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

STANMORE RESOURCES LIMITED
QUARTERLY ACTIVITIES REPORT FOR JUNE 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 28 July 2022, SMR released via the Australian Securities Exchange ("**ASX**") its June 2022 Quarterly Activities Report, which highlights SMR's quarterly production and sales, safety performance, and other relevant business and corporate updates.

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

BY ORDER OF THE BOARD

Dwi Prasetyo Suseno
Executive Director & Group CEO
28 July 2022



28 July 2022

June 2022 Quarterly Activities Report

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Highlights

- Acquisition of 80% interest in BHP Mitsui Coal Pty Ltd (BMC) completed on 3 May 2022, with separation activities nearing completion and integration progressing well. Post completion, BMC was renamed as Stanmore SMC Pty Ltd (SMC) on 11 May 2022
- Consolidated June quarter Run Of Mine (ROM) production of 2.9Mt and saleable production of 2.2Mt
- Strong finish to the quarter following unseasonal mid-quarter wet weather
- May and June production in line with guidance issued on 3 March 2022
- There was one recordable injury reported in the quarter, reducing the total recordable injury frequency rate (TRIFR) for the 12 months ended 30 June 2022 to 2.5 (30 June 2021: 5.4)

CEO Statement

Marcelo Matos, Chief Executive Officer and Director

"The completion of the BMC acquisition and transition of the employees and operating assets into Stanmore marks an important period in our history. Production from the quarter has been strong notwithstanding unseasonal wet weather experienced mid-quarter. The market continues to be volatile with increasing inflationary cost pressures being seen via supply chain constraints and tightness in the labour market.

Safety performance from the Group is particularly pleasing with one injury recorded during the quarter and a continued downward trend in TRIFR well below industry averages."

		Quarter Ended	Year to Date
Managed Production		Jun-22	Jun-22
ROM Coal Produced	Mt	2.9	**3.9**
ROM Strip Ratio	*Prime*	*8.2*	***7.5***
Saleable Coal Produced	Mt	2.2	**2.8**
Total Coal Sales	Mt	2.4	**2.9**
Product Coal Stockpiles	Mt	0.5	**0.5**
ROM Coal Stockpiles	Mt	0.5	**0.5**
Equity Production			
ROM Coal Produced	Mt	2.5	**3.6**
ROM Strip Ratio	*Prime*	*8.0*	***7.3***
Saleable Coal Produced	Mt	2.0	**2.6**
Total Coal Sales	Mt	2.1	**2.7**
Product Coal Stockpiles	Mt	0.4	**0.4**
ROM Coal Stockpiles	Mt	0.5	**0.5**

Note: While ownership of SMC sites (South Walker Creek & Poitrel) moved to Stanmore from 3 May 2022, production statistics have been reported from 1 May 2022. All mines that Stanmore controls have been reported on a 100% basis.

Operational Highlights

South Walker Creek – 1.0Mt Saleable Production[1]

Strong operational performance in May and June despite wet weather impacting the Bowen Basin in early May. Drill and blast activities were delayed due to the wet weather which impacted the timing of overburden removal and coal mining during the period, leading to lower than expected feed coal quality and yields.

Improved excavator utilisation with the addition of three haul trucks combined with strong dragline performance led to improved coal mining output and coal production from the CHPP.

Poitrel – 0.7Mt Saleable Production [1]

The commencement of two additional haul trucks at the end of May helped to recover unfavourable wet weather impacts on truck & shovel and blasting operations during the quarter and contributed to significant site performance improvement and records with regards to both truck and excavator availability, utilisation and total material movements.

Coal Mining remained robust during May and June with CHPP washing hours increased to allow for higher feed of available stockpiles. Yields were slightly lower during wet weather periods due to timing of feed sources from the pit however coal production remained strong.

Isaac Plains Complex – 0.6Mt Saleable Production [1]

Mining within the lower strip ratio Isaac Downs mining lease commenced coinciding with the transition to a new Mining Services operator in early April. The transition and subsequent ramp-up of operations was initially hampered by wet weather in April/May impacting both mining operations and especially coal haulage to the CHPP resulting in lower wash time. A scheduled dragline shutdown in April reduced overburden for the quarter compared to the prior quarter. Following the shutdown, the dragline retuned to work performing well.

Millennium (50% Ownership Only) – 0.2Mt Saleable Production (100% basis) [1] [2]

Millennium mine continued conventional open-cut truck and shovel production and auger mining from available highwalls producing 172kt of Run of Mine Coal and 164kt of product coal. Shipments of 225Kt of high-quality Coking and PCI coal were completed.

Preparation works and construction of the underground mine is continuing, with the first development coal expected in late 2022.

Integration

Integration of the SMC sites progressed well during the quarter, with recruitment of all key positions completed, payroll successfully transitioned, new operating model and support functions implemented, and the transition of the corporate office to new premises. Importantly, the feedback has been very positive from transitioning employees who have taken on Stanmore's vision, values and operating model with enthusiasm, highlighting many great improvement initiatives across the sites to unlock further value from this highly accretive transaction.

A key synergistic benefit of the BMC acquisition was linking Stanmore's existing operations to Poitrel and the Red Mountain Infrastructure CHPP to unlock mine site blending benefits and additional coal output from those operations that were limited by CHPP capacity. The Company is well progressed to commence realising these

[1] All figures are on a 100% basis.
[2] 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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synergies in Q3. Several additional improvement initiatives have also been defined, implemented or realised across the two new sites, such as mining coal seams previously deemed uneconomic; increasing trucking to improve excavator utilisation and coal output; and improving product yields through product optimisations.

Safety

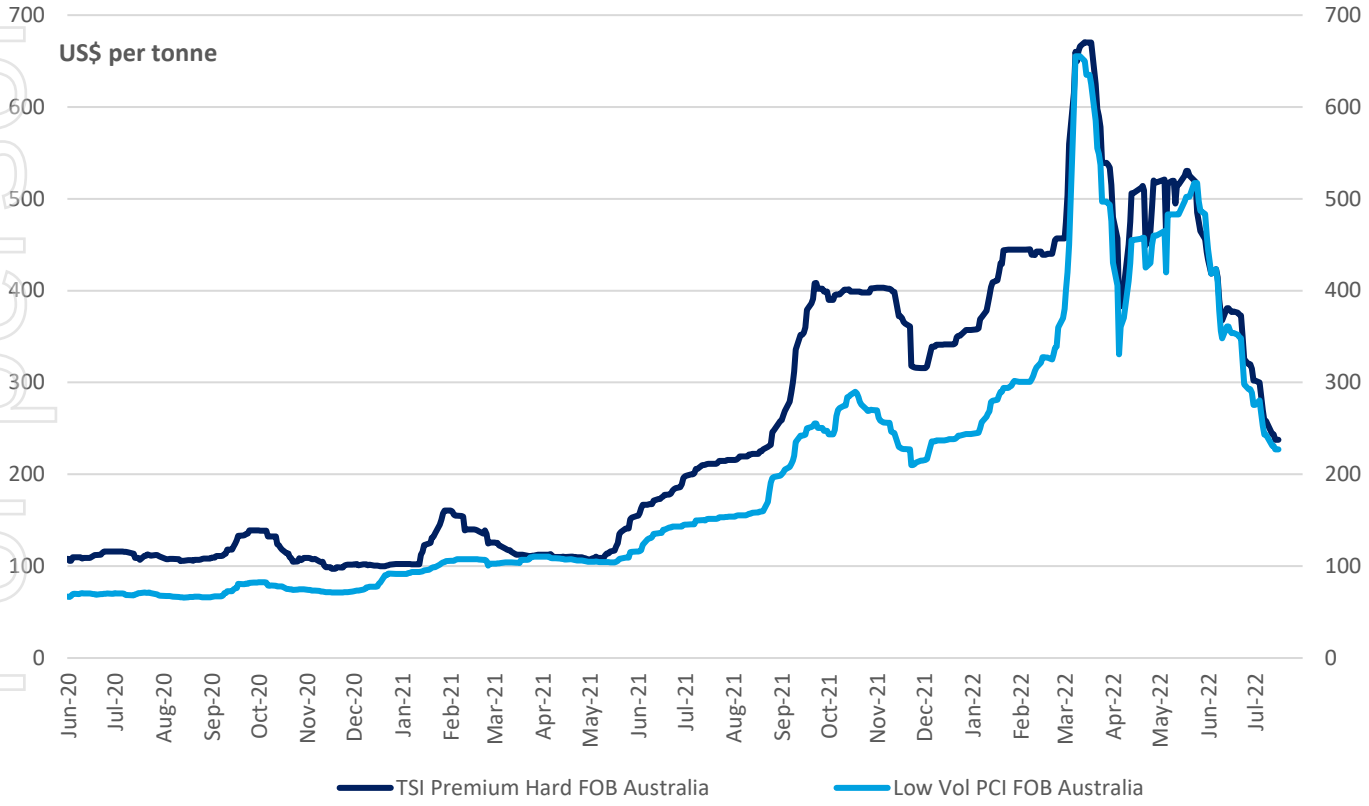
During the quarter there was one recordable injury reported across the Group. The 12-month rolling TRIFR at the end of the quarter was 2.5 compared to 4.8 in the prior quarter.

Integration of the BHP acquired assets has been smooth with an ongoing and relentless focus on safety. There is a strong positive safety culture already in place and learnings being absorbed and expanded throughout the business.

Coal Market Outlook

The metallurgical coal market over the June quarter continued to experience very favourable pricing, with strong demand and elevated steel pricing combining with ongoing supply weakness in many key exporting countries for much of the quarter. This dynamic was particularly applicable to PCI material, as steel makers pursued maximum production while simultaneously supply from Russia, the second largest seaborne producer of PCI, became uncertain through policy restriction expectations, and/or physical and financial hurdles to securing material from that origin.

Towards the very end of the quarter, this trend of higher prices has started to soften, with steel demand being impacted by either supply chain disruptions or a reduction in end user demand as part of general reduction in economic outlook combined with a recovery in production from certain large Australian mines. Despite this, coal prices remain elevated and are well supported by global energy markets.



Corporate

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During the quarter, the Queensland Government announced significant changes to the coal royalty regime as part of its 2022-23 budget, making the royalties paid by coal producers in Queensland the highest in the world. These additional cost pressures discourage investment with potential negative flow on impacts to workers and suppliers in regional Queensland communities that underpin the resources sector. Three new progressive royalty tiers have been introduced in addition to the current structure, so the regime is as follows:

- As per the existing regime for prices below $175 per tonne
- 20% for prices above $175 per tonne
- 30% for prices above $225 per tonne
- 40% for prices above $300 per tonne

Inflationary cost pressures are being increasingly experienced particularly with energy related costs and general consumable prices. General tightness in the labour market in conjunction with labour supply impacts from COVID-19 are also impacting costs. Following the BMC acquisition, constructive relationship meetings have been conducted with the Barada Barna traditional landowners. NAIDOC week was celebrated at all sites.

During the quarter, Stanmore released its 2021 Sustainability Report and lodged our 2021 Statement on Modern Slavery.

During the quarter, Stanmore drew down in full the US$625M Debt Facility, the US$120M Ascend Facility, and the US$50M Bridge Facility which, together with the proceeds of the equity raise from the previous quarter, were used to complete the acquisition of the BMC assets. Post-acquisition, Stanmore has voluntarily repaid the US$50M Bridge Facility in full and reduced the GEAR facility by US$25M to US$43M. Note that the US$625M Debt Facility is subject to scheduled amortization and a cash sweep mechanism, with cash repayments commencing in the first quarter of 2023.

Stanmore intends to release more detail regarding financial and cost performance with our 2022 half year report in mid-August 2022.

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

Further Information

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About Stanmore Resources Limited (ASX: SMR)

Stanmore Resources Limited controls, operates and has ownership interests in the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines, as well as in the undeveloped Wards Well, Isaac Plains underground and Isaac Plains South projects, in Queensland's prime Bowen Basin region. Stanmore Resources is also a joint owner of the Millennium and Mavis Downs Mines and holds several additional high-quality prospective coal tenements located in Queensland's Bowen and Surat basins. The Company is focused on the creation of shareholder value via the efficient operation of its mining assets and the identification of further development opportunities within the region.

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Appendix: Managed Coal Production

		Quarter Ended Jun-22	Year to Date Jun-22
ROM Coal Production			
South Walker Creek	Mt	1.3	**1.3**
Poitrel	Mt	0.9	**0.9**
Isaac Plains Complex	Mt	0.7	**1.7**
Total	Mt	2.9	**3.9**
Strip Ratio			
South Walker Creek	Prime	8.0	**8.0**
Poitrel	Prime	10.7	**10.7**
Isaac Plains Complex	Prime	5.6	**5.4**
Total	Prime	8.2	**7.5**
Saleable Coal production			
South Walker Creek	Mt	1.0	**1.0**
Poitrel	Mt	0.7	**0.7**
Isaac Plains Complex	Mt	0.6	**1.1**
Total	Mt	2.2	**2.8**
Saleable Production – Coking Coals	*%*	*43%*	***54%***
Saleable Production - PCI	*%*	*57%*	***46%***
Total Coal Sales			
South Walker Creek	Mt	1.1	**1.1**
Poitrel	Mt	0.7	**0.7**
Isaac Plains Complex	Mt	0.6	**1.1**
Total	Mt	2.4	**2.9**
Product Coal Stockpile			
South Walker Creek	Mt	0.1	**0.1**
Poitrel	Mt	0.3	**0.3**
Isaac Plains Complex	Mt	0.1	**0.1**
Total	Mt	0.5	**0.5**
ROM Coal Stockpile			
South Walker Creek	Mt	0.2	**0.2**
Poitrel	Mt	0.1	**0.1**
Isaac Plains Complex	Mt	0.2	**0.2**
Total	Mt	0.5	**0.5**

Note 1: All controlled coal production shown on a 100% basis

Note 2: Significant figure rounding may impact totals when computed above

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