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

STANMORE RESOURCES LIMITED
QUARTERLY ACTIVITIES REPORT FOR SEPTEMBER 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 21 October 2022, SMR released via the Australian Securities Exchange ("**ASX**") its September 2022 Quarterly Activities Report, which highlights SMR's quarterly production and sales, safety performance, and other relevant business and corporate updates.

SMR's September 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
21 October 2022



21 October 2022

September 2022 Quarterly Activities Report

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Highlights

- Continued reduction in total recordable injury frequency rate (TRIFR) for the 12 months ended 30 September 2022 to 2.1 (30 September 2021: 5.4) despite one recordable injury reported in the quarter
- Consolidated September quarter Run of Mine (ROM) production of 5.1Mt and saleable production of 3.2Mt, supported by record monthly ROM production of 814Kt at Poitrel and 406Kt at the Isaac Plains Complex in the month of August
- Acquisition of remaining 20% interest in Stanmore SMC Pty Ltd (SMC) successfully completed on 7 October 2022; Acquisition was fully funded through internal sources
- SMR remains on target to achieve 2H 22 guidance despite the continued unseasonal wet weather and inflationary cost pressures experienced during the September quarter

CEO Statement

Marcelo Matos, Chief Executive Officer and Director

"Safety performance from the Group is particularly pleasing despite the one injury recorded during the quarter, strong preventative lead indicators and a continued downward trend in TRIFR well below industry averages. Production from the quarter also remained strong notwithstanding unseasonal wet weather experienced during July and early September. The metallurgical coal market softened early in the quarter but showed recovery by quarter end, with demand currently stable from all markets and elevated supply risk from forecasted wet weather in 4Q, continued swing of metallurgical coal volumes into thermal coal markets given the price arbitrage, and ongoing tightness in the Australian labour market.

The recent completion of the acquisition from Mitsui of the remaining 20% in SMC is a great result for the company, allowing Stanmore to fully realise the value of SMC and create opportunities across all assets."

Consolidated Managed Production & Sales Performance

		Quarter Ended Sep-22	Year to Date Sep-22
ROM Coal Produced	Mt	5.1	9.1
ROM Strip Ratio	*Prime*	6.6	7.0
Saleable Coal Produced	Mt	3.2	6.0
Total Coal Sales	Mt	3.0	5.9

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.

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 2.1 compared to 2.5 in the prior quarter.

Integration of the BHP acquired assets continues with an ongoing and relentless focus on safety. The strong positive safety culture continues to be built on with learnings absorbed and expanded throughout the business.

Operational Highlights[1]

South Walker Creek

		Quarter Ended	Year to Date
Managed Production		Sep-22	Sep-22
ROM Coal Produced	Mt	2.3	3.6
ROM Strip Ratio	*Prime*	6.9	7.3
Saleable Coal Produced	Mt	1.5	2.5
Total Coal Sales	Mt	1.4	2.5

Record combined dragline movement in August of 2.9Mbcm (from two draglines) and explosives loading performance supported an accelerated overburden stripping programme and strong coal position.

Strong operational performance in the quarter despite wet weather impacting the Bowen Basin in early July. Early quarter coal mining activities were delayed due to excess pit water, which impacted the timing of overburden removal and coal mining during the period and resulted in lower than expected feed coal quality and yields in August. Operations normalised in September where 588Kt of coal was produced from the CHPP.

Excellent dragline performance in August and September increased coal uncovered and coal mining output with 1.4Mt of coal uncovered in September alone and 3.1Mt uncovered across the whole quarter.

The introduction of an additional excavator fleet at South Walker Creek was also approved, with the purpose of advancing stripping activities and de-risking coal flows ahead of the major 70 day shutdown of dragline 27 for maintenance and conversion from DC to AC, expected to take place in 2024 and also approved during the quarter. The 7th fleet will be introduced under a wet hire contracted arrangement and is expected to be operational from 1Q 23.

Poitrel

		Quarter Ended	Year to Date
Managed Production		Sep-22	Sep-22
ROM Coal Produced	Mt	2.0	2.8
ROM Strip Ratio	*Prime*	6.5	7.8
Saleable Coal Produced	Mt	1.1	1.8
Total Coal Sales	Mt	1.0	1.7

Strong truck and shovel performance continued in the September quarter with further improvement on truck utilisation records set in 2Q 22. This, coupled with record total stripping in June 2022 and improved 600t excavator dig rates led to record coal mining volumes in August. Strong truck and shovel productivities were partly offset by wet weather across the Bowen Basin in early July and early September.

July saw the commencement of mining and processing of two seams previously deemed unviable at very low incremental strip ratios – Vermont 2/3 (V23) and Vermont Lower (VL) to take benefit of the available capacity at the Red Mountain CHPP, which together contributed 317Kt of Run of Mine coal to overall production. Processing

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of these seams achieved acceptable yields and the coal quality outcomes will now form part of Poitrel's standard product mix. Yields improved against forecast for the quarter with a focus on accelerating high quality feed sources.

The introduction of an additional excavator fleet at Poitrel was also approved during the quarter, with the purpose of completing overburden in advance in the northern pits to counteract complex geotechnical conditions whilst maintaining consistent coal flow over the coming three years. The 7th fleet is expected to be introduced as a dry hire arrangement where Poitrel will hire and train operators with support from our successful New to Industry program with the ramp up of operations from 4Q 22.

Isaac Plains Complex

Managed Production		Quarter Ended Sep-22	Year to Date Sep-22
ROM Coal Produced	Mt	0.9	2.6
ROM Strip Ratio	*Prime*	6.2	5.8
Saleable Coal Produced	Mt	0.6	1.7
Total Coal Sales	Mt	0.6	1.7

Production in July was restricted by winter rain affecting coal mining, coal haulage and CHPP feed operations, however August saw an improvement and a new ROM record of 406Kt coal mined. Overburden stripping recovered after the wet weather at the start of the quarter. CHPP throughput was curtailed by rotary breaker and feeder chain failures in August and September, which resulted in unplanned downtime for repairs. The feeder system will be upgraded during the upcoming two weeks shutdown in November where a brand new upsized feeder breaker chain and a rebuilt rotary breaker will be fitted, reducing further risks of unplanned failures once the upgraded CHPP ramps up to 600 tph when it resumes operations. An additional excavator fleet, previously planned for 2023, will be introduced in 4Q 22 to assist recovery of pre-strip volumes missed in the wet winter and de-risking coal flows.

Haulage of ROM coal to the Red Mountain CHPP at Poitrel via the Peak Downs Highway commences in October and is expected to continue until end of 1Q 23. This mitigates reduced washing capacity during 4Q 22 due to the Isaac Plains CHPP upgrade shutdown and ensure we benefit from un-utilised capacity at Red Mountain CHPP to process available ROM production volumes from Isaac Downs.

Millennium and Mavis Downs (50% Ownership Only) – 0.1Mt Saleable Production (100% basis) [1] [2]

MetRes continued conventional open-cut truck and shovel production and auger mining from available highwalls producing 144Kt of Run of Mine Coal and 88Kt of product coal at Millennium and Mavis Downs. Shipments of 68Kt of high-quality Coking and PCI coal were completed.

Preparation works and construction of the underground mine is continuing, with stone driveage and first development coal expected in late 2022, with underground production ramping up in the first half of 2023.

MetRes are mining additional open cut strips at Millennium A pit, which will generate positive margins at forecast prices to assist with transition to underground operations, with an incremental 306kt of ROM volumes to be mined.

[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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SMC Integration & Mitsui Acquisition

On 12 August 2022, the Company announced the execution of a definitive share sale agreement with Mitsui & Co. (Australia) Ltd and Mitsui & Co., Ltd (together, "Mitsui") to acquire the remaining 20% interest in BHP Mitsui Coal Pty Ltd, now renamed Stanmore SMC Pty Ltd ("SMC") held by Mitsui (the "Acquisition").

The transaction successfully completed on 7 October 2022 following satisfaction of the condition precedent being FIRB approval. Following declaration and payment of a dividend from SMC to its shareholders (Mitsui and Dampier Coal Pty Ltd) prior to completion, the final purchase price paid was US$270 million. The Company now owns 100% of SMC, allowing Stanmore to realise the full value of SMC as well as consolidating its operations.

Stanmore successfully transitioned its SMC assets to SAP on 1 August 2022, coinciding with the end of the Transitional Support Agreement (TSA) with BHP. This activity was a key milestone in the integration of the SMC sites into Stanmore's overall management reporting processes.

A key synergistic benefit of the acquisition was unlocked during the quarter, with coal blending between the mine sites leading to several cargoes of blended coal sold during the quarter.

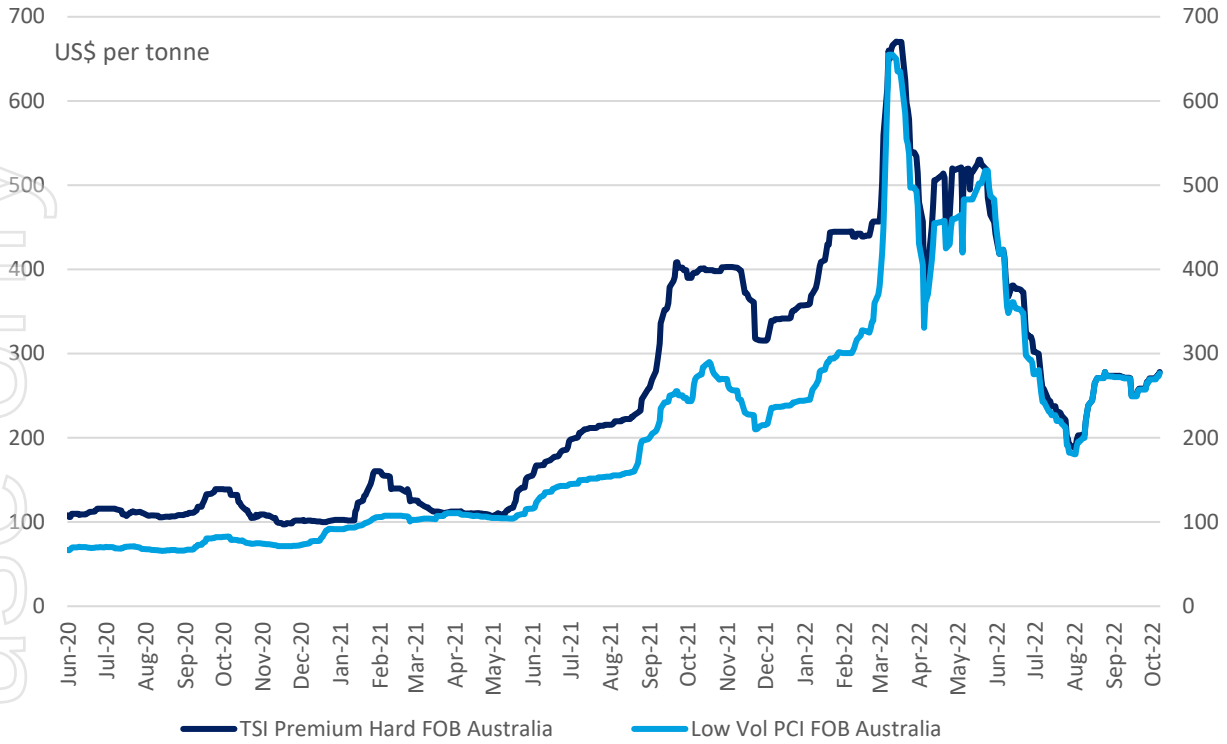
Coal Sales and Realised Pricing

At the beginning of the quarter, metallurgical coal prices were impacted by softening of steel demand associated with either end user supply chain disruptions and/or reductions in end user demand, in combination with a recovery in production from certain large Australian mines. However, as the quarter continued, shortages in the energy market and a recovery of Indian metallurgical coal demand post monsoon season saw available metallurgical tonnages quickly absorbed and pricing support recovered.

Steel mill profitability through the period has benefitted from weakening iron ore pricing, and demand for Stanmore products has remained elevated through the period. With the conversion of a portion of seaborne metallurgical coal supply into energy markets, and ongoing shortage of Russian materials, weak coking grades and particularly PCI availability has remained very tight through the period and remains the case into 4Q 22. Demand from all markets for Stanmore product has remained stable, and supply risk from Australian mines is increasing with ongoing labour constraints as well as increasing forecasts for wet weather impacts.

Sales for the quarter were affected by high demand for rail services and capacity limitations from routine system maintenance as well as availability of rail labour, with closing product stocks ending the quarter at 733kt. As a result of these increasing performance constraints which are expected to continue throughout 4Q 22, two vessels did not complete loading until early in October. Strong production and sales levels are forecast for 4Q 22 however realisation will be dependent on the performance of the export corridors and logistics service providers. Stanmore continues to optimise sale mix in accordance with market conditions, increasing the percentage of coal sold as PCI quarter on quarter.

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Corporate

Stanmore ended September with US$701 million in cash on hand. With an aggregate total debt[3] of US$784 million, the closing net debt position of Stanmore as of 30 September 2022 was US$83 million.

During the quarter, the Group paid its first scheduled amortisation of the Acquisition Debt Facility, reducing the principal amount to US$620 million ahead of the first annual cashflow sweep payable in 1Q 23. The consolidation of Stanmore's interest in SMC from the Mitsui acquisition was wholly funded from internal sources and going forward will increase cashflows subject to the cashflow sweep mechanism.

Exploration & Projects

An exploration drilling program at Isaac South, south of Isaac Downs mine, commenced in mid-September. This program totals approximately 60 boreholes, spread between open hole, core hole and water bore drilling: for purposes of further structural, quality and hydrogeological definition of the Isaac South deposit. Field works are expected to continue into 4Q 22, and will be followed by data analysis, interpretation, and reporting into CY 23.

An optimisation exercise is being carried out on the MRA2C creek diversion program ahead of a board decision.

Construction activity for the Isaac Downs Project is largely complete with the primary contractor de-mobilised from site.

[3] Aggregate total debt includes the principal amount outstanding of the Group's financing facilities, excluding lease liabilities.

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2H 22 Guidance

Stanmore remains on target to achieve 2H 22 guidance, with higher production at Isaac Plains in 4Q 22 anticipated to achieve 2H 22 Guidance.

		2H 22 Guidance (unchanged)
Isaac Plains Complex		
Saleable Production	Mt	1.3 – 1.4
FOB Cash Cost ex. Royalties	US$/t	68 – 73
Poitrel		
Saleable Production	Mt	1.9 – 2.1
FOB Cash Cost ex. Royalties	US$/t	100 – 105
South Walker Creek		
Saleable Production	Mt	2.8 – 3.1
FOB Cash Cost ex. Royalties	US$/t	75 – 80
Stanmore Consolidated		
Saleable Production	Mt	6.0 – 6.6
Capital Expenditure - SMC	US$m	40 – 50
Capital Expenditure - SMR	US$m	65 – 75

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 and operates the Isaac Plains Complex, South Walker Creek and Poitrel metallurgical coal mines, as well as 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 Sep-22	Year to Date Sep-22
ROM Coal Production			
South Walker Creek	Mt	2.282	3.628
Poitrel	Mt	1.959	2.809
Isaac Plains Complex	Mt	0.889	2.614
Total	Mt	**5.130**	**9.051**
Strip Ratio			
South Walker Creek	Prime	6.9	7.3
Poitrel	Prime	6.5	7.8
Isaac Plains Complex	Prime	6.2	5.8
Total	Prime	**6.6**	**7.0**
Saleable Coal production			
South Walker Creek	Mt	1.522	2.528
Poitrel	Mt	1.096	1.757
Isaac Plains Complex	Mt	0.604	1.737
Total	Mt	**3.222**	**6.022**
Saleable Production – Coking Coals	*%*	*35%*	*43%*
Saleable Production - PCI	*%*	*66%*	*57%*
Total Coal Sales			
South Walker Creek	Mt	1.402	2.487
Poitrel	Mt	0.950	1.668
Isaac Plains Complex	Mt	0.629	1.732
Total	Mt	**2.981**	**5.887**
Product Coal Stockpile			
South Walker Creek	Mt	0.212	0.212
Poitrel	Mt	0.428	0.428
Isaac Plains Complex	Mt	0.093	0.093
Total	Mt	**0.733**	**0.733**
ROM Coal Stockpile			
South Walker Creek	Mt	0.290	0.290
Poitrel	Mt	0.413	0.413
Isaac Plains Complex	Mt	0.221	0.221
Total	Mt	**0.923**	**0.923**

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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