate change presents multifaceted challenges, our response involved comprehensive action at all organisational levels, recognising that it can amplify existing risks and introduce new ones that affect both short-term and long-term business performance.

As part of our recognition of the risks that climate change poses to our business and the broader economy, we have developed an internal climate-related risk management procedure, which is integrated into our broader risk management framework.

Detailed insights into our progress and our material climate-related risks are contained in the Sustainability Report within this Annual Report on page 42 to 71.

(vii) Indigenous engagement

Real or perceived threats to the amenity of local communities, in particular, with Traditional Owners, could result in a loss of Stanmore's social license to operate, leading to increased costs and disruption to operations and potential delays to projects.

At Stanmore, we are committed to fostering a collaborative and respectful relationship with the traditional custodians of the land, including the Barada Barna, Widi and Janga Peoples.

Our Reflect Reconciliation Action Plan (RAP), endorsed by Reconciliation Australia on August 17, 2023, has guided our initial steps towards meaningful reconciliation with Aboriginal and Torres Strait Islander communities.

We are currently transitioning into the next stage of our RAP journey, Innovate, with our first draft submitted to Reconciliation Australia for feedback. Whilst we remain in the Reflect stage until endorsement is received, our focus continues to be in building a strong foundation through:

Relationships:
Engaging in quarterly dialogues with representatives from the Barada Barna, Widi and Janga communities to understand their needs and expectations. These meetings provide a dedicated forum for transparent dialogue, collaboration and shared problem solving, enabling us to identify opportunities for employment, training, cultural heritage protection and community development. Through this ongoing engagement, we are building stronger, more respectful partnerships that support mutually beneficial outcomes and reinforce our commitment to working closely with Traditional Owners in all areas of our business.

Respect:
Ensuring all employees participate in cultural awareness training to strengthen their understanding and respect for the histories, traditions and experiences of Aboriginal and Torres Strait Islander peoples. Through ongoing learning, open dialogue and active engagement with community perspectives, we aim to build a culturally competent workforce that feels confident, connected and aligned in our reconciliation journey. This commitment supports an inclusive, respectful and collaborative workplace where cultural diversity is valued and embedded in everyday practice.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(c) Managing risks (continued)

(vii) Indigenous engagement (continued)

Community:
Working in partnership with local Aboriginal and Torres Strait Islander organisations to engage in community events and cultural activities, while supporting educational initiatives that deepen cultural understanding across our workforce and the broader community. These efforts help build a more informed, respectful and connected organisation committed to meaningful reconciliation.

Partnerships and Agreements:
Respecting and actively upholding our Indigenous Land Use Agreements (ILUA's) and Cultural Heritage Management Plans (CHMPs) with the Barada Barna and Widi peoples across all areas of our operations. These commitments help ensure cultural heritage is protected, support opportunities for economic participation, and reinforce our responsibility to engage openly and consistently with Traditional Owners.

We recognise and appreciate the contributions of our Aboriginal and Torres Strait Islander employees and contracting partners and remain committed to using culturally respectful and inclusive language in all our communications. Through these ongoing commitments, Stanmore continues to support meaningful reconciliation and contribute to a future where First Nations communities are respected, empowered and able to thrive.

Looking forward, we aim to move into the Innovate phase of the RAP Framework, where we will implement more tangible actions based on insights from the Reflect stage. Our ultimate goal is to reach the Elevate phase, focusing on economic empowerment, cultural preservation, and educational support for Indigenous communities.

We appreciate the contributions of our workforce and contracting partners who have Aboriginal and Torres Strait Islander heritage and we are committed to using language that respects cultural nuances, ensuring all communications are culturally sensitive. By continuously working towards these goals, Stanmore is committed to reconciliation and to shaping a future where Indigenous communities thrive alongside us.

(viii) Sovereign risks

Stanmore has limited influence over the direction and development of government policy. Successive changes to the Australian resources policy, including taxation policy, have negatively impacted Australia's competitiveness and on the attractiveness to invest in Australian coal projects and existing operations for both domestic and foreign investors. Of note is the significant change made to the coal royalty regime implemented by the Queensland Government in June 2022, making it the highest royalty regime in the world. Stanmore's view is metallurgical coal is critical for future steel production. The Group will continue to develop and maintain constructive relationships with all levels of government.

(ix) Access to capital

There is a risk that the Group has insufficient liquidity or is unable to access funding on acceptable terms.

The Group manages this risk by retaining a prudent level of liquidity and maintaining access to both public and private sources of capital, carrying a strong and healthy balance sheet, operating within a disciplined capital allocation framework and a strong focus on operational and cost disciplines.

At 31 December 2025 the Group remains well funded with cash reserves of $211.5m and access to finance facilities of $270.0m in available liquidity from undrawn capacity on the Group's Revolving Credit Facilities. This is expected to be sufficient to meet the business' requirements and provide adequate liquidity throughout the mining price cycle.

In 2025, the Group successfully secured an additional $50.0m in capacity for its bank revolving credit facilities, further demonstrating the Group's access to capital.

There is a risk of non-compliance with our annual covenant ratios and compliance requirements. This risk is considered low based on current forecast assumptions and current headroom.

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LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(c) Managing risks (continued)

(ix) Access to capital (continued)

The Group participates in the Queensland Rehabilitation Financial Provisioning Scheme. The Scheme provides for the contribution of an annual fee in respect of qualifying asset(s) or, for non-qualifying assets, for security to be put in place with the Queensland Government in the form of an unconditional bank guarantee, bonding arrangements or cash. Currently, some assets qualify for the contribution scheme and others do not, and security has been put in place. Should other assets cease to qualify for contribution to the Scheme Fund, additional security arrangements will be required to be put in place. The Group manages the risk by maintaining bonding facilities with both banks and insurance providers to maintain access to facility headroom.

(x) Currency risk

As the US dollar is the Group's functional currency and forms the primary currency for sales, financing and some operating expenditure items, any transactions denominated in a currency other than the US dollar expose the Group to foreign currency risk. The Group enters into Derivative Financial Instruments to hedge a portion of this risk.

(xi) Access to insurance cover

There is a risk that the policies of financial institutions with respect to the funding of coal projects may, in the future, extend to an unwillingness to provide insurance products to coal producers and associated companies on terms that are currently provided to such companies. This could result in a material increase in the cost of obtaining appropriate levels of insurance or an inability to secure adequate insurance cover. The Company has taken measures to reduce this risk by establishing a Captive insurance company, which actively participates in Stanmore's current insurance program.

(xii) Cyber risk

Stanmore has a robust and risk based Cyber Security Strategy that is proactively overseen by the board to ensure that the Group can operate safely and securely by identifying and responding to emerging and evolving cyber threats. Stanmore's Cyber Security Strategic priorities include improving the resilience of operations, promoting a cyber safety culture, undertaking employee training programs, strengthening data governance and providing stakeholder assurance.

(xiii) Logistics risk

The Group is dependent on third party rail and port providers to export our product. Disruptions in the coal logistics chain can have a material impact on our business as would the inability to secure and/or maintain logistical contractual arrangements. The Group looks to manage this risk by operating on two different port / rail corridors, contracting with multiple providers of above-rail capacity and securing secondary capacity. The Group also looks to align infrastructure obligations e.g. take-or-pay with our forecast future production profile.

(xiv) Attract and retain people

Stanmore's strategy is dependent on our ability to attract, develop, and retain skilled and experienced employees and contractors. An inability to secure the right talent could negatively impact on the Group's business performance.

At Stanmore, our people are the foundation of our success. In 2025, we continued to focus on attracting, developing, and retaining a skilled and engaged workforce to support sustainable growth and operational excellence. Our strategy is built on creating an environment where employees choose Stanmore as an employer of choice and remain committed for the long-term. We strengthened employment frameworks and expanded programs that support career development and progression. Through partnerships with local communities, education providers, and new-to-industry initiatives, we are building a diverse and future-ready talent pipeline.

Stanmore is committed to compliance with Same Job, Same Pay (SJSP) provisions and Workplace Gender Equality Agency (WGEA) requirements. We conduct annual wage audits, maintain transparent pay practices, and offer flexible work arrangements to support work-life balance. Our Respect@Work initiatives and leadership pathways aim to foster an inclusive culture and increase female representation across all levels.

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LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS (continued)

(c) Managing risks (continued)

(xiv) Attract and retain people (continued)

Employee engagement remains a priority. Insights from employee surveys guide actions to strengthen communication, recognition, and career growth. We also prioritise mental health and psychosocial safety, implementing standards aligned with WHS legislation and providing resources such as Employee Assistance Programs and fatigue management systems.

We continue to invest in advanced technologies to enhance safety and efficiency, reinforcing our commitment to a high-performing, resilient workforce. Through these initiatives, Stanmore is building a workplace that values fairness, inclusion, and wellbeing - ensuring we attract and retain the talent needed to deliver long-term success.

(d) Safeguard mechanism

Our Isaac Plains Complex, Poitrel and South Walker Creek mines are included in the Safeguard Mechanism.

The Clean Energy Regulator administers the Safeguard Mechanism and requires a progressive reduction in greenhouse gas emissions aligned with the intent of the Mechanism. Facilities have an annual emission limit known as a baseline and this declines by 4.9% each year to 2030.

The financial impact of the scheme on Stanmore will be a function of available abatement technologies, the cost of offsets, scheme design changes and the emissions intensity profiles of our operating sites. Where the company is not able to achieve our carbon reduction obligations, the purchase and surrender of Australian Carbon Credit Units (ACCU) or Safeguard Mechanism Credits (SMCs) will be required in line with legislation.

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Letter from the Chair of the Remuneration & Nominations Committee

On behalf of the Board of Directors, we are pleased to present the 2025 Remuneration Report of Stanmore Resources Limited (**Stanmore** or **the Company**).

We have much to be proud of this year, with our business showing remarkable resilience to recover from persistent wet weather and react to softer market conditions compared to recent years. Most importantly, our commitment to a safe work environment has been exceptional, especially considering all the adjustments required to overcome various operational challenges.

Operationally, we've delivered strong results across the board. South Walker Creek has continued to ramp up towards its expanded capacity following recent capital investments, setting the stage for another record year. Poitrel ended the year impressively to achieve its highest-ever production, while Isaac Plains turned a tough start into an impressive second-half recovery. Add to that the progress on key projects like the Isaac Downs Extension and the completion of mining at Pit-5, these milestones reflect the strength, capability, and determination of our teams.

2025 Highlights

The Company continued to execute on its strategic goals during 2025 with key highlights noted below.

A twelve-month rolling Serious Accident Frequency Rate (SAFR) of 0.33 (2024: 0.30) was recorded, which remains lower than the latest reported industry average. All key performance indicators relating to our Leading Safety program were achieved or bettered and our reportable injuries reduced by 57%.

The full year saleable production of 14.0 million tonnes met the mid-range of the Guidance range for the Company, with several all-time production performance records at our sites, notwithstanding the significant adverse weather impacts experienced in the first half of the year.

In addition to management's ability to deliver record production, which have more than offset inflationary cost pressures, our FOB cash costs ended below our original and within our revised guidance ranges of US$89/t to US$94/t and US$85/t to US$90/t respectively.

While our production volume increases have driven profitability, this has been more than offset by a reduction in average realised sales price to US$133.24/t due to weaker coal market prices over the reporting period, resulting in an underlying EBITDA of $384.6 million, 45% lower than 2024. Given coal price fluctuations are outside of management's control, the Board places greater emphasis on assessing management's ability to manage production volumes and FOB cash costs as drivers of business performance, together with our safety performance and the achievement of strategic milestones associated with relevant projects.

A final dividend for 2025 of 8.9 US cents per share is to be paid to shareholders, displaying our commitment to delivering returns to shareholders as Stanmore grows and matures. Stanmore has delivered a total shareholder return (**TSR**) of 252% over the past five years, outperforming the ASX 200's return of 60%.

Successfully completed or progressed various strategic projects during the year. These included the CHPP Tailings Pumping project at Poitrel, which is ahead of schedule, and the completion of approximately 90% of the E Ramp boxcut at SWC, allowing access to additional low strip ratio coal. These achievements have supported the continued maturation of Stanmore's operations and enhanced the value derived from its asset base.

2025 Remuneration Outcomes

The CEO and Executive KMP short-term incentive (**STI**) outcome of 94.5% of target, reflects outstanding production recovery from the weather events experienced during the first quarter and FOB cash cost results noted above, as well as the delivery of the majority of our key 2025 strategic projects.

The 2022 long-term incentive (**LTI**) award vested and has been paid during 2025 with an award of 90.5% of stretch and a payment multiplier of 143% based on the share price movement during the period. The Board considered the quantum of the vesting payment appropriate as this payment rewards the transformational increase in the size and market capitalisation of Stanmore driven by the completion of the acquisition and integration of the BMC assets into the Company and ongoing strong management by the unchanged executive

team, which has delivered significant value to shareholders over the performance period. During our LTI performance period, Stanmore delivered Total Shareholder Returns of 43.2%, outperforming both the ASX 200 (17.9%) and the weighted average of our coal specific peers (22.3%).

See section 4 for further details on 2025 STI and 2022 LTI outcomes.

In 2025, the Board approved a 4% base salary for all employees not covered by Enterprise Bargaining Agreements, including the Executive KMP, which was deemed appropriate to secure and retain the high-calibre leadership essential for delivering value to the Group. No additional increases have been made to the Executive KMP based salaries during the reporting period.

In addition, Non-Executive Director (NED) Board member fees have increased by 5.4% as we completed the second and final part of our planned 'two-step' approach to increasing the competitiveness of our fees over 2024 and 2025 after benchmarking undertaken in 2024 showed Stanmore's NED fees were significantly below our coal sector and market capitalisation peers.

The Board are proud of our achievements and management's performance in 2025, noting the tough industry conditions including a challenging pricing environment, while maintaining a strong balance sheet, continuing to generate positive cash flows and reducing net debt.

The hard work and dedication of our operations, projects and support teams sets Stanmore up for continued success into the future with 2026 shaping up to be another exciting year.

We look forward to your feedback at the AGM.

Regards

Jimmy Lim

Chair of the Remuneration & Nominations Committee

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REMUNERATION REPORT (Audited)

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1. Introduction

This report details the nature and amount of remuneration for Key Management Personnel (**KMP**) of the Group. KMP are defined as those persons who have the authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of Stanmore Resources Limited.

The Group's KMP during 2025 and up to the date of this report were:

Board

Name	Position Held	Term
Mr Dwi Suseno	Non-Executive Director Chair of the Board of Directors Chair of the Disclosure Committee	Full year
Mr Marcelo Matos[1]	Executive Director and Chief Executive Officer (CEO)	Full year
Mr Jimmy Lim	Non-Executive Director Chair of the Remuneration and Nominations Committee	Full year
Mr Matthew Latimore	Non-Executive Director	Full year
Mr Richard Majlinder	Independent Non-Executive Director Chair of the Audit and Risk Management Committee	Full year
Mr Brett Garland	Independent Non-Executive Director Chair of the Health & Safety Committee	Full year
Ms Caroline Chan	Independent Non-Executive Director Chair of the Sustainability Committee	Full year
Ms Keira Brennan	Independent Non-Executive Director	Full year
Mr Ben Gargett[2]	Alternate Director to Mr Matthew Latimore	Appointed 25/07/25
Mr Murray Smith[2]	Alternate Director to Mr Matthew Latimore	Resigned 10/06/25

Other Executive KMP

Name	Position Held	Term
Mr Shane Young	Chief Financial Officer (CFO)	Full year
Mr Leandro Pires	Chief Operating Officer (COO)	Full year
Mr Damian Zagel	Chief Development Officer (CDO)	Full year

[1] Mr Matos is considered a member of Executive KMP for the purpose of this Remuneration Report.

[2] Mr Gargett and Mr Smith as alternate directors during the period to Mr Matthew Latimore are not entitled to any remuneration.

All figures in the Remuneration Report are in United States dollars (**USD**) unless otherwise stated.

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2. Remuneration Framework Snapshot

2.1 Executive Remuneration Principles and Structure

The Company's remuneration framework is based on the following principles:

Market Competitive	Drive a Pay-for-Performance Culture	Alignment to Shareholder Returns
Providing market competitive remuneration against our coal sector peers especially, to attract and retain a high calibre of employees.	Designing our incentive plans to reward executives where short-term and long-term goals are achieved.	Aligning LTI vesting levels with the delivery of long-term shareholder returns.

Stanmore's financial results and, as a consequence its share price, are materially impacted by the prevailing coal prices. The STI program has been designed to reward management for achieving operational and strategic targets which are agreed with the Board at the start of the performance period. The performance measures are intended to be metrics which are within management's control to deliver – most notably FOB costs and saleable coal production levels, as well as leading safety performance metrics and the achievement of strategic milestones associated with relevant projects. Traditional profit-based measures are largely influenced by prevailing price for coal (therefore outside of management's control) and thus assessing against such measures would result in windfall gains in periods where coal prices are high and punitive outcomes where coal prices are low – such as this year. As a result, STI outcomes do not necessarily reflect company financial performance and share price performance, in contrast to the LTI program which has as its sole metric total shareholder return relative to our defined Peer Group to reflect the financial and share price performance of the Company and a clear link between our Executive KMP remuneration and the shareholder experience.

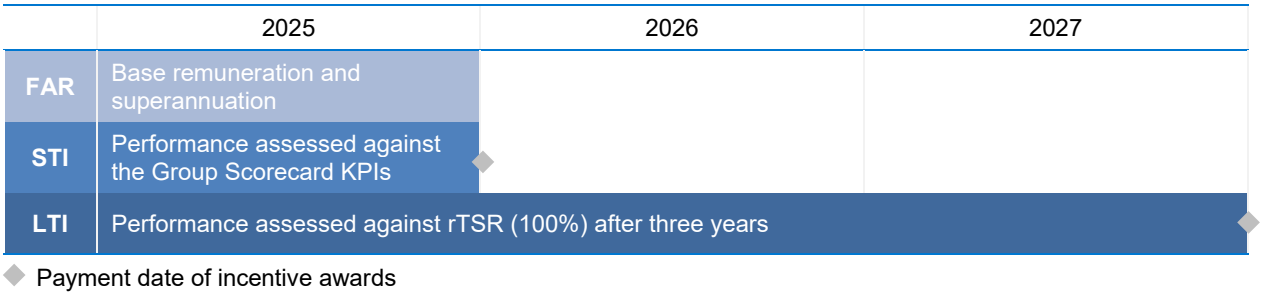
The following tables sets out a summary of our 2025 executive remuneration framework and links to the Group's strategic objectives.

	Fixed Annual Remuneration (FAR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose	To attract and retain high calibre employees with the appropriate sector experience and skills.	To reward for meeting annual performance objectives which help Stanmore realise its long-term objectives.	To reward for delivering long-term shareholder returns.
Link to Remuneration Principles	• Our coal peers are our primary peer group we benchmark against given there is a premium needed to attract and retain talent in the coal sector. • We focus on providing market competitive pay against coal peers with Australian operations.	• Rewards the delivery of operational objectives in line with annual Board approved goals. • STI payouts are assessed by the Board against Group objectives.	• Stretch performance is only awarded for the delivery of shareholder returns which significantly outperform our defined Peer Group. • Assessed over a multi-year period to focus executives on creating long-term shareholder value.
How is the Component Assessed?	N/A	Achievement of the following annual Group objectives: • Safety (25%) • Saleable Production (25%); • Free on Board (**FOB**) Cash Cost (25%); and • Projects (25%).	• Relative Total Shareholder Return (rTSR) measured against a basket of ASX-listed coal industry peers (100%).

		In the event of a fatality during the year, the Board maintains overarching discretion to reduce the overall STI outcome to nil.	
Performance Period	N/A	One year.	Three years.

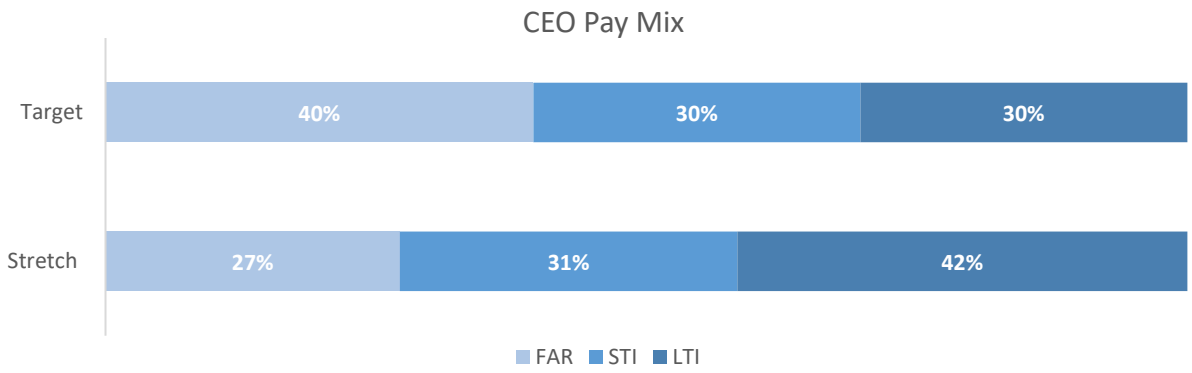
2.2 2025 Executive Remuneration Structure

The below diagram illustrates the 2025 permanent executive remuneration structure over the relevant vesting periods.



2.3 CEO Pay Mix

The CEO pay mix at target and stretch (at the start of the performance period) is shown below, with the majority weighted towards at-risk remuneration.



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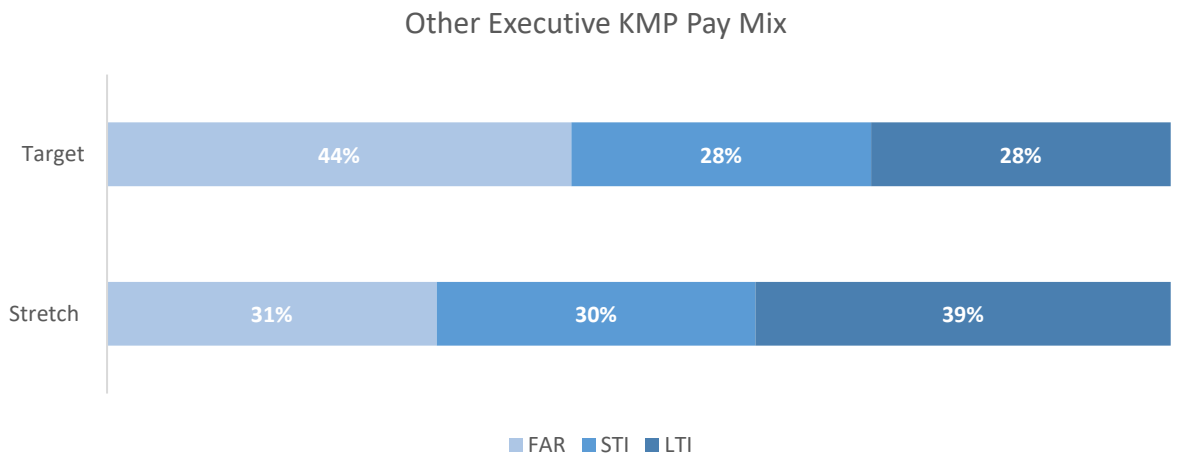
2.4 Other Executive KMP Pay Mix

The pay mix of other Executive KMP at target and stretch (at the start of the performance period) is shown below, with the majority weighted towards at-risk remuneration.



3. Company Performance

3.1 Financial Performance

The following table outlines the Group's historical financial performance.

Five-year financial performance		2025	2024	2023	2022	2021
Profit / (loss) attributable to owners	($m)	(47.2)	191.5	472.4	727.4	6.8
Revenue from contracts with customers	($m)	1,881.2	2,395.5	2,803.6	2,695.8	283.3
Earnings per share	(cents)	(5.2)	21.2	52.4	83.94	2.6
Share price at period end	(A$)	2.32	3.01	4.01	2.95	1.035
Shareholder dividends paid	($/share)	0.089	0.128	0.058	-	-
Saleable Production	(Mt)	14.0	13.8	13.2	9.2	2.1
US$ FOB cash costs / sales tonne	$/t	87.8	89.4	86.0	82.6	78.2

3.2 Total Shareholder Return (TSR) Performance

Over the past 5 years, Stanmore has delivered an above-market TSR of 252% outperforming the ASX 200 (60%)

The graph below provides an overview of Stanmore's TSR performance over the past 5 years (indexed to 100), against the ASX 200 Accumulation Index.

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Source: LSEG Data & Analytics and S&P/ASX 200 Accumulation Index.

4. 2025 Performance and Remuneration Outcomes

4.1 CEO Scorecard Performance and Outcomes

The table set out below provides details of the CEO's performance against the 2025 STI Group scorecard, resulting in an overall STI outcome of 63% of stretch. At the Executive KMP level, all individuals are assessed against the same Group scorecard to ensure a 'one team' mentality.

Scorecard Measure	Weighting	Performance Outcome	Threshold (50%)	Target (100%)	Stretch (150%)
Safety	**25.0%**	**28.6%**			
To ensure the safety of our people is our highest priority.		Safety remained a top priority in our operations, with performance closely monitored through key lead indicators, including deep dive verifications with actions, field leadership observations, critical control verifications, PL4 hazard identification and investigation action closeout. Underlying safety performance improved in 2025 from the prior year with key highlights including a 26% decrease in the high potential incident frequency rate (HPIFR), a 57% reduction in reportable injuries leading to a 52% decrease in the total recordable injury frequency rate (TRIFR). The serious accident frequency rate (SAFR) of 0.33 remains below the latest reported industry average. This resulted in an overall safety outcome slightly above target.			
Saleable Production	**25.0%**	**17.4%**			
To ensure we operate efficiently to enhance profitability, by producing high quality coal for our customers.		Our commitment to producing high quality coal resulted in record production levels in 2025. Pleasingly, our saleable production of 14.0Mt of coal in 2025 came in at the mid-point of our Guidance range reinforcing the resilience of our operations despite significant challenges. Despite saleable production coming in at the mid-range of guidance, the STI result for those measures reflect an outcome below target mostly driven by the wet weather impacts early in 2025, evidencing the rigour in setting internal targets for KMP.			

FOB Cash Costs	25.0%	28.4%	
To assess our ability to manage costs to enhance profitability.		Significant efforts were made by Management during the year to manage costs with the unpredictable wet weather and storm events in Queensland impacting production and sales. Our FOB cash cost per tonne was better than our budgeted cost per tonne and achieved the mid-range of revised guidance range, which was reduced reflecting the cost disciplined adopted during the year. This resulted in an outcome slightly above target.	
Projects	**25.0%**	**20.0%**	
To assess our progress against strategic goals pertaining to our operational sites.		Meaningful progress was made against our strategic initiatives which relate to clearly defined KPIs at our sites. Key highlights include: • RMI CHPP Tailings Pumping progressing ahead of schedule with early **achievement** of major scope items • **90%** of E Ramp Box-Cut now **completed** providing access to additional ROM and low strip ratio coal • Waste movement maximised in R10T to enable simplification of mine plan. However, as not all KPIs were met, a below target result was achieved.	
STI Outcome		**63% of stretch**	

4.2 2025 STI Remuneration Outcomes

Table outlining the KMP STI scorecards against stretch, and the amount forfeited and paid in February 2026*.

Executive KMP	STI stretch (% of base)	Actual STI awarded $	% of stretch STI awarded	% of stretch STI forfeited
Marcelo Matos (CEO)	**105%**	**$745,398**	**63%**	**37%**
Shane Young (CFO)	**90%**	**$319,439**	**63%**	**37%**
Leandro Pires (COO)	**90%**	**$276,847**	**63%**	**37%**
Damian Zagel (CDO)	**90%**	**$276,847**	**63%**	**37%**

4.3 LTI Awards tested during 2025

The 2022-2025 LTI plan measured performance over the period 1 April 2022 to 31 March 2025 subject to the following performance measures:

- Weighted Average TSR against ASX-listed Peer Group (50%); and
- Weighted Average Cost of Capital (WACC) (50%).

Targets were determined at levels that appropriately represent improved performance over prior periods. Stretch was set at levels that represent material improvement. These measures and their relevant threshold, target and stretch levels create a strong link between performance and reward over the long-term and encourage sustainable, long-term value creation for shareholders.

The main driver for the quantum of the 2022-2025 LTI payment is the considerable increase in size and share price of Stanmore following completion of the BMC acquisition in 2022 and the successful integration of those assets into the business and is considered unlikely to be repeated in the coming years' LTI programs. This 2022-2025 LTI program also served as a strategic retention mechanism for Executive KMP during the critical transition and implementation phases of the acquisition, which has proven successful with no Executive KMP turnover during that period which provided the stability required to lead the Company to its strong current state and in position for future growth.

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For 2022-2025 LTI plan awards, the applicable performance conditions and outcomes are as follows:

Scorecard Measure	Weighting	Performance Outcome	Threshold (25%)	Target (50%)	Stretch (100%)
Weighted Average TSR	**50.0%**	**100%**			
Weighted Average TSR (Total Shareholder Returns) against ASX listed coal producer basket. The share price of the Company for year zero and year three values for each LTI period will be determined on a volume weighted average price basis over a period of 10 days on which the ASX is open for trade (**Business Day**) being four Business Days prior to 1 April, 1 April and five Business Days after 1 April. TSR will take into account all dividends paid to shareholders over the previous 12 months and any declared but unpaid dividends as at 1 April in the relevant year.		SMR delivered a three-year TSR to 31 March 2025 of 43.2% which ranked at the 94th percentile of our bespoke group of ASX-listed Coal Sector peers.			
WACC	**50.0%**	**81%**			
Weighted Average Cost of Capital targeted at 12% per annum over the three-year performance period.		Stanmore achieved between the target and stretch performance hurdles for a performance outcome of 81% of stretch			
	LTI Outcome	**90.5% of stretch**			
Share Price	**Multiplier**	**143% multiplier**			
A share price multiplier which reflects the movements in the share price from the grant value over the performance period is applied to the final LTI vesting outcome in order to enhance alignment between executive awards and shareholder experience. The multiplier is determined by the share price at vest divided by the share price at grant.		SMR had a volume weighted average price (VWAP) as at 1 April 2022 (share price at grant) of A$1.67 and an ending dividend adjusted value as at 31 March 2025 of $2.39 (share price at vest) which resulted in a share price performance multiplier of 143% applying to the LTI outcome.			

The LTI for 2022 – 2025 paid in April 2025 is noted below:

Executive KMP	LTI paid $*
Mr Marcelo Matos	$2,004,425
Mr Shane Young	$859,039
Mr Leandro Pires	$744,501
Mr Damian Zagel	$744,501

* Paid in AUD at an FX rate of 0.6353

The LTI plans on-foot and yet to be tested include the 2023-2026 (to be tested and expected to be awarded in April 2026), 2024-2027 and 2025-2028 plans.

4.4 One-Off 2024 Strategic Milestone Award

As disclosed in Stanmore's 2024 Remuneration Report, a One-Off Strategic Milestone Award was granted to our Executive KMP in 2024 in recognition of their contribution to the execution of strategic priorities above and beyond our operational projects.

The award was paid in two 50% tranches (excluding Mr Zagel)[1], with the first tranche paid in 2024 and the second in 2025. For the remaining Executive KMP, the payments relating to this program are now complete.

No further discretionary awards were granted to our Executive KMP during 2025.

[1] Mr Zagel's award vests in three equal annual tranches with third and final tranche ($83,333) scheduled to be paid in July 2026 subject to continued service.

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5. Remuneration Framework Details

5.1 Base Remuneration Positioning

The Group aims to reward the Executive KMP with a level of base remuneration which is both appropriate to their position and competitive in the market.

We target our base remuneration at the 70th percentile of our coal sector peers (industry peer group) and against our broader ASX 101-175 (market capitalisation peer group), to ensure we are able to continue to attract and retain individuals with the requisite sector knowledge and skills.

The skillset of the Executive Leadership Team (**ELT**) roles is highly competitive within the coal industry noting the difficulty in attracting talent to the sector. This difficulty is only expected to increase in the future due to environmental and societal pressures on our industry which requires that we competitively remunerate these roles relative to our coal peers, to reduce our retention risk for these key executives.

For 2025, the Board approved a 4% base remuneration increase for all employees not covered by Enterprise Bargaining Agreements, including our executive KMP, in order to address inflationary impacts to base salaries and to remain competitive relatively to our peers in accordance with benchmarking undertaken during 2024. No additional increases have been made to the Executive KMP based salaries during the reporting period.

Executive KMP	2024 Contractual Base Remuneration[1] A$	2025 Contractual Base Remuneration[1] A$
Mr Marcelo Matos	1,500,000	1,560,000
Mr Shane Young	750,000	780,000
Mr Leandro Pires	650,000	676,000
Mr Damian Zagel	650,000	676,000

[1] Superannuation is payable in addition to the amounts above, as required by law and capped at the statutory contribution limit.

5.2 STI Plan

Further details on the key terms of the 2025 STI plan are outlined below.

Feature	Detail
Target opportunity	**CEO**: 70% of base; and **Other Executive KMP**: 60% of base. Stretch STI opportunity is 150% of target opportunity.
Performance period	1 January 2025 to 31 December 2025.
Delivery of award	Cash.
Safety modifier	The Company recognises that the safety of its people is critical and is committed to linking Executive KMP's STI outcome to strong safety outcomes. In addition to assessing safety as a measure in the STI scorecard, where there is a fatality during the year, the Board maintains the overarching discretion to reduce the overall STI outcome to nil.
Performance measures	We set ambitious targets against safety, production, cost, and project-related KPIs fundamental to the long-term performance of Stanmore: • Safety (25%): Assessed against a weighted average of outcomes of measures including deep dive verification with actions (or field leadership observations, for the Isaac Plains project only) (6.25%), critical control verification (6.25%), PL4 hazard identification (6.25%) and investigation action closeout (6.25%); • Clean Production (25%): Measured by tonnes produced per year against the threshold, budget and stretch targets set at the start of the year; • FOB Cash Costs (25%): Measured by A$/t sold excluding inventory movement, royalties and third-party sales; and • Projects (25%): Measured against quantifiable targets for projects of strategic relevance. Specific targets are set for projects associated with each operation (Isaac Plains, Poitrel and South Walker Creek), and at times also with corporate initiatives. Further detail of the Board's assessment of each measure is disclosed in section 5.1.

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5.3 LTI Plan

Further details on the key terms of the 2025 LTI plan are outlined below.

Feature	Detail
Stretch opportunity	**CEO:** 140% of base; and **Other Executive KMP:** 120% of base Target LTI opportunity is 50% of stretch opportunity.
Performance measure	**rTSR (100%)** rTSR has been selected in the LTI plans as it assesses the Executive KMPs ability to deliver shareholder returns relative to our defined peer group. rTSR performance will be measured by assessing Stanmore and each peer company's TSR performance over the performance period, which includes share price movements and dividends. The peer group is a basket of ASX-listed coal peers. The peers at commencement of the 2025 LTI grant were: Whitehaven Coal; Yancoal Australia; Bathurst Resources New Hope Corporation; Terracom; MC Mining Coronado Global Resources; Aspire Mining; Australian Pacific Coal Bowen Coking Coal; Cokal The vesting outcome schedule for the rTSR measure is: **Vesting schedule** / **Performance targets (% of Peer Group Index)** / **Vesting outcome (% of stretch)** Threshold / ≥80% / 25% Target / 100% / 50% Stretch / 120% / 100% Where Stanmore's TSR performance against the Peer Group Index lies in between the performance targets above, straight-line measurement will occur. Any results below the vesting threshold will result in a minimum vesting outcome of 25% (of stretch), while any results above stretch are capped at a maximum vesting outcome of 100%. Due to the sector specific peer group, where all peers are subject to the same driver of share price – coal prices – it is more challenging for Stanmore to outperform its peers hence a portion of the award vests at threshold when TSR performance is close to the Peer Group Index. For stretch vesting to occur, significant outperformance above the Peer Group Index is required.
Performance period	1 April 2025 to 31 March 2028.
Delivery of award	Cash. Under the LTI phantom share plan, whilst the award is settled in cash, the value of the Executives' LTI awards are directly linked to Stanmore's share price adjusted for dividends, as illustrated below. Stretch LTI opportunity ($) × Vesting outcome (%) × (Share price at vest / Share price at grant) (%) = LTI outcome ($) The value of any of the Executive's awards which vest will reflect changes in share price via the application of the share price multiplier, aligning participants to the shareholder experience.

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6. Executive KMP Contractual Agreements

Details of the service agreements of Stanmore's Executive KMP are outlined below.

	CEO	Other Executive KMP
Employment agreement	An ongoing service agreement with no fixed term.	An ongoing service agreement with no fixed term.
Termination by the Executive or Company	Six months written notice by either party.	Three months written notice by either party.
Termination payment entitlements	None.	None.

7. Remuneration Governance

The following diagram illustrates the roles and responsibilities for governing remuneration at Stanmore.

Board

Maintains overall responsibility for decision-making relating to the remuneration of the Executive KMP and the Board and ensures remunerations structures are competitive and align with the long-term interests of the Group and shareholders.

Remuneration and Nominations Committee (RNC)

The role of the RNC is to assist the Board to oversee the remuneration arrangements of Executive KMP and make recommendations to the Board.

Its responsibilities include:

- Overseeing the implementation of the Group remuneration policy and amendments proposed from time-to-time;
- Assessing the performance of the CEO and reviewing the CEO's performance assessment of his direct reports annually;
- Reviewing and making recommendations to the Board for the approval of incentive outcomes annually;
- Reviewing the competitiveness of the remuneration packages of the ELT;
- Reviewing the ongoing appropriateness and design of the ELT's incentive plans; and
- Reviewing the remuneration arrangements of Directors.

The RNC has a formal charter that sets out its roles and responsibilities, composition structure and membership requirements. A copy of this charter can be viewed on Stanmore's website.

Management

Management is responsible providing relevant information to the RNC and Board to support their decision making and for implementing the Board's remuneration decisions. The RNC may request materials from management to inform the decision making of Directors.

The CEO is responsible for assessing the performance of and proposing remuneration outcomes for his direct reports, for approval by the RNC and the Board.

Management may seek external advice to support its recommendations to the RNC, as required.

External Advisors

The RNC and management may request advice from external advisors to support its decision-making.

In 2024 the RNC sought advice from an external advisor to provide benchmarking data and market practice advice.

No remuneration recommendations were made in 2025.

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8. NED Remuneration

Stanmore seeks to remunerate its Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre and recognises the challenges with attracting individuals to the coal sector. Stanmore's Non-Executive Directors do not receive any performance-based remuneration.

As foreshadowed in our 2024 Remuneration Report, during 2025, a 5.4% increase was applied to our Board Member fees, representing the second and final step of our planned 'two-step' annual approach to increasing the competitiveness of our fees following an external benchmarking exercise which indicated that Stanmore's NED fees were significantly below our coal sector and market capitalisation peers, owing to the Company's significant growth in size since fees were last increased in 2022.

The maximum aggregate fee pool is A$1.5 million (2024: A$1.0 million). This fee pool was approved by shareholders in May 2025.

Our NED fees as at 31 December 2025 are set out in the table below. All fees below are inclusive of superannuation.

	Fee Structure			
	Chair		**Member**	
Role	**2025**	**2024**	**2025**	**2024**
Board	**N/A**[1]	N/A[1]	**A$160,200**	A$152,000
Audit and Risk Management Committee	**A$34,550**	A$34,550	**A$16,250**	A$16,250
Remuneration and Nominations Committee	**A$34,550**	A$34,550	**A$16,250**	A$16,250
Health and Safety Committee	**A$34,550**	A$34,550	**A$16,250**	A$16,250
Sustainability Committee	**A$34,550**	A$34,550	**A$16,250**	A$16,250

[1] The Group Chair, Mr Dwi Suseno is a nominee from Golden Investments (Australia) Pte Ltd. He does not receive any fees from Stanmore for his role on the Stanmore Board.

NEDs are entitled to be reimbursed travel and other expenses properly incurred by them in attending Directors' or general meetings of Stanmore or otherwise relating to the business of the Group.

The remuneration of Directors for the year ending 31 December 2025 is detailed in section 8.1 below.

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8.1 NED Statutory Remuneration

Non-executive Directors		Short-term employee benefits			Post-employment benefits	
		Cash salary and fees $	Cash bonus $	Other non-monetary benefits $	Superannuation $	Total $
Dwi Suseno[1]	**2025**	**-**	**-**	**-**	**-**	**-**
	2024	-	-	4,649	-	4,649
Jimmy Lim	**2025**	**136,074**	**-**	**-**	**-**	**136,074**
	2024	133,909	-	-	-	133,909
Matthew Latimore[2]	**2025**	**-**	**-**	**-**	**-**	**-**
	2024	-	-	-	-	-
Richard Majlinder	**2025**	**136,074**	**-**	**-**	**-**	**136,074**
	2024	129,103	-	-	4,806	133,909
Brett Garland	**2025**	**129,578**	**-**	**-**	**15,229**	**144,807**
	2024	117,259	-	1,650	13,277	132,186
Caroline Chan	**2025**	**121,767**	**-**	**-**	**14,307**	**136,074**
	2024	120,294	-	-	13,615	133,909
Keira Brennan[3]	**2025**	**111,206**	**-**	**-**	**13,066**	**124,272**
	2024	78,299	-	-	8,917	87,216
Total	**2025**	**634,699**	**-**	**-**	**42,602**	**677,301**
	2024	578,864	-	6,299	40,615	625,778

[1] Mr Suseno is a nominee from Golden Investments (Australia) Pte Ltd. He does not receive any fees from Stanmore for his role on the Stanmore Board. Total fees for Mr Suseno would have totalled $105,060 (2024: $111,095).

[2] Mr Latimore has waived his Director fees, equivalent to $103,313 (2024: $100,366).

[3] Ms Keira Brennan was appointed on 12 April 2024.

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9. Other Statutory Remuneration Tables

The following tables set out the other statutory remuneration disclosures required under the *Corporations Act 2001* (Cth) and have been prepared in accordance with appropriate accounting standards.

9.1 Executive KMP Statutory Remuneration

The table details the components of remuneration for Executive KMP, for both the year ended 31 December 2025 and the corresponding period to 31 December 2024.

Executive KMP		Short-term employee benefits			Post-employment benefits	Cash Settled Share-based Payment[1]	
		Cash salary and fees $	Cash bonus $	Other non-monetary benefits $	Superannuation $	LTIP $	Total $
Marcelo Matos	**2025**	**1,006,044**	**1,188,521**	**21,911**	**19,347**	**95,092**	**2,330,915**
	2024	1,065,985	1,939,832	22,435	9,905	1,499,395	4,537,552
Shane Young	**2025**	**503,022**	**541,019**	**22,066**	**19,347**	**34,711**	**1,120,165**
	2024	529,368	902,694	22,593	9,905	630,331	2,094,891
Leandro Pires	**2025**	**435,952**	**468,883**	**22,066**	**19,347**	**28,955**	**975,203**
	2024	455,845	788,126	22,593	9,905	546,130	1,822,599
Damian Zagel	**2025**	**435,952**	**468,883**	**22,066**	**19,347**	**27,625**	**973,873**
	2024	450,631	905,797	22,593	9,905	508,638	1,897,564
Total	**2025**	**2,380,970**	**2,667,306**	**88,109**	**77,388**	**186,383**	**5,400,156**
	2024	2,501,829	4,536,449	90,214	39,620	3,184,494	10,352,606

[1] Includes legacy discretionary bonuses and the accrual component of the non-vested LTI schemes assessed as at balance sheet date

9.2 Movements in Ordinary Shares

The following table discloses the movements in the number of ordinary shares in the Company held by KMP or their related parties during the course of the year.

	Balance at 1 January 2025	Shares purchased	Shares sold	Balance at 31 December 2025
GEAR	531,946,101	-	-	**531,946,101**
Matthew Latimore / M Resources	43,593,804	-	-	**43,593,804**
Caroline Chan	30,000	-	-	**30,000**

There are no shares, options or rights held in the Company by other members of KMP.

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10. Related Party Transactions and Additional Disclosures

Mr D Suseno is an Executive Director and Group Chief Executive Officer of GEAR who is the majority shareholder holding 59.01% of shares in Stanmore.

Mr M Latimore is the sole Director and owner of M Resources Trading Pty Ltd which is exclusively contracted to provide marketing and logistics services to the Group. Mr M Latimore is also the sole director of M Infrastructure Group which holds 50% of the shares in One Rail Group, which is contracted to provide above rail services to the Group.

11. Loans and Financing Arrangements

The Group currently has an unsecured Revolving Credit Facility for $70m with its parent entity, GEAR.

As at 31 December 2025, the balance of the facility is $0 (31 December 2024: $0). Financing related costs paid to GEAR totalled $2.129m (31 December 2024: $3.224m).

The key terms of the facility are:

- $70m facility until 30 June 2026, with final draw down available until March 2026
- Interest rate on drawn funds of 12% per annum
- Commitment fee rate on undrawn funds of 3% per annum

There were no other loans or financing arrangements outstanding to or owed by executive KMP or any NED or their related party entities at any time in the current or prior reporting periods.

12. Other KMP Transactions

Transactions with Mr M Latimore's related entities include:

- Fees for services provided on market terms for marketing and logistics services totalling $52.393m for the year ended 31 December 2025 (31 December 2024: $72.322m). The balance payable as at 31 December 2025 was $13.261m (31 December 2024: 4.449m)
- Stanmore sold coal on market terms to M Resources Trading Pty Ltd on a back-to-back basis to a third-party customer totalling $330.352m (31 December 2024: $346.536m) and purchased coal on market terms before on-selling the coal on a back-to-back basis to a third party customer totalling $3.114m (31 December 2024: $0.574m). There was no balance payable as at 31 December 2025 (31 December 2024: Nil)
- The above sales of coal on market terms to M Resources Trading Pty Ltd was for a total of 2.439m tonnes which represented 17.43% of coal production for the period to 31 December 2025 (31 December 2024: 1.974m tonnes representing 14.28%, 31 December 2023: 0.594m tonnes representing 4.50%)
- Fees for services provided on market terms for freight and rail logistics services by One Rail Pty Ltd totalled $10.723m (31 December 2024: $8.309m). Owing to prepayments made in prior years for these services, the balance receivable from One Rail Pty Ltd as at 31 December 2025 was $4.370m (31 December 2024: $7.345m)
- M Mining Pty Ltd provided rehabilitation services to the Isaac Plains Complex and previously operated as the MetRes mine operator prior to the Millennium Mine entering into care and maintenance in 2024. Fees for services provided on market terms by M Mining totalled $0.711m (31 December 2024: $38.035m). There was no balance payable as at 31 Dember 2025 (31 December 2024: Nil)

Transactions with GEAR related entities include:

- GEAR are a 50% shareholder in Ravenswood Gold Pty Ltd, to whom Stanmore has recharged costs incurred for providing an employee on secondment totalling $0.313m for the period to 31 December 2025 (31 December 2024: $0.085m).
- In addition, Stanmore acquired Safeguard Mechanism Carbon Credit Units from Ravenswood totalling $2.790m for the period ended 31 December 2025 (31 December 2024: $nil).

Apart from the details disclosed above, no other executive KMP, NED or their related parties has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving those peoples interest existing at year end.

END OF AUDITED REMUNERATION REPORT

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Stanmore Resources Limited support and have adhered to the principles of corporate governance. Stanmore Resources Limited's Corporate Governance Statement can be found on the Company's website and ASX platform (www.stanmore.au/corporate-governance).

This report is made in accordance with a resolution of Directors.

Mr Marcelo Matos
Director

Brisbane
23 February 2026

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Auditor's independence declaration to the directors of Stanmore Resources Limited

As lead auditor for the audit of the financial report of Stanmore Resources Limited and for the review of the selective sustainability information in the sustainability report for the financial year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of *the Corporations Act 2001* in relation to the audit and review;

b. No contraventions of any applicable code of professional conduct in relation to the audit and review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit and review.

This declaration is in respect of Stanmore Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Andrew Carrick
Partner
23 February 2026

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SUSTAINABILITY REPORT

1 January 2025 to 31 December 2025

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1. OVERVIEW

This Sustainability Report represents a complete set of climate-related financial disclosures for Stanmore Resources Limited (the Group), for the year ended 31 December 2025. The Group's climate-related disclosures have been prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB).

The Sustainability Report has been prepared for the same consolidated reporting entity and reporting period as the Group's Consolidated Financial Statements and has incorporated climate-related information of the parent company and all of its subsidiaries. The disclosures have been approved for release by the Board of Directors (Board).

Details of key approaches, assumptions and methodologies and estimates used are outlined throughout our disclosures in relevant sections.

1.1 Events Since the End of the Financial Year

No other matters, circumstance or information have arisen since 31 December 2025 that have or will significantly affect the climate-related financial disclosures contained within this Statement.

1.2 Early Adoption

The Group has early adopted the *Amendments to AASB S2 Climate-related Disclosures*, issued by the Australian Accounting Standards Board in December 2025, for the reporting period ended 31 December 2025. The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

In particular, the amendments clarify the availability of jurisdictional relief from using the Greenhouse Gas Protocol Corporate Standard where a jurisdictional authority or an exchange on which the Group is listed requires the use of a different measurement methodology for the relevant part of the Group. The amendments also provide jurisdictional relief from using Global Warming Potential values from the latest Intergovernmental Panel on Climate Change Assessment Report where a jurisdictional authority or exchange requires the use of alternative Global Warming Potential values for the conversion of greenhouse gas emissions to carbon dioxide equivalent.

1.3 Transition Relief

In preparing this report, the Group has applied the following transition reliefs for the first annual reporting period:

- Not to disclose comparative information
- Not to disclose Scope 3 emissions.

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2. GOVERNANCE

The Group has implemented a climate governance framework designed to embed climate considerations into all levels of decision-making and ensure accountability across the organisation. The Board leads this effort by setting the Group's strategic direction and has ultimate oversight for corporate governance matters, company reporting and material business risks, including climate-related risks.

Whilst the Board retains ultimate responsibility, it has delegated oversight of climate-related activities to the Sustainability Committee and the Audit & Risk Management Committee. These Committees play a critical role in monitoring climate-related risks and opportunities. The responsibilities of the Board and its Committees are outlined in their respective charters and detailed in section 2.2.

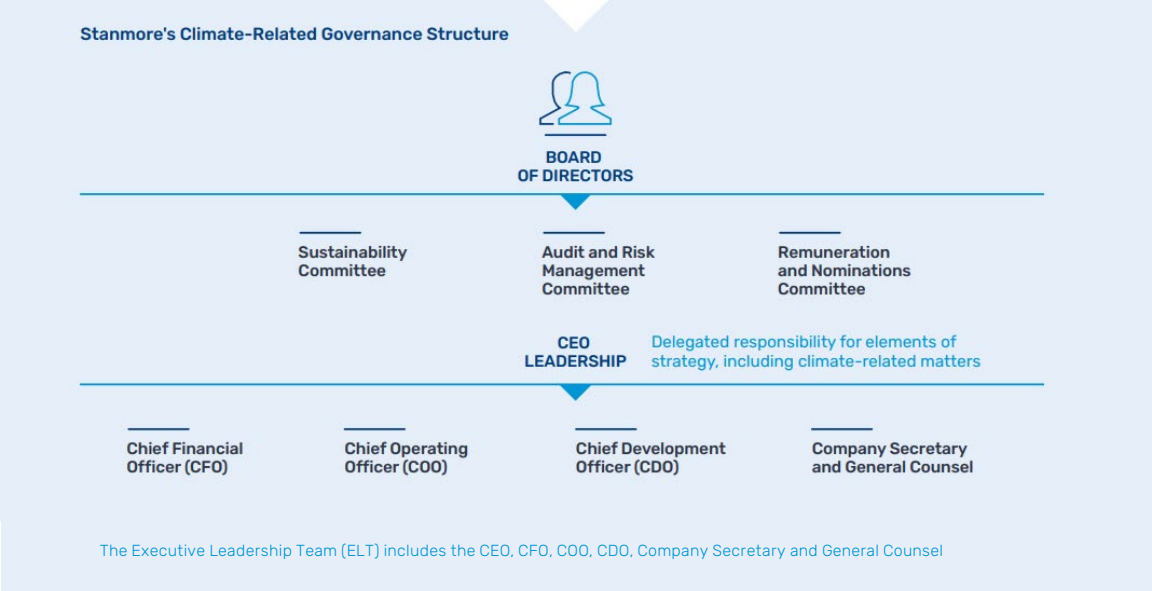
2.1 Board Oversight

The Group's Board is responsible for climate-related risks and opportunities that may materially impact the Group's strategy, operations, and financial performance. With extensive expertise spanning multiple industries and topics, the Board sets the Group's strategy taking climate resilience and long-term sustainability into account. This is facilitated through the Board's role in considering climate-related issues and matters when:

- Developing and refreshing the Group's overarching strategy
- Providing input into investment and funding proposals, and major capital expenditure put forward by management
- Establishing the frameworks and risk appetite within which management is to operate
- Monitoring material business risks; and
- Monitoring performance of the Group.

The governance structure ensures that important climate-related matters, risks and opportunities are monitored appropriately by the Audit & Risk Management Committee, Sustainability Committee and management and escalated as required, including to the Board.

Climate-related matters are considered at each meeting of the Board with key topics being progress on climate reporting, approving revised versions of the Board, Audit & Risk Management Committee and Sustainability Committee Charters, reviewing updates in relation to the Group's climate-related risk and opportunity assessments, progress updates on the Sustainability Roadmap and developments and studies relating to the Decarbonisation Plan. See page 11 of the Director's Report for information on meetings held during 2025.



2.2 Committees in Place to Support Board Oversight

Audit & Risk Management Committee

The Audit & Risk Management Committee assists the Board in carrying out its role to oversee financial and climate reporting, risk management and assurance practices (internal and external audit). Encompassed within the scope of their role, is the responsibility to monitor and review the Group's material exposure to economic, environmental, climate, sustainability and social risks.

In 2025, the Committee was updated on material climate-related risks and opportunities and their potential impacts over the defined time horizons, details of the process used for the refresh of the climate risk assessment and progress on development of this Sustainability Report.

The Committee also monitored the progress on readiness activities for, and preparation of, this Sustainability Report in accordance with AASB S2 disclosure requirements and oversaw the assurance process for the Annual Report which included this Sustainability Report.

Sustainability Committee

The Sustainability Committee assists and advises the Board on sustainability and climate-related matters. These include climate-related risks and opportunities, the Group's sustainability strategy and performance, along with monitoring progress of specific initiatives and projects with a sustainability or climate focus. The Committee considers the impacts of evolving regulatory and stakeholder expectations on the Group's broader strategy. Through these responsibilities, the Committee assists the Board in strengthening the organisation's position with respect to climate and sustainability and ensuring longer term value creation.

During 2025, the Sustainability Committee oversaw preparation of the Sustainability Report and broader sustainability reporting and were updated by management at each meeting on the following matters:

- Climate-related risks and opportunities including any changes in the risk profile and updates to the identification and assessment process and approach
- Scope 1 and 2 emissions for each of the operational sites; and
- Emerging and actual regulatory and policy changes.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee assists and advises the Board on sustainability and climate-related key performance indicators and projects when included in short-term incentive plans. As of 31 December 2025, there were no climate related KPIs in relation to the material climate-related risks and opportunities contained within this report.

2.3 Management's Responsibilities

Responsibility for execution of the Group's strategy, including climate-related initiatives, is delegated by the Board to the Executive Leadership Team (ELT). This includes responsibility for identifying, assessing, monitoring and managing material risks and opportunities, including climate-related risks and opportunities which have the potential to impact the achievement of strategic objectives. The ELT assesses and monitors climate-related risks and opportunities and develops appropriate mitigation and adaptation strategies such as the Decarbonisation Plan. The involvement of senior leaders ensures that awareness of climate-related risks and opportunities is promoted across all areas and levels of the business and that climate-related matters are embedded into operational and business processes.

Oversight of these responsibilities is maintained through the above-mentioned Board committees ensuring alignment with the Board's strategic direction.

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Controls and procedures used by management to support oversight of climate matters

Management of the Group's climate-related risks and opportunities by the ELT is facilitated by the use of controls and procedures relating to the identification of climate-related risks and opportunities and the monitoring of performance in managing those risks, including controls and procedures for the measurement of Greenhouse Gas (GHG) emissions and for monitoring progress of climate-related initiatives and targets.

2.4 Governance of Climate Strategy and Targets

The Board holds ultimate responsibility for climate-related leadership including the development and oversight of strategies that address climate-related risks and opportunities. This responsibility encompasses the integration of climate considerations into strategic planning, and the ongoing monitoring of risk management practices.

2.5 Climate-related Skills and Experience

The Group places a high value on a diverse range of skills and experiences within its Board, recognising that both industry-specific expertise and broader corporate acumen are essential to effective governance. This includes consideration of environmental, social, and governance capabilities and climate-related knowledge and experience.

The Board together with the Remuneration and Nominations Committee, is responsible for reviewing the overall skills and experience represented by Directors to ensure that the composition remains appropriate to deliver the Group's strategy. A key Professional and Industry skill sought as part of Board composition mix is *Environmental, Social and Governance*, with the skills and experience reviewed on an annual basis.

More details can be found within Principle 2, of the Corporate Governance Statement published annually at https://stanmore.au/about-us/corporate-governance.

Details regarding the skills and experience of our Directors is provided within the Director's Report.

In 2025, a Board skills assessment was conducted to assist in ensuring that our Board is equipped with the right capabilities to meet current responsibilities and future challenges and obligations. These annual evaluations are designed to provide a clear understanding of the existing skillsets across our Directors and to identify areas for future development. The assessment confirmed that Directors possess the required skillsets, while also highlighting opportunities to strengthen competencies.

Over the past two years, to strengthen understanding of the climate, sustainability and the associated reporting requirements for the Group, the Directors and ELT have participated in a range of informative and educational sessions. Sessions focused on stakeholder expectations surrounding sustainability, strategic planning for climate-related risks and opportunities and ELT and Director obligations and responsibilities for external reporting. Additionally, internal and external subject matter experts were engaged to provide updates, training sessions and briefings on specific topics surrounding climate and sustainability to ensure that Directors maintained proper awareness and understanding of any new, emerging and critical requirements and obligations.

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3. STRATEGY

Climate change presents a strategic challenge for the metallurgical coal sector, with wide-ranging implications for regulation, markets, technology, and stakeholder expectations. For the Group, these dynamics create both risks that may affect the resilience of our business model but also present opportunities to strengthen competitiveness through adaptation and innovation.

The Group is addressing climate-related risks, opportunities and progressively reducing net Scope 1 greenhouse gas (GHG) emissions intensity in line with the Safeguard Mechanism and Australia's national climate commitments. We have been exploring lower-carbon fuel options, site-level optimisation strategies, and investments in low-emissions technologies and energy efficiency improvements.

The integration of climate-related risks and opportunities into our strategic and financial decision-making processes, forms a component of our commitment to long-term value creation as stipulated in our Sustainability Policy. Considering climate-related risks and opportunities over various time horizons and under different potential future climate scenarios informs our understanding and enables our decisions and actions to be grounded by a forward-looking view.

The Group considers the potential impacts of climate change and climate-related financial risk exposures across three distinct time horizons: short-term (0–2 years), medium-term (3–5 years), and long-term (5+ years). These time horizons have been selected to align with the Group's operational and strategic planning timelines, including the life-of-mine considerations that shape long-term asset management and investment decisions in the metallurgical coal sector. They also reflect the timelines over which key regulatory and policy developments, as well as market and technology transitions, are expected to unfold and impact the Group's business and value chain.

Time Horizon	Link to Planning Horizons
Short Term: 0-2 Years	We prepare detailed business plans on an annual basis and review these periodically to ensure responsiveness to emerging regulatory, market and environmental developments.
Medium Term: 3-5 Years	This horizon aligns with the remaining years of our rolling annual business planning cycle enabling planning for effects of climate-related risks and opportunities within capital allocation decisions and operational adjustments.
Long Term: 5+ Years	This long-term outlook aligns with our current Life of Mine (LOM) planning, which typically spans up to 25 years. This will ensure that physical risks such as changing weather patterns or resource availability, are considered in infrastructure investment and long-term resilience strategies. It also ensures consideration of national and international climate policy targets (e.g., 2030 and 2050 targets).

To navigate the complexity of shifting regulatory, policy, market and technology dynamics, the Group has embedded climate scenario analysis into its strategic and business planning (see *Building Resilience through Scenario Analysis page 62*). The approach considers climate-related risks and opportunities reasonably expected to affect the Group's prospects, with the aim of assessing and evaluating potential financial impacts under different plausible futures. We applied two distinct scenarios:

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1

Scenario 1 (Low Emissions)

Low Warming – A sustainability-focused pathway with accelerated policy and technology transitions.
SSP1-2.6 & RCP2.6

2

Scenario 2 (High Emissions)

High Warming – Continued fossil fuel reliance where weak transition pressures persist, but physical climate risks become increasingly severe.
SSP5-8.5 & RCP8.5

This scenario testing across short, medium, and long-term horizons allowed us to evaluate the resilience of our strategy and business model and to identify opportunities to mitigate emissions.

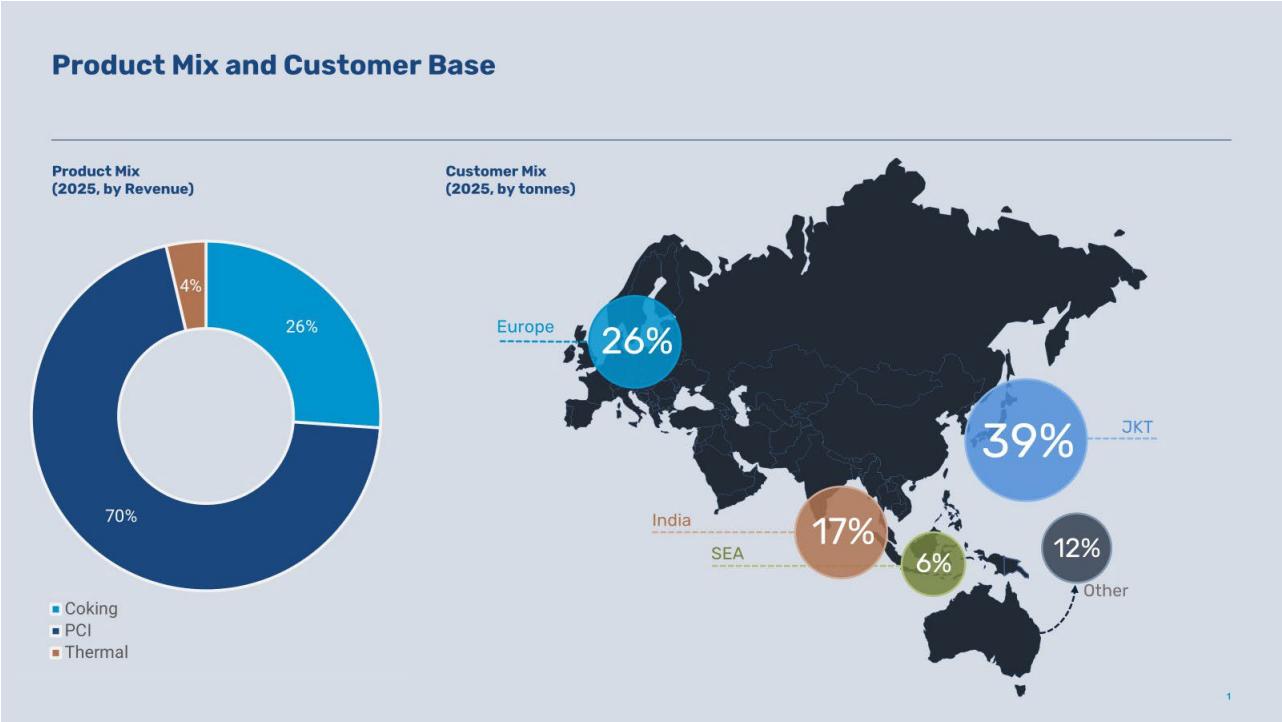
3.1 Business Model and Value Chain

The Group is a leading Australian producer and exporter of high-quality metallurgical coal used in steelmaking. The Group's operations are located in Queensland's Bowen Basin, with an operating portfolio of three open-cut mines, including South Walker Creek (SWC), Poitrel (PTM), and the Isaac Plains Complex (IPC).

The Group is engaged in the full value chain of coal production, from exploration and development through to processing, logistics, and export, as detailed in the following value chain map. Coal from the Group's operations is transported via established rail infrastructure to the Dalrymple Bay Coal Terminal (DBCT) and Abbot Point Export Terminal (NQXT) for export to key international steel markets across Asia and Europe, as displayed in the following map highlighting our product mix and customer base.

A Diagrammatic Representation of The Group's Value Chain

Geographical Spread of The Group's Downstream Value Chain



3.2 Assessment of Climate-related Risks and Opportunities

As outlined in the *Risk Management* section, the Group assesses the financial implications of climate-related risk events and opportunities that may have the potential to impact our business model, strategic objectives, and operations across the value chain in the short, medium, and long term. This assessment integrates both qualitative and quantitative information and is conducted in alignment with the Group's Enterprise Risk Management (ERM) framework and broader risk management processes.

The determination of material climate-related risks and opportunities relevant for disclosure in this report, considers both qualitative and quantitative factors and involves the application of professional judgment, the use of reasonable assumptions, and alignment with the Group's overarching risk management framework.

The Group's climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects are outlined in *Climate-related Risks and Opportunities.*

3.3 Financial Effects

Given the inherent uncertainties arising from both external and internal factors, the Group has adopted a qualitative approach to disclosing financial effects, informed by scenario analysis that incorporates quantitative inputs.

Translating these inputs into precise financial metrics, such as revenue, operating costs, asset values and cash flows, remains subject to a high degree of measurement uncertainty. This reflects not only the inherent variability of climate projections, policy developments and market dynamics, but also the interaction with strategic and operational decisions. The Group will continue to adapt its business model and investment priorities in response to emerging risks and opportunities as they evolve over time.

Accordingly, our disclosures focus on providing an analysis of how climate-related risks and opportunities may influence the Group's financial position, performance, and cash flows across the short, medium, and long-term. These disclosures are designed to provide our stakeholders with information on the direction and nature of potential financial impacts, while acknowledging the variables which impact the assessments.

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3.4 Climate-related Risks and Opportunities

Climate-related Risks

CR1	Increased costs arising from evolving climate and clean energy regulations, including the Safeguard Mechanism and policies that cap emissions or increase the price of carbon
RISK CATEGORY	**RELEVANT TIME HORIZON**
Policy & Legal	Short, Medium, **Long**

Business Activities, Assets & Operations Exposed

Coal mining, CHPP operations, fuel use and power use across the IPC, SWC, and PTM facilities.

Nature of Risk

The Group operates in a sector highly exposed to evolving climate and energy policies, with governments tightening emission caps and carbon pricing to meet national and international targets. The key regulatory tool at a Federal level is the Safeguard Mechanism, which sets facility-level baselines and requires surrender of Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SMCs) when the baseline level is exceeded. The Group's baseline levels decline in line with national targets, creating potential cost, compliance, and reputational risks. Financial exposure stems primarily from forecasted ACCU costs and emission forecasts.

Effect on Value Chain

If this risk was to eventuate, it has the potential to directly affect the Group's business model and value chain by increasing compliance costs, reducing financial flexibility, and limiting the capacity to invest in long-term decarbonisation initiatives.

Mitigation & Adaptation Efforts

A key mitigation of this risk is the increased emissions baseline offsetting the impact of a transition to Method 2 calculation of fugitive emissions. This baseline shift will be most noticeable at SWC where the impact from Method 2 calculation is expected to have the greatest effect.

Mitigation and adaptation strategies are underway, anchored by the Decarbonisation Plan advanced in 2024. This plan outlines key studies and projects that could potentially reduce emissions, including the 20MW gas-to-electricity initiative at SWC. This project aims to drain methane prior to mining for reuse on site, providing a stable and long-term electricity supply while lowering future fugitive emissions.

Financial Effects

The financial impact associated with the surrender of ACCUs for the 2025 reporting period is estimated as A$9.5 million. For the year ending 31 December 2027, costs are projected to increase as reporting shifts to Method 2 for fugitive emissions, therefore likely increasing the number of ACCUs required for surrender. Additional costs are expected in the long-term horizon, with ACCU prices forecast to rise under both Scenario 1 and Scenario 2.

Under Scenario 1, the maximum total cost of marginal abatement is projected to remain below $35.0 million in the long term, reflecting a more moderated regulatory pathway.

Under Scenario 2, the expected marginal cost is projected to exceed $70.0 million in the long term.

While this outcome diverges from the typical trend of transition risks being more pronounced in lower-warming pathways, projections indicate that under a higher-warming future, governments may seek to compensate aggressively through policy interventions, leading to sharp increases in carbon pricing obligations.

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CR1	Increased costs arising from evolving climate and clean energy regulations, including the Safeguard Mechanism and policies that cap emissions or increase the price of carbon

This risk may have a potential material impact to the Group in the long term, where rising carbon prices and reduced emissions baselines combine to amplify financial exposure. The financial implications may include sustained increases in ACCU liabilities, placing continued pressure on cash flows by diverting capital to compliance obligations, elevating operating costs and decreasing cash flows. In contrast to this is the risk of policy change where safeguard liabilities are reduced, impacting long term investment into carbon reduction technology which often have a marginal return.

In high-cost scenarios, this could require greater reliance on external financing, raising gearing levels and increasing the cost of capital which could be partially mitigated through the effective implementation of the Group's decarbonisation initiatives.

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CR2	Failure to secure sufficient ACCUs from the market to meet Safeguard Mechanism surrender obligations
RISK CATEGORY	**RELEVANT TIME HORIZON**
Policy & Legal	Short Medium **Long**

Business Activities, Assets & Operations Exposed

Coal mining, CHPP operations, fuel use and power use across the IPC, SWC, and PTM facilities.

Nature of Risk

Under the Safeguard Mechanism, there is a risk that future ACCU market tightening could hinder surrender obligations and increase compliance costs. If supply becomes constrained, facilities exceeding baselines may need to access the Cost Containment Measure (CCM), which as of June 2025 holds 4.3 million ACCUs at A$82.68 per tonne (indexed annually by CPI plus 2%). Exhaustion of this allocation would trigger a higher penalty price. While current liquidity and expanding offset supply make this a low-likelihood event, the Group monitors market conditions and policy developments to manage potential exposure.

Effect on Value Chain

If this risk were to eventuate, it has the potential to directly affect the Group's business model and value chain by increasing compliance costs, reducing financial flexibility, and limiting the capacity to invest in long-term decarbonisation initiatives. Unlike other risks that are facility-specific, the potential exposure may extend across the Group's entire portfolio, as surrender obligations are managed at the Group level.

For the 2025 reporting period, there have been no associated costs outside the costs of the ACCUs themselves, as the Group has successfully surrendered all required credits without needing to rely on the CCM or incur penalties.

Mitigation & Adaptation Efforts

As we continue to assess the viability of emission reduction opportunities the Group has planned to meet any surrender obligations arising under the Safeguard Mechanism through prudent management of carbon credit positions. These measures are designed to ensure ongoing compliance and alignment with the Group's broader transition objectives. Based on current forecasts, no additional compliance costs are anticipated for the year ended 31 December 2026, with the Group not expecting any difficulty in meeting its surrender requirements under the scheme.

Financial Effects

The CCM, introduced in the 2023–2024 reporting period, sets an indexed ceiling on ACCU prices, starting at A$75 per unit, and increasing annually by CPI plus 2%. This, combined with progressively reducing emissions baselines, is expected to drive up overall compliance costs over time.

- Under Scenario 1, where baselines tighten more aggressively, the Group may be required to purchase ACCUs at penalty prices, projected to rise to around A$394 per tCO_2-e. This represents a substantial premium over traditional market prices of about A$61 per tCO_2-e, highlighting the potential long-term cost exposure should both market ACCUs and CCM units be exhausted, although such circumstances are considered unlikely.
- Under Scenario 2, reliance on the CCM limits potential long-term costs, with the CCM price projected to rise to around A$144 per tCO_2-e.

Although these projections reflect an elevated cost environment compared with standard ACCU prices, the Group does not anticipate sourcing all offsets through the CCM, given its ongoing decarbonisation initiatives and expected ability to meet surrender requirements.

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CR2	Failure to secure sufficient ACCUs from the market to meet Safeguard Mechanism surrender obligations
Quantitative analysis indicates that the time horizon with the most significant exposure for this risk is the long-term, reflecting the cumulative effect of rising ACCU prices, reduced baselines, and the potential escalation of compliance obligations. Increased surrender obligations would create recurring compliance outflows, diverting capital away from growth investments or operational improvements and placing increased pressure on cash flows. At the same time, higher ACCU purchase requirements or penalties will elevate operating costs and decrease cash flows.	

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CR3	Impact to Development Approvals
RISK CATEGORY	**RELEVANT TIME HORIZON**
Reputation	

Business Activities, Assets & Operations Exposed

Project development, permitting, stakeholder engagement, and regulatory approvals for expansions or new activities.

Nature of Risk

Coal mining's prominence in the energy transition exposes the Group to risks from increased approval timelines. Campaigns by activists can lead to delays to State and Federal environmental approval timeframes, bringing with it heighted investor scrutiny, both as a result of increased focus and due process review on objected matters. Activist activity and objections may pose a material risk to the Group's growth objectives.

Effect on Value Chain

This risk affects the Group's business model and value chain by potentially delaying the advancement of key projects, deferring production schedules, and increasing project development costs. Such delays could also hinder the Group's ability to respond to market demand in a timely manner, resulting in foregone revenue opportunities and reduced competitiveness.

Mitigation & Adaptation Efforts

Mitigation and adaptation strategies in place include a strong focus on compliance with existing approval conditions, ensuring the Group meets the extensive progressive rehabilitation and closure plan (PRCP) commitments. Further risk mitigation strategies include working with Government to provide case studies where statutory processes could be improved to focus outcomes on environmental values.

Additionally, longstanding investment in the community through the Community Grants Program and in-kind support, together with the Group's positive relationship with landholders strengthen and promote shared, sustainable land use, reducing the likelihood of opposition.

Financial Effects

For the current reporting period, no costs have been incurred, and no projects have been delayed due to delayed receipt of approvals. Furthermore, all environmental approval extension applications lodged for the upcoming reporting year are anticipated to proceed as scheduled. This reflects the effectiveness of ongoing engagement efforts with Local, State and Federal Governments, as well as regulators, the broader community, traditional owners and other stakeholder groups.

The financial implications of deferred approvals include deferral of capital expenditure schedules and project revenue streams and reduced near to medium-term cash flows. Higher annualised costs associated with delays may compress margins and have the potential to reduce profitability, particularly in periods of strong demand. Extended delays may also affect the Group's financial position by creating imbalances in capital allocation, potentially leading to underutilised assets and higher carrying costs. Over time, repeated or prolonged delays have the potential to increase reliance on debt to bridge funding gaps, elevate gearing ratios, and place upward pressure on the cost of capital. Collectively, these impacts highlight how delays to approval timelines, if not effectively managed, could affect the Group's financial position, financial performance, and cash flows, reinforcing the importance of strong stakeholder engagement and proactive community partnerships.

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Climate-related Opportunities

While the Group is progressing various climate related initiatives, the Group has not identified any climate-related opportunities that could reasonably be expected to affect the entity's prospects and the current status of these projects is such that they have been assessed as immaterial. As such, no material climate-related opportunities have been disclosed.

3.5 Our Consideration and Assessment of Physical Climate-related Risks and Opportunities

Physical Climate-related Risks

Operating in Queensland's Bowen Basin, the Group's activities are inherently influenced by climatic conditions that have potential to affect mining operations, workforce safety, and supporting infrastructure. In line with Australia's National Climate Change Adaptation Plan, the Group recognises the importance of understanding and preparing for the physical impacts of climate change to ensure resilient, safe, and sustainable operations over the long-term.

Physical climate factors were examined alongside transition considerations to evaluate potential operational sensitivities. The assessment considered both acute hazards, including increased rainfall intensity, changes in cyclone activity, more severe bushfire seasons, and higher frequencies of extreme heat days, and chronic trends such as changing rainfall patterns, extended wet seasons, reduced long-term water availability, and challenges for land rehabilitation following extreme weather events.

Findings from the assessment indicate that, while these factors, both individually and cumulatively, have the potential to cause short-lived operational disruptions, their anticipated impacts are managed within existing infrastructure, procedural frameworks, and adaptive controls. The Group's resilience is underpinned by engineered water-management systems, flexible workforce arrangements, robust emergency-response procedures, and ongoing monitoring of site conditions.

These outcomes reinforce the effectiveness of the Group's existing resilience measures and our proactive approach to maintaining operational continuity under a range of physical climate conditions, consistent with our environmental and governance practices.

Extreme Storms, Rainfall and Cyclones

Across its three major mining complexes, the Group has implemented a suite of flood-protection measures designed to manage the effects of extreme rainfall and storm activity. Certified levee systems built to withstand rare, high-return-period events provide strong structural protection for key operational areas. These levees are complemented by redundant water-storage capacity and interconnected pumping systems, which enable the rapid redistribution of water during and after heavy rainfall to maintain safe and stable working conditions.

Regular engineering assessments confirm that the design standards of these levees remain above the intensity of historical rainfall events recorded in the Bowen Basin region. Regional climate modelling under both the *low* and *high-warming* scenarios indicates a potential increase in short-duration heavy rainfall events of up to 10–20 percent by mid-century. Ongoing analysis of potential future events and associated uncertainty enable the Group to modify flood protection measures in order to maintain the required level of protection. This analysis, together with the observed rarity of severe rainfall and cyclone events in recent decades, supports the conclusion that the Group's current flood-management design maintains a significant margin of safety under plausible future climate conditions.

While the inland mine sites are located away from coastal floodplains, elements of the broader value chain, including rail infrastructure used for product transport and port facilities used for export, are geographically situated in areas that can experience flooding or weather-related access constraints. These components are outside the direct operational control of the Group and represent potential points of interruption to operational movement during periods of heavy rainfall or adverse weather conditions.

Cyclones remain a potential source of short-term disruption, though their direct impact on the Group's inland operations has historically been limited. The most recent significant system to influence the region was Cyclone Debbie in 2017, which brought intense rainfall but did not result in considerable operational and asset damage or extended shutdowns. Earlier heavy-rainfall events, such as in 2010, were similarly managed within design tolerances, demonstrating the capability of the Group's infrastructure to perform under real-world extreme conditions. Importantly, climate projections indicate a long-term reduction in the overall frequency and intensity of tropical cyclones across Australia's east coast, with some studies projecting a 10 - 30% decline by 2050 under both low- and high-warming pathways. This trend further supports the conclusion that cyclone-related risks to inland operations are expected to remain low and well within the Group's engineered resilience envelope.

Each site maintains a Cyclone Trigger Action Response Plan (TARP) that outlines clear procedures and stage-gates for readiness, communication, and staged operational suspension when a system approaches the region. In addition, defined peak water management procedures govern pumping capacity, controlled releases, and dam freeboard requirements during periods of elevated rainfall or forecast cyclonic influence.

Every year, pre-wet-season preparation programs are executed to ensure readiness ahead of the summer storm and cyclone period. These programs include inspections of levees and drainage channels, testing of pumps and telemetry systems, review of water balances, and verification of power and communication redundancy. All inspection and maintenance activities are recorded within the Group's environmental management system, providing assurance that flood-protection and water-handling assets remain in sound condition and ready to perform under evolving climatic conditions.

Water Security

Water-supply reliability is supported by access to multiple licensed sources and connection to established regional water infrastructure, providing redundancy and operational flexibility under both dry and wet climatic conditions. The Group's primary sources of water include allocations from the Burdekin–Moranbah Pipeline and groundwater from the Braeside Borefields, supplemented by in-pit and dam storage across operating sites. These sources collectively ensure a secure and flexible water supply for both production and environmental management.

The Group does not currently utilise its total licensed water allocation, maintaining a buffer that provides additional resilience during periods of low rainfall or constrained catchment inflows. The significant on-site water storage also provides alternate water supply for production and processing when required.

As part of its scenario analysis, the Group examined the sensitivity of water-supply costs to changes in bore recharge rates and climatic variability, assessing how reduced recharge under hotter and drier conditions could influence water-price elasticity within regional markets. The analysis found that, across plausible climate projections, variations in recharge rates and associated cost movements would not create a material financial exposure.

In addition to this quantitative analysis, the Group also considered the potential implications of future changes to regional water-licensing frameworks as a separate area of review. Evolving water-resource policies, catchment-level management plans, or increased competition for entitlements could, over time, influence the conditions of access or renewal. While there is currently no indication of policy adjustments that would considerably alter supply arrangements, the Group recognises that water governance is dynamic and continues to monitor these developments closely to ensure ongoing compliance and long-term operational resilience.

Bushfires and Heat

The Group recognises that both bushfire activity and extreme heat conditions have the potential to affect safety, air quality, and operational continuity, particularly during the dry season. While the Group's inland locations and surrounding land use mean direct exposure is relatively low, changing climatic conditions could increase the frequency or intensity of bushfire events and extend periods of high temperature across central Queensland.

To manage these risks, each site maintains a comprehensive Tactical Response Plan for Bushfires, supported by an integrated Heat TARP that outlines site-specific control measures for elevated temperature conditions. These plans are reviewed annually and tested through simulation exercises in coordination with the Queensland Fire and Emergency Services and local emergency-management authorities. The Group also undertakes regular vegetation and fuel-load management, maintains access firebreaks, and ensures that critical equipment and water resources are available for suppression activities if required.

When temperature thresholds are exceeded, the TARP prescribes a series of graduated responses, including modified work-rest schedules, increased hydration and cooling provisions, adjustment or suspension of heat-intensive tasks such as blasting, and heightened monitoring of workforce wellbeing by on-site health and safety teams. Supervisors receive training to recognise early signs of heat stress and implement preventive actions promptly.

Operational readiness is reinforced through continuous monitoring of regional conditions using the AFAC Seasonal Bushfire Outlook and the Isaac Regional Council Emergency Dashboard, which provide timely updates on fire danger ratings and forecast heat events. Historical records show that bushfires surrounding the Group's sites have been infrequent, with past incidents resulting only in short-term visibility impacts and minimal operational disruption. Likewise, periods of extreme heat have been managed effectively through existing protocols, with no significant effect on production.

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Sea Level Rise

The Group exports the majority of its product through DBCT, with supplementary volumes transported via NQXT. While both terminals are located on the central Queensland coast and could theoretically be influenced by long-term sea-level rise, the Group's direct exposure is limited as these facilities are operated and maintained by independent infrastructure providers under long-term access agreements.

As part of its climate risk assessment, the Group reviewed available sea-level projections for the region under both low and high-warming scenarios. These projections indicate a gradual rise in mean sea level through to 2050, remaining within the design thresholds of existing port and coastal infrastructure. Recent engineering assessments conducted by terminal operators similarly confirm that current wharf elevations, drainage systems and flood-protection measures provide sufficient tolerance to accommodate projected changes over the next several decades.

Rehabilitation and Biodiversity Management

Rehabilitation and environmental restoration are central components of the Group's long-term resilience strategy. The Group's approach ensures regulatory compliance and that post-mining landscapes are stable, self-sustaining, and capable of supporting diverse ecosystems under a changing climate. Rehabilitation activities are guided by the site-specific Progressive Rehabilitation and Closure Plans (PRCP), which set out clear milestones for the return of disturbed land to safe and productive post-mining uses.

Rehabilitation is carried out progressively, with backfilling, contouring, and revegetation undertaken as areas become available. The program prioritises the use of native vegetation communities that reflect pre-mining ecological conditions, improving the likelihood of long-term landscape stability. Species Management Programs further enhances these outcomes by identifying, monitoring, and protecting vulnerable flora and fauna, reducing the likelihood of habitat disturbance and supporting biodiversity recovery.

Future Considerations

Together, these systems demonstrate that climate resilience is embedded in the way the Group plans, operates, and rehabilitates its sites, ensuring that risks are anticipated, mitigated, and reviewed through strong governance and continuous improvement.

Although physical climate risks are not currently considered financially significant, the Group recognises that their significance may evolve as climatic conditions, regulatory settings, and operational footprints change. By maintaining a focus on infrastructure integrity, environmental stewardship, and strong collaboration with regulators and local communities, the Group aims to safeguard its people and assets, ensure operational continuity, and uphold leading practice in climate-risk governance as global conditions and expectations continue to evolve.

3.6 Emerging Climate-related Considerations

Future Emerging Technology Considerations: Shift in steel-making technology and demand for metallurgical coal.

Under global decarbonisation pathways, emerging steelmaking technologies such as hydrogen-based Direct Reduced Iron (DRI) and Electric Arc Furnaces (EAF) are expected to play an increasing role in reducing emissions across the steel sector. While these processes may gradually alter the long-term composition of steel production, current market outlooks indicate continued reliance on blast-furnace operations, particularly in growth regions such as India and Southeast Asia.

Industry analysis by Wood Mackenzie projects that global seaborne metallurgical coal demand will increase from around 330Mt in 2025 to approximately 375Mt by 2050. These trends reflect the sustained importance of high-quality metallurgical coal in meeting the steel industry's ongoing efficiency and product-quality requirements. It is also acknowledged that other global decarbonisation data projections with associated scenarios may produce differing trajectories, depending on the assumed rate of technological adoption and policy development. The Group has considered this and other industry analysis and has formed the opinion that demand does not decrease within the time horizons considered.

The Group remains well positioned within this evolving context, with a portfolio focused on premium, low-impurity metallurgical coal that supports lower-emission blast-furnace operations. The Group continues to monitor technology adoption rates and policy developments to ensure its strategy remains aligned with future market dynamics.

3.7 Climate Strategy

The Group has strengthened its strategic approach to climate-related risks and opportunities through the implementation of our Decarbonisation Plan, which now serves as the foundation of the company's broader climate transition strategy. The Plan has already begun shaping decision-making by setting clear emissions intensity reduction objectives, identifying potential investment areas, and embedding climate considerations into operational and capital planning processes. Its direction was further reinforced by the scenario analysis conducted in 2025, which provided deeper insight into how material climate-related risks and opportunities may evolve across different time horizons and policy pathways.

The Group's Climate Strategy		
Strategic Risk & Action	**Strategy**	**Response**
Technology and Innovation **CR3**	A central pillar of the Group's Decarbonisation Plan is the systematic study and monitoring of technological pathways that could accelerate decarbonisation in mining. This component focuses on rigorously assessing the viability of diesel replacement technologies, tracking the development of emerging solutions, and maintaining regular market intelligence to identify opportunities for deployment.	In 2025, the Group examined opportunities related to reducing fuel usage across its fleets, assessing viability and identifying technologies with future potential. These efforts are strengthened by the Group's longstanding investment in Low Emission Technology Australia (LETA), a specialist fund dedicated to advancing large-scale deployment of emissions-reducing technologies across critical industries. By maintaining an active role in technology evaluation, the Group reduces the risk of being left behind by breakthrough solutions, ensures access to proven technologies, and strengthens its ability to align with evolving policy requirements and stakeholder expectations. This approach also provides flexibility to adapt as steel-making processes evolve, mitigating the risk that demand for metallurgical coal is eroded by technological change in end-use markets.
Methane Capture **CR1**	SWC Gas-to-Electricity Project is the most advanced decarbonisation initiative in the Group's portfolio and forms a cornerstone of its emissions reduction strategy. With support from state government investment programs, the project involves capturing methane released from coal seams prior to mining and converting it into on-site power generation.	By preventing fugitive methane emissions and displacing grid electricity, the project has the potential to deliver a reduction in Scope 1 and 2 emissions. In addition to decarbonisation, the initiative enhances energy security by providing a reliable on-site supply of electricity. The project also delivers important governance and reputational benefits, addressing policy and legal risks under the Safeguard Mechanism and demonstrating a clear commitment to emissions reduction. As the project progresses, the Group is also evaluating options to expand drainage capacity and to explore flaring and other beneficial uses of captured gas beyond on-site power generation.

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The Group's Climate Strategy		
Strategic Risk & Action	**Strategy**	**Response**
Fugitive Emissions Accounting CR1	Method 2 reporting will improve the transparency and accuracy of fugitive emissions accounting and is a critical focus of the Decarbonisation Plan, reflecting the fact that fugitive emissions currently account for almost half of the Group's Scope 1 emission profile.	The Group is undertaking drainage studies, gas testing, and advanced data development to ensure compliance with the National Greenhouse and Energy Reporting Scheme (NGERS) and to provide more data for mitigation, reporting and carbon accounting. At the same time, the Group is working closely with the Australian Government to address regulatory uncertainties in gas drainage accounting for open-cut mining. This dual focus, on practical emissions reduction and robust reporting, strengthens the Group's regulatory compliance, mitigates reputational risks, and supports ongoing access to finance and insurance.
Scope 2 Reductions CR1 CR2	The final component of the Decarbonisation Plan addresses Scope 2 emissions reduction. The Group's strategy is to align with Queensland's Energy Roadmap 2025 and generation mix – achieving emissions reductions through the increasing percentage of green energy which makes up grid supplied electricity.	Opportunities under investigation include behind-the-meter solar generation at PTM and IPC, which would provide clean, reliable power directly to operations, and the potential use of green Power Purchase Agreements (PPAs) to complement these efforts with longer-term price and supply certainty. Although Scope 2 emissions only account for around 10% of the Group's operational emissions footprint (excluding Scope 3), reductions in this category are technically possible and will assist in strengthening the Group's standing with investors, insurers, and workforce stakeholders. In addition to these measures, the Group will continue to purchase certified ACCUs (or SMCs) as required to offset residual emissions, ensuring full compliance with government standards. Together, these actions reduce exposure to electricity price volatility, improve competitiveness, and demonstrate the Group's readiness to operate in an increasingly decarbonised energy system.

Risk Management

Building on the identification of material climate-related risks and opportunities, the Group has embedded their management into its Enterprise Risk Management Framework (ERMF) to strengthen overall business resilience. The ERMF provides a structured process for assessing, prioritising, and monitoring climate-related risks and opportunities alongside broader strategic and operational risks. Assessments are undertaken using established methodologies, including the Group's Risk Appetite Statement and Risk Matrix, to determine materiality and evaluate the potential financial consequences for the business.

To ensure that financial implications remain current, the Group maintains a dedicated Scenario Analysis and Financial Impacts Register. This register captures the quantified financial effects of identified climate risks and opportunities across different scenarios and time horizons, and its outputs feed directly into the Climate Risk Register. In this way, the Climate Risk Register reflects both the qualitative and quantitative aspects of risk exposure, providing up-to-date visibility of how risks may translate into financial impacts over time. Once consolidated, these risks and opportunities are formally documented, rated, and tracked in the Climate Risk Register and escalated in line with the treatment of other strategic

risks. The register is reviewed regularly by the Audit and Risk Management Committee, ensuring ongoing governance oversight and integration into enterprise-wide decision-making.

Through this approach, climate-related risks and opportunities are not managed in isolation but are fully embedded into core strategic and operational planning processes. This integration ensures that investment decisions, capital allocation, resource planning, and future growth strategies are undertaken with a clear understanding of how climate-related factors, and their associated financial impacts, may evolve over time.

Capital Allocation & Progress to Date

The Group has established clear plans and allocated the necessary resources to support the activities set out in the Group's Climate Strategy.

Annual budgets include operating costs to progress the relevant studies and monitor technology developments. This is across both the decarbonisation work stream and Stanmore NextGen Pty Ltd, which assesses potential commercial partnerships and opportunities to further the Group's objectives.

The annual budgeting process also captures future capital requirements. When an opportunity has been endorsed it will go into the project pipeline for further assessment, delivery and reporting.

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3.8 Building Climate Resilience Through Scenario Analysis

Given the scale and uncertainty of climate change, the Group recognises that building resilience requires more than addressing current risks, it demands a forward-looking view of how different futures may unfold. Scenario analysis provides this perspective, allowing the Group to explore how climate-related risks and opportunities could influence its operations, strategy, and financial planning over the short, medium, and long term. By testing the business model against multiple pathways, the analysis highlights both areas of vulnerability and potential opportunities, with the results feeding directly into strategic and business planning. This approach strengthens decision-making, guides capital allocation, and supports the implementation of measures that mitigate risk while positioning the Group to remain competitive in a transitioning global economy.

Significant Areas of Uncertainty

In evaluating the resilience of the Group's strategy and business model to climate-related risks and opportunities, several significant uncertainties must be acknowledged. A significant factor relates to the future severity and frequency of physical climate hazards in the Bowen Basin, such as floods, droughts, and extreme heat, and their potential to disrupt mining operations and associated infrastructure. To estimate the financial impact of these risks, the Group reviewed the historical costs of past extreme events, annualised the figures, and projected them forward under different climate scenarios. While this provides a structured basis for analysis, it introduces uncertainty, as future events may not mirror historical patterns, and the scale and frequency of hazards are likely to increase in a non-linear way. Further complexity arises from data limitations that require assumptions, such as scaling outputs from RCP7.0 to approximate RCP8.5 where direct datasets are unavailable. These adjustments, while designed to best represent climate trends, inevitably add uncertainty to projections.

Beyond physical risks, there is also inherent uncertainty in the pace and scope of policy and regulatory change, including emissions reduction targets, carbon pricing mechanisms, and mine rehabilitation requirements, all of which have the potential to materially affect the cost base and viability of operations. Market dynamics further add to this uncertainty, particularly the long-term demand outlook for metallurgical coal as global steel production pathways evolve and low-emissions technologies are progressed. In addition, shifts in investor, customer, and stakeholder expectations around climate performance and emissions reduction continue and are difficult to quantify.

Taken together, these uncertainties are integral to the scenario analysis and financial impact assessments presented in this disclosure. They reinforce the need for caution in interpreting results, recognising that outcomes remain highly sensitive to underlying assumptions, data availability, and the evolving external environment.

Scenario Analysis

In 2025, the Group undertook climate-related scenario analysis to stress test its business strategy against a broad spectrum of plausible climate futures. The analysis was based on two pathways from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6): Scenario 1 (SSP1-2.6) and Scenario 2 (SSP5-8.5).

These scenarios draw on two core building blocks of the IPCC framework: the Shared Socioeconomic Pathways (SSPs), which describe alternative global development trajectories such as population growth, energy demand, and policy ambition, and the Representative Concentration Pathways (RCPs), which set out the associated levels of greenhouse gas concentrations and radiative forcing. Together, SSPs and RCPs provide the underlying assumptions that define each scenario, shaping projections of temperature change, precipitation, extreme weather frequency, and the scale of transition pressures.

By applying SSP1-2.6 and SSP5-8.5, the Group captured two distinct worlds: one reflecting accelerated global mitigation efforts and lower physical climate impacts, and another characterised by continued fossil fuel reliance, delayed transition, and more severe physical outcomes. Using these structured IPCC pathways as the foundation provides a transparent and internationally recognised framework. It also enables the Group to justify the collection of comparable projections from other datasets by aligning their inputs and outputs against the same core scenario metadata.

The *Corporations Act 2001* requires the use of a lower-warming scenario that pursues efforts to limit the temperature increase to 1.5°C. SSP1-2.6 remains the appropriate lower-warming scenario as it represents realistic efforts to limit warming consistent with "well below 2°C" outcomes. Although the scenario's central estimate projects a global average temperature increase slightly above 1.5°C by 2100, its full probabilistic range includes outcomes approaching or falling below 1.5°C. Accordingly, the use of SSP1-2.6 supports Paris-aligned scenario analysis under AASB S2, while providing robust data availability, flexibility and comparability across climate modelling datasets. Scenario analysis outputs noted no material difference using SSP1-2.6 aligned data compared to SSP1-1.9 data.

To strengthen robustness, the Group incorporated numerous additional datasets alongside the IPCC scenarios. Domestic insights were drawn from the AEMO's ISP, including the Step Change, Slower Change, and Accelerated Transition scenarios, which represent alternative decarbonisation and energy market trajectories for Australia. At the global level, International Energy Agency scenarios, such as the *Stated Policies* and the *Net Zero by 2050*, were used to capture broader energy system dynamics, while macroeconomic and financial system perspectives were supplemented by the Network for Greening the Financial System climate pathways. To evaluate physical risks, the Group relied on the

Coupled Model Intercomparison Project 6 & 5 climate models, aligned with the RCPs underpinning Scenarios 1 and 2, providing projections of temperature, rainfall, and extreme weather across multiple horizons. Together, these sources ensure that the Group's scenario analysis is grounded in credible and decision-useful reference points, with sufficient granularity for both local and international comparability.

For each scenario, the Group undertook both qualitative and quantitative assessments. The qualitative assessment considered how projected climate trends could affect the value chain, highlighting the potential emergence of new risks and opportunities. The quantitative assessment applied scenario data to estimate financial implications, including compliance costs, revenue impacts, and implications for strategic objectives. Each risk or opportunity was assigned a nominated time horizon, short, medium, or long, reflecting the period in which its financial impacts were expected to be most material.

Scenario analysis was applied to the Group's three key operations: IPC, SWC, and PTM. These sites were selected due to their scale, revenue contribution, and energy intensity, making them the most critical for testing resilience under varying climate outcomes.

The results of this analysis are presented in *3.4 Climate-related Risks and Opportunities* and provide the foundation for the subsequent commentary on resilience. Collectively, this structured approach ensures the Group's analysis is scientifically robust, anchored in authoritative datasets, and capable of providing critical insights into the resilience of the Group's strategy across multiple plausible futures.

Further detail on the scenario assumptions applied is provided in *Table 1*, which outlines the key parameters, variables, and considerations underpinning the analysis.

Table 1: Scenario analysis assumptions for the Group's Scenario 1 & Scenario 2

	Scenario 1: Low Warming	Scenario 2: High Warming
Climate-related policies (entity jurisdiction)	Stringent climate-related policies aligned with pursuing efforts to limit the temperature increase to 1.5°C. Strengthening of the Safeguard Mechanism in Australia and Queensland's renewable energy targets (50% by 2030, 80% by 2050). Expansion of emissions pricing mechanisms and reporting requirements for fugitive emissions. Proactive regulatory frameworks supporting adoption of low-emissions technologies and renewables.	Limited and fragmented global and national climate policy adoption. Australia's Safeguard Mechanism and local measures remain but with reduced ambition. Weaker international cooperation results in delayed and inconsistent policy action.
Macroeconomic Trends	Stable macroeconomic environment with consistent capital flows into decarbonisation efforts. Slightly moderated growth in emissions-intensive sectors, balanced by green industry investments. Investor confidence in transition-aligned companies supports market stability.	Volatile economic growth due to more frequent extreme weather events. Heightened commodity price fluctuations and market uncertainty. Reduced investor confidence in emissions-intensive industries.
National or Regional-Level Variables	Manageable increases in rainfall intensity and cyclone frequency, but largely within adaptation thresholds. Resilient land use and infrastructure planning to accommodate climate impacts. Water availability challenges addressed through policy and technological solutions.	Severe and more frequent rainfall, and extended droughts. Increased strain on water availability and operational reliability. Infrastructure unable to fully manage escalating climate impacts.
Energy Usage and Mix	Substantial increase in renewable energy share and grid reliability. Growing electrification of industrial processes and mining activities. Adoption of dual-fuel and battery-electric haul trucks begins to scale.	Continued dominance of fossil fuels in the energy mix. Slower adoption of renewables and low-emissions technologies. Reduced policy support delays decarbonisation of mining operations.

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	Scenario 1: Low Warming	Scenario 2: High Warming
Developments in Technology	Rapid technological advancement in carbon capture and storage (CCS). Improvements in methane drainage and utilisation systems. Acceleration of electric and hydrogen-fuelled equipment in mining operations.	Slower pace of technological innovation in emissions-reduction solutions. Incremental progress in CCS and methane capture, limiting emissions reduction potential. Reduced incentives and funding for low-carbon technology deployment.
Reporting Period of Scenario Analysis	Conducted in the 2025 reporting period.	Conducted in the 2025 reporting period.

Resilience Across Time Horizons

The outputs of the Group's scenario analysis, allow for assessment of resilience across each time horizon.

In the short term (0–2 years), the Group retains the financial resources and operational flexibility to meet immediate obligations under the Safeguard Mechanism. Strong cash flow generation and access to existing debt facilities provide the capacity to invest in near-term decarbonisation while absorbing compliance costs related to Safeguard Mechanism requirements.

In the medium term (3–5 years), resilience will be shaped by the ability to redeploy and repurpose assets. The Group is assessing the viability of dual-fuel haulage technologies and tracking the commercial readiness of battery-electric trucks. Additionally, investment in the SWC Gas-to-Electricity Project illustrates medium-term flexibility by improving on-site energy security and contributing to Scope 2 emissions reduction. Together, these measures enhance adaptability and reinforce resilience during the transition.

In the long term (5+ years), financial exposure is projected to intensify under both low and high-warming scenarios and the Group's capacity to respond will depend on its ability to upgrade and enhance efficiency of emissions-intensive assets while continuing to invest in low-carbon technologies. As previously discussed, methane capture, advanced drainage, and Scope 2 initiatives are expected to reduce emissions intensity and strengthen long-term resilience.

Across all horizons, integration of climate risk into the ERMF, supported by the internal carbon price, the Scenario Analysis and Financial Impacts register, and the climate risk register ensures these risks are fully embedded into capital allocation, resource planning, and growth decisions.

Ultimately, scenario analysis confirms that although climate change introduces material risks to the Group's operations, these can be mitigated through the execution of the Group's strategic initiatives.

4. RISK MANAGEMENT

The approach taken to identify, assess, monitor and manage climate-related risks and opportunities is guided by the Group's existing commitments, principles and methodologies set out in the Enterprise Risk Management Policy and Procedure. The management of climate-related risks and opportunities alongside other business risks supports the Group's strategic and business decision-making.

4.1 Risk Management Process

The Group's approach to the identification, assessment and management of climate-related risks and opportunities is recorded in a standalone Climate Related Risk Management Procedure. The process mirrors those detailed in the broader ERMF and Procedure in the same way they are followed for all other strategic and operational risks. The identification and assessment of climate-related risks and opportunities is an iterative process where risks are continuously monitored and re-evaluated to reflect the latest developments.

Our ERMF is based on global standards, specifically, COSO ERM Framework and ISO 31000:2018 - Risk Management. It provides a structured and consistent approach to identifying and managing risks across the organisation. This framework guides the systematic application of management policies, procedures, and practices to the key activities of risk management – namely, communication and consultation, establishing the context, and the processes of identifying, analysing, evaluating, treating, monitoring, and reviewing risks. The Climate Related Risk Management Procedure builds on this foundational process by integrating the use of future climate scenarios, projections and time horizons in analysing risks and opportunities.

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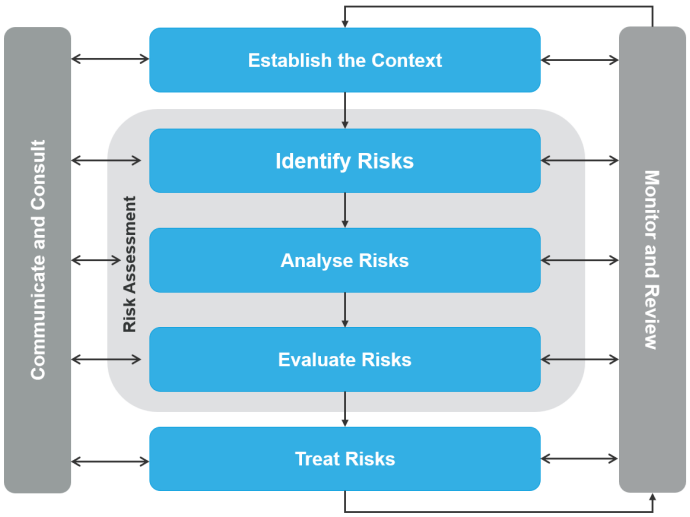
The Group's Risk Management Process



Risk and Opportunity Identification

Conducting an environmental scan to identify climate-related risks and opportunities that may impact Stanmore's business, strategy and financial planning is an integral step in the risk assessment process. The environmental scan draws on a wide range of internal and external sources to ensure a robust and forward-looking view of potential climate risks and opportunities. This includes consideration of market, legal, regulatory changes and trends affecting the metallurgical coal and mining industry and those affecting society more broadly. Assessment of future climate scenarios and projections, and historical data, and conducting industry benchmarking also forms part of the approach to the identification of risks and opportunities.

Through this process, the Group identifies both strategic and operational climate-related risks, including:

- physical risks (both acute and chronic) – stemming from extreme weather events and longer-term shifts in climate patterns such as precipitation and rising sea levels
- transition risks – stemming from legal, regulatory and policy changes, technological developments and market shifts

Risk and Opportunity Assessment

Risks identified through the initial scanning processes are analysed in terms of the impacts and likelihood of the risks over defined short, medium and long-term time horizons. This enables the level of risk to be determined for each risk and provides information to consider the approach for prioritisation, mitigation and treatment of risks. The potential impacts and the severity and likelihood of impacts are also assessed using scenario analysis. By assessing risks of different time horizons and exploring differing future climate scenarios, the analysis provides a more robust understanding of the resilience of our strategy. This approach also supports the development of targeted management actions to address both risks and opportunities under varying future conditions.

The climate scenarios and defined time horizons used in our latest climate risk assessment are detailed within the Strategy section of this document.

In assessing climate risks and opportunities, we undertook a comprehensive evaluation that incorporated historical data, past events, and contextual circumstances relevant to our operations and business. We reviewed previous events and incidents—both internal and external—to inform our assessment of likelihood and impact, aligning with best practices outlined in our ERMF. Climate projections under the future scenarios also factored heavily into our assessment.

Historically, our climate risk assessments have relied primarily on qualitative methods, drawing on judgment and stakeholder input from key personnel including the ELT and subject matter experts from across our business, and narrative-based evaluations. In response to evolving disclosure standards and stakeholder expectations, we advanced our methodology this year by adopting a quasi-quantitative framework. This shift has enabled us to better estimate the severity of climate-related consequences—particularly from a financial perspective—and to determine their materiality to the company with greater clarity.

Through workshops and sessions with key stakeholders, we considered the available information, both qualitative and quantitative, to map the severity of consequences and likelihood against our existing Risk Matrix using to determine which of the identified risks and opportunities are material. We sought third-party expertise to assist us throughout this process.

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Risk and Opportunity Prioritisation

The Group prioritises climate-related risks and opportunities through a structured process that aligns with the ERMF and tools, and the risk appetite set by the Board which provides clear guidance on acceptable levels of exposure to risks. Identified and assessed risks and opportunities are recorded, along with applicable controls, mitigation measures or strategic benefits, are monitored to ensure that risks and opportunities are managed to required tolerances.

Risks and opportunities are evaluated based on their potential to impact the Group's financial performance, operational stability and strategic objectives. Particular attention is given to risks that could materially affect cash flows or business continuity over the next strategic planning cycle. These risks and opportunities are assessed for both their likelihood and impact to the Group and are reported to the Audit and Risk Management Committee.

Prioritisation also considers the time horizon of each risk or opportunity, as well as its relevance across different business functions. This ensures that emerging risks and opportunities, such as those related to regulatory changes or evolving market expectations, are not overlooked. The prioritisation process is dynamic and reviewed regularly to reflect changes in the external environment, stakeholder expectations, and internal business strategies.

Risk and Opportunity Monitoring and Reporting

Monitoring of climate-related risks and opportunities forms part of the structured risk cycle embedded within our ERM Framework. This includes quarterly environmental scans to identify changes in context or circumstance which may trigger a change in risk levels. In situations where there are factors identified which may impact risk ratings, a review and re-assessment of the relevant risk or opportunity is conducted.

On a quarterly basis the following is considered:

- Any changes in the internal or external context;
- Any changes to the consequences and likelihood;
- Whether the controls are still effective;
- Whether any treatment actions are implemented; and
- Whether the risk remains the same.

For climate-related risks and opportunities, where a risk rating changes as a result of the review, the reasons for the revised rating are recorded and an update provided to the Sustainability Committee, and where it is a material climate-related risk or opportunity, an update is also provided to the Audit & Risk Management Committee. This captures the changed circumstance which has resulted in the modification of the rating.

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5. METRICS AND TARGETS

In this section the Metrics and Targets are designed to provide investors and stakeholders with quantifiable, comparable, and, in the case of targets, forward-looking information about how climate-related risks and opportunities are measured and managed. Its purpose is to demonstrate accountability for climate-related performance, enable tracking of progress against stated climate goals, support decision-making by showing how climate factors impact enterprise value over short, medium, and long term, and align disclosures with global frameworks for consistency and comparability.

5.1 Greenhouse Gas Emissions Results

The Group's absolute gross greenhouse gas emissions (GHG) generated during the reporting period are outlined below:

Detail	Unit	2025
Scope 1 emissions	tCo2-e	1,075,000
Scope 2 emissions	tCo2-e	107,000
Total emissions	tCo2-e	1,182,000

Scope 1 & 2 Greenhouse Gas Emissions Methodology & Approach

Each of the Group's facilities is covered by the *National Greenhouse and Energy Reporting (NGER) Act 2007*, within Australia. As such we are applying jurisdictional relief for all emissions in line with the NGER requirements.

The Group prepares its GHG inventory using the operational control consolidation approach. This is done in line with the GHG Protocol, where a company accounts for 100 percent of the GHG emissions from operations over which is has operational control.

In 2025 the Group has reported on direct Scope 1 along with indirect Scope 2 emissions from facilities under its operational control.

The Group has measured and calculated GHG emissions using the methods outlined in the NGER Measurement Determination. This approach is consistent with the Group's existing requirements to report emissions to the Australian Government under the NGER legislation. The Group has not identified any other material emissions sources under the GHG Protocol.

Scope	Emission Category	Activity	Data Source	GWP and EF Source	Methodology, Data Quality and uncertainty	Additional Notes
Scope 1	Stationary Combustion	Quantity of fuels (including oils and greases) used for stationary energy purposes	Invoices	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Methodology aligned to NGER (Measurement) Determination Method 1 (quantity multiplied by EF) High data quality and low uncertainty.	
	Transport combustion	Quantity of fuel used for transport purposes	Fuel transaction history and invoices	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Methodology aligned to NGER (Measurement) Determination Method 1 (quantity multiplied by EF) High data quality and low uncertainty.	
	Fugitive Emissions	Coal seam methane released during mining	Mining Records Site specific gas data	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Methodology aligned to NGER (Measurement) Determination Method 1 (ROM coal multiplied by EF); and Method 2 (gas in place using site-specific gas data collected using industry standard methodologies) High data quality and low uncertainty.	Method 2 utilised at Poitrel only.
Scope 2	Purchased Electricity	Electricity consumption	Invoices	GWPs from AR5; EFs sourced from NGER (Measurement) Determination	Location-based method (Quantity multiplied by EF). High data quality and low uncertainty.	

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Scope 3 Greenhouse Gas Emissions Methodology & Approach

The Group is well advanced with data collection processes in preparation for future mandatory Scope 3 reporting and will disclose additional information relating to its Scope 3 emissions in future reports in line with the requirements of the AASB S2.

5.2 Other cross-industry metrics

Vulnerability of assets and business activities to climate-related physical & transition risks & opportunities

The Group's assets and business activities were not deemed vulnerable to climate-related risks and opportunities in the short term. However, climate-related risks may impact the Group's assets and business activities in the medium and long terms, per the following table. Asset and business activity vulnerability to climate-related risks and opportunities will continue to be assessed throughout each year and reported annually.

CCRO	Short Term Asset Vulnerability	Short Term Business Activity Vulnerability	First material time horizon	Expected impact if the risk occurs
CR1	USD 0 (0%)	USD 0 (0%)	Long-term	Increase in operating expenses
CR2	USD 0 (0%)	USD 0 (0%)	Long-term	Increase in operating expenses
CR3	USD 0 (0%)	USD 0 (0%)	Medium-term	Decrease in revenue from contracts with customers

Capital expenditure, financing or investment deployed towards climate-related risks and opportunities

In the period, no material capital expenditure was allocated to climate-related risks and opportunities. However, climate-related adaptation and mitigation measures have been implemented through operational expenditure.

Internal Carbon Prices

The Group has opted to account for an internal carbon price using the current and forecast ACCU prices as a base. The Group carbon price is used across project feasibility studies and to determine the financial impact to existing operations should the emissions baseline be exceeded.

5.3 Climate-related Targets

The Group has set a climate-related target. Included in this target is the commitment to a reduction in net Scope 1 emissions in alignment with the requirements of the Safeguard Mechanism. The Safeguard Mechanism is legislated by the Australian government and applies to all of the Group's mining facilities and legislates an ongoing net reduction in GHG emissions. Stanmore has aligned it's GHG reduction target with this requirement and will update its target with any changes to the legislation.

Greenhouse Gas Emissions

The Group has set a greenhouse gas emission target outlined in Table 2.

Table 2: GHG Emission Target 1

Target	Reduce net Scope 1 GHG emissions in accordance with the requirements of the Safeguard Mechanism
Metric	Net Scope 1 GHG emissions Intensity
Objective	Mitigation of Scope 1 GHG emissions
Scope	All operational sites, including mining and processing facilities (excluding office and administration operations outside of active mines).
Period	2025-2030
Base period	2024
Milestones and interim targets	*N/A*
Target type	Net Emission Intensity Target

Carbon credits	To achieve the target by 2030, some carbon credits are planned to be used.
Alignment with jurisdictional commitment	Aligned with Australian Government's legislated requirements, Queensland's Governments Net Zero commitments and informed by the latest international climate agreements (Paris)
Validation	The target and methodology have been developed by the Australian Government and have been confirmed by the Clean Energy Regulator as part of the Safeguard Mechanism
Review process	This target and performance are reviewed quarterly by the Sustainability Committee and follows the escalation process of the ESG targets as set out in the Governance section.
Metrics for monitoring progress	Operational emission intensity (tco2-e / ROM t)
Revisions	Any revision to the target will be disclosed and explained in the annual climate-related report. No revisions have been made to the target in the current period.
Progress achieved	Stanmore provides potential pathways it follows that will allow it to achieve its target. Where targets cannot be met physically, ACCUs and SMCs will be used to make up the difference. Stanmore continues to make progress towards this target.

Other Climate-related Targets

The Group has not established additional climate-related targets.

Target Setting Process and Review Approach

The Group's climate target and the methodologies have not been validated by a third party. Quarterly reviews of performance against the target are conducted and presented at each Sustainability Committee meeting and summarised for the Board.

Performance Against Climate-related Targets

The emission intensity at each operation is reviewed annually as part of the Safeguard Mechanism requirements. Below are the results for 2025 noting the appropriate surrender of carbon credits required to be completed in early 2026.

Facility	Unit	FY2024-25
Isaac Plains Complex		
Target Intensity	t CO_2-e / ROM t	0.0453
Actual Intensity (pre-offsets)	t CO_2-e / ROM t	0.0588
Baseline value	t CO_2-e	159,941
Covered Emissions	t CO_2-e	207,822
Offsets required	t CO_2-e	47,881
Poitrel		
Target Intensity	t CO_2-e / ROM t	0.0332
Actual Intensity (pre-offsets)	t CO_2-e / ROM t	0.0413
Baseline value	t CO_2-e	248,897
Covered Emissions	t CO_2-e	309,856
Offsets required	t CO_2-e	60,959
South Walker Creek		
Target Intensity	t CO_2-e / ROM t	0.0446
Actual Intensity (pre-offsets)	t CO_2-e / ROM t	0.0627
Baseline value	t CO_2-e	361,841
Covered Emissions	t CO_2-e	508,592
Offsets required	t CO_2-e	146,751

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Planned Use of Carbon Credits to Achieve Targets

The Group's primary goal is to reduce operational GHG emissions through structural abatement measures, thereby reducing the use of carbon credits. Carbon credits will be required to achieve the target as part of the requirements of the Safeguard Mechanism. In line with those requirements only ACCUs and/or SMCs will be used in order to achieve the target. Each of a single ACCU and SMC represent 1 tonne of CO_2-e avoided or removed and are permanently surrendered to the Australian Government. The Clean Energy Regulator acts as issuer of ACCUs and SMCs with each one verified by their processes prior to being issued. No other carbon credits are allowed, under the Safeguard Mechanism Rules, to be used to achieve the required reduction.

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Directors' declaration – Sustainability Report

In the opinion of the directors of Stanmore Resources Limited (the Company), I state that the Company has taken reasonable steps to ensure that the substantive provisions of the Sustainability Report of the of the Company and its subsidiaries (collectively the Group) for the year ended 31 December 2025, as presented on pages 42 to 71, are in accordance with the *Corporations Act 2001*, including:

a. Complying with Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* and any further requirements determined under section 296C(2) of the *Corporations Act 2001*; and

b. Containing the climate statement disclosures required by section 296D of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors of the Company pursuant to section 296A(6) of the *Corporations Act 2001*, as modified by section 1707C(2) of the *Corporations Act 2001*.

Marcelo Matos

Director

23 February 2026

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Independent auditor's review report to the members of Stanmore Resources Limited

Conclusion

We have conducted a review of the following information in the Sustainability Report of Stanmore Resources Limited (the Company) and its subsidiaries (collectively the Group) for the year ended 31 December 2025 (the 'selective sustainability information') as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Selective sustainability information	Criteria: Reporting requirement of AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section 2 *Governance*
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Descriptions of climate-related risks and opportunities provided within Sections 3.4 *Climate-related risks and opportunities* and 3.5 *Our consideration and assessment of Physical Climate-related Risks and Opportunities*
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 5.1 *Greenhouse Gas Emissions Results*

The requirements of AASB S2 identified in the table above form the criteria relevant to the selective sustainability information and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the selective sustainability information specified in the table above does not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001.*

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the selective sustainability information is free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less

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in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the *Summary of the Work performed* section of our report.

Our responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Act and the ethical requirements of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code) that are relevant to reviews of the selective sustainability information of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the Company's Annual Report, including the Financial Report and the Sustainability Report, but does not include the selective sustainability information and our review report thereon.

Our conclusion on the selective sustainability information does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our review of the selective sustainability information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the selective sustainability information, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the selective sustainability information

The directors of the Company are responsible for:

- The preparation of the selective sustainability information in accordance with the Act; and
- Designing, implementing and maintaining such internal control necessary to enable the preparation of the selective sustainability information, in accordance with the Act that is free from material misstatement, whether due to fraud or error.

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Inherent limitations

As discussed within Section 3 *Strategy* of the Report, climate-related risk management is an emerging area, and often uses data and methodologies that are developing and uncertain. The Report contains forward looking statements, including climate-related scenarios, targets, assumptions, climate projections, forecasts, statements of future intentions and estimates and judgements that have not yet occurred and may never occur. We do not provide assurance on the achievability of this prospective information.

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the selective sustainability information, defined in the *Conclusion* section of our report, is free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selective sustainability information.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the selective sustainability information. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

In conducting our review, the procedures we performed included, but were not limited to:

- Considered the completeness of Stanmore Resources Limited's assessment of climate-related risks and opportunities

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- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the selective sustainability information during the reporting period
- Read minutes of relevant committees to understand matters discussed and decisions made with respect to climate-related disclosures
- Assessed the appropriateness of the reporting boundaries applied
- Undertook analytical review procedures to support the reasonableness of the selective sustainability information
- Evaluated the appropriateness of emission factors applied in the greenhouse gas emission processes
- Agreed the selective sustainability information disclosures made in the report with the underlying records
- Evaluated the presentation and disclosure of the selective sustainability information against the requirements of AASB S2

Ernst & Young

Andrew Carrick
Partner
Brisbane
23 February 2026

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Stanmore Resources Limited

ABN 27 131 920 968

Annual financial report - 31 December 2025

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Consolidated statement of profit or loss

	Notes	**31 December 2025 $M**	31 December 2024 $M
Revenue from contracts with customers	3	**1,881.2**	2,395.5
Other income	4(a)	**5.4**	4.1
Other (losses)/gains	4(b)	**(1.0)**	96.0
Total income		**1,885.6**	2,495.6
Net coal inventory movements and coal purchases		**4.2**	(55.3)
Employee benefits expense		**(138.7)**	(144.6)
Royalties expense		**(200.2)**	(322.2)
Operating expenses		**(698.0)**	(738.1)
Materials and supplies		**(321.3)**	(341.3)
Foreign exchange (losses)/gains		**(17.5)**	45.5
Other expenses	4(c)	**(129.5)**	(161.6)
Transaction and transition costs	4(c)	**(0.8)**	(7.1)
Depreciation and amortisation expense		**(400.8)**	(364.3)
Impairment expenses	4(d)	**-**	(55.8)
Operating (loss)/profit		**(17.0)**	350.8
Finance income	4(e)	**9.8**	21.9
Finance costs	4(e)	**(62.7)**	(102.6)
(Loss)/profit before income tax		**(69.9)**	270.1
Income tax expense	5	**22.7**	(78.6)
(Loss)/profit for the period		**(47.2)**	191.5
(Loss)/profit is attributable to:			
Owners of Stanmore Resources Limited		**(47.2)**	191.5
		Cents	Cents
Earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents per share)	20	**(5.2)**	21.2
Diluted earnings per share (cents per share)	20	**(5.2)**	21.2

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

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Consolidated statement of comprehensive income

	31 December 2025 $M	31 December 2024 $M
(Loss)/profit for the period	**(47.2)**	191.5
Other comprehensive (loss)/income for the period	**-**	-
Total comprehensive (loss)/income for the period	**(47.2)**	191.5
Total comprehensive (loss)/income for the period is attributable to:		
Owners of Stanmore Resources Limited	**(47.2)**	191.5

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The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

	Notes	**31 December 2025 $M**	31 December 2024 $M
ASSETS			
Current assets			
Cash and cash equivalents	6	**211.5**	288.9
Trade receivables	8	**190.3**	148.3
Inventories	9	**151.4**	154.4
Current tax receivables		**6.6**	20.2
Derivative financial instruments	16	**6.5**	-
Other current assets	12	**27.6**	32.7
Total current assets		**593.9**	644.5
Financial assets at FV through OCI		**25.0**	25.0
Property, plant and equipment	10	**1,264.2**	1,433.9
Exploration, development and mine properties	11	**1,009.8**	1,064.1
Other assets	12	**27.9**	34.2
Total non-current assets		**2,326.9**	2,557.2
Total assets		**2,920.8**	3,201.7
LIABILITIES			
Current liabilities			
Trade and other payables	13	**261.1**	240.7
Borrowings	14	**70.6**	69.9
Lease liabilities	15	**91.9**	178.3
Derivative financial instruments	16	**-**	19.5
Employee benefit obligations	18	**43.5**	51.3
Provisions	17	**3.2**	6.3
Total current liabilities		**470.3**	566.0
Non-current liabilities			
Borrowings	14	**170.7**	238.1
Lease liabilities	15	**197.9**	186.0
Deferred tax liabilities	5	**180.8**	177.8
Provisions	17	**179.8**	204.3
Total non-current liabilities		**729.2**	806.2
Total liabilities		**1,199.5**	1,372.2
Net assets		**1,721.3**	1,829.5
EQUITY			
Share capital	21	**616.4**	616.4
Other reserves	21(b)	**(23.7)**	(23.7)
Retained earnings	21(c)	**1,128.6**	1,236.8
Equity attributable to owners of Stanmore Resources Limited		**1,721.3**	1,829.5
Total equity		**1,721.3**	1,829.5

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity

	Notes	Share capital $M	Retained earnings $M	Other reserves $M	Total $M
Balance at 1 January 2025		**616.4**	**1,236.8**	**(23.7)**	**1,829.5**
Loss for the year		**-**	**(47.2)**	**-**	**(47.2)**
Total comprehensive loss for the year		**-**	**(47.2)**	**-**	**(47.2)**
Transactions with owners in their capacity as owners:					
Dividends paid	19(a)	**-**	**(61.0)**	**-**	**(61.0)**
Balance at 31 December 2025		**616.4**	**1,128.6**	**(23.7)**	**1,721.3**

	Notes	Share capital $M	Retained earnings $M	Other reserves $M	Total $M
Balance at 1 January 2024		616.4	1,160.8	(23.7)	1,753.5
Profit for the period		-	191.5	-	191.5
Total comprehensive profit for the period		-	191.5	-	191.5
Transactions with owners in their capacity as owners:					
Dividends paid	19(a)	-	(115.5)	-	(115.5)
Balance at 31 December 2024		616.4	1,236.8	(23.7)	1,829.5

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

	Notes	**31 December 2025 $M**	31 December 2024 $M
Operating activities			
Receipts from customers		**1,835.4**	2,518.4
Payments to suppliers and employees		**(1,456.6)**	(1,786.1)
Interest received		**9.8**	21.8
Interest and other finance costs paid		**(52.5)**	(95.0)
Income tax received/(paid)		**43.5**	(253.6)
Settlement of financial instruments		**(2.4)**	(0.7)
Dividends received		**3.6**	2.9
Net cash inflow from operating activities	7	**380.8**	407.7
Investing activities			
Payment for acquisition of subsidiary, net of cash acquired	2	**-**	(40.3)
Payments for property, plant and equipment		**(85.2)**	(170.4)
Payments for capitalised development, exploration and evaluation assets		**(25.2)**	(14.4)
Payments for mine property assets		**-**	(0.9)
Payments of vendor royalties	17	**(3.3)**	(152.9)
Proceeds from disposal of property, plant and equipment and exploration and evaluation assets		**2.7**	134.4
Repayment of loans to related parties		**-**	(5.3)
Net cash (outflow) from investing activities		**(111.0)**	(249.8)
Financing activities			
Proceeds from borrowings		**-**	350.0
Repayment of borrowings		**(80.9)**	(368.3)
Payment of principal lease liability		**(204.3)**	(181.5)
Dividend paid		**(61.0)**	(115.5)
Refunds of security bonds		**0.1**	0.4
Net cash (outflow) from financing activities	6(b)	**(346.1)**	(314.9)
Net (decrease) in cash and cash equivalents		**(76.3)**	(157.0)
Cash and cash equivalents at the beginning of the financial year		**288.9**	446.3
Effects of exchange rate changes on cash and cash equivalents		**(1.1)**	(0.4)
Cash and cash equivalents at end of year		**211.5**	288.9

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1 Basis of preparation of full year report

The financial statements of Stanmore Resources Limited for the reporting period ended 31 December 2025 covers the Group consisting of Stanmore Resources Limited and its subsidiaries as required by the *Corporations Act 2001*.

The financial statements are presented in US dollars.

Stanmore Resources Limited is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of the Group are the exploration, development, production and sale of metallurgical coal in Queensland, Australia.

The consolidated general-purpose financial report of the Group for the period ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 23 February 2026. The financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, the Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and IFRS accounting standards as issued by the International Accounting Standards Board (IASB);
- is presented in United States dollars with all values rounded to the nearest hundred thousand dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191*;
- adopts all new and amended Accounting Standards and interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 January 2025. Refer to Note 1(g) or further details; and
- does not early adopt any Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective.

The financial statements have been prepared on a historical cost basis, except for Contingent Consideration, Financial assets held at fair value and Derivative Financial Instruments which have been measured at fair value. The Group is a for-profit entity for the purposes of Australian Accounting Standards.

(a) Key judgements and estimates

In the process of applying the Groups accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note 2: Fair value of assets/liabilities/consideration payable upon acquisition	Page 85
Note 10: Estimation of recoverable amounts and assessment of CGU's	Page 96
Note 11: Capitalised development costs	Page 98
Note 11: Identification of impairment indicators	Page 99
Note 17: Rehabilitation provision	Page 102

(b) Going concern

At 31 December 2025, the current assets exceed the current liabilities by $123.6m. The Directors have considered projected cash flow information for the 12 months from the date of approval of these financial statements under multiple scenarios (which includes the ability to slow or defer spending), including conservative pricing forecasts and the Group's access to undrawn working capital facilities as disclosed in Note 14. Based on this analysis, the Group is expected to continue to satisfy its obligations as and when they fall due.

Accordingly, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025.

Subsidiaries are all those entities over which the Company has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

1 Basis of preparation of full year report (continued)

(c) Basis of consolidation (continued)

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

(d) Other accounting policies

Material and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

(e) Foreign currency translation

The Group's functional currency is the United States Dollar. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(f) Notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group Information is considered relevant and material if for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business, for example, acquisitions and impairment write-downs; or
- it is related to an aspect of the Group's operations that is important to its future performance.

(g) New and amended standards and interpretations adopted by the Group

The Group has applied all the new standards and amendments for the first time for their annual reporting period commencing 1 January 2025. These amendments had no material impact on the financial statements of the Group.

In June 2024, the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements*, which replaces AASB 101 *Presentation of Financial Statements*. AASB 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to AASB 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

AASB 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. AASB 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

There are no other new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements, that have been assessed to have a material impact on the financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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2 Business combination and other acquisitions

Accounting policies

Business Combinations

AASB 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purposes of:

• providing goods or services to customers;
• generating investment income; or
• generating income from ordinary activities

Where an acquisition meets the definitions under AASB 3, it is considered a business combination, which are accounted for using the acquisition method.

The cost of acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The Group retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

For each business combination, any Non-Controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs expenses as incurred to profit or loss.

Asset acquisitions

Where an acquisition does not meet the definition of a business under AASB 3, it is considered an asset acquisition, resulting in the fair value of the purchase consideration being allocated to individual identifiable assets acquired and liabilities assumed, on a relative fair value basis.

The purchase consideration consists of cash and non-cash consideration. Where non-cash consideration exists, the fair value of these assets or services are included within the total acquisition price allocatable to the identified net assets acquired.

The Group has elected not to recognise any deferred contingent consideration relating to an asset acquisition, with any subsequent costs incurred to profit or loss.

All directly attributable acquisition costs incurred relating to an asset acquisition are included in the purchase consideration, rather than being expensed to profit or loss.

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2 Business combination and other acquisitions (continued)

Acquisition of Eagle Downs Joint Venture (JV)

Summary of acquisition

On 12 August 2024, the Group completed the acquisition of South 32's 50% interest in the Eagle Downs JV Project, as well as 100% of Eagle Downs Coal Management Pty Ltd. Subsequently, the Group announced that it had completed the acquisition of the remaining 50% interest in the Eagle Downs JV Project and 100% interest in the Eagle Downs South tenements from Aquila, resulting in the Group owning 100% of both projects.

Initial cash consideration of $35.2m was paid, along with $50.0m payable upon first 100Kt of coal being mined from longwall mining methods and a capped royalty of up to $250.0m payable in the future linked to average coal index price thresholds.

The Eagle Downs JV is a development project, not yet operating, and as such does not meet the definition of a business, given it does not have its own series of integrated activities capable of producing goods or services.

Therefore, this acquisition does not meet the requirements of AASB 3 - Business Combinations, and results in the purchase being treated as an asset acquisition, resulting in the purchase consideration being allocated to individual identifiable assets acquired and liabilities assumed, on a relative fair value basis.

As noted in the Group's asset acquisition policy on page 85, the Group has elected not to recognise the deferred royalty and contingent consideration components of the consideration. The details of the purchase consideration and the net assets acquired are as follows:

	$M
Cost of Assets and Liabilities Assumed	
Cash paid	**35.6**
Transaction Costs	**28.5**
Deferred consideration	**-**
Total purchase consideration	**64.1**

	$M
Analysis of cash flows paid on acquisition	
Cash paid	**(35.6)**
Transaction costs	**(28.5)**
Net cash acquired with the Joint Venture	**0.5**
Total purchase consideration	**(63.6)**

The assets and liabilities recognised as a result of the acquisition are as follows:

	$M
Cash	**0.5**
Prepayments	**0.4**
Property, plant and equipment	**48.8**
Lease assets	**34.1**
Intangibles	**3.3**
Capitalised development	**1.4**
Exploration and evaluation	**23.3**
Trade and other payables	**(0.1)**
Lease liabilities	**(34.1)**
Rehabilitation provisions	**(13.5)**
Net assets acquired	**64.1**

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2 Business combination and other acquisitions (continued)

Acquisition of Eagle Downs Joint Venture (JV) (continued)

Summary of acquisition (continued)

(i) Acquisition-related costs

Directly attributable transaction costs associated with the acquisition were capitalised to the balance sheet in the prior to 31 December 2024 totalling $5.2m. On 26 June 2025, the Group paid a total of $25.2m in stamp duty relating to the acquisition of the Eagle Downs Project, of which $0.2m had previously been included as part of the carrying amount for Eagle Downs recorded on the balance sheet. The Group has objected to the Queensland Revenue Office's stamp duty assessment for the Eagle Downs Project and, in accordance with legislation, paid the assessed amount to preserve its right to appeal the outcome if necessary. As the additional stamp duty has been fully paid as at 31 December 2025, these additional acquisition transaction costs have been included in the cost of Exploration and Evaluation assets acquired, until such time the outcome of any appeal is confirmed.

(ii) Significant estimate: fair value of consideration

As at 31 December 2025, no deferred contingent payments related to the acquisition have been recognised in line with the Group's accounting policy.

Where subsequent payments occur in relation to these contingent payments, they will be expensed through the profit or loss once any terms of the royalty have been met.

3 Revenue

	31 December 2025 $M	31 December 2024 $M
Revenue from contracts with customers	**1,881.2**	2,395.5
Total revenue	**1,881.2**	2,395.5

(a) Disaggregation of revenue from contracts with customers

The Group recognises revenue from the transfer of goods at a point in time with the following major product lines and geographical regions:

	31 December 2025 $M	31 December 2024 $M
Revenue from external customers		
Metallurgical coal/Asia	**1,121.9**	1,559.7
Metallurgical coal/Europe	**494.2**	609.4
Metallurgical coal/South America	**195.2**	147.0
Thermal coal/Asia	**65.1**	77.7
Thermal coal/Europe	**1.2**	1.7
Thermal coal/South America	**3.6**	-
Total revenue	**1,881.2**	2,395.5

(b) Recognition and measurement

Revenue is recognised when the control of the goods is passed to the customer. The amount of revenue recognised is the consideration the Group is entitled to receive in exchange for transferred goods to the customer.

(i) Contracts with customers - coal sales

General recognition

Revenue from the sale of coal is recognised in the profit or loss when performance obligations have been met, which is deemed to be when control of the coal has been transferred from the Group to the customer. Typically, for free on board sales, the transfer of control and the recognition of a sale occurs when the coal passes the ship rail when loading at the port. For free on stockpile sales, the transfer of control will occur when the goods are made available for collection by the customer. All coal is shipped either through the Dalrymple Bay Coal Terminal or the North Queensland Export Terminal, with the majority of the coal sold during the year ended 31 December 2025 contracted 'free on board' basis.

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3 Revenue (continued)

(b) Recognition and measurement (continued)

(i) Contracts with customers - coal sales (continued)

As is customary with 'free on board' contracts, parameters such as coal quality and mass are tested using independent experts and weightometers as the vessel is being loaded. The bill of lading is only issued upon verification and confirmation from several parties involved with the logistic and handling process. Once confirmed, the measured parameters form the basis for calculation of final price on the commercial invoice. All customer contracts specify a known price and tolerance range for quality parameters prior to the Group committing to the supply of coal to the customer.

Coking Coal Quarterly Index Linked Price Contracts recognition

Coal Sales contracts with Stanmore Resources customers generally contain monthly or quarterly pricing provisions linked to the relevant coking coal index or benchmarks. Index relativities take into account quality specifications and other contractual considerations.

When the final pricing has not been determined at the time of invoicing, sales invoices are issued based on provisional prices. These provisional prices are then adjusted when the final index levels are known or benchmark prices have been settled.

Due to the potential volatility in coal price indices, management reviews the revenue recognised for any provisionally priced shipments at the end of each period. Coal sales revenue recognised for these shipments is then adjusted based on current index levels, price forecasts and managements judgements on the risks associated with the customer.

Thermal coal contracts sales

Thermal coal sales are not customarily index linked and are settled based on contract prices as agreed and adjusted by the contract terms. Generally, price and adjustments are finalised and final invoiced within a short period of time after the coal is 'free on board'.

4 Other income and expense items

(a) Other income

	31 December 2025 $M	31 December 2024 $M
Services	**1.8**	1.2
Dividends	**3.6**	2.9
	5.4	4.1

(b) Other (losses)/gains

	31 December 2025 $M	31 December 2024 $M
Net loss on disposal of property, plant and equipment	**(1.3)**	-
Net gain on sale of held-for-sale assets	**-**	96.0
Other items	**0.3**	-
	(1.0)	96.0

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4 Other income and expense items (continued)

(c) Breakdown of other expenses

	31 December 2025 $M	31 December 2024 $M
Operational accommodation and travel	**53.3**	53.6
Sales and marketing	**52.4**	66.3
Administration and other operational expenses	**23.8**	41.7
Total other expenses	**129.5**	161.6

	31 December 2025 $M	31 December 2024 $M
Transaction costs	**0.8**	7.1
Total transaction and transition costs	**0.8**	7.1

Transaction costs consist of fees and expenses incurred in business development and due diligence activities. In the prior year, these costs were related to the purchase of the Eagle Downs JV Project.

(d) Impairment expense

	31 December 2025 $M	31 December 2024 $M
Impairment expenses	**-**	55.8
Total impairment expense	**-**	55.8

On 28 June 2024, following a detailed strategic review, Stanmore announced its decision to cease operations at the Mavis underground mine from the end of June and completed the transition by the end of Q3 2024.

As a result, management performed an impairment assessment of its associated assets, recognising a total impairment charge of $55.8m including the recognition of any onerous contracts. Where assets are able to be repurposed to other mine sites, these have been transferred with no impairment recognised. For assets that will be recovered through sale or other use, the Group has estimated the recoverable amount of these assets based on their fair values less cost of disposal.

(e) Finance income and costs

	31 December 2025 $M	31 December 2024 $M
Finance income		
Interest	**9.8**	21.9
Finance income	**9.8**	21.9
Finance costs		
Interest paid	**37.3**	54.1
Interest amortisation unwinding	**7.7**	11.2
Interest charge - lease liability	**17.7**	37.3
Finance costs expensed	**62.7**	102.6
Net finance costs	**52.9**	80.7

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4 Other income and expense items (continued)

(f) Recognition and measurement

(i) Cost of sales

Cost of sales are costs incurred directly or indirectly relating to the mining and preparation of coal for sale to third party customers. Costs have been recognised on an accrual basis at the time the sale is recognised, in line with movements through inventory and survey information from site.

(ii) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services rendered up to the end of the reporting period. They are measured at amounts expected to be paid when the liabilities are settled.

Expenses for sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

Where the Group has liabilities that are not expected to be settled wholly within 12 months after the end of the reporting period, such as long service leave, these obligations are measured at the present value of the expected future payments to be made in respect of the services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as close as possible, the estimated future cash flows.

(iii) Leases

The leases recognised in Other Expenses relate to short-term lease obligations where the entity has adopted the recognition exemption. Lease payments for short-term leases are charged to profit or loss on a straight-line basis over the term of the lease, net of any incentives.

5 Income tax

On 10 December 2024, the Australian Government enacted legislation adopting the International Tax Reform - Pillar Two Model Rules. In response, the Australian Accounting Standards Board issued amendments to AASB 112 Income Taxes arising from the IASB's International Tax reform - Pillar Two Model Rules.

The amendments clarify that AASB 112 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules, including Qualified Domestic Minimum Top-Up Taxes (QDMTTs). The amendments also introduce a mandatory temporary exception from the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has adopted these amendments. As required, the Group has not recognised deferred tax assets or liabilities arising from the implementation of the Pillar Two rules.

However, under the transitional safe harbour rules, top up tax for the Group for the year ended 31 December 2025 is deemed to be nil on the basis that each constituent entity within the ultimate Group subject to the Pillar 2 rules has separate financial statements prepared in accordance with IFRS and GAAP, and the total minimum tax rate for this group is above the threshold level.

Based on all information available, management expect Stanmore to be eligible to apply the transitional safe harbour rules.

(a) Income tax (benefit)/expense

	31 December 2025 $M	31 December 2024 $M
Current income tax (benefit)/expense	**(23.8)**	49.5
Prior year adjustments	**(1.9)**	(1.4)
Deferred income tax expense	**3.0**	30.5
Income tax (benefit)/expense	**(22.7)**	78.6

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5 Income tax (continued)

(b) Numerical reconciliation of income tax (benefit)/expense to prima facie tax payable

	31 December 2025 $M	31 December 2024 $M
Prima facie tax (benefit)/expense (30%) on (loss)/profit before income tax	**(21.0)**	81.0
Add tax effect of:		
Tax offset for franked dividends	**-**	(1.2)
Other	**0.2**	0.2
Prior period taxes (under) recognised	**(1.9)**	(1.4)
Income tax (benefit)/expense	**(22.7)**	78.6

(c) Deferred tax balances

	31 December 2025 $M	31 December 2024 $M
The balance comprises temporary differences attributable to:		
Deductible temporary differences	**174.4**	178.9
Taxable temporary differences	**(355.2)**	(356.7)
Net deferred tax liabilities	**(180.8)**	(177.8)

Deferred tax assets will only be recognised when:

- the Group derives future assessable income of a nature of an amount sufficient to enable the losses to be realised;
- the Group continues to comply with the conditions of deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Group in realising the losses.

(d) Recognition and measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

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5 Income tax (continued)

(d) Recognition and measurement (continued)

31 December 2025	Opening balance $M	Recognised in profit or loss $M	Closing balance $M	Deferred tax asset $M	Deferred tax liability $M
Provision for rehabilitation	79.1	5.1	**74.0**	74.0	-
Property, plant and equipment	(36.9)	(2.8)	**(34.1)**	-	(34.1)
Exploration and development costs	(12.1)	13.4	**(25.5)**	-	(25.5)
Unrealised FX	(21.1)	(2.3)	**(18.8)**	-	(21.0)
Other	(14.9)	0.9	**(15.8)**	-	(16.7)
Mineral Rights	(271.7)	(13.8)	**(257.9)**	-	(257.9)
Lease liabilities	99.8	25.9	**73.9**	73.9	-
Carried forward losses	-	(23.4)	**23.4**	23.4	-
TOTAL	**(177.8)**	**3.0**	**(180.8)**	**174.4**	**(355.2)**

31 December 2024	Opening balance* $M	Recognised in profit or loss $M	Closing balance* $M	Deferred tax asset $M	Deferred tax liability $M
Provision for rehabilitation	71.6	(7.5)	**79.1**	79.1	-
Property, plant and equipment	(25.2)	11.7	**(36.9)**	-	(27.2)
Contingent consideration	6.1	6.1	**-**	-	-
Exploration and development costs	11.4	23.5	**(12.1)**	-	(12.1)
Unrealised FX	(18.2)	2.9	**(21.1)**	-	(21.1)
Other	(16.1)	(1.2)	**(14.9)**	-	(14.9)
Rail loop benefit	(0.2)	(0.2)	**-**	-	-
Mineral Rights	(268.6)	3.1	**(271.7)**	-	(281.4)
Lease liabilities	91.9	(7.9)	**99.8**	99.8	-
TOTAL	**(147.3)**	**30.5**	**(177.8)**	**178.9**	**(356.7)**

*Note that some prior year comparatives have been restated with no net impact to the underlying consolidated deferred tax balances.

(i) Tax consolidation

Stanmore Resources Limited and its wholly owned subsidiaries have formed a tax consolidated group and are taxed as a single entity. Stanmore Resources Limited is the head entity of the tax consolidated group. The stand-alone taxpayer/separate taxpayer within a group approach has been used to allocate current income tax expense and deferred tax expense to wholly owned subsidiaries that form part of the tax consolidated group. Stanmore Resources Limited has assumed all the current tax liabilities and the deferred tax assets arising from unused tax losses for the tax consolidated group via intercompany receivables and payables as a tax funding arrangement.

6 Cash and cash equivalents

	31 December 2025 $M	31 December 2024 $M
Current assets		
Cash at bank and in hand	**211.5**	288.9

(a) Recognition and measurement

For the purposes of the consolidated statement of cash flows, cash and cash equivalents includes (1) cash on hand and at bank; (2) deposits held at call with financial institutions; (3) other short-term, highly liquid investments with original maturities of three months or less; that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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6 Cash and cash equivalents (continued)

(b) Reconciliation of liabilities arising from financing activities

	Chattel mortgage $M	Term loan $M	Acquisition financing $M	Lease liabilities $M	Insurance premium funding $M	Total $M
Liabilities as at 1 January 2025	**1.2**	**304.6**	**-**	**364.3**	**2.2**	**672.3**
Cash outflows	**(0.1)**	**(70.0)**	**-**	**(204.3)**	**(10.8)**	**(285.2)**
Foreign exchange movements	**-**	**-**	**-**	**21.6**	**-**	**21.6**
Other changes	**-**	**2.7**	**-**	**108.2**	**11.5**	**122.4**
Liabilities as at 31 December 2025	**1.1**	**237.3**	**-**	**289.8**	**2.9**	**531.1**

	Chattel mortgage $M	Term Loan $M	Acquisition financing $M	Lease liabilities $M	Insurance premium funding $M	Total $M
Liabilities as at 1 January 2024						
Opening balance	2.9	-	317.7	459.8	4.0	784.4
Cash inflows	-	350.0	-	-	-	350.0
Cash outflows	(1.8)	(35.0)	(317.7)	(203.3)	(12.4)	(570.2)
Foreign exchange movements	-	-	-	(37.4)	-	(37.4)
Other changes	0.1	(10.4)	-	145.2	10.6	145.5
Liabilities as at 31 December 2024	1.2	304.6	-	364.3	2.2	672.3

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7 Cash flow information

(a) Cash generated from operations

Reconciliation of (loss)/profit after income tax to net cash flow from operating activities	**31 December 2025 $M**	31 December 2024 $M
(Loss)/profit for the period	**(47.2)**	191.5
Adjust for non-cash items:		
Depreciation and amortisation of fixed assets	**400.8**	364.3
Impairment of non-current assets	**-**	55.8
(Gain)/loss of disposal of held for sale asset	**-**	(96.0)
Net (gain)/loss on disposal of property, plant and equipment	**1.3**	-
Other non-cash movements	**(0.4)**	2.9
Non-cash movement in provisions	**-**	2.8
Foreign exchange loss/(gain)	**17.5**	(45.2)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(40.4)**	135.2
(Increase)/decrease in inventories	**(3.9)**	29.5
Decrease in prepayments	**15.8**	23.6
Decrease/(increase) in income taxes payable	**17.0**	(198.7)
Increase in deferred tax liabilities	**3.8**	23.7
Increase/(decrease) in trade and other payables	**11.8**	(77.4)
Increase in provisions for onerous contracts	**0.1**	1.7
Increase/(decrease) in rehabilitation provisions	**15.5**	(17.1)
Increase in other provisions	**2.9**	12.7
(Decrease)/increase in provisions for employee benefits	**(7.9)**	0.5
(Decrease)/increase in derivative financial instruments	**(2.4)**	-
(Decrease) in other operating liabilities	**(3.5)**	(2.1)
Net cash inflow from operating activities	**380.8**	407.7

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST components of cash flows arising from investing and financing activities are classified as operating cash flows.

8 Trade and other receivables

	31 December 2025 $M	31 December 2024 $M
Trade receivables	**172.7**	123.0
Other receivables	**0.4**	3.8
GST receivable	**17.2**	21.5
Total current receivables	**190.3**	148.3

(a) Recognition and measurement

Trade and other receivables are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at Amortised Cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Statement of Profit or Loss.

(i) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables. Loans to related parties are assessed using the general approach required by AASB 9 for the assessment of expected credit losses. Management has determined that assessment of expected credit loss associated with trade receivables is at less than 0.5%.

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9 Inventories

	31 December 2025 $M	31 December 2024 $M
Current assets		
ROM coal inventories - at cost	**57.5**	37.9
ROM coal inventories - at net realisable value	**12.5**	13.7
Product coal stocks - at cost	**15.2**	41.4
Product coal stocks - at net realisable value	**8.1**	1.0
Consumable inventories - at cost	**58.1**	60.4
	151.4	154.4

(a) Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimate selling price in the ordinary course of business, less the estimate costs of completion and selling expenses.

The cost of coal inventories is determined using a direct costing basis. Costs include blasting, overburden removal, coal mining, processing, labour, transport and other costs which are directly related to mining activities at site.

Inventories are classified as follows:

- run of mine material (ROM) extracted through the mining process and awaiting process at the coal handling and preparation plant; and
- product coal which has been processed into final saleable form. Product coal may be held at the site or at port shared stockpile facilities awaiting delivery to customers.
- consumable inventories which includes all spares, parts, consumables and all other inventories used in the mining process.

10 Property, plant and equipment

	31 December 2025 $M	31 December 2024 $M
Plant and equipment		
At cost	**760.3**	753.1
Accumulated depreciation and impairment	**(323.8)**	(275.1)
	436.5	478.0
Land and buildings		
At cost	**535.4**	418.7
Accumulated depreciation and impairment	**(132.5)**	(94.9)
	402.9	323.8
Right of use asset		
At cost	**520.4**	749.2
Accumulated depreciation and impairment	**(213.4)**	(356.4)
	307.0	392.8
Capital work in progress		
At cost	**117.8**	239.3
	117.8	239.3
	1,264.2	1,433.9

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10 Property, plant and equipment (continued)

(a) Recognition and measurement

Property, plant and equipment (PP&E) is measured at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

(i) Movements in carrying amounts

	Plant and equipment $M	**Land and buildings $M**	**Right of use asset $M**	**Capital work in progress $M**	**Total $M**
Year ended 31 December 2025					
Opening net book amount	**477.9**	**323.9**	**392.8**	**239.3**	**1,433.9**
Additions	**-**	**-**	**160.5**	**89.5**	**250.0**
Reclassifications	**54.0**	**116.7**	**-**	**(211.0)**	**(40.3)**
Remeasurements	**-**	**-**	**(52.2)**	**-**	**(52.2)**
Disposals	**(3.5)**	**(0.3)**	**-**	**-**	**(3.8)**
Depreciation charge	**(91.9)**	**(37.4)**	**(194.1)**	**-**	**(323.4)**
Closing net book amount	**436.5**	**402.9**	**307.0**	**117.8**	**1,264.2**

	Plant and equipment $m	Land and buildings $M	Right of use asset $M	Capital work in progress $M	Total $M
Period ended 31 December 2024					
Opening net book amount	464.1	332.5	459.0	241.6	1,497.2
Acquisition of subsidiary	0.9	3.0	34.0	37.8	75.7
Additions	9.4	-	108.1	179.6	297.1
Reclassifications	91.7	47.9	(19.8)	(219.7)	(99.9)
Disposals	-	-	(1.9)	-	(1.9)
Impairment loss	(13.7)	(30.0)	(0.5)	-	(44.2)
Depreciation charge	(74.5)	(29.5)	(186.1)	-	(290.1)
Closing net book amount	477.9	323.9	392.8	239.3	1,433.9

(ii) Estimation of recoverable amounts and assessment of CGU's

The identification of Cash Generating Units (CGUs) requires judgement. The Group has assessed the active mining operations and determined that they operate as a single CGU for impairment assessment purposes. This conclusion is based on the high level of integration across mining operations, shared infrastructure, centralised marketing and sales arrangements, and the fact that cash inflows are not largely independent at an individual mine or asset level. This CGU determination is considered to be a key judgement as it directly affects the level at which impairment testing is performed and the aggregation of assets and cash flows included in the assessment

(iii) Revaluation, depreciation methods and useful lives

The carrying amount of all non-mining property fixed assets, except land, is depreciated over their useful life from the time the asset is held ready for use. PP&E are depreciated on a units of production basis over the life of the economically recoverable resources. The base for the units of production is drawn from the assets principal use. Items that are specific to open cut operations are depreciated over the run of mine open cut coal reserves. Surface infrastructure that is not specific to a mining method such as the wash plant and loadout facilities utilise the Economically Recoverable Resources of the associated mining complex, which includes an estimate of recoverable underground coal reserves.

The depreciation rates used for each class of assets are:

- Plant and equipment — 5-25% straight line/units of production
- Furniture and office equipment — 5-25% straight line
- Buildings and improvements — 5-10% straight line
- Right-of-use asset — lesser of the useful life of the asset or lease term

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10 Property, plant and equipment (continued)

(a) Recognition and measurement (continued)

(iii) Revaluation, depreciation methods and useful lives (continued)

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's Fair Value Less Cost of Disposal and its Value in Use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, selling prices and operating costs. As part of the Group's impairment assessment, the Group considers the expected future demand for its product, impact of known climate policies and potential policy responses to climate change. The Group's assets are metallurgical coal assets and based on the Group's research, demand for its product will continue over the life of the CGU.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period which they arise.

(iv) Right-of-use asset

At the inception of a contract, the Group assesses whether a contract contains a lease based on whether the contract conveys the right to use or control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease, the Group recognises a lease liability and a corresponding right-of-use asset. The lease liability is initially recognised at present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and are discounted using the interest rate determined using the lessee's incremental borrowing rate. The right-of-use asset is initially measured at cost which includes any direct costs, and subsequently measured at costs less any depreciation and impairment.

The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the Statement of Profit or Loss in depreciation and amortisation.

The unwind of the financial charge on the lease liability is recognised in the Statement of Profit or Loss in financial expenses based on the lessee's incremental borrowing rate.

11 Capitalised development, exploration and mine properties

	31 December 2025 $M	31 December 2024 $M
Exploration and evaluation	**108.6**	85.3
Mine properties	**901.2**	978.8
	1,009.8	1,064.1

		Exploration and evaluation $M	**Mine properties $M**	**Total $M**
Year ended 31 December 2025				
Opening net book amount		**85.3**	**978.8**	**1,064.1**
Remeasurement of rehabilitation provision		**-**	**(40.5)**	**(40.5)**
Additions	2	**23.3**	**-**	**23.3**
Reclassifications		**-**	**40.3**	**40.3**
Depreciation charge		**-**	**(77.4)**	**(77.4)**
Closing net book amount		**108.6**	**901.2**	**1,009.8**

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11 Capitalised development, exploration and mine properties (continued)

	Exploration and evaluation $M	Mine properties $M	Total $M
Period ended 31 December 2024			
Opening net book amount	70.9	972.2	1,043.1
Acquisition of subsidiary	-	8.7	8.7
Remeasurement of rehabilitation provision	-	(6.8)	(6.8)
Additions	15.1	-	15.1
Reclassifications	5.0	84.4	89.4
Impairment loss	(5.7)	(5.9)	(11.6)
Depreciation charge	-	(73.8)	(73.8)
Closing net book amount	85.3	978.8	1,064.1

(a) Recognition and measurement - capitalised development

Capitalised Development expenditure includes costs transferred from Exploration and Evaluation when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following recognition, the asset is carried at cost less any accumulated impairment losses. Once the development phase is complete and production begins, the costs are transferred from Capitalised Development Costs to Mine Properties where they are amortised over the life of the development project.

(i) Key judgements

Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generating potential of the project, discount rates to be applied and the expected period of which cash flows are expected to be received.

(b) Recognition and measurement - exploration and evaluation

Exploration and evaluation expenditure incurred is capitalised on an area of interest basis. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure. These costs are carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable resources and active or significant operations in relation to the area are continuing.

A regular review is undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Accumulated costs in relation to an abandoned area are written off against profit in the period in which the decision to abandon the area is made. Where an uncertainty exists for further exploration of the area, a provision is raised for the costs of exploration.

When the technical feasibility and commercial viability is demonstrated, the accumulated costs for the relevant area of interest are transferred to capitalised development costs.

(i) Key judgements

The Group performs impairment testing on specific exploration assets as required in AASB 6 para. 20. No impairment on exploration and evaluation assets was recognised in 2025 (2024: $5.7m).

(ii) Acquisition of Isaac South

In the prior year, on 4 September 2024, Stanmore signed an agreement with Anglo American and Exxaro for the rights to explore, study and then apply for a future mining lease to mine the open cut area immediately adjacent to Stanmore's Isaac South project. Consideration for the purchase was $15.0m; together with deferred consideration of $20.0m upon first coal being mined or 10 years from grant of mining lease and a capped $40.0m contingent royalty linked to certain coal price thresholds being met.

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11 Capitalised development, exploration and mine properties (continued)

(c) Recognition and measurement - mine properties

Mining property assets include costs transferred from Capitalised Development following start of production, and the rehabilitation asset capitalised to offset rehabilitation provisions when disturbance occurs. Following transfer from Capitalised Development, all subsequent development costs are capitalised to the extent that commercial viability conditions continue to be satisfied.

The costs associated with mine properties are amortised based on a units of production method.

(i) Key judgements

Due to the expectation that saleable coal will be produced as a result of the initial mine development, management judgement is required in relation to when a mine is considered to have started production, and therefore transferred to Mine Properties and depreciated.

The Group assesses at the end of each period whether there are any impairment indicators in relation to Mine Property assets, included related PP&E balances in Note 10. This includes consideration of the forward-looking commodity prices and foreign exchange rates. We have also contemplated the Group's Net Assets relative to its market capitalisation as at the balance date. We have concluded that no indicators of impairment exist for the Group's CGU as a 31 December 2025.

12 Other assets

	31 December 2025 $M	31 December 2024 $M
Other current assets		
Prepayments	**27.6**	32.7
	27.6	32.7
Other non-current assets		
Prepayments	**21.8**	21.9
Security bonds	**1.0**	3.6
Other	**5.1**	8.7
	27.9	34.2

(a) Recognition and measurement

Other current assets related to operational and financing costs paid in advance of the period to which the Group will receive the benefit from those goods and services.

Non-current assets relate to cash security bond payments made to key operational suppliers, and term deposits with the Group's banking provider which are secured against the Group's bank guarantee facilities.

13 Trade and other payables

	31 December 2025 $M	31 December 2024 $M
Current liabilities		
Trade and other payables	**70.1**	75.3
Accrued expenses	**144.6**	129.3
Statutory payables	**25.7**	21.7
Other payables	**20.7**	14.4
	261.1	240.7

(a) Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the period end and which are unpaid. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. No assets of the Group have been pledged as security for the trade and other payables.

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14 Interest bearing loans and borrowings

	31 December 2025			31 December 2024		
	Current $M	**Non-current $M**	**Total $M**	Current $M	Non-current $M	Total $M
Term loan	**70.0**	**175.0**	**245.0**	70.0	245.0	315.0
Chattel Mortgage	**0.2**	**0.9**	**1.1**	0.2	1.0	1.2
Insurance premium funding	**2.9**	**-**	**2.9**	2.2	-	2.2
Capitalised borrowing costs	**(2.5)**	**(5.2)**	**(7.7)**	(2.5)	(7.9)	(10.4)
Total interest-bearing loans and borrowings	**70.6**	**170.7**	**241.3**	69.9	238.1	308.0

(a) Financing facilities

	31 December 2025		31 December 2024	
		$M		$M
	Facility Utilised	**Facility Available**	Facility Utilised	Facility Available
Term Loan	**245.0**	-	315.0	-
Secured revolving credit facilities	-	**200.0**	-	150.0
Unsecured revolving credit facilities from Related Parties	-	**70.0**	-	70.0
Other	**4.0**	**-**	3.4	-
	249.0	**270.0**	318.4	220.0

The 'Term Loan' facility matures 30 September 2029 and has a variable interest rate of 8.1% as of 31 December 2025. The facility may not be redrawn with repayments consisting of a fixed amortisation schedule.

The secured revolving credit facilities are comprised of $200.0m in revolving credit facilities, each maturing 30 September 2027. These facilities were upsized during the year from $150.0m to $200.0m and remain undrawn as of 31 December 2025.

The unsecured revolving credit facilities from Related Parties is comprised of a $70.0m revolving credit facility with the Group's major shareholder, Golden Energy and Resources Pte Ltd (GEAR). The key terms include a maturity date of 30 June 2026, fixed interest rate on drawn funds of 12% per annum and a commitment fee on undrawn funds of 3% per annum.

Other financing facilities include A$4.6m outstanding on a short-term group insurance premium funding and A$1.3m outstanding on a chattel mortgage.

(b) Term Loan Facility

On 30 September 2024, the Group refinanced the Group's debt facilities into a new US$350.0m five-year amortising Term Loan Facility (Term Loan). The facility is secured by a first charge over the certain equipment, plant and properties of the Group.

The term loan is subject to the following covenants:

- Group Gearing ratio less than 40%. The gearing ratio is calculated as net debt (total borrowings less cash and cash equivalents) divided by net debt plus total equity. The gearing ratio was in compliance at 31 December 2025.
- Debt Service Cover Ratio (DSCR) greater than 1.25 times. The DSCR was in compliance at 31 December 2025. The DSCR is calculated as cash flow available for debt servicing (CFADS) divided by debt service.

Both covenants are tested half-yearly, at 30 June and 31 December. The Group has no indication that it will have difficulty complying with these covenants.

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14 Interest bearing loans and borrowings (continued)

(c) Guarantee and Bonding Facilities

	31 December 2025 $M	31 December 2024 $M
Facility Utilisation		
Bank Guarantee Facilities	**43.7**	11.9
Surety Bonding Facilities	**124.4**	123.1
	168.1	135.0

15 Lease liability

	31 December 2025 $M	31 December 2024 $M
Lease liabilities current	**91.9**	178.3
Lease liabilities non-current	**197.9**	186.0
Total lease liability	**289.8**	364.3

(a) Recognition and measurement

The lease liability recognised relates to leases recognised under AASB 16 Leases. Refer to Note 10 on page 97 for the recognition and measurement policy for lease liabilities.

Reconciliation of movements	**2025 $M**	2024 $M
Opening balance	**364.3**	459.8
Additions	**160.5**	107.5
Additions through acquisitions	**-**	0.3
Disposals	**(0.3)**	-
Depletions through settlement	**(221.7)**	(203.3)
Remeasurement	**(52.2)**	-
Foreign exchange remeasurements	**21.8**	(37.4)
Interest expense	**17.4**	37.4
Closing balance	**289.8**	364.3

Additions during the period primarily relate to new operational mining contracts entered into during the period, which are deemed to include components of mining equipment recognisable under AASB 16.

The Group has lease contracts for equipment that contains variable payments in the form of rise and fall mechanisms. These rise and fall mechanisms have been factored into the relevant lease liabilities as at 31 December 2025, the balance of which totals $163.9m (2024: $278.1m).

The Group has lease contract commitments not yet recognised as a lease liability totalling $332.1m, with expected out flows of $66.0m within one year and $266.1m later than one year but not later than five years.

16 Derivative financial instruments

	31 December 2025 $M	31 December 2024 $M
Derivative financial assets/(liabilities)	**6.5**	(19.5)
Total derivative financial instruments	**6.5**	(19.5)

(a) Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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17 Provisions

	31 December 2025			31 December 2024		
	Current $M	**Non-current $M**	**Total $M**	Current $M	Non-current $M	Total $M
Onerous contracts provision	**1.8**	**-**	**1.8**	1.7	-	1.7
Rehabilitation provision	**1.2**	**179.8**	**181.0**	2.4	201.4	203.8
Contingent consideration	**0.2**	**-**	**0.2**	2.2	2.9	5.1
	3.2	**179.8**	**183.0**	6.3	204.3	210.6

(a) Reconciliation of movements

Movements in each class of current provision during the financial year, other than employee benefits, are set out below:

2025	**Onerous contracts provisions $M**	**Rehabilitation provision $M**	**Contingent consideration $M**	**Total $M**
Opening balance	**1.7**	**203.8**	**5.1**	**210.6**
Depletions through settlement	**-**	**(4.7)**	**(3.3)**	**(8.0)**
Unwinding of discount via profit and loss	**-**	**7.6**	**0.2**	**7.8**
Adjustments through remeasurement	**-**	**(40.6)**	**(2.1)**	**(42.7)**
Exchange differences	**0.1**	**14.9**	**0.3**	**15.3**
Closing balance	**1.8**	**181.0**	**0.2**	**183.0**

2024	Onerous contracts provisions $M	Rehabilitation provision $M	Contingent consideration $M	Total $M
Opening balance	-	214.3	154.9	369.2
Additions	1.7	6.8	-	8.5
Depletions through settlement	-	(5.2)	(152.9)	(158.1)
Unwinding of discount via profit and loss	-	8.3	2.8	11.1
Adjustments through remeasurement	-	-	0.6	0.6
Exchange differences	-	(20.4)	(0.3)	(20.7)
Closing balance	1.7	203.8	5.1	210.6

(b) Onerous contracts provision

(i) Recognition and measurement

The Group assesses onerous contracts at each reporting date by evaluating conditions specific to each contract and the current business plan. Where a contract provides capacity above that required to meet the business plan or for a longer period than the current extent of the business plan, the contract is deemed onerous and the onerous portion of the contract is recognised as a liability using an estimate of future onerous cash flows discounted to a net present value. Any re-measurement of the assessed level of onerous contracts is taken through profit or loss in the period in which the assessment is made.

(c) Rehabilitation provision

(i) Recognition and measurement

The provision for rehabilitation closure costs relates to areas disturbed during the operation of the mine up to reporting date and not yet rehabilitated. Provision has been made to rehabilitate all areas of disturbance including surface infrastructure, contouring, topsoiling and revegetation, using internal and external expert assessment of each aspect to calculate anticipated cash outflow discounted to a net present value. At each reporting date, the rehabilitation liability is re-measured in line with the then-current level of disturbance, cost estimates and other key inputs. The amount of provision relating to rehabilitation of areas caused by mining disturbance is capitalised against Mine Properties as incurred, to the extent there is a future economic benefit, otherwise the re-measurement is recognised in the profit or loss. Any unwinding discounting is recognised in the profit or loss.

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17 Provisions (continued)

(c) Rehabilitation provision (continued)

(i) Recognition and measurement (continued)

The Group assesses rehabilitation liabilities at each reporting date as there are numerous factors that may affect the ultimate liability payable. This includes the extent and nature of rehabilitation activity to be undertaken, changes in technology and techniques, changes in discount rates and regulatory impacts. There may be differences between the future actual expenditure and the assessment made at balance date. The provisions at balance date represent management's best estimate of the present value of rehabilitation cost to completely rehabilitate the site.

During the year ended 31 December 2025, a decrease in the provision of $4.7m was recognised due to the rehabilitation works completed in the period (31 December 2024: $5.2m).

The discount rate used in the calculation of the provision at 31 December 2025 equalled 4.55% (31 December 2024: 4.33%).

(d) Contingent consideration

(i) Recognition and measurement

As part of the acquisition of the 80% interest in Stanmore SMC Pty Ltd, AASB 3 required the recognition of the additional consideration yet to the paid to the vendor. With a potential follow-up payment of up to $150.0m after two years, the value of which was dependent on the prevailing coal price exceeding certain targets.

In 2024, these conditions were met and as such the full amount of contingent consideration of $150.0m was paid.

(e) Other provisions

Provisions for legal claims, service warranties and make good obligation are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated.

18 Provision for employee benefits

	31 December 2025 Total $M	31 December 2024 Total $M
Provision for annual leave	**18.0**	16.0
Provision for bonus	**22.2**	32.3
Provision for long service leave	**3.3**	3.0
Total employee benefit obligations	**43.5**	51.3

(a) Recognition and measurement

Refer to Note 4(f)(ii) for accounting policies.

19 Dividends and franking credits

(a) Dividends

(i) Ordinary shares

	31 December 2025 $M	31 December 2024 $M
Dividends provided for or paid	**61.0**	115.5

(b) Franking credits

Franked credits

	31 December 2025 $M	31 December 2024 $M
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2024: 30.0%)	**477.9**	547.5

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20 Earnings per share

(a) Basic earnings per share

	31 December 2025 Cents	31 December 2024 Cents
Basic earnings per share (cents)	**(5.2)**	21.2

Basic earnings per share is calculated by dividing the profit attributable to the owners of Stanmore Resources Limited by the weighted average number of ordinary shares outstanding during the financial period.

(b) Diluted earnings per share

	31 December 2025 Cents	31 December 2024 Cents
Diluted earnings per share (cents)	**(5.2)**	21.2

Earnings used to calculate diluted earnings per share are calculated by adjusting the amount used in determining basic earnings per share by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive ordinary shares.

(c) Weighted average number of shares used as the denominator

	2025 Number	2024 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**901,391,634**	901,391,634

21 Equity securities issued

(a) Share capital

	31 December 2025 Shares	31 December 2024 Shares	**31 December 2025 $M**	31 December 2024 $M
Ordinary shares				
Fully paid	**901,391,634**	901,391,634	**616.4**	616.4
	901,391,634	901,391,634	**616.4**	616.4

(i) Movements in ordinary shares

	Number of shares (millions)	**Total $M**
Opening balance 1 January 2025	**901.4**	**616.4**
Balance 31 December 2025	**901.4**	**616.4**

	Number of shares (millions)	Total $M
Opening balance 1 January 2024	901.4	616.4
Balance 31 December 2024	901.4	616.4

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21 Equity securities issued (continued)

(a) Share capital (continued)

(i) Movements in ordinary shares (continued)

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and Stanmore Resources Limited does not have a limited amount of authorised capital.

(b) Other reserves

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	31 December 2025 $M	31 December 2024 $M
Share-based payments	**0.6**	0.6
Foreign currency translation	**(24.3)**	(24.3)
	(23.7)	(23.7)

	31 December 2025 $M	31 December 2024 $M
Movements:		
Share-based payments		
Opening balance	**0.6**	0.6
Foreign currency translation		
Opening balance	**(24.3)**	(24.3)
Balance 31 December	**(23.7)**	(23.7)

(i) Nature and purpose of other reserves

Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options and rights issued to employees but not exercised;
- the grant date fair value of shares issued to employees;
- the grant date fair value of deferred shares granted to employees but not yet vested; and
- the issue of shares held by the Employee Share Trust to employees.

Foreign currency translation

The balance in foreign currency translation reserves relates to exchange differences arising from the Group's historical change in presentational currency and was recognised in other comprehensive income and accumulated in a separate reserve within equity.

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21 Equity securities issued (continued)

(c) Retained earnings

Movements in retained earnings were as follows:

	Notes	**31 December 2025 $M**	31 December 2024 $M
Balance 1 January		**1,236.8**	1,160.8
Net (loss)/profit for the period		**(47.2)**	191.5
Dividends	19(a)	**(61.0)**	(115.5)
Balance 31 December		**1,128.6**	1,236.8

(d) Capital management

The capital of the Consolidated Entity is managed to provide capital growth to shareholders and ensure the Consolidated Entity can fund its operations and continue as a going concern.

The Consolidated Entity's capital comprises equity as shown in the consolidated statement of financial position. There are no externally imposed capital requirements.

Management oversees the Consolidated Entity's capital by assessing the financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues and debt.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Entity since the prior period.

(e) Recognition and measurement

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

22 Financial risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, security deposits, trade and other payables, borrowings, leases, financial assets held at fair value through other comprehensive income, derivative financial instruments and contingent consideration.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts to these risks on the results of the Group where such impacts may be material.

The overall objective of the Board is to set policies that seek to reduce risk where possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

(a) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group. The Group's objective is to minimise the risk of loss from credit risk exposure.

The Group's maximum exposure to credit risk at the end of the reporting period, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date, is as follows:

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22 Financial risk management (continued)

(a) Credit risk (continued)

	31 December 2025 $M	31 December 2024 $M
Cash and cash equivalents	**211.5**	288.9
Trade receivables	**190.3**	148.3
Security bonds	**1.0**	3.6
Derivative financial assets/(liabilities)	**6.5**	(19.5)
Credit risk exposure	**409.3**	421.3

The Group's credit risk exposure is influenced mainly by the individual characteristics of each customer. Given the Group trades predominately with recognised, credit worthy third parties, the credit risk is determined to be low. The Group assessed the expected credit losses in relation to trade and other receivables in the current and prior years to be immaterial and no loss allowance has been recorded. Bank deposits are held with a combination of Australian and Global major banks with long-term credit rating agency S&P ranging between AA- and A.

(b) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet financial obligations as they fall due. The objective of managing liquidity risk is to ensure that the Group will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions.

The Group manages liquidity risk by monitoring forecast cash flows and liquidity ratios such as working capital. The Group's working capital, being current assets less current liabilities, has increased from $78.5m at 31 December 2024 to $123.6m at 31 December 2025. The increase is driven by operational cash inflows of $380.8m, less payments of $80.9m towards the Group's borrowings.

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities:

31 December 2025	**Carrying amount $M**	**Contractual cash flows $M**	**Less than 6 months $M**	**Between 6 and 12 months $M**	**Between 1 and 3 years $M**	**Over 3 years $M**
Financial liabilities						
Trade payables	240.4	240.4	240.4	-	-	-
Other payables	20.7	20.7	20.7	-	-	-
Lease liabilities	289.8	351.6	62.4	46.4	115.0	127.8
Contingent consideration	0.2	0.2	0.2	-	-	-
Chattel mortgage	1.1	1.1	0.1	0.1	0.8	-
Term loan	245.0	245.0	35.0	35.0	140.0	35.0
Insurance premium funding	2.9	2.9	2.9	-	-	-
Total financial liabilities	**800.1**	**861.9**	**361.7**	**81.5**	**255.8**	**162.8**

31 December 2024	Carrying amount $M	Contractual cash flows $M	Less than 6 months $M	Between 6 and 12 months $M	Between 1 and 3 years $M	Over 3 years $M
Financial liabilities						
Trade payables	226.3	226.3	226.3	-	-	-
Other payables	19.4	19.4	19.4	-	-	-
Lease liabilities	364.3	463.2	111.0	100.4	173.4	78.4
Contingent consideration	5.1	5.1	2.5	2.4	0.2	-
Chattel mortgage	1.2	1.2	0.9	0.3	-	-
Term loan	315.0	315.0	35.0	35.0	140.0	105.0
Insurance premium funding	2.2	2.2	2.2	-	-	-
Total financial liabilities	933.5	1,032.4	397.3	138.1	313.6	183.4

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22 Financial risk management (continued)

(b) Liquidity risk (continued)

(i) Maturities of financial liabilities (continued)

Further information regarding commitments is included in Note 24 on page 112.

(c) Currency risk

The United States dollar (US$) is the functional currency of all entities in the Group. As a result, currency exposure arises from transactions and balances in currencies other than the US$.

The Group's potential currency exposures comprise:

(i) Operational costs denominated in A$

The operations of the Group are located in Queensland, Australia, and as such a large proportion of its operational costs are incurred and paid in A$. These costs include a combination of employee and contractor expenses, and also include material lease agreements recognised under AASB 16.

As a result, the Group's trade payable and lease liability provisions give rise to a foreign exchange risk for the Group.

(ii) Rehabilitation provisions

The Group expects to fulfil its rehabilitation obligations through the use of existing operational resources, as when required, which will be incurred in A$. In addition, the Group is party to the Queensland Treasury Financial Provisioning Scheme, which is a scheme denominated in A$. As a result, the Group's rehabilitation provisions are recorded in A$, giving rise to foreign exchange risk for these significant provisions.

As at 31 December 2025, the effect on profit or loss as a result of changes in the foreign exchange rates would be:

		Decrease in FX rate by 5%	Increase in FX rate by 5%
31 December 2025	**Carrying amount US$M**	**Profit or loss $M**	**Profit or loss $M**
Cash and cash equivalents - A$	2.3	0.1	(0.1)
Derivative instruments - A$	6.5	0.3	(0.3)
Trade payables - A$	(240.4)	(12.0)	12.0
Chattel Mortgage - A$	(1.1)	(0.1)	0.1
Insurance premium funding - A$	(2.9)	(0.1)	0.1
Lease liability - A$	(289.8)	(14.5)	14.5
Rehabilitation provision - A$	(181.1)	(9.1)	9.1
Tax charge of 30%	-	10.5	(10.5)
After tax (decrease)/increase	**-**	**(24.8)**	**24.8**

		Decrease in FX rate by 5%	Increase in FX rate by 5%
31 December 2024	**Carrying amount US$M**	**Profit or loss $M**	**Profit or loss $M**
Cash and cash equivalents - A$	8.5	0.4	(0.4)
Derivative instruments - A$	(19.5)	(1.0)	1.0
Trade payables - A$	(226.3)	(11.3)	11.3
Chattel Mortgage - A$	(1.2)	(0.1)	0.1
Insurance premium funding - A$	(2.2)	(0.1)	0.1
Lease liability - A$	(364.2)	(18.2)	18.2
Rehabilitation provision - A$	(203.8)	(10.2)	10.2
Tax charge of 30%	-	12.1	(12.1)
After tax (decrease)/increase	**-**	**(28.4)**	**28.4**

(d) Market risk

Market risk arises from the use of interest bearing, tradable and foreign currency financial instruments. It is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (price risk). The Group utilises a strategy to reduce its foreign currency risks noted above, notably the exposure to A$. The Group recognise any exposure on these arrangement on its balance sheet as part of its estimated fair value of its derivatives. As at 31 December 2025 the Group has recognised a derivative financial asset position of US$6.5m (31 December 2024: liability of US$19.5m).

(e) Interest risk

Interest rate risk arises principally from cash and cash equivalents and the borrowings facility (see Note 14) which are variable interest rates. The objective of interest rate risk management is to manage and control interest exposures within acceptable parameters while optimising the return.

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22 Financial risk management (continued)

(e) Interest risk (continued)

Interest rate risk is managed with a mixture of fixed and floating rate investments. For further details on interest rate risk, refer to the tables following:

31 December 2025 FINANCIAL ASSETS	Floating interest rate $M	Fixed interest rate $M	Non-interest bearing $M	Total carrying amount $M	Weighted average effective interest rate %
Cash and cash equivalents	211.5	-	-	211.5	4.11%*
Receivables	-	-	172.8	172.8	-
Derivative financial instruments	-	-	6.5	6.5	
Security deposits	-	-	1.0	1.0	-
Total financial assets	**211.5**	**-**	**180.3**	**391.8**	**-**
FINANCIAL LIABILITIES					
Trade payables	-	-	261.1	261.1	-
Lease liabilities	-	289.8	-	289.8	-
Chattel Mortgage	-	1.1	-	1.1	7.34%
Term Loan	245.0	-	-	245.0	8.73%
Insurance premium funding	-	2.9	-	2.9	6.46%
Total financial liabilities	**245.0**	**293.8**	**261.1**	**799.9**	**-**

* 4.11% based on actual interest rate received at various institutions

31 December 2024 FINANCIAL ASSETS	Floating interest rate $M	Fixed interest rate $M	Non-interest bearing $M	Total carrying amount $M	Weighted average effective interest rate %
Cash and cash equivalents	288.9	-	-	288.9	4.80%*
Receivables	-	-	123.0	123.0	-
Security deposits	-	-	3.5	3.5	-
Total financial assets	**288.9**	**-**	**126.5**	**415.4**	**-**
FINANCIAL LIABILITIES					
Trade payables	-	-	245.7	245.7	-
Derivative financial instruments	-	-	19.5	19.5	-
Lease liabilities	-	364.2	-	364.2	-
Chattel Mortgage	-	1.2	-	1.2	7.34%
Term Loan	315.0	-	-	315.0	9.84%
Insurance premium funding	-	2.2	-	2.2	5.07%
Total financial liabilities	**315.0**	**367.6**	**265.2**	**947.8**	**-**

* 4.80% based on actual interest rate received at various institutions

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22 Financial risk management (continued)

(e) Interest risk (continued)

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity demonstrates the effect on the current period's results and equity which could result from a change in these risks.

As at 31 December 2025, the effect on profit and equity as a result of changes in the interest rate would be as follows:

		Increase in interest rate by 1%		Decrease in interest rate by 1%	
31 December 2025	**Carrying amount $M**	**Profit or loss $M**	**Equity $M**	**Profit or loss $M**	**Equity $M**
Cash and cash equivalents	211.5	2.1	2.1	(2.1)	(2.1)
Term loan	245.0	(2.5)	(2.5)	2.5	2.5
Tax charge of 30%	-	(0.1)	(0.1)	0.1	0.1
After tax increase/(decrease)	**-**	**0.5**	**0.5**	**(0.5)**	**(0.5)**

		Increase in interest rate by 1%		Decrease in interest rate by 1%	
31 December 2024	**Carrying amount $M**	**Profit or loss $M**	**Equity $M**	**Profit or loss $M**	**Equity $M**
Cash and cash equivalents	288.9	2.9	2.9	(2.9)	(2.9)
Term loan	315.0	(3.2)	(3.2)	3.2	3.2
Tax charge of 30%	-	0.1	0.1	(0.1)	(0.1)
After tax (decrease)/increase	**-**	**(0.2)**	**(0.2)**	**0.2**	**0.2**

(f) Fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

31 December 2025	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Investments at Fair Value through other comprehensive income	-	-	25.0
Derivative financial instruments held at fair value through profit or loss	-	6.5	-
Total financial assets	-	**6.5**	**25.0**
Contingent consideration held at fair value through profit or loss	-	-	0.2
Total financial liabilities	**-**	**-**	**0.2**

31 December 2024	**Level 1 $M**	**Level 2 $M**	**Level 3 $M**
Investments at Fair Value through other comprehensive income	-	-	25.0
Total financial assets	-	-	**25.0**
Derivative financial instruments held at fair value through profit or loss	-	19.5	-
Contingent consideration held at fair value through profit or loss	-	-	5.1
Total financial liabilities	**-**	**19.5**	**5.1**

Sensitivity analysis regarding the contingent consideration liabilities has been considered by management, and it is deemed highly probable that the contingent consideration will be paid in full on its due date.

There were no other financial assets or liabilities carried at fair value as at 31 December 2025. There were no transfers between the levels during the period.

All other financial instruments measured at cost materially approximate their fair value.

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23 Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal activities	Country of incorporation	Ownership interest held by the group	
			2025 %	2024 %
Comet Coal & Coke Pty Limited	Coal Exploration	Australia	**100%**	100%
Belview Coal Pty Ltd	Coal Exploration	Australia	**100%**	100%
Mackenzie Coal Pty Limited	Coal Exploration	Australia	**100%**	100%
Stanmore Coal Custodians Pty Ltd*	Employee share trust	Australia	**100%**	100%
Emerald Coal Pty Ltd	Coal Exploration	Australia	**100%**	100%
Kerlong Coking Coal Pty Ltd	Coal Exploration	Australia	**100%**	100%
Stanmore Surat Coal Pty Ltd	Coal Exploration	Australia	**100%**	100%
Theresa Creek Coal Pty Ltd	Coal Exploration	Australia	**100%**	100%
Stanmore Wotonga Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore IP Coal Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore IP South Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore Bowen Coal Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Isaac Plains Coal Management Pty Ltd**	Coal exploration and mining	Australia	**-**	100%
Isaac Plains Sales & Marketing Pty Ltd**	Coal exploration and mining	Australia	**-**	100%
Stanmore SMC Holdings Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore Nextgen Pty Ltd	Renewable energy	Australia	**100%**	100%
Dampier Coal (Queensland) Pty Ltd	Coal mining	Australia	**100%**	100%
Stanmore SMC Pty Ltd	Coal mining	Australia	**100%**	100%
Red Mountain Infrastructure Pty Ltd	Coal mining	Australia	**100%**	100%
MetRes Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
MesRes Invest Pty Ltd**	Coal exploration and mining	Australia	**-**	100%
Stanmore Corporate Holdings Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore GM5 Pty Ltd****	Coal exploration and mining	Australia	**100%**	51%
Stanmore GM5 Holdings Pty Ltd****	Coal exploration and mining	Australia	**100%**	51%
Windmill Insurance Company Ltd	Insurance captive	Guernsey	**100%**	100%
Boomerang QLD Coal Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Echo QLD Coal Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Eagle Downs Coal Management Pty Ltd	Coal exploration and mining	Australia	**100%**	100%
Stanmore ID Extension Pty Ltd***	Coal exploration and mining	Australia	**100%**	-
Stanmore ID Extension Mining Pty Ltd***	Coal exploration and mining	Australia	**100%**	-

*Stanmore Coal Custodians Pty Ltd is the Trustee of the Stanmore Coal Employee Share Trust

**Deregistered with ASIC on 29 January 2025

***Date of incorporation 13 March 2025

****Increased to 100% on 19 November 2025

(b) Interests in joint arrangements

Set out below are the significant farm in arrangements of the Group as at 31 December 2025. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship
		2025 %	2024 %	
Clifford Joint Venture	Australia	**60**	60	Farm in arrangement
Lilyvale Joint Venture	Australia	**85**	85	Farm in arrangement
Mackenzie Joint Venture	Australia	**95**	95	Farm in arrangement

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24 Commitments

(a) Exploration and mining

The commitments to be undertaken are as follows:

	31 December 2025 $M	31 December 2024 $M
Payable		
Within one year	**0.8**	1.1
Later than one year but not later than five years	**2.2**	0.6
	3.0	1.7

The Group has certain obligations to spend minimum amounts on exploration and mining tenement areas. These obligations are expected to be fulfilled in the normal course of operations.

(b) Operating commitments

The commitments to be undertaken as follows:

	31 December 2025 $M	31 December 2024 $M
Payable		
Within one year	**643.4**	411.7
Later than one year but not later than five years	**269.9**	302.5
Later than five years	**42.4**	2.2
	955.7	716.4

The Group has non-cancellable, open purchase orders for committed capital works.

(c) Other commitments

(i) Eagle Downs joint venture royalty

On 12 August 2024, the Group completed the acquisition of the Eagle Downs JV project. Details of this acquisition are available in Note 2. The compensation agreement includes the following royalties payable:

- $50.0m payable upon the first 100Kt of coal being mined from longwall mining methods; and
- a capped royalty of up to $250.0m payable in the future linked to average coal index price thresholds.

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25 Contingent liabilities and contingent assets

(a) Contingent liabilities

Under its contractual performance obligations, the Group is required to provide bank guarantees to third parties through its available facilities. During the period, a number of additional guarantee facilities were entered, and subsequently utilised to issue required guarantees, as well as replace some previously issued cash deposits held by third parties. Further details of the facilities entered are shown in Note 14.

The guarantees provided as at the end of the reporting period are detailed in the table below:

	31 December 2025 $M	31 December 2024 $M
Rail capacity providers	**21.0**	19.5
Port capacity providers	**43.1**	61.5
Utility providers	**0.5**	0.5
Other	**69.7**	53.5
	134.3	135.0

In the ordinary course of business, there have been potential claims raised against the Group. The Group does not believe that these matters will result in a material adverse outcome based on information currently available.

(b) Contingent assets

The Group had no contingent assets at 31 December 2025 (2024: nil).

26 Events occurring after the reporting period

On 23 February 2026, the Directors declared a fully franked final dividend of US8.9 cents per share totalling US$80.2 million to be paid on 13 March 2026.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

27 Key management personnel

Total key management personnel compensation:

	31 December 2025 $'000	31 December 2024 $'000
Total key management personnel compensation		
Short term employee benefits	**5,771.1**	7,713.7
Post employment benefits	**119.9**	80.2
Long term benefits	**186.4**	3,184.5
	6,077.4	10,978.4

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28 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of Stanmore Resources Limited, its related practices and non-related audit firms:

	31 December 2025 $'000	31 December 2024 $'000
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**497.5**	478.2
Fees for assurance services that are required by legislation to be provided by the auditor	**11.2**	14.2
Fees for tax compliance and advisory services	**192.1**	210.1
Fees for other advisory services	**6.3**	222.0
	707.1	924.5

29 Parent entity financial information

The *Corporations Act 2001* requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by the new regulation 2M.3.01 which requires the following disclosure in regard to the parent entity, Stanmore Resources Limited. The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the Group's accounting policy.

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries, associates and joint ventures which are accounted for at cost less any impairment.

(a) Summary financial information

The individual consolidated financial statements for the parent entity, Stanmore Resources Limited, show the following aggregate amounts:

	31 December 2025 $M	31 December 2024 $M
Current assets	182.1	914.4
Non-current assets	1,128.6	1,110.6
Total assets	**1,310.7**	2,025.0
Current liabilities	474.7	737.2
Non-current liabilities	171.0	554.6
Total liabilities	**645.7**	1,291.8
Issued capital	616.4	616.4
Foreign currency translation reserve	(20.3)	(20.3)
Share-based reserve	2.6	2.6
Retained earnings	66.3	134.5
Total shareholders' equity	**665.0**	733.2
(Loss)/profit for the year	**(7.2)**	244.6
Total comprehensive (loss)/income	**(7.2)**	244.6

(b) Guarantees

Stanmore Resources Limited has guaranteed obligations and performance in respect of the following agreements entered into by subsidiaries:

- Water Purchase Agreement entered into between Stanmore NextGen Pty Ltd and SOURCE Global Australia Pty Ltd on 29 March 2022 - guarantee of the payment and performance obligations of Stanmore Nextgen Pty Ltd

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29 Parent entity financial information (continued)

(b) Guarantees (continued)

- Master Loan Agreement entered into between Caterpillar Financial Australia Limited and Stanmore IP Coal Pty Ltd on 2 July 2019 - guarantee the punctual performance of all obligations under the agreement and any loan agreement under that agreement and to pay any amount owing and not paid under the agreement
- Facility Agreement entered into between Stanmore IP Coal Pty Ltd and Golden Energy and Resources (GEAR) on 2 November 2020 - guarantee the performance of all obligations of the obligors under the agreement and to pay to GEAR any amount not paid when due and payable by Stanmore IP Coal Pty Ltd to GEAR
- Deed of cross guarantee entered into on 6 December 2021 - guarantee the debts of all entities within the closed group, as detailed in Note 32

(c) Contingent liabilities and contingent assets

The parent entity did not have any contingent liabilities or contingent assets as at 31 December 2025 or 31 December 2024.

(d) Capital commitments

The parent entity did not have any capital commitments as at 31 December 2025 or 31 December 2024.

30 Segment information

The Group has identified the operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Maker - CODM) in assessing performance and determining the allocation of resources and the financial information available to be reported to the Board.

The Group primarily produces and sells metallurgical coal in Queensland, Australia.

Accordingly, management currently identifies the Group as having one reportable segment.

(a) Major customers

The Group has several customers to whom it sells export grade metallurgical coal. The Group supplies five major customers who account for 72.4% of revenue, as follows:

Major Customer A: 17.6% (2024: 14.1%)
Major Customer B: 15.1% (2024: 14.3%)
Major Customer C: 14.8% (2024: 11.8%)
Major Customer D: 13.1% (2024: 13.4%)
Major Customer E: 11.8% (2024: 7.6%)

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31 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The immediate parent entity of Stanmore Resources Limited is Golden Investments (Australia) Pte Ltd, a company incorporated in Singapore. The ultimate parent company of the Consolidated Entity is Star Success Pte. Ltd, a company incorporated in the British Virgin Islands.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 23.

(c) Key management personnel compensation

Disclosures relating to KMP are set out in Note 27.

(d) Transactions with other related parties

The Group previously entered into a financing agreement with a related group entity, GEAR, which was negotiated on market terms, and further details are shown within Note 14.

In addition to the financing agreement, fees for services provided on market terms were paid during the year, totalling $2.129m (2024: $3.224m).

GEAR, through its wholly owned subsidiary Golden Investments (Australia) II Pte Ltd, are a 50% shareholder in Ravenswood Gold Pty Ltd, to whom Stanmore has recharged the costs incurred for providing an employee on secondment totalling $0.313m for the period to 31 December 2025 (31 December 2024: $0.085m).

In addition, Stanmore acquired Safeguard Mechanism Carbon Credit Units from Ravenswood totalling $2.790m for the period to 31 December 2025 (31 December 2024: $nil).

M Resources Pty Ltd continues to exclusively manage Stanmore Resources Limited's global sales contract and relationships, as well providing logistics services to the Group.

M Resources Pty Ltd is also a minority shareholder of the Group, and their sole Director, Mr M Latimore was a Director of Stanmore Resources Limited during the period.

Transactions with M Resources Pty Ltd and its associates included:

- Fees for services provided on market terms for marketing and logistics services totalling $52.393m for the year ended 31 December 2025 (31 December 2024: $72.322m). The balance payable as at 31 December 2025 was $13.261m (31 December 2024: $4.449m).
- Stanmore sold coal on market terms to M Resources Trading Pty Ltd on a back-to-back basis to third-party customers totalling $330.352m (31 December 2024: $346.536m) and purchased coal on market terms before on-selling the coal on a back-to-back basis to third party customers totalling $3.114m (31 December 2024: $0.574m). There was no balance payable as at 31 December 2025 (31 December 2024: nil).
- The above sales of coal on market terms to M Resources Trading Pty Ltd was for a total of 2.439m tonnes, which represented 17.43% of total saleable production of coal for the period to 31 December 2025 (31 December 2024: 1.974m tonnes representing 14.28%, 31 December 2023: 0.594m tonnes representing 4.5%).
- Fees for services provided on market terms for freight and rail logistics services by One Rail Pty Ltd totalled $10.723m (31 December 2024: $8.309m). Owing to prepayments made in prior years for these services, the balance receivable from One Rail Pty Ltd as at 31 December 2025 was $4.370m (31 December 2024: $7.345m).
- M Mining provided rehabilitation services to the Isaac Plains Complex and previously operated as the MetRes mine operator prior to entering care and maintenance in 2024. Fees for services provided on market terms by M Mining totalled $0.711m (31 December 2024: $38.035m). There was no balance payable as at 31 December 2025 (31 December 2024: nil).

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32 Deed of cross guarantee

Stanmore Resources deed of cross guarantee group

Stanmore Resources Limited and its wholly owned subsidiaries (as shown in note 23) with the exception of Windmill Insurance Company Ltd, are parties to a deed of cross guarantee under which each Company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.*

Consolidated statements

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Stanmore Resources Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 31 December 2025 of the closed group.

	31 December 2025 $M	31 December 2024 $M
Consolidated statement of comprehensive income		
Revenue from continuing operations	**1,877.4**	2,392.8
Other income	**4.5**	99.9
Operating costs	**(1,884.8)**	(2,189.8)
Finance costs	**(70.4)**	(35.4)
(Loss)/profit before income tax	**(73.3)**	267.5
Income tax benefit/(expense)	**22.6**	(78.6)
(Loss)/profit for the period	**(50.7)**	188.9
Other comprehensive income		
Other comprehensive income for the period, net of tax	**-**	-
Total comprehensive income for the period	**(50.7)**	188.9
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	**1,232.4**	387.6
(Loss)/profit for the period	**(50.7)**	188.9
Transfer from expansion of Deed Group	**-**	771.4
Dividends provided for or paid	**(61.0)**	(115.5)
Retained earnings at the end of the financial year	**1,120.7**	1,232.4

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32 Deed of cross guarantee (continued)

Stanmore Resources deed of cross guarantee group (continued)

Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 31 December 2025 of the closed group.

	31 December 2025 $M	31 December 2024 $M
Current assets		
Cash and cash equivalents	**201.3**	282.4
Trade and other receivables	**189.5**	148.2
Inventories	**151.4**	154.4
Other financial assets at amortised cost	**29.3**	33.7
Derivative financial instruments	**6.5**	-
Current tax assets	**7.4**	20.2
Total current assets	**585.4**	638.9
Non-current assets		
Exploration, development and mine properties	**1,009.8**	1,064.1
Other financial assets	**52.9**	59.3
Property, plant and equipment	**1,264.1**	1,431.5
Total non-current assets	**2,326.8**	2,554.9
Total assets	**2,912.2**	3,193.8
Current liabilities		
Trade and other payables	**247.1**	227.5
Financial liabilities	**70.5**	69.8
Lease liabilities	**91.9**	178.3
Derivative financial instruments	**-**	19.5
Provisions	**62.3**	70.4
Total current liabilities	**471.8**	565.5
Non-current liabilities		
Borrowings	**170.7**	238.1
Lease liabilities	**197.9**	186.0
Deferred tax liabilities	**181.6**	177.8
Provisions	**179.8**	204.3
Total non-current liabilities	**730.0**	806.2
Total liabilities	**1,201.8**	1,371.7
Net assets	**1,710.4**	1,822.1
Equity		
Contributed equity	**613.4**	613.4
Reserves	**(23.7)**	(23.7)
Retained earnings	**1,120.7**	1,232.4
Total equity	**1,710.4**	1,822.1

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Consolidated entity disclosure statement

Entity name	Entity type	Country of incorporation	% of capital held	Tax residence
Comet Coal & Coke Pty Ltd	Body Corporate	Australia	100	Australia
Belview Coal Pty Ltd	Body Corporate	Australia	100	Australia
Mackenzie Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Coal Custodians Pty Ltd*	Body Corporate	Australia	100	Australia
Stanmore Coal Employee Share Trust	Trust	N/A	100	N/A
Emerald Coal Pty Ltd	Body Corporate	Australia	100	Australia
Kerlong Coking Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Surat Coal Pty Ltd	Body Corporate	Australia	100	Australia
Theresa Creek Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Wotonga Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore IP Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore IP South Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Bowen Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore SMC Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Nextgen Pty Ltd	Body Corporate	Australia	100	Australia
Dampier Coal (Queensland) Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore SMC Pty Ltd	Body Corporate	Australia	100	Australia
Red Mountain Infrastructure Pty Ltd	Body Corporate	Australia	100	Australia
MetRes Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Corporate Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Windmill Insurance Company Ltd	Body Corporate	Guernsey	100	Guernsey
Boomerang QLD Coal Pty Ltd	Body Corporate	Australia	100	Australia
Echo QLD Coal Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore Resources Limited	Body Corporate	Australia	100	Australia
Eagle Downs Coal Management Pty Ltd	Body Corporate	Australia	100	Australia
New Cambria Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore GM5 Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore GM5 Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore ID Extension Pty Ltd	Body Corporate	Australia	100	Australia
Stanmore ID Extension Mining Pty Ltd	Body Corporate	Australia	100	Australia

* Stanmore Coal Custodians Pty Ltd is the Trustee of the Stanmore Coal Employee Share Trust

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Directors' declaration

The Directors of Stanmore Resources Limited declare that:

(a) The consolidated financial statements, comprising the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows, and accompanying notes are in accordance with the *Corporations Act 2001*, and:

  (i) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

  (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial year ended on that date, and

(b) The Consolidated Entity has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with IFRS accounting standards as issued by The International Accounting Standards Board (IASB);

(c) In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;

(d) The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct;

(e) In the Directors' opinion, as at the date of this report, there are reasonable grounds to believe that the members of the closed group (as defined in note 32) will be able to meet any liabilities to which they are, or may become, subject because of the deed of the cross guarantee;

(f) The remuneration disclosures included on pages 24 to 39 of the Directors' report (as part of audited Remuneration Report) for the year ended 31 December 2025 comply with section 300A of the *Corporations Act 2001*; and

(g) The Directors have been given the declarations by the CEO and CFO required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Mr Marcelo Matos
Director

Brisbane
23 February 2026

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Independent auditor's report to the members of Stanmore Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Stanmore Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Carrying value of property, plant and equipment, exploration, development and mine properties

Why significant	How our audit addressed the key audit matter
At 31 December 2025, the Group's consolidated statement of financial position included $2,274 million of property, plant and equipment and capitalised development, exploration, and mine properties as disclosed in Notes 10 and 11 to the financial statements. At the end of each reporting period, the Group exercises judgment in determining whether there are any indicators of impairment of these assets. If any such indicators exist, impairment testing is required to estimate the recoverable amount of the cash generating unit (CGUs) or any individually identified assets. At 30 June 2025, the Group assessed impairment indicators were present and consequently tested the recoverable amount of its CGU. This testing concluded no impairment was required. At 31 December 2025, the Group assessed no further impairment indicators were present that required additional impairment testing. We considered this to be a key audit matter due to the significant judgment involved in: ‣ Determining whether there are indicators of impairment; ‣ Determining the cash generating units of the Group; ‣ Key valuation assumptions used to estimate recoverable amount (if required), including forecast coal prices, foreign exchange rates, discount rates, production profiles, operating cost forecasts and capital expenditure requirements; and ‣ The sensitivity of the estimated recoverable amount to reasonably possible changes in forecast coal prices, foreign exchange rates, and discount rates.	Our audit procedures included the following: ‣ Evaluated the Group's assessment as to whether any indicators of impairment existed. ‣ Inspected operational reports, board reports, minutes and market announcements to identify contrary evidence. ‣ Compared the Group's market capitalisation relative to its net assets to assess whether this was an indicator of impairment. ‣ Assessed the Group's identification of CGUs. ‣ Engaged our valuation specialists to assess the valuation methodology and key assumptions used in estimating recoverable amount, including comparing the Group's forecast coal prices, foreign exchange rates and discount rates to external market data, independent economic analysis and relevant industry benchmarks. ‣ Challenged the Group's forecast operating costs and capital expenditure estimates, including assessing historical accuracy of budgeting and considering known regulatory, geological and operational factors. ‣ Performed independent sensitivity analysis to evaluate the impact of reasonably possible changes in forecast coal prices, foreign exchange rates, and discount rates. ‣ Assessed the adequacy and appropriateness of the Group's disclosures included in the Notes to the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Stanmore Resources Limited for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Andrew Carrick
Partner
Brisbane
23 February 2026

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A. Substantial holders

Shareholder	Percentage of capital held	Number of ordinary shares held	Date of substantial shareholder notice
Golden Energy and Resources Limited (GEAR), Golden Investments (Australia) Pte. Ltd, (Golden Investments) Frontier Resources Pte. Ltd (formerly Duchess Avenue Pte. Ltd)(Frontier), Star Success Pte Ltd and Ms Lanny Tranku (Frontier Controllers)	59.01%	531,946,101	1 December 2023

B. Distribution of equity securities

The number of Ordinary Shares by size of holding is:

	Number of holders	% of total shares
RANGE - ORDINARY SHARES		
100,001 and over	871,103,432	96.64%
10,001 - 100,000	21,011,299	2.33%
5,001 - 10,000	4,835,292	0.54%
1,001 - 5,000	3,811,120	0.42%
1 - 1000	630,491	0.07%
	901,391,634	**100.00%**

The number of shareholders holding less than a marketable parcel of 167 securities ($3.01 on 30 January 2026) is 270 and they hold 12,579 securities.

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C. Twenty largest shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

	Number of shares	% of total shares
ORDINARY SHARES		
Golden Energy and Resources	531,946,101	59.01%
Matthew Latimore	43,593,804	4.84%
Regal Partners Limited	30,583,145	3.39%
Orbis Group	29,179,381	3.24%
The Vanguard Group, Inc.	20,596,302	2.28%
Dimensional Fund Advisors, L.P.	18,128,727	2.01%
Argo Investments Group	15,414,668	1.71%
State Street Corporation	15,083,391	1.67%
Mitsubishi UFJ Financial Group, Inc.	11,844,072	1.31%
Norges Bank Investment Management (NBIM)	10,653,297	1.18%
BlackRock, Inc.	9,985,568	1.11%
Macquarie Group Limited	9,861,941	1.09%
DNR Capital Pty Ltd	8,172,765	0.91%
L1 Capital Pty Ltd.	7,712,121	0.86%
American Century Investments	6,609,305	0.73%
Longwave Capital Partners Pty Ltd.	5,425,314	0.60%
HSBC Holdings Plc	4,087,447	0.45%
UBS Group AG	3,486,750	0.39%
Eley Griffiths Group Pty. Ltd.	3,485,937	0.39%
Renaissance Asset Management	3,387,420	0.38%
TOTAL OF 20 LARGEST HOLDERS	**789,237,456**	**87.55%**

D. Restricted securities

There are no restricted shares on issue.

E. Voting rights

All ordinary shares carry one vote per share without restriction.

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