

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001

Name of entity

Stanmore Coal Limited

ACN or ARBN

27 131 920 968

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors including refunds of Goods and Services Tax	382	545
1.2 Payments for (a) exploration and evaluation	(5,407)	(16,556)
(b) development	(2,511)	(6,152)
(c) production	-	-
(d) administration	(1,335)	(4,967)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	219	986
1.5 Interest and other costs of finance paid	(1,475)	(1,475)
1.6 Income taxes paid	-	-
1.7 Other (grants received)	44	359
Net Operating Cash Flows	(10,083)	(27,260)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(113)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities ¹	(4,961)	(4,961)
1.11 Loans repaid by other entities	-	-
1.12 Other		
(a) security deposits	-	(674)
(b) establishment of debt service reserve account ²	(1,069)	(1,069)
Net investing cash flows	(6,032)	(6,817)
1.13 Total operating and investing cash flows (carried forward)	(16,115)	(34,077)

¹ Investment in port infrastructure in the form of a shareholder loan

² Debt service reserve account a condition to establishment of the Credit Suisse debt facility announced on 28 June 2012

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1.13	Total operating and investing cash flows (brought forward)	(16,115)	(34,077)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares and call payments.	12,979	37,082
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (leases)	4,040	4,040
1.17	Repayment of borrowings (leases)	-	-
1.18	Dividends paid	-	-
1.19	Other – costs of share issues	(61)	(1,283)
	Net financing cash flows	16,958	39,839
	Net increase (decrease) in cash held	843	5,762
1.20	Cash at beginning of quarter/year to date	23,102	18,182
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	23,945	23,944

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.2 Aggregate amount of payments to the parties included in item 1.2	172
1.2 Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Directors fees, salary paid to the Managing Director and consulting fees payable to director related entities.
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

No material non-cash transactions occurred during the quarter. For the year to date 30 June 2012, 435,815 ordinary shares have been issued as a part of the terms of employment arrangements and 1,495,664 ordinary shares were issued as final consideration to the vendors of Comet Coal and Coke Pty Ltd.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil.

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (a)	25,000	4,040
3.2 Credit standby arrangements	-	-

(a) Guarantee and loan note facility which matures on 27 June 2014 with an additional year at Stanmore Coal's option. The facility is used to finance part of the company's port and rail infrastructure obligations.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	3,315
4.2 Development	2,685
4.3 Production	-
4.4 Administration	1,132
Total	7,132

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	23,945	8,102
5.2 Deposits at call	-	15,000
5.3 Bank overdraft	-	-
5.4 Other (security for bank guarantees)	-	-
Total: cash at end of quarter (item 1.22)	23,945	23,102

* These deposits act as security for bank guarantees issued by the company to secure its future infrastructure obligations

Changes in interests in mining tenements

	Tenement reference (Holder)	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Exploration Permit for Coal ("EPC")		

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6.2 Interests in mining tenements acquired or increased

	Exploration Permit for Coal ("EPC")		
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	Nil	Nil	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities #	179,409,108	179,409,108	-	-
7.4 Changes during quarter (a) Increases through issues - Placement (b) Decreases through returns of capital, buy-backs, consolidation (c) Increases through acquisition of projects (d) Increases through acquisition of companies (e) Release of ASX restriction (f) Increase through exercise of options	19,228,887 - - - -	19,228,887 - - - -	\$0.675 - - - -	\$0.675 - - - -
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil	-	-
7.6 Changes during quarter (c) Increases through issues (d) Decreases through returns of capital, buy-backs, redemptions				

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7.7	Options (<i>description and conversion factor</i>)		-	<i>Exercise price</i>	<i>Expiry date</i>
		6,350,000	-	\$0.193	09/12/12
	- to purchase one ordinary share	3,500,000	-	\$0.193	31/12/13
		525,000	-	\$0.153	16/01/14
		100,000	-	\$0.733	31/12/13
		100,000	-	\$0.873	31/12/13
		100,000	-	\$1.093	31/12/13
		75,000	-	\$1.44	30/3/15
		75,000	-	\$1.68	30/3/15
		75,000	-	\$1.80	30/3/15
		500,000	-	\$1.75	31/12/15
		500,000	-	\$2.00	31/12/15
		500,000	-	\$2.25	31/12/15
		500,000	-	\$2.50	31/12/15
		400,000	-	\$1.75	31/12/15
		400,000	-	\$2.00	31/12/15
		400,000	-	\$2.25	31/12/15
		450,000	-	\$1.75	31/3/16
		450,000	-	\$2.00	31/3/16
		450,000	-	\$2.25	31/3/16
		450,000	-	\$2.50	31/3/16
		-	-	-	-
		-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Cancelled during quarter	100,000	-	\$1.053	31/12/13
		100,000	-	\$1.203	31/12/13
		100,000	-	\$1.303	31/12/13
7.12	Debentures (<i>totals only</i>)	Nil			
7.13	Unsecured notes (<i>totals only</i>)	Nil			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

31 July 2012

On Behalf of the Board
Doug McAlpine
Joint Company Secretary

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Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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