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

LOAN FACILITY AGREEMENT WITH STANMORE RESOURCES LIMITED

The Board of Directors of Golden Energy and Resources Limited (the "**Company**" or '**GEAR**") wishes to update shareholders on an increase in a secured loan facility with the Company's subsidiary – Stanmore Resources Limited ("SMR").

On 2 July 2021, SMR announced via the Australian Securities Exchange ("ASX") that it has increased a secured loan facility from GEAR ("GEAR Facility") from US$40 million to US$70 million. This is pursuant to an initial announcement made by SMR on ASX on 2 November 2020.

The funds made available to SMR under the GEAR Facility will be used for the purposes of refinancing existing debt, funding capital expenditure, providing working capital and for general corporate purposes.

The terms of the GEAR Facility and the increase in the facility are set out in the respective SMR announcements dated 2 November 2020 and 2 July 2021, as enclosed in this announcement.

BY ORDER OF THE BOARD

Dwi Prasetyo Suseno
Executive Director and Group CEO
6 July 2021



stanmorecoal

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2 November 2020

SHAREHOLDER UPDATE – LOAN FACILITY AGREEMENT EXECUTED

The Board of Stanmore Coal Limited (**Stanmore** or **the Company**) (ASX: SMR) refers to its announcement dated 18 June 2020 ("Financing Update") regarding a non-binding term sheet which the Company had entered into with Golden Energy and Resources Limited (**GEAR**), in respect of a US$40 million secured loan facility (**GEAR Facility**).

The Company is pleased to announce that it has now entered into a facility agreement with Stanmore IP Coal Pty Ltd as borrower (the **Borrower**), the Company and certain subsidiaries of the Company as guarantors (the **Guarantors**), and GEAR as lender. The Borrower is in the process of satisfying the relevant conditions precedent in order to make the facility available for draw down.

The funds made available under the GEAR Facility will be used for the purposes of refinancing existing debt, funding capital expenditure, providing working capital and for general corporate purposes.

The Company has also agreed an extension to payment terms with a material supplier. The supplier will be granted security over all of the assets of Stanmore IP Coal Pty Ltd and certain other subsidiaries of the Company, as well as the shares held by the Company in Stanmore Bowen Coal Pty Ltd, to secure these payments.

GEAR Facility terms

The GEAR Facility matures on 30 June 2022 (no penalty for early repayment) and is for a maximum amount of US$40 million. Financial close is subject to the satisfaction of various conditions precedent, including execution and delivery of security documents and other necessary documents, registration and perfection of security arising under the security documents, payment of all fees and expenses due and completion of all required internal and regulatory approvals.

The GEAR Facility is to be secured against all of the assets of the Borrower and the Guarantors; the shares held by the Company in Stanmore Bowen Coal Pty Ltd; and various mortgages over land, leases and mining leases granted by the Borrower and Stanmore IP South Pty Ltd.

The Guarantors will also provide a guarantee and indemnity to GEAR for the punctual payment and performance by the Guarantors and the Borrower of each of their obligations in connection with the GEAR Facility.

Other key terms of the GEAR Facility include:

- upfront fee of 2.0%;
- interest rate on drawn funds of 8.0% per annum; and
- interest rate on undrawn funds of 2.0% per annum.

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The GEAR Facility also contains terms that are typical for a transaction of this nature including conditions for repayment, cancellation and termination of the facility, guarantee and indemnity provisions, representations and warranties made by each obligor, information undertakings and general undertakings, and events of default such as non-payment and insolvency.

ASX Listing Rule 10.1 Waiver

As noted above, the Borrower's obligations under the GEAR Facility will be secured against the assets of the Borrower and certain other subsidiaries of the Company, as well as the shares held by the Company in Stanmore Bowen Coal Pty Ltd. As GEAR controls a substantial shareholder of the Company, Golden Investments Pte. Ltd., ASX Listing Rule 10.1 applies to the security granted under the security documents in connection with the GEAR Facility. ASX has granted the Company a waiver of ASX Listing Rule 10.1 to allow the Company to grant the security without having to obtain shareholder approval, subject to certain conditions. The terms of the waiver are set out in the Annexure to this announcement.

As required by the ASX waiver, Stanmore advises that:

- the Borrower plans to repay the funds advanced (and any applicable interest) under the GEAR Facility by the maturity date of the facility, which is anticipated to be on or around 30 June 2022, and discharge the associated security immediately once the GEAR Facility has been repaid; and

- it sought to obtain financial accommodation from GEAR (rather than a lender that is not a related party falling within the scope of ASX Listing Rule 10.1) after having considered the potential sources of funds available to the Company, and the costs of those funds.
    - In particular, as announced on 18 June 2020, given Taurus[1] had provided notice to cancel its bonding facility and undrawn working capital facility with effect from 16 September 2020, the GEAR Facility presented the best available financing option available to the Company in order to ensure an orderly transition to new financing arrangements before cancellation of the Taurus facilities.
    - The GEAR Facility is on terms substantially similar to the Taurus facilities (see summary of the terms of the GEAR Facility above), and the directors consider the terms of the GEAR Facility to be on arm's length terms and fair and reasonable to Stanmore's security holders.

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

For further information, please contact:

Marcelo Matos
Interim Chief Executive Officer
07 3238 1000

Frederick Kotzee
Chief Financial Officer
07 3238 1000

About Stanmore Coal Limited (ASX: SMR)

Stanmore Coal Limited operates the Isaac Plains coking coal mine in Queensland's prime Bowen Basin region. Stanmore Coal owns 100% of the Isaac Plains Complex which includes the original Isaac Plains Mine, the adjoining Isaac Plains East (operational), Isaac Downs (open cut mine project) 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. In addition, Stanmore Coal Limited holds a number of high-quality development assets (both coking and thermal coal resources) located in Queensland Bowen and Surat basins.

[1] Taurus Mining Finance Fund L.P. and Taurus Mining Finance Annex Fund L.P.

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Annexure A – Terms of ASX Waiver

Waiver Decision

1 Based solely on the information provided, ASX Limited ('ASX') grants Stanmore Coal Limited (the 'Company') a waiver from listing rule 10.1 to the extent necessary to permit the Company to grant security over its assets in favour of Golden Energy and Resources Limited (the "Lender") (the "Security") to secure the Company's obligations under a loan agreement for the amount of US $40 million, with the loan term ending on 30 June 2022 (the "Loan Facility"), provided by the Lender without obtaining shareholder approval, on the following conditions:

1.1 the material terms of the transaction and of the waiver are announced to the market;

1.2 the announcement includes a description of the reasons why the entity has chosen to obtain the financial accommodation from the Listing Rule 10.1 party rather than a lender that is not a Listing Rule 10.1 party and the steps the board of the Company has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the entity's ordinary securities;

1.3 the security documents expressly provide that:

1.3.1 the Security is limited to the funds due under the financial accommodation;

1.3.2 the Security will be discharged when the funds due under the financial accommodation have been repaid in full;

1.3.3 in the event the Security is enforced, the assets can only be disposed of to the Lender or an associate of the Lender if the disposal is first approved by the Company's security holders under Listing Rule 10.1; and

1.3.4 otherwise, if the holder of the Security exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the Security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the Lender in accordance with their legal entitlements;

1.4 Any variation to the terms of the financial accommodation or the Security which:

1.4.1 advantages the Lender in a material respect;

1.4.2 disadvantages the Company in a material respect; or

1.4.3 is inconsistent with the terms of the waiver,

must be subject to security holder approval under Listing Rule 10.1; and

1.5 for each year while they remain on foot, a summary of the material terms of the financial accommodation and the Security is included in the related party disclosures in the entity's audited annual accounts.

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2 July 2021

FINANCING UPDATE – INCREASE TO GEAR FACILITY

The Board of Stanmore Resources Limited (**Stanmore** or the **Company**) (ASX: SMR) refers to its announcement dated 2 November 2020 regarding a US$40 million secured loan facility (**GEAR Facility**) from Golden Energy and Resources Limited (**GEAR**).

The Company is pleased to announce that it has agreed with GEAR to increase the facility limit under the GEAR Facility from US$40 million to US$70 million.

The other material terms and conditions of the GEAR Facility, as well as the security granted in favour of GEAR, remain unchanged. The GEAR Facility agreement is subject to a number of Conditions Precedent that the Company expects to fulfill shortly.

The Company is in the process of seeking an amendment to the ASX waiver granted in connection with the GEAR Facility (see announcement dated 2 November 2020). Until the ASX waiver is updated, the secured monies that may be recovered by GEAR will be limited to US$40 million. The Company will provide a further announcement once the amended ASX waiver has been obtained.

The funds under the increased GEAR Facility is a significant step forward in the progression of the Isaac Downs project together with the recently announced Mavis & Millennium acquisition, as it substantially satisfies the company's short to medium term debt requirements and allows a seamless transition from Isaac Plains East to Isaac Downs after the Mining Lease is obtained.

Approval

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

For further information, please contact:

Marcelo Matos
Chief Executive Officer
07 3238 1000

Frederick Kotzee
Chief Financial Officer
07 3238 1000

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 (operational), Isaac Downs Project (under development) 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 also holds a number of additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins.