GOLDEN ENERGY AND RESOURCES LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 199508589E

STANMORE RESOURCES LIMITED
QUARTERLY REPORT FOR MARCH 2022

The Board of Directors of Golden Energy and Resources Limited (the "**Company**" or '**GEAR**") wishes to provide updates on its subsidiary, Stanmore Resources Limited ("**SMR**").

On 14 April 2022, SMR released via the Australian Securities Exchange ("**ASX**") its March 2022 Quarterly Report, which highlights SMR's quarterly production and sales, safety performance, and other relevant business and corporate updates.

SMR's March 2022 Quarterly Report can be found in the appended ASX announcement made by SMR.

BY ORDER OF THE BOARD

Dwi Prasetyo Suseno
Executive Director & Group CEO
14 April 2022

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14 April 2022

MARCH 2022 QUARTERLY REPORT

Highlights

- No injuries reported in the quarter
- All-time record ROM coal mined in the quarter with 1.02Mt mined after moving into the low strip ratio Isaac Downs mining area
- Isaac Plains coal mining activities completed, with our Isaac Plains dragline relocated and commencing operations at Isaac Downs
- Opening of new haul road between Isaac Downs and Isaac Plains, with the Peak Downs Highway underpass completed
- Stanmore on track to complete the BMC acquisition on 3 May 2022, with separation activities nearing completion for the unconditional, fully funded acquisition
- New US$50 million bridging facility signed with Ascend Global to provide additional liquidity coverage in the event of a larger working capital adjustment payment under the BMC acquisition

PRODUCTION AND SALES

	Quarter Ended				
Thousands of tonnes	Mar 2022	Dec 2021	Change %*	Mar 2021	Change %*
ROM coal produced	1,024	734	40%	514	99%
ROM strip ratio	5.3	8.4	37%	11.3	53%
Saleable coal produced	565	610	(7%)	428	32%
Total coal sales	538	632	(15%)	523	3%
Product coal stockpiles	121	98	23%	99	22%
ROM coal stockpile	361	96	276%	29	1,145%

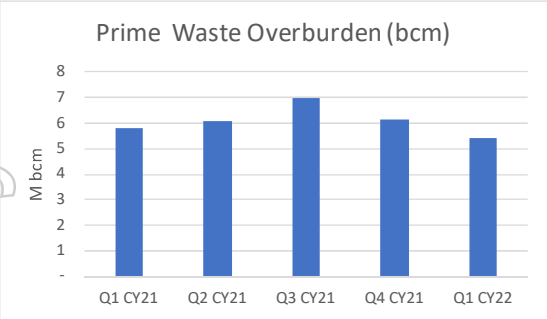
* Note: Change is favourable/unfavourable

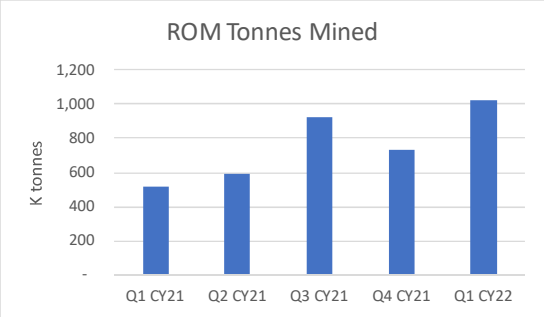
SAFETY PERFORMANCE

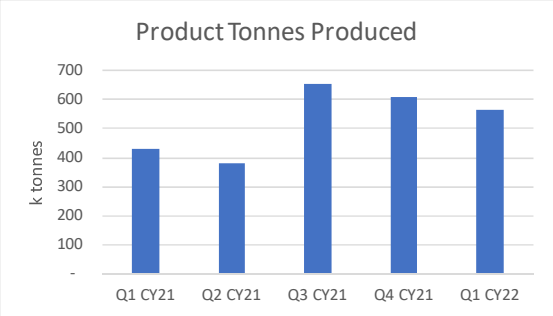
There were no recordable injuries during the quarter. The 12-month rolling TRIFR at the end of the quarter was 4.76 (5.10 at March 2021).

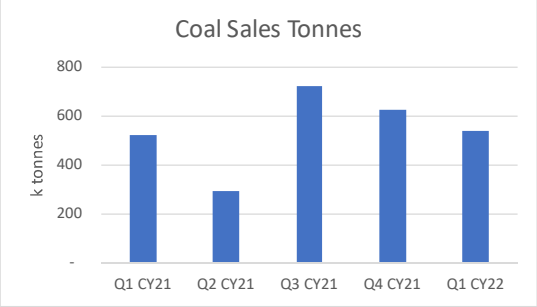
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ISAAC PLAINS COMPLEX OPERATIONS









Operational performance from the Isaac Plains Complex was strong, with all-time record Run Of Mine (ROM) coal production for the quarter (1.02mt) driven by the move into the lower strip ratio Isaac Downs mining area. This performance was despite a continuation of the La Nina weather system early in the quarter, with six days lost due to adverse weather conditions and associated delays including power outages.

Saleable production was 7% lower than Q4-21, and below expected levels due to temporary constraints with coal haulage from Isaac Downs to the CHPP resulting from weather events and the transition of haulage activities to a new contractor and to the new definitive haul road. Washing constraints also contributed to lower clean production, however this will be alleviated with the planned upgrade at the Isaac Plains CHPP (from 500 ROM tonnes per hour to 600 ROM tonnes per hour) in Q3 2022, which should allow for the lower Q1 volumes to be recovered over the full year.

Sales volumes were 15% lower than Q4-21 as a result of lower saleable coal production and also timing of vessels slipping into April.

The dragline has relocated to Isaac Downs and undertook opportunistic work to advance the box cut prior to commencing a planned major shutdown. The new mining contractor (EPSA) is onsite and commenced mining operations from early April 2022, which will be supplemented by a new coal haulage contractor (BIS) to move ROM coal from Isaac Downs to the CHPP at Isaac Plains. The CHPP is also currently being converted to an Owner Operator model which will deliver improved operational control and costs to compliment the planned upgrade in Q3 2022. Stanmore acknowledges and thanks Golding, for their services and a successful transition.

The highway underpass work and construction of the flood levee at Isaac Downs are close to completion which will allow operations to ramp up to full annual production rates. EPSA have retained the previous drill and blast service provider, which is a major benefit in the transition process.

Studies have commenced to build a haul road between Isaac Downs and the Poitrel to take advantage of available washing capacity at the Red Mountain CHPP to be acquired from BHP as part of the BMC acquisition, providing us with ample optionality for catching up with washing and sales during the 2H 2022 and benefit from the rapid uncovering of coal with the dragline mining low strip ratios, and further increase production from Isaac Downs.

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ISAAC DOWNS CONSTRUCTION

The quarter included a number of significant milestones celebrated by the project team:

- Traffic on the Peak Downs Highway was diverted to the new road over the bridge underpass structure
- Final haul road excavation was completed, and gravel pavement placement commenced; the haul road was commissioned with coal trucks commencing haulage under the highway bridge
- The Isaac Plains dragline was successfully transferred to Isaac Downs with significant civil infrastructure works to build a highway diversion initiated, and subsequently decommissioned after the highway pavement was rebuilt to an improved standard after the dragline walk
- Works progressing on the Mine Infrastructure Area (MIA) pad and sediment control as well as construction of the main Mine Water Dam
- The water transfer pipeline between Isaac Downs and Isaac Plains was substantially completed



Figure 1: Coal haulage under the highway bridge now in place

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Figure 2: Dragline walking across the Peak Downs Highway with traffic on diversion road



Figure 3: Dragline now in use at Isaac Downs

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MILLENNIUM AND MAVIS DOWNS MINE

During the quarter, the Millennium mine continued conventional open cut truck and shovel production and auger mining from the highwall. Millennium produced 165kt of ROM Coal and 157kt of product coal (65Kt coking coal, and 92kt of PCI coal) with coal washed through the Red Mountain Infrastructure Coal Preparation Plant at the Poitrel mine. 133Kt of high-quality coking and PCI coal was shipped through Dalrymple Bay Coal Terminal in Mackay to Japan and Europe.[1]

Preparation and construction of the underground mine is continuing to schedule, with first development coal expected in Q3 2022.



Figure 4: Augur mining at the Millennium Mine

DEVELOPMENT PROJECTS

No significant activity was undertaken on Stanmore's other development projects during the quarter.

[1] All figures are on a 100% basis. Stanmore's share is 50% through the ownership of MetRes Pty Ltd. Note that MetRes Pty Ltd financial performance and physical metrics are not consolidated into Stanmore resources results for accounting purposes.

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BMC ACQUISITION

All conditions precedent to completion of the acquisition by the Company of BHP's 80% interest in the BMC (BHP Mitsui Coal Pty Ltd) joint venture have now been satisfied and the required funding is in place (see further details below) with completion of the acquisition expected on 3 May 2022.

The Company continues to work closely with BHP in order to execute the relevant activities required to separate the BMC business from the broader BHP Group and enable transition to Stanmore ownership on 3 May 2022. Extensive work and planning has been carried out by Stanmore and BHP on integration activities and the transition into Stanmore's existing business is well advanced.

CORPORATE – FUNDING DURING THE QUARTER

Stanmore completed a successful equity raise process during the quarter, raising an aggregate of A$694 million (US$500 million) from institutional and retail investors.

A US$120 million secured loan facility agreement was entered into with the Company as borrower, Virtue Investments Corporation (a subsidiary of Ascend Global Investment Fund SPC ("Ascend Global"[2]) as lender and Ascend Capital Advisors (S) Pte. Ltd. ("Ascend Capital") as agent and security trustee, in respect of a US$120 million senior secured loan facility.

A binding commitment letter has been executed in respect of an aggregate A$110 million facility (comprising a A$60 million bank guarantee facility and A$50 million working capital facility) to be provided by a major global financial institution to BMC immediately upon completion of the acquisition.

Further to Stanmore's disclosure on 4 April 2022 regarding alternatives for funding any unanticipated additional amounts payable on completion of the BMC acquisition pursuant to the working capital adjustment, the Company has today entered into a definitive facility agreement with the Company as borrower, Virtue Investments Corporation (a subsidiary of Ascend Global) as lender, and Ascend Capital as agent and security trustee, in respect of a US$50 million bridge facility (the "Bridge Facility").

The Company is in the process of satisfying the relevant conditions precedent in order to draw down on the Bridge Facility, if required, by completion of the BMC acquisition (currently scheduled for 3 May 2022).

The Bridge Facility will be secured against certain assets of the Company's subsidiary, Stanmore IP Coal Pty Ltd as first ranking security on a pari passu basis with the senior secured facility entered into by the Company on 2 March 2022. The secured assets include a Bucyrus 1370W Dragline and all coal handling preparation plant infrastructure located at the Isaac Plains Complex. Ascend Capital Advisors (S) Pte. Ltd will act as the security trustee in respect of the security for the benefit of the lenders under the Bridge facility and the senior secured facility.

The funds made available under the Bridge Facility may be used to fund part of the working capital adjustment amount payable on completion of the BMC acquisition resulting from the expectation of higher trade receivables on completion driven by higher coal prices, which will translate into cash proceeds post completion at BMC.

Other key terms of the Bridge Facility include:

- **Final Repayment Date:** 3 months from the first Utilisation, with an option to extend the Final Repayment Date by a maximum of 3 months, bringing the Final Repayment Date to no later than 6 months from the first Utilisation;
- **Interest Rate:** 10% per annum for the first three months, however, if the Final Repayment Date is extended:
  - by 2 months, the interest rate will be re-set to 11% per annum; and
  - by another 1 month, the interest rate will be re-set to 12% per annum.
- **Upfront Fee:** 2.0% of the facility amount, payable on first utilisation;

- **Commitment Fee:** 2.0% of the undrawn amount;
- **Reborrowing not permitted:** any part of the facility which is repaid or prepaid in accordance with the terms of the facility agreement may not be reborrowed by the Company;
- **Financial Covenants:** market based financial covenants including customary coverage ratios; and
- **Other terms:** representations and warranties, indemnities, general and information undertakings, events of default, change of control and other terms (including conditions precedent to drawdowns) which the Company considers usual for a transaction of this size and scope.

CORPORATE - OTHER

The Isaac Plains Complex team has launched the next round of community grants for local not-for-profit organisations with a focus on Moranbah and the surrounding districts as well as youth and sporting activities.

COVID-19

There were some delays arising from COVID-19 cases or Government directions in the quarter ending March 2022. Absenteeism due to COVID peaked to approximately 40 individuals across site but was back to low levels by the end of the period. This was consistent with the rest of the industry.

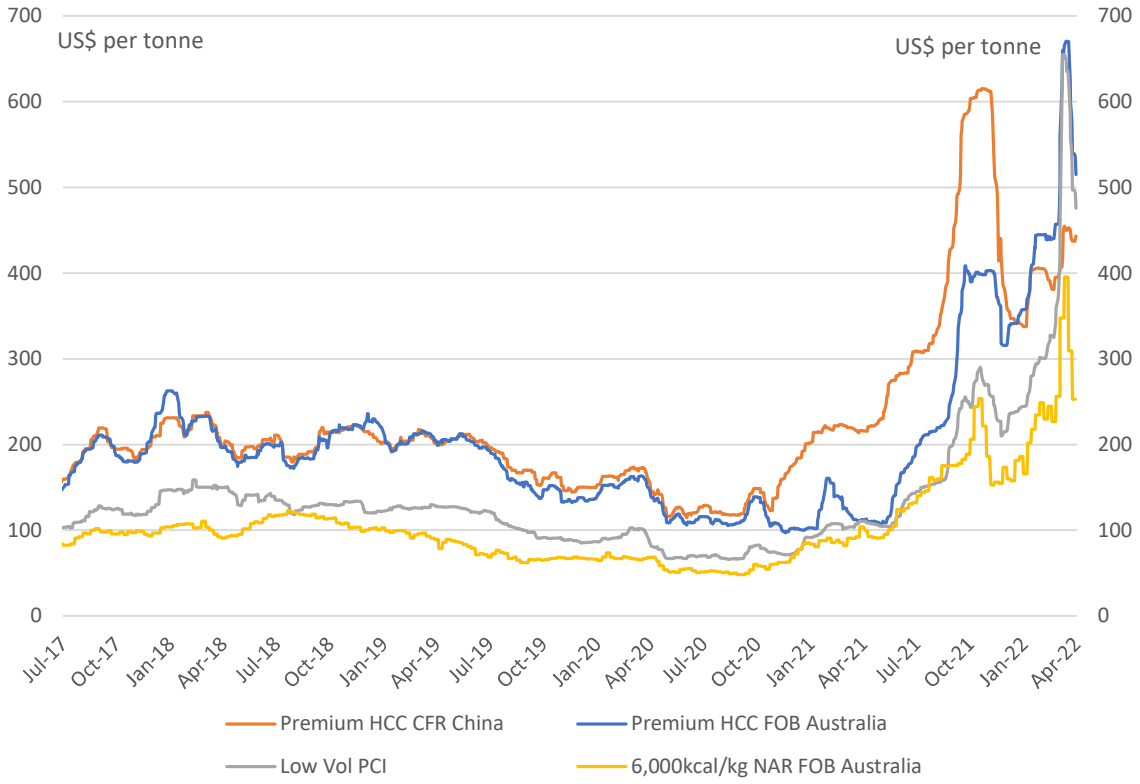
The Company worked with Golding and the new mining services contractor for Isaac Downs (EPSA) on protocols to minimise the spread and impacts to our operations of COVID-19. These protocols will be continually updated in line with Queensland Health and Federal Government recommendations and directives and industry practice.

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KEY AUSTRALIAN EXPORT METALLURGICAL COAL PRICES

Australian metallurgical coal markets have continued to strengthen with new highs being recorded for Premium HCC and PCI FOB Australian coal prices during the quarter.



This Quarterly Report is authorised for release to the market by the Board of Stanmore Resources Limited.

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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.

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