



FOR IMMEDIATE RELEASE

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Partially underwritten accelerated renounceable entitlement offer to raise approximately US\$506 million to part fund BMC acquisition

Highlights

- Equity raising to provide funding for the acquisition of BHP's 80% interest in BHP Mitsui Coal Pty Ltd ("BMC")
- 7 for 3 pro rata renounceable accelerated entitlement offer to raise A\$694.1m (~US\$506m)
 - GEAR, via Golden Investments, has committed to subscribe for US\$300 million of its entitlements and is expected to hold voting power in Stanmore of approximately 64.1% upon completion of the entitlement offer¹
 - Petra Capital Pty Ltd ("Petra Capital") has agreed to underwrite the remaining US\$206 million (~A\$283 million)
- Institutional offer commencing today followed by a retail offer on 10 March 2022
- The remaining cash required to pay the US\$1.1bn completion payments will be sourced from:
 - US\$625m from the acquisition debt facility announced on 7 January 2022; and
 - Internal cash
- BMC is a transformational acquisition for Stanmore
 - Creates a leading global metallurgical coal producer with a portfolio of high quality assets in the Bowen Basin
 - Assets in close proximity to Stanmore's existing operating assets creating potential for the combined group to benefit from shared infrastructure, corporate functions and coal blending opportunities
 - Forecast production for the combined business for the 6 months ending 31 December 2022 of approximately 5.9 - 6.5Mt of saleable coal (100% basis)
 - BMC portfolio includes significant infrastructure including an 8.4Mtpa Coal Handling and Processing Plan ("CHPP") at South Walker Creek, 9Mtpa Red Mountain CHPP in close proximity to Poitrel, two rail loops and train loading facilities, two Marion 8050 draglines, and a fleet of excavators, dozers and haul trucks
 - Following the acquisition, Stanmore will have four mines and three wash-plants within a ~50km radius with the ability to increase production with limited development and ramp-up risk, and a combined 13 Mt of met coal production capacity

¹ Based on an AUD/USD exchange rate of 0.7293, the spot rate at the date of this announcement.

Stanmore Resources Limited (“Stanmore” or the “Company”) (ASX:SMR) is pleased to announce a proposed A\$694 million partially underwritten 7 for 3 pro-rata accelerated renounceable entitlement offer, with retail rights trading (“Entitlement Offer”), of new fully paid ordinary shares in Stanmore (“New Shares”) at an offer price of A\$1.10 per New Share (“Offer Price”).

Stanmore will issue approximately 631 million New Shares, as adjusted for rounding entitlements, representing approximately 233% of current Stanmore shares on issue, being 270,407,445.

The Offer Price represents a:

- 12% discount to the last closing share price on 2 March 2022;
- 8.4% discount to the 5- day volume weighted average share price on 2 March 2022; and
- 3.9% discount to the theoretical ex-rights price of A\$1.145.

Each New Share issued under the Entitlement Offer will rank equally with all existing fully paid ordinary Stanmore shares on issue. Stanmore will apply for quotation of New Shares on the ASX.

Golden Investments (Australia) Pte Ltd (“Golden Investments”), a wholly owned subsidiary of Golden Energy and Resources Limited (“GEAR”), which holds a 75.33% interest in Stanmore, has committed to partially take up its entitlement and subscribe for US\$300 million of its entitlements under the Entitlement Offer and is expected to hold a voting power in Stanmore of approximately 64.1% upon completion of the Entitlement Offer². Golden Investments has agreed to have its renounced rights accelerated and sold through the institutional bookbuild.

A\$283 million (~\$US206 million) of the Entitlement Offer is underwritten by Petra Capital pursuant to an underwriting agreement between Stanmore and Petra Capital, the key terms of which are summarised in the Annexure.

Stanmore has implemented a hedging strategy to protect the Company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer.

Petra Capital is acting as Sole Lead Arranger, Sole Lead Manager and Sole Bookrunner to the Entitlement Offer.

Details of Entitlement Offer

Entitlement Offer Overview

The Entitlement Offer is available to all registered shareholders who hold shares on the Record Date with a registered address in Australia, New Zealand, Singapore or certain other foreign jurisdictions determined by the Directors of Stanmore as described in the Investor Presentation released to ASX at the same time as this announcement (“Eligible Shareholders”).

Under the Entitlement Offer, Eligible Shareholders will be able to subscribe for 7 New Shares for every 3 existing Stanmore shares held as at 7.00pm (Sydney time) on 7 March 2022 (“Record Date”).

The Entitlement Offer comprises the following components:

- **Institutional Entitlement Offer** – Eligible Institutional Shareholders are invited to take up all or part of their entitlement under the institutional component of the Entitlement Offer.

The Institutional Entitlement Offer will open today and is expected to close at 10am (Sydney time) on 4 March 2022 (but the Company reserves the right to close early in consultation with the Underwriter). Institutional entitlements not taken up, along with entitlements of ineligible institutional shareholders, will be sold under an institutional shortfall bookbuild.

- **Retail Entitlement Offer** – Eligible Retail Shareholders will be allotted their entitlements under the Retail Entitlement Offer which can be taken up in whole or in part, or in whole with the ability to subscribe for additional New Shares in excess of their entitlement, to be allocated in the Shortfall Facility.

² Based on an AUD/USD exchange rate of 0.7293, the spot rate at the date of this announcement.

The Retail Entitlement Offer will open on 10 March 2022. The Retail Entitlement Offer will be conducted at the same Offer Price and ratio as under the Institutional Entitlement Offer.

Eligible Shareholders in the Retail Entitlement Offer will be sent a retail offer booklet ("Offer Booklet") containing information in respect of the Retail Entitlement Offer and a personalised entitlement and acceptance form on 10 March 2022. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Offer Booklet and their personalised entitlement and acceptance form and will then need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form. Copies of the Offer Booklet will also be available on the ASX website at www.asx.com.au and Stanmore's website at www.stanmore.net.au.

Trading of entitlements under the Retail Entitlement Offer

Entitlements are renounceable and will be tradeable on ASX or transferrable off-market. This provides eligible shareholders the opportunity to sell some or all of their entitlements in order to realise value for those entitlements.

Trading of Retail Entitlements on ASX is expected to commence on 7 March 2022 (on a deferred settlement basis) and conclude on close of trading on 14 March 2022 ("Entitlement Trading Period").

Eligible Retail Shareholders can also transfer in whole or in part their entitlement directly to another eligible person off-market.

It is the responsibility of purchasers of entitlements to inform themselves of the 'eligibility criteria' (details of which will be set out in the Offer Booklet) for exercise. If holders of entitlements after the end of the Entitlement Trading Period do not meet the eligibility criteria, they will not be able to exercise the entitlements. In the event that holders are not able to take up their entitlements, those entitlements will lapse and holders may receive no value for them.

Payment of application monies is A\$ or US\$

Eligible shareholders can pay for New Shares or Additional New Shares in A\$ or US\$. If an eligible shareholder applies in US\$, the application monies they submit will be converted to A\$ at the spot rate prevailing on the relevant Entitlement Offer closing date (currently expected to be 10.00am on 4 March 2022 for the Institutional Entitlement Offer and 5.00pm on 21 March 2022 for the Retail Entitlement Offer). Accordingly, if an eligible shareholder applies for New Shares or Additional New Shares in US\$, they will be taken to have applied for that number of New Shares and/or Additional New Shares (subject to rounding) equal to their A\$ equivalent of application monies divided by the Offer Price. Additional information regarding the ability to pay in US\$ will be set out in the Offer Booklet.

Stanmore has implemented a hedging strategy to protect the company against depreciation of the AUD in respect of the funds to be raised under the Entitlement Offer.

Nominee for ineligible foreign shareholders

The Entitlement Offer is only being made to shareholders with registered addresses in Australia, New Zealand and Singapore. Subject to ASIC's final approval, Stanmore has appointed the Underwriter as nominee for ineligible foreign shareholders who will arrange for the sale of entitlements that would have been offered to ineligible shareholders, with the net proceeds, if any, distributed to those shareholders. ASIC has provided in-principle approval for the Underwriters appointment.

Key Dates for the Entitlement Offer

Key dates of the Entitlement Offer are provided in the Indicative Timetable below.

Event	Date
Announcement of the Entitlement Offer	3 March 2022
Institutional Offer opens (10am Sydney time)	3 March 2022
Institutional Offer closes and bookbuild (10am Sydney time)	4 March 2022 ³
Results of Institutional Offer announced	4 March 2022 (after market close)
Record Date (7pm Sydney time)	7 March 2022
Entitlements commence trading on a deferred settlement basis	7 March 2022
Retail Offer Booklet despatched and Retail Offer opens	10 March 2022
Entitlement trading on ASX ends	14 March 2022
Institutional Offer settlement date	15 March 2022
Closing Date (5pm Sydney time)	21 March 2022
Announcement of results of Retail Offer and notification of shortfall	24 March 2022
Issue of New Shares under Retail Offer	31 March 2022
Trading of New Shares issued under Retail Offer commences	1 April 2022

Note: All dates and times above are indicative and Stanmore reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney time. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

Additional Information

Stanmore expects to announce the outcome of the Institutional Entitlement Offer to the market after close of trading on 4 March 2022, and will remain in a trading halt until this time.

In conjunction with this announcement, the Company has today released to ASX a Cleansing Notice (in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth)), an Investor Presentation and an Appendix 3B (New Issue Announcement) in connection with the Entitlement Offer. Further details about the Entitlement Offer are set out in these documents. The Investor Presentation contains important information including key risks, assumptions and foreign selling restrictions with respect to the Entitlement Offer. Further details regarding the Retail Entitlement Offer will be released to the ASX on 10 March 2022.

Advisers

Stanmore is being advised by Grant Samuel (corporate adviser) and Norton Rose Fulbright (legal adviser).

Approval

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

³ The Company, in consultation with the Underwriter, reserves the right to close the Institutional Offer earlier

Disclaimer

IMPORTANT NOTICES

This release is for information purposes only and is not a financial product or investment advice or a recommendation to acquire Stanmore shares (nor does it or will it form any part of any contract to acquire Stanmore shares) or

Further Information

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accounting, legal or tax advice. The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in Stanmore. It should be read in conjunction with Stanmore's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and needs, and seek legal, financial and taxation advice appropriate for their jurisdiction. Stanmore is not licensed to provide financial product advice in respect of an investment in securities.

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This release has been prepared for publication in Australia and may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the Entitlements or the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 ("U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws in any state or other jurisdiction of the United States.

About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited owns and operates the Isaac Plains Complex in Queensland's prime Bowen Basin region which includes the Isaac Plains Mine and processing facilities, the adjoining Isaac Plains East and Isaac Downs mining areas and the Isaac Plains Underground Project. The Company is focused on the creation of shareholder value via the efficient operation of the Isaac Plains Complex and the identification of further development opportunities within the region. Stanmore Resources is a 50% shareholder in the Millennium and Mavis Downs Mine and holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.

Annexure

Summary of Underwriting Agreement

Below is a summary of the key terms of the Underwriting Agreement

Overview	The Entitlement Offer is partially underwritten pursuant to an underwriting agreement (“Underwriting Agreement”) entered into between Petra Capital Pty Ltd and Stanmore Resources Limited. The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including conditions precedent, representations and warranties and termination rights. Stanmore has indemnified the Underwriter and associated persons against losses in connection with the Entitlement Offer.
Fees	The Underwriter will receive the following fees in connection with the Entitlement Offer: • a lead arranger fee of \$250,000; and • a placement fee and an underwriting fee of an aggregate amount equal to 1% of the proceeds from the Entitlement Offer excluding any proceeds raised from the issue of New Shares acquired by GEAR or any of its affiliates.
Termination Rights	The Underwriter may, upon certain notice conditions, immediately terminate the Underwriting Agreement and all of its further obligations under the Underwriting Agreement on the occurrence of certain events, including: • certain specified events are delayed by one or two days (as applicable), other than with the consent of the Underwriter; • Stanmore ceases to be admitted to the official list of the ASX or the Shares cease trading or are suspended from official quotation or cease to be quoted on the ASX (other than a trading halt, including the trading halt with respect to the Entitlement Offer, or voluntary suspension requested by Stanmore and consented to by the Underwriter to facilitate the Entitlement Offer); • unconditional approval by the ASX for the official quotation of the New Shares or Additional New Shares is refused or not granted or, if granted, is modified (in a way that would have a material adverse effect on the success of the Entitlement Offer), or the ASX makes any official statement to any person, or indicates to the Company or the Underwriter that it will not grant permissions for the New Share or Additional New Shares (if any); • Stanmore or a member of the Stanmore group or BMC group is insolvent or is reasonably likely to become insolvent; • Stanmore withdraws all or part of the Entitlement Offer; • there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government agency, which makes it illegal for the Underwriter to satisfy a material obligation of this agreement, or to market, promote or settle the Entitlement Offer; • a Stanmore group member breaches or defaults under any provision, undertaking, covenant or ratio or a material debt or financing arrangement or any related documentation to which that entity is a party which is not promptly waived by the relevant financier or financiers under the debt facilities, and the effect of which has or is likely to have a material adverse

	effect or an event occurs which gives the financier the right to accelerate or require repayment the effect of which has or is likely to have a material adverse effect; - any financing referred to in the Entitlement Offer investor presentation dated 3 March 2022 is not entered into in the time or manner in which the investor materials contemplate or a condition precedent, or condition to draw down of funds of any financing referred to in the investor presentation is not or is not capable of being satisfied in the manner required; - any of the material obligations or conditions under the share sale and purchase agreement with respect to the BMC acquisition are not capable of being performed in accordance with their terms or the contract is materially amended or varied without the consent of the Underwriter, terminated, materially breached, or is or becomes void; - a circumstance arises that results in the Company either repaying the money to applicants or offering applications an opportunity to withdraw their application for the Entitlement Offer; - a director or the chief executive officer or chief financial officer of Stanmore is charged with an indictable offence or disqualified under the Corporations Act from managing a corporation; - Stanmore or any of its directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Entitlement Offer; - Stanmore is unable to issue or prevented from issuing the New Shares or Additional New Shares (if any) by virtue of the ASX Listing Rules, applicable law a government agency or an order of a court; - Stanmore's capital structure alters without the prior consent of the Underwriter; - the S&P/ASX 300 Index closes at a level that is 10% or more below its level as at the close of trading on the business date before the date of the underwriting agreement ("reference date") for 2 consecutive business days during the offer period or 12% or more below its level at the reference date on the business day immediately prior to the institutional settlement date or the retail settlement date; - an application is made for an order under Part 9.5 of the Corporations Act, or to any government agency, in relation to the Entitlement Offer documents or the Entitlement Offer, or ASIC or any government agency commences or gives notice of an intention to hold an investigation, proceedings or hearing in relation to the Entitlement Offer or Entitlement Offer documents; - a Governmental agency has made an order, declaration or other remedy in connection with the Entitlement Offer (except in circumstances where the application has not become public and it has been withdrawn by certain dates); - a certificate required to be delivered by Stanmore to the Underwriter is not delivered when required or when delivered is untrue or incorrect in any material respect; - any statement in the Entitlement Offer documents is or becomes false, misleading or deceptive or likely to mislead or deceive or does not contain all information required to comply with all applicable laws or is withdrawn;
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	• Stanmore issues or is required to issue a corrective statement under the Corporations Act and it fails to do so; • the Underwriter's mandate is terminated; and • a regulatory body withdraws, revokes or adversely amends any regulatory approvals required for Stanmore to perform its obligation under the Underwriting Agreement or carry out the transactions contemplated by the Offer Documents. The following termination events are qualified by the Underwriter having reasonable grounds to believe and does believe that the event has or is likely to have a material adverse effect on the success, settlement or marketing of the Entitlement Offer, or the ability of the Underwriter to market or promote or settle the Entitlement Offer, or has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any applicable law or regulation: • an obligation arises on Stanmore to give ASX a notice in accordance with section 708AA(12) of the Corporations Act; • any expression of belief, expectation or intention, or statement relating to future matters in the Entitlement Offer documents or certain public documents is or becomes incapable of being met or unlikely to be met in the projected timeframe; • the price of free on board Australian premium hard coking coal closes at US\$150 per tonne or below either for 2 consecutive business days during the offer period or on the business day immediately prior to the institutional settlement date or the retail settlement date; • Stanmore fails to perform or observe any of its obligation under the Underwriting Agreement; • if any of the obligations of the relevant parties under any of the deeds or contracts or other agreement that are material to the business of Stanmore's group (other than the share sale and purchase agreement) or BMC group are not capable of being performed in accordance with their terms or are amended or varied without the consent of the Underwriter, terminated or rescinded, materially breached, or is or becomes void; • any of the documents required under the due diligence planning memorandum having been withdrawn, or varied without the prior written consent of the Underwriter; • the due diligence report or information provided by or on behalf of Stanmore to the Underwriter in relation to due diligence, the Entitlement Offer documents or the Entitlement Offer, is false, misleading in a material particular or deceptive or likely to mislead or deceive; • a representation or warranty given in the Underwriting Agreement is breached or proves to be or has been or becomes untrue or incorrect; • legal proceedings against Stanmore, or any member of the Stanmore group or against any director, the CFO or CEO of Stanmore is commenced or any regulatory body commences any enquiry or public action against any member of the Stanmore group, director, CEO or CFO; • a new circumstance arises which is a matter adverse to investors in the Entitlement Offer shares and which would have been required by the Corporations Act to be included in the Entitlement Offer documents had the
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	new circumstance arisen before the Entitlement Offer documents were given to ASX; - there is an adverse change in the business, assets, liabilities, financial position or performance, operations, management of Stanmore or a member of the Stanmore group (in so far as the position in relation to any entity in the Group affects the overall position of the Company); - the Underwriter believes that a material adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of Stanmore or a member of the Stanmore group has occurred as a direct or indirect result of the coronavirus disease 2019 or the transmission of the severe acute respiratory syndrome coronavirus 2 or other pandemic event; - the Entitlement Offer documents are issued or varied without the approval of the Underwriter; - any regulatory body (other than the Takeovers Panel) commences any public action against Stanmore or any director or the CFO or CEO, or announces that it intends to take any such action; - any of the due diligence materials or any part of the verification materials was materially false, misleading or deceptive or that there was a material omission from them; - litigation, arbitration, administrative or industrial proceedings of a material nature are after the date of the Underwriting Agreement commenced against any member of the Stanmore group or BMC group; - any person is appointed under any legislation in respect of companies to investigate the affairs of any member of the Stanmore group; - Stanmore or any member of the Stanmore group contravenes its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation, policy or requirement of ASIC or the ASX; - there is a change in law or proposal to adopt a new policy in Australia; - there is a disruption in certain financial markets including in Australia, New Zealand, the United States, the United Kingdom, China and Hong Kong; - major hostilities not existing as at the date of the Underwriting Agreement commence or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any of Australia, New Zealand, the United States, the United Kingdom, China, Singapore, Japan or a member state of the European Union or a national emergency (other than COVID-19) is declared by any of those countries, or a major terrorist act is perpetrated in any of those countries or any diplomatic or political establishment if those countries anywhere in the world; - there is a change in chairman, managing director or CFO of Stanmore or a prospective change is announced; - any of the events in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act occur to Stanmore; and - in certain circumstances an application to the Takeovers Panel for an order, declaration or other remedy in connection with the Entitlement Offer is made.
Other conditions	The Underwriter's underwriting obligations are conditional upon (i) the BMC acquisition agreement not being materially breached or amended without the

	Underwriter's consent; (iii) certain due diligence documentation is completed; and (iii) other customary conditions precedent.
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