



 **golden energy and resources**

GEAR FY2021 Results Briefing

24 FEBRUARY 2022

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Agenda

1. FY2021 Summary
2. Performance Highlights
3. Acquisition of BMC
4. Corporate Overview
5. Q&A



FY2021 Summary

Record financial performance underpinned by strong commodity prices and efficient operations

1
Revenue ↑ 61%
EBITDA ↑ 241%
Net Profits ↑ 629%



- **Energy coal ASP US\$53.5/t**, up 72% yoy; **Metallurgical coal ASP A\$176.9/t**, up 33% yoy
- **Total coal production 31.2Mt** (29.1Mt energy coal, 2.1Mt metallurgical coal)
- **Record Group EBITDA of US\$503.3m** and Group net profit of **US\$251.3m**
- **Significant turnaround in metallurgical coal segment performance**, achieved operating CFs of **A\$127.4m** vs. A\$(28.2)m in 2020
- **Overall solid Group operational CFs of US\$377.7m** vs. US\$108.9m in FY2020

2
Transformative acquisition to fast track diversification



Well-positioned to capitalize on expanding global steel demand

- **Transition to Stanmore's low cost Isaac Downs mine well progressed** with bulk sample pit successfully mined; construction of underpass for coal haulage nearing completion
- **First coal** exported from Millennium mine **during Q4'21**; UG mining services contract awarded
- **Transformative acquisition of 80% interest in BHP Mitsui Coal signed**, positions Stanmore as one of the largest exporter for metallurgical coal

Ravenswood Gold capacity expansion to 200Koz expected to complete in 1H2022

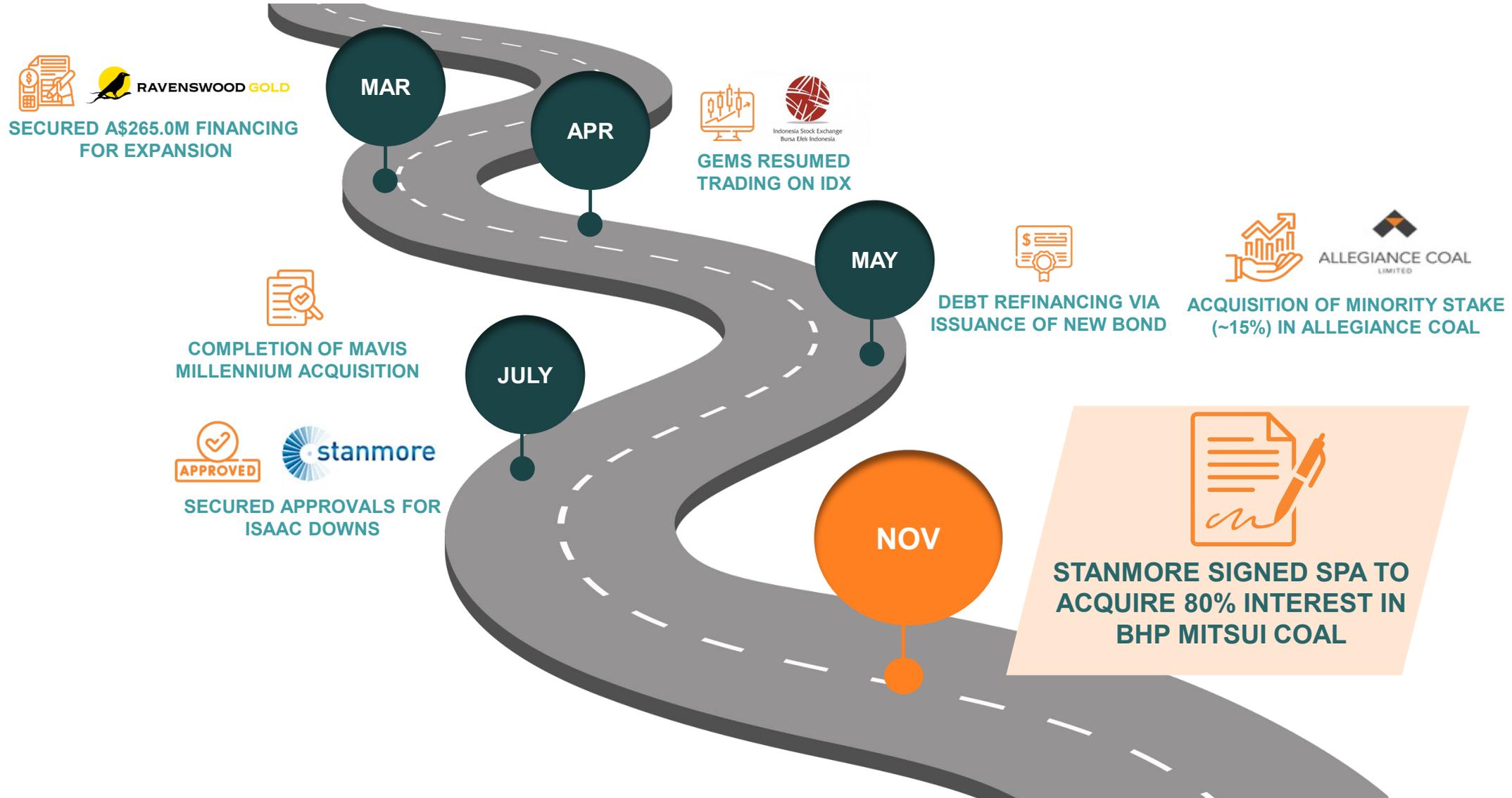
3
Robust balance sheet



- **Optimised debt position** by refinancing existing debt through a 5 year bond maturing in 2026
- **Strong liquidity position of US\$379.8m** (US\$262.8m as on 31 Dec 2020)
- **Near net debt neutral position at US\$29.6m** (US\$119.2m as on 31 Dec 2020)
- Leverage ratio of **0.8x** providing **significant financial flexibility** (2.6x as on 31 Dec 2020)

FY2021 Key Milestones

Solid tangible progress made on diversification strategy





Performance Highlights

Group FY2021 Performance at a Glance



Operating Statistics

PRODUCTION

Energy coal	Metallurgical coal
29.1Mt	2.1Mt

AVERAGE REALISATION

Energy coal	Metallurgical coal
US\$53.5/t	A\$176.9/t

CASH COST (EX ROYALTIES)

Energy coal	Metallurgical coal
US\$26.9/t	A\$103.5/t



Financial Performance

REVENUE

US\$1.9B

EBITDA

US\$503.3M

CASH FLOW FROM OPERATIONS

US\$377.7M



Financial Strength

ROBUST BALANCE SHEET

US\$379.8M

In Cash and Cash Equivalents

LEVERAGE RATIO

0.8x

As at 31 Dec 2021

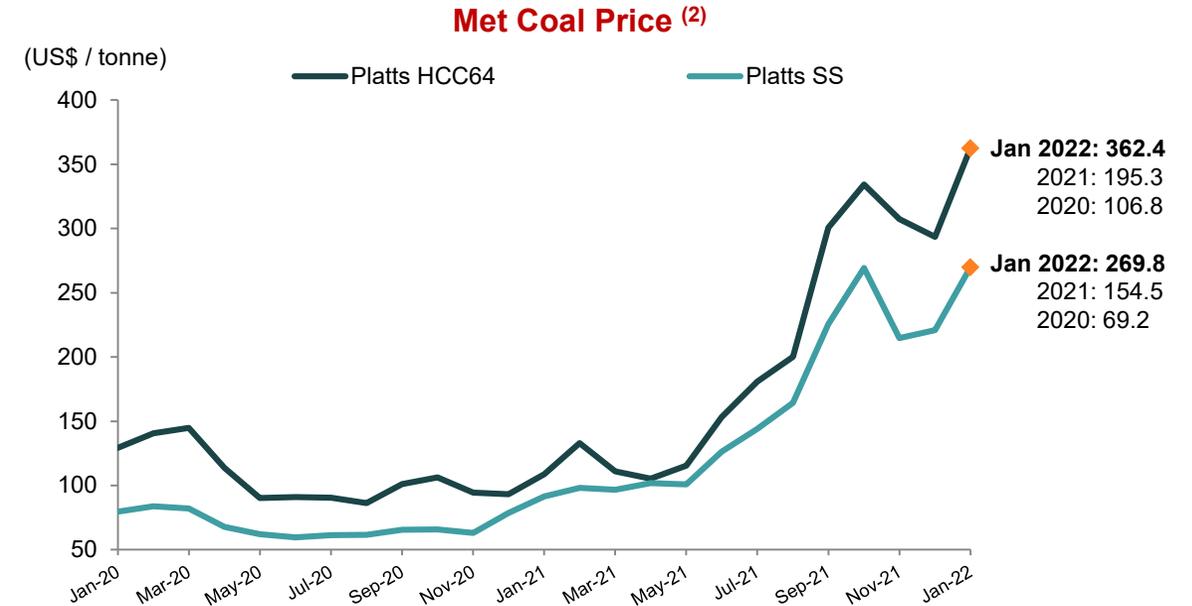
CREDIT RATINGS

B1 & B+

Affirmed by Moody's and Fitch
Ratings in April 2021

Coal Price Trend

Strong rebound of prices in 2021 after reaching lows in 2020



ICI4 reached all-time highs in Oct 2021 following coal shortages as global economic activities picked up

Metallurgical coal prices surged in 2H2021 following

- Strong demand from rebounding global industrial production
- Continued supply tightness
- Depletion of port inventories in China

(1) ICI 4 prices represent average of the month (Source: Argus Report)

(2) Platts HCC64 and Platts SS prices represent average of the month (Source: S&P Global Platts)

Group Performance Highlights

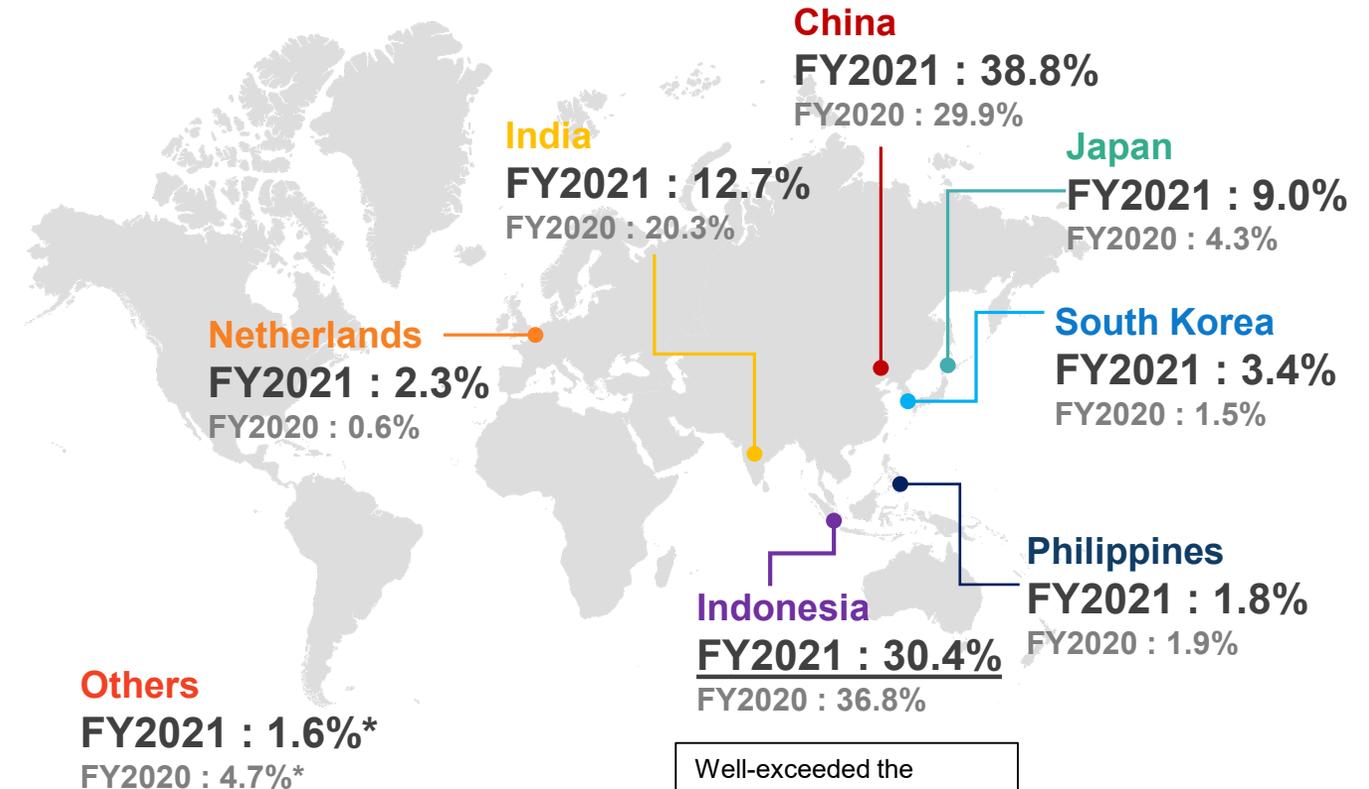
Higher contribution from metallurgical coal. Wider geographic diversification

Revenue breakdown by segment



- Energy Coal
- Metallurgical Coal
- Non-Coal

Revenue breakdown by geography



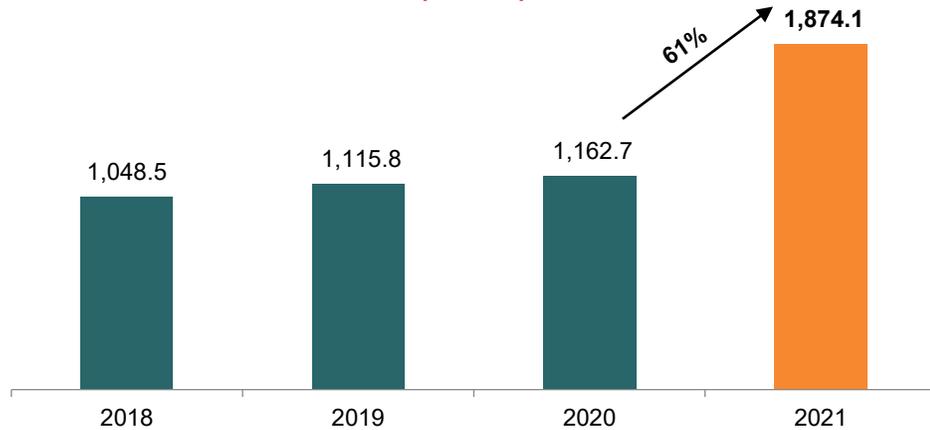
* Mainly South East Asia countries

Well-exceeded the Domestic Market Obligation (DMO) in 2021

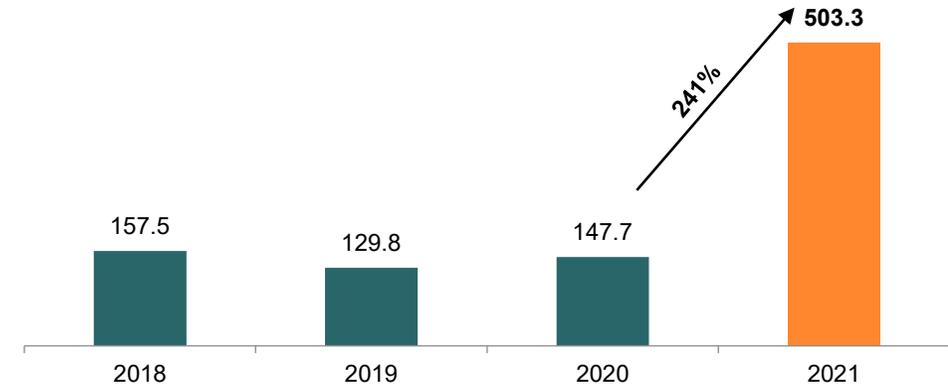
Group Performance Highlights

Record cash flow generation leading to robust balance sheet

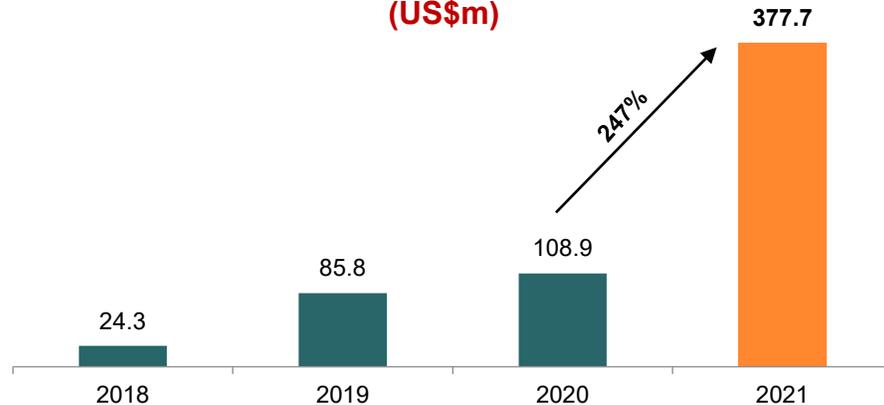
**Group Revenue
(US\$m)**



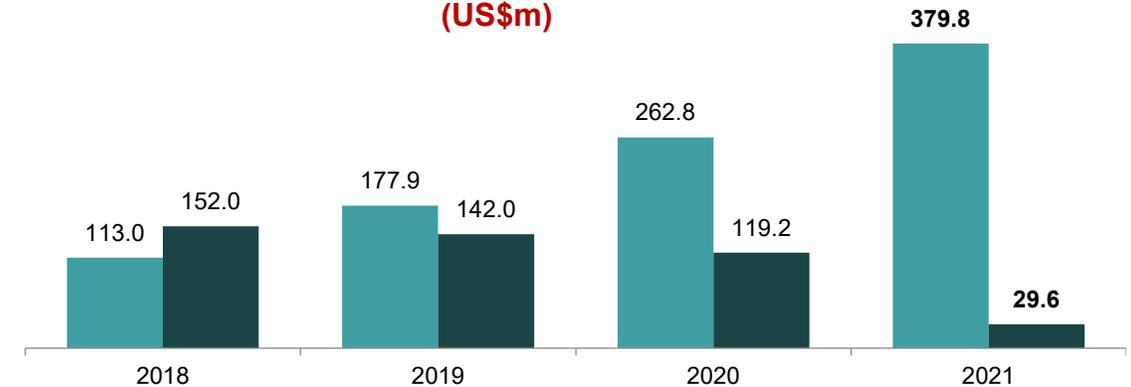
**Group EBITDA⁽¹⁾
(US\$m)**



**Net Cash Flow from Operations
(US\$m)**



**Group Cash Balance, Net Debt⁽³⁾ and Leverage Ratio⁽⁴⁾
(US\$m)**



Group denotes GEAR and its subsidiaries including GEMS and Stanmore. Stanmore is consolidated in GEAR financials from 18 May 2020. GEAR financial year ending is 31 December

(1) EBITDA = Profit for the year + finance costs + income tax expense + depreciation and amortisation + impairment loss

(2) Total Debt = Loans and borrowings

(3) Net Debt = Loans and borrowings – cash and cash equivalents

(4) Leverage ratio = Total debt / LTM EBITDA

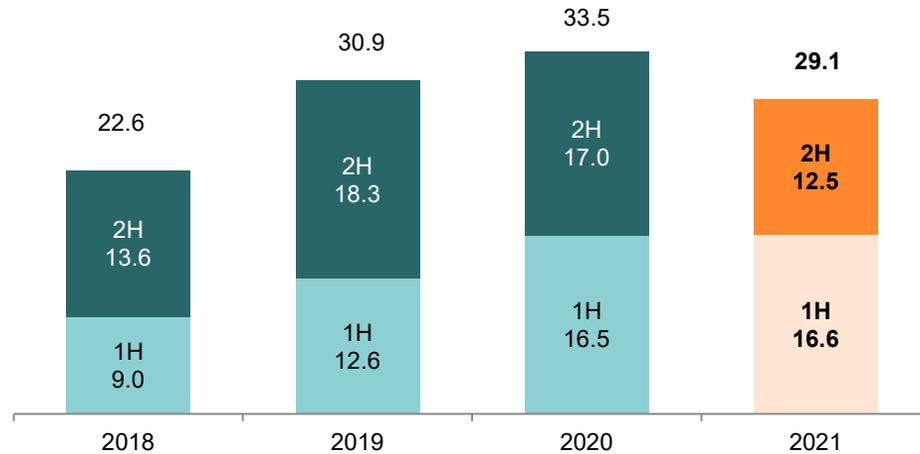
**Total Debt ⁽²⁾ /
LTM EBITDA**



Operational Performance

GEMS

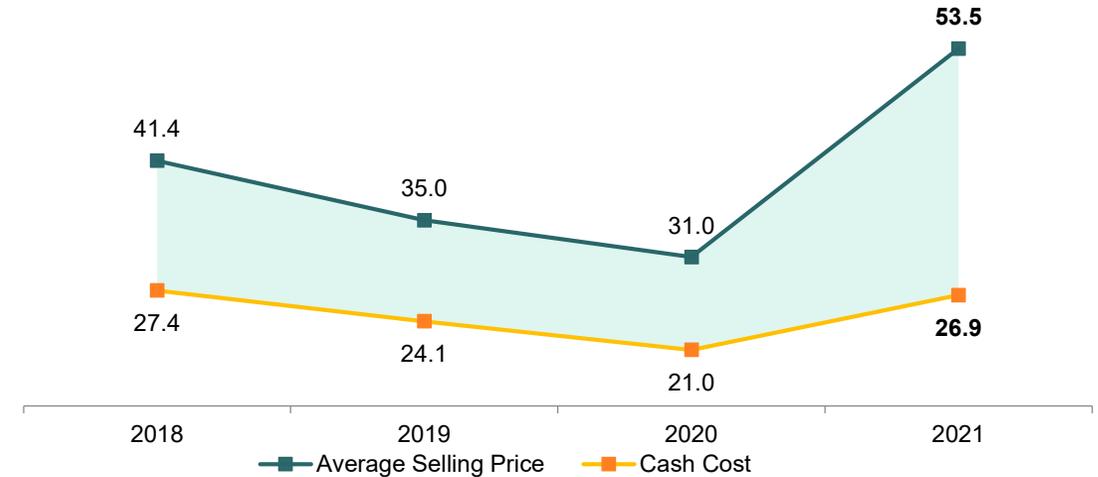
Production Volume Trend (Mt)



2021 production levels negatively impacted due to adverse weather conditions in 2H 2021

Well exceeded Indonesian Government's DMO

Average Selling Price, Cash Cost ⁽¹⁾ (US\$/t)



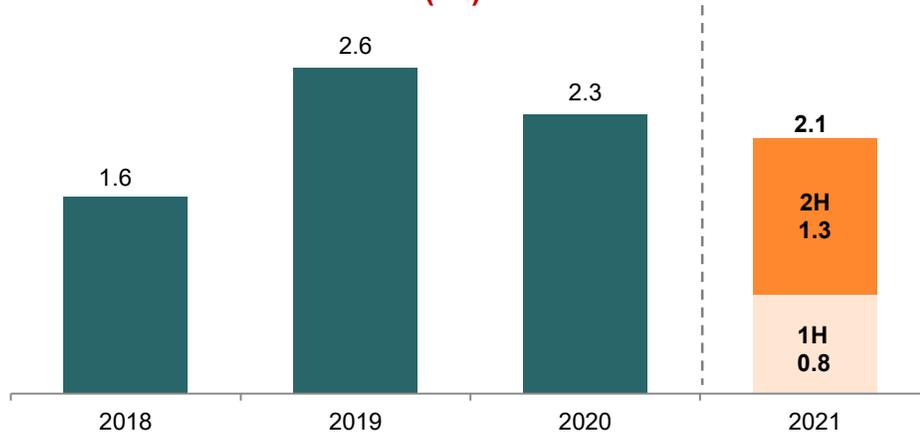
Continuous cost optimisation efforts resulting in average cash cost ⁽¹⁾ of US\$26.9/t despite higher strip ratios and contractor rates linked to ICI4 Index

(1) Includes COGS and selling expenses, excludes royalty and non cash items such as depreciation and amortization (D&A)

Operational Performance

Stanmore

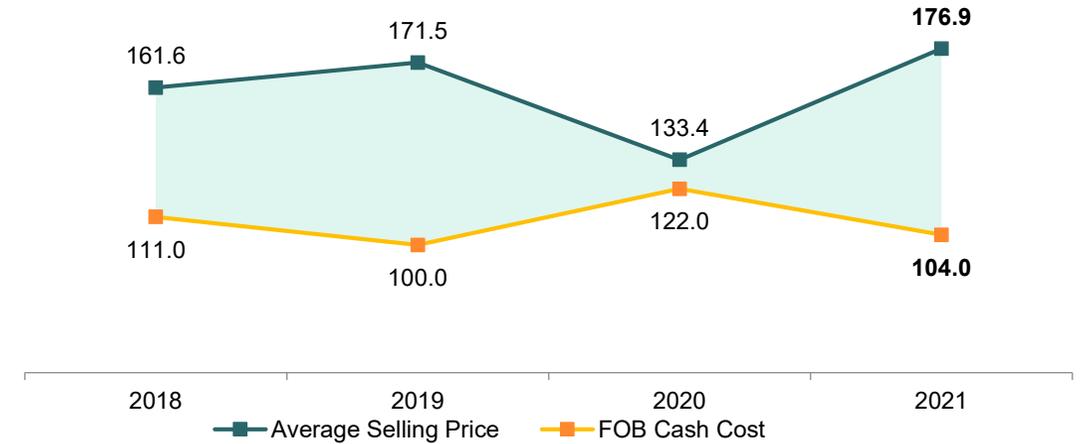
Saleable Production Volume Trend (Mt)



Strong rebound in production for 2H2022 due to ramp up in Isaac Downs

Transition of dragline to Isaac Downs in Q1'2022 coupled with planned CHPP capacity upgrade from 500 to 600 tonnes per hour expected to **further boost production** in the next 2-3 years

Average Selling Price, FOB Cash Cost ⁽¹⁾ A\$/t



Higher price realization for FY2021 due to recovery of coal prices in 2H2021, with ASP reaching A\$177/t and A\$257/t in Q3'2021 and Q4'2021 respectively. ~60% of 2021's shipments delivered in the high coal price environment in 2H2021

Achieved significant reduction in FOB Cash Cost due to transition to Isaac Downs mine with lower strip ratios and implementation of cost optimisation strategies

Source: Stanmore annual report, Stanmore Investors Presentation released on 16-Feb-2022

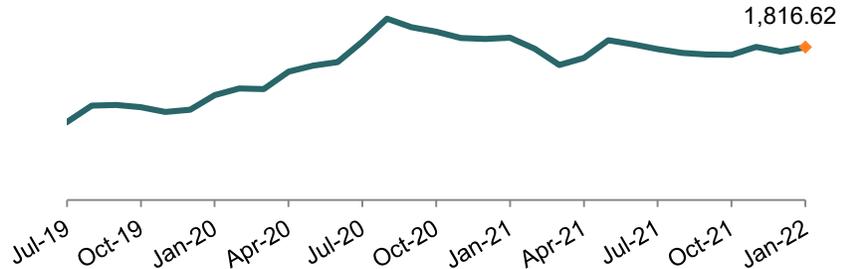
(1) FOB cash cost per tonne sold, on an ex-royalty basis

(2) All periods presented above are for 12 months year ended 31 December

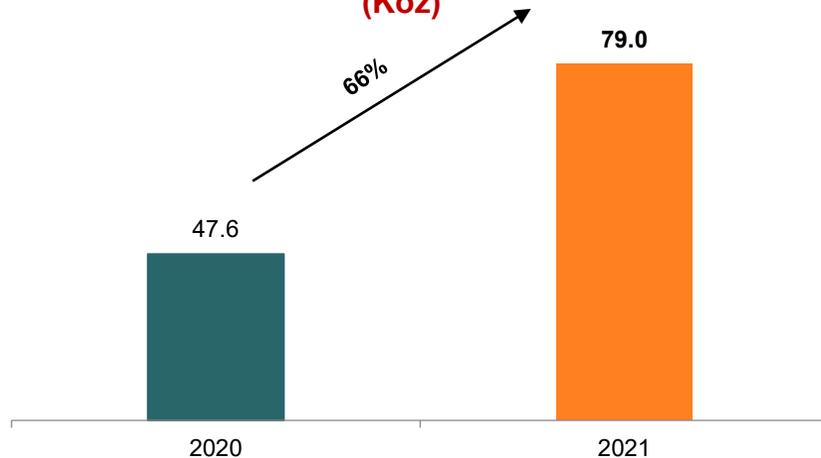
Operational Performance

Ravenswood

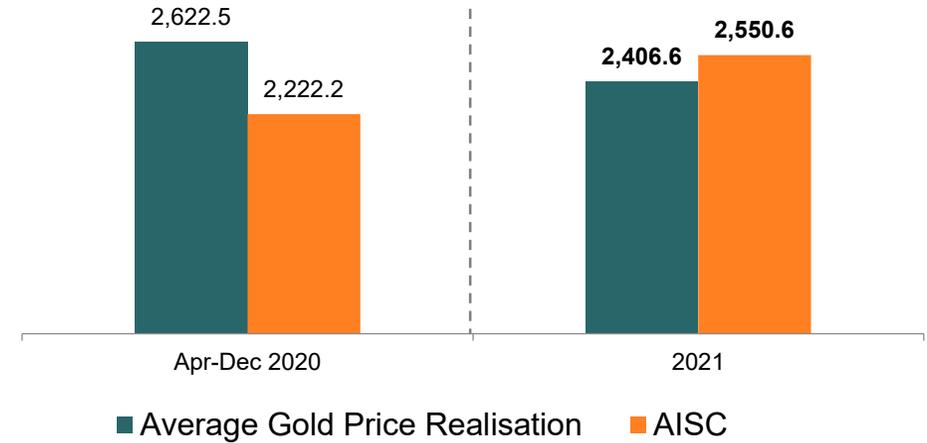
Gold Price Trend
(US\$/oz)



Production Volume
(Koz)



All-in-Sustaining Cost (AISC) ⁽¹⁾
and Average Gold Price Realisation
(A\$/oz)



Production volumes increased 66% from 48Koz to 79Koz

Sub-optimal cost structure as **the mine undergoes ramp up of new open cut development and plant expansion. Completion expected in 1H2022**

Source: S&P Capital IQ. Ravenswood financial year end is 31 December

(1) AISC includes mining, processing, site admin, royalties and sustaining capital expenditure (excl. infill drilling)

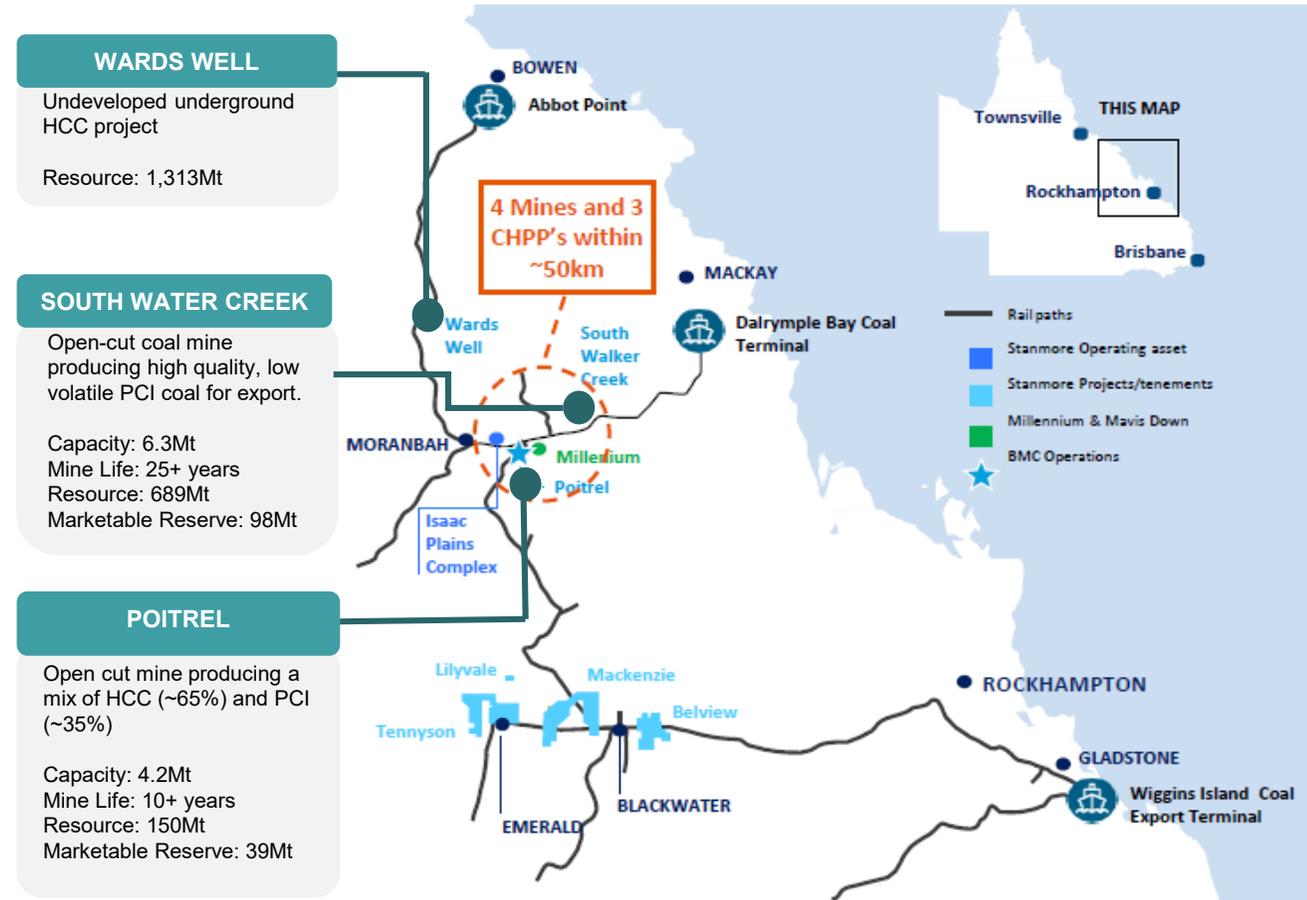


Acquisition of BMC

Acquisition of 80% interest in BHP Mitsui Coal (BMC)

Positions Stanmore to be a leading metallurgical coal producer. Potential for significant synergies

- Definitive agreement entered with BHP to acquire its 80% interest in BHP Mitsui coal on 8 November 2021 (“Transaction”). **Completion** expected in **mid 2022**
- Following the acquisition, Stanmore will have (i) **4 mines and 3 wash plants within ~50km radius** with ability to increase production with **limited development and ramp-up risk** (ii) **combined 12.5Mt of annualised met coal production⁽¹⁾ and combined 331Mt of coal reserves⁽²⁾ with long mine life**
- BMC has **strong product portfolio** including **benchmark PCI** at South Walker Creek and **significant contract book and global customer base**. Potential to realise **operational synergies** from shared infrastructure, corporate functions and coal blending opportunities
- Transaction purchase consideration consisting of:
 - US\$1.1 billion payable on completion;
 - US\$100m payable 6 months post completion; and
 - Up to US\$150m based on a revenue sharing mechanism if average sales price is over a certain threshold over a 2 year period
- Transaction intended to be funded through a combination of (i) non-recourse senior acquisition debt facility of US\$625m (ii) entitlement offer and (iii) internal cash
- GEAR has provided a binding commitment letter for up to US\$300m of its entitlements, but reserves the right to subscribe up to its full pro-rata entitlement



Source: Stanmore Investor Presentation released on 16-Feb-22

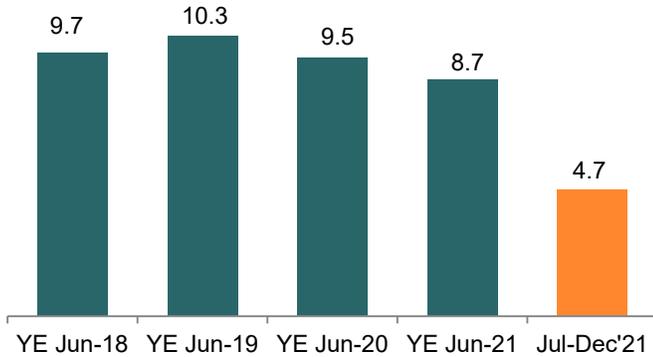
(1) Annualised combined saleable met coal production based on quarter ended 31-Dec-2021. BMC consolidated on a 100% basis.

(2) Stanmore reserves as at 31-Dec-2021; BMC reserves as at 30-Jun-2021. Consolidated on a 100% basis. Excludes Millennium.

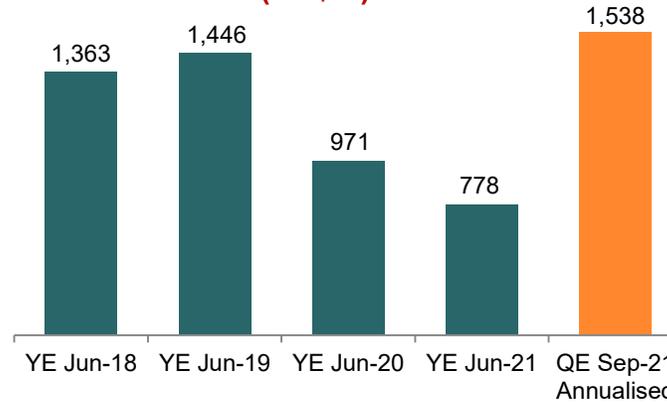
Acquisition of 80% interest in BHP Mitsui Coal (BMC)

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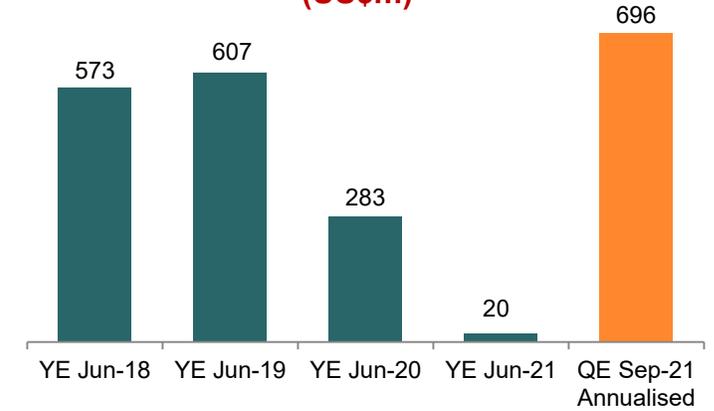
BMC Saleable Production (100% Basis)
(Mt) ⁽¹⁾



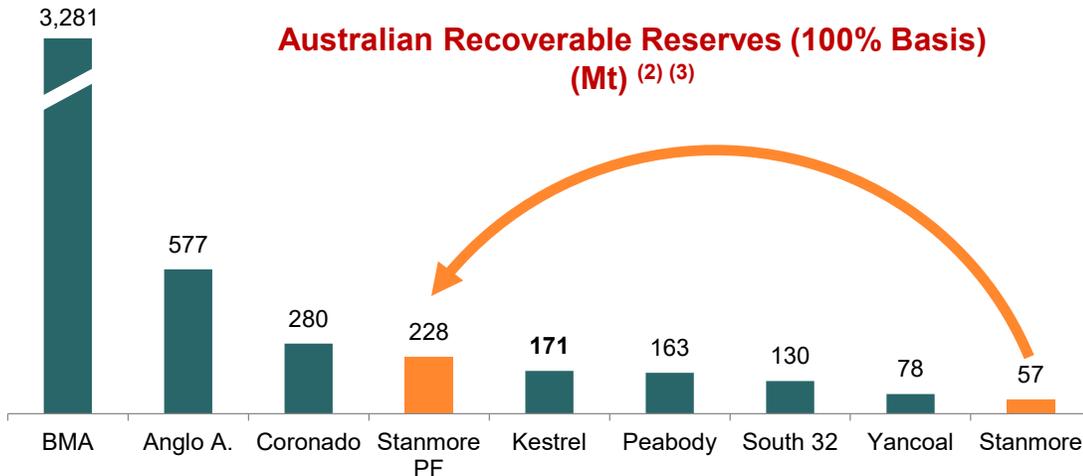
BMC Revenue (100% Basis)
(US\$m) ⁽¹⁾



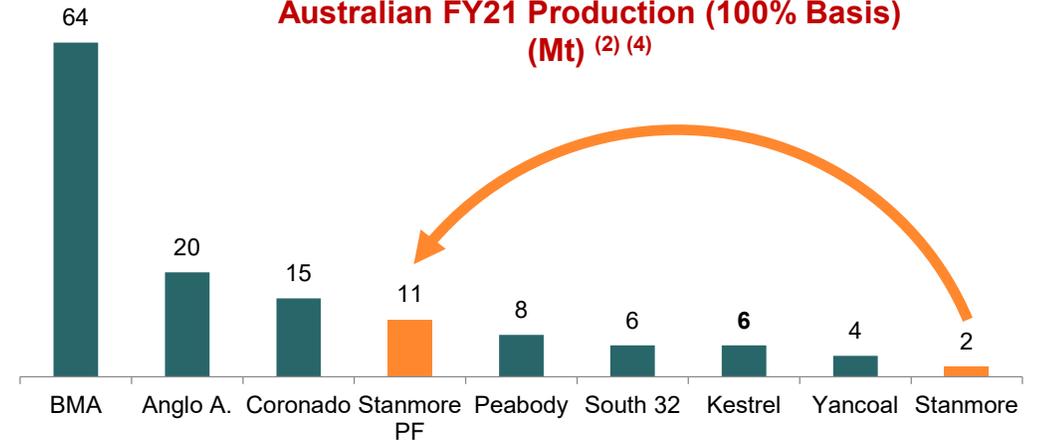
BMC EBITDA (100% Basis)
(US\$m) ⁽¹⁾



Australian Recoverable Reserves (100% Basis)
(Mt) ^{(2) (3)}



Australian FY21 Production (100% Basis)
(Mt) ^{(2) (4)}



Source: Stanmore Investor Presentation released on 8-Nov-21, 31-Jan-22

(1) Financial data sourced from BMC statutory accounts and FY21 audited financial statements. BMC Jul-Dec'21 production sourced from BHP operational overview for half year ended 31-December-2021. Results for the quarter ending 30-Sept-2021 are based on unaudited management accounts.

(2) Only metallurgical coal mines or projects included. Yancoal mines included are Middlemount and Austar.

(3) Proved plus probable reserves data sourced from company reserves and resources disclosures, based on publicly available information as of 8-Nov-2021. Data presented on a 100% basis.

(4) Saleable production for the financial year ended 30-June-2021, except for Kestrel and Peabody where production reported is for the year ended 31-December-2020. Data presented on 100% basis where ownership of the mine is equal to or greater than 50%.

Corporate Overview

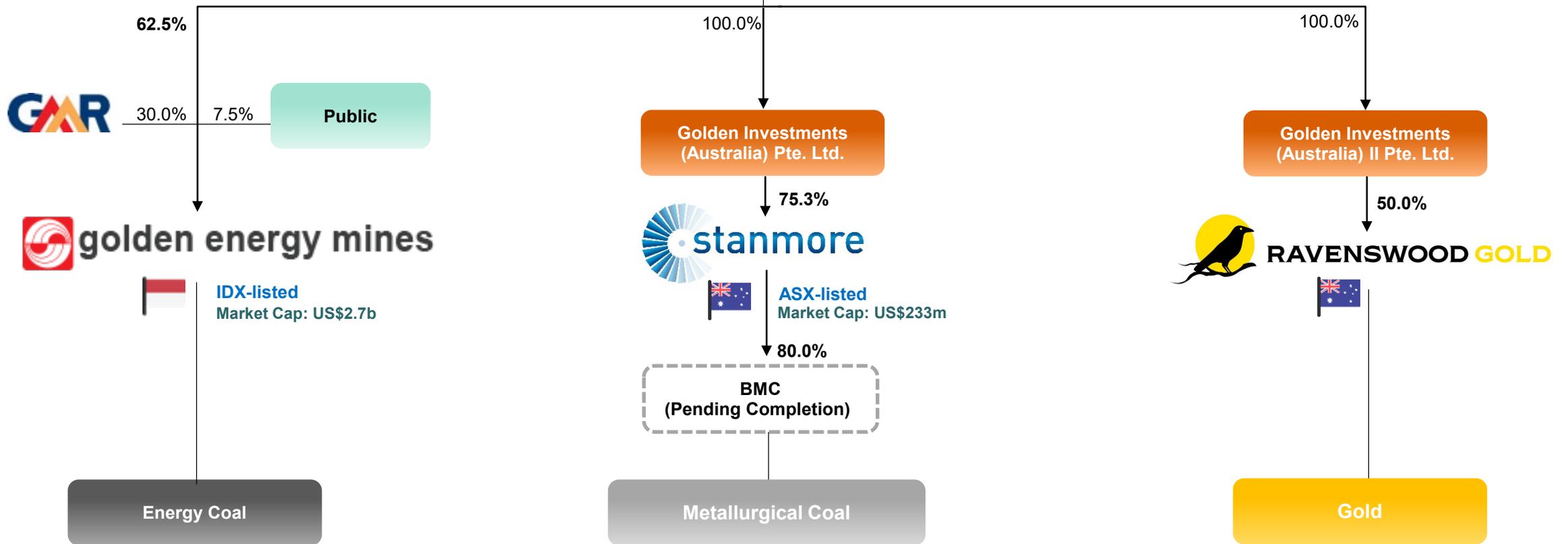


GEAR Group Simplified Corporate Structure

as on Dec 2021



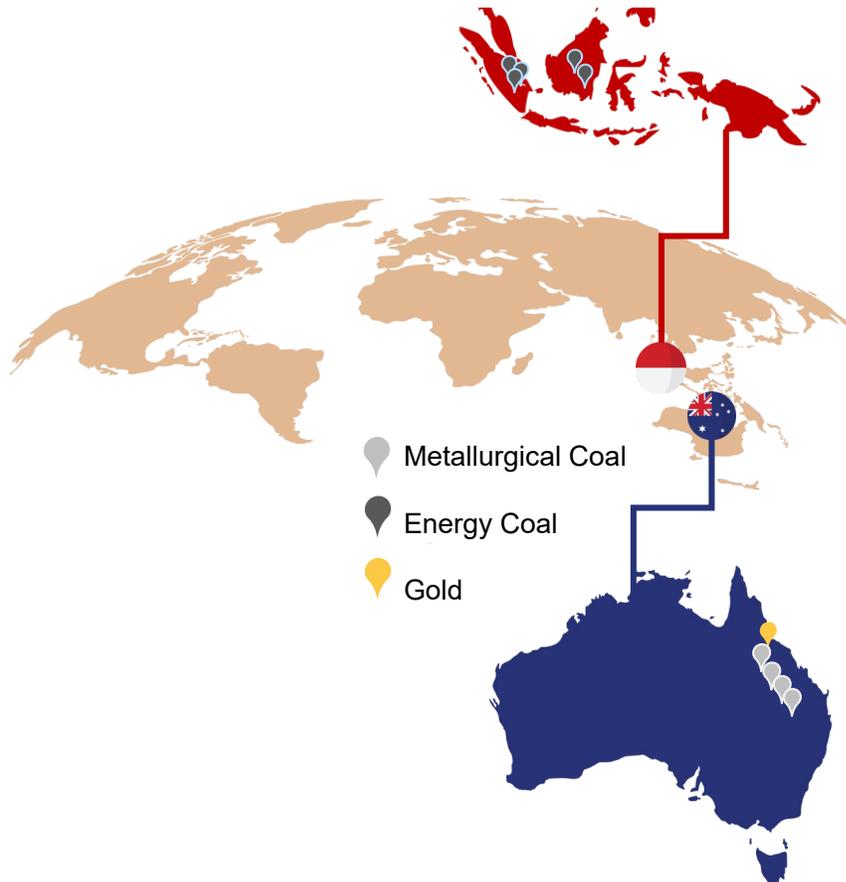
SGX-listed
Market Cap: US\$574m



Source: Bloomberg. Market cap data as at 23-Feb-2022
Note: For illustration purposes only and not exhaustive. Only key subsidiaries shown.

GEAR Geographical Presence

A leading energy & resources company in Asia Pacific region



GEMS



Ownership
62.5%



5 Mining concessions
Covering an aggregate area of approximately

66,204
hectares



Owns the right to mine more than
2.9
b tonnes



Coal Reserved over
1.0
b tonnes



Average Calorific Value
2,835-6,528
Kcal/kg (arb)

STANMORE



Ownership
75.3%



6 development mines
1 Operating project



Coal Resource over
1.7
b tonnes



Coal Reserves (Marketable)
125.4
m tonnes



Coal Processing Facilities up to
3.5
mtpa

RAVENSWOOD



Ownership
50.0%



Gold Resources
4.4
m ounces



Gold Reserves
2.6
m ounces



Gold Processing Facilities up to
5.0
mtpa



Q & A



Thank You

*“Never let a good crisis go to waste.”
– Winston Churchill*

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