

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Stanmore Coal Limited

ABN

27 131 920 968

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors ⁽¹⁾	269	887
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,581) (1,664) - (1,296)	(4,549) (3,265) - (2,794)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	61	93
1.5 Interest and other costs of finance paid	(78)	(166)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(4,289)	(9,794)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (5,100)	- - (5,100)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - (2)
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	96	-
Net investing cash flows	(5,004)	(5,102)
1.13 Total operating and investing cash flows (carried forward)	(9,293)	(14,896)

Note 1: Relate to funds received from NEDO (a subsidiary of the Japanese Government's Ministry of Economy, Trade and Industry) in conjunction with Taiheiyo Kouhatsu Inc. Refer to ASX Announcement on 10 April 2012 for details of grant agreement.

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1.13	Total operating and investing cash flows (brought forward)	(9,293)	(14,896)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	23,424	23,424
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(2)	(17)
	Net financing cash flows	23,422	23,407
	Net increase (decrease) in cash held	14,129	8,511
1.20	Cash at beginning of quarter/year to date	18,326	23,944
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	32,455	32,455

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
1.23	Aggregate amount of payments to the parties included in item 1.2	247
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director fees, salary paid to Managing Director and consulting fees payable to Director related entities.

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.

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.

+ See chapter 19 for defined terms.

Financing facilities available

	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	300
4.2 Development	625
4.3 Production	-
4.4 Administration	1,200
Total	2,125

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	9,455	18,326
5.2 Deposits at call	23,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	32,455	18,326

Changes in interests in mining tenements

	Tenement reference	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	EPC 2177	Disposed through swap for EPC 1274 & 1276	100%	0%
6.2 Interests in mining tenements acquired or increased	EPC 1274 & EPC 1276	Tenements acquired through swap transaction for EPC 2177	0%	100%

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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.

	Total number	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	207,827,090	207,827,090	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	292,553 ^(a) 20,791,143 ^(b) 5,714,286 ^(c) 20,000 ^(a) 1,000,000 ^(d) 300,000 ^(d) 300,000 ^(d)	292,553 20,791,143 5,714,286 20,000 1,000,000 300,000 300,000	24.0 67.5 25.0 25.0 19.3 19.3 19.3	- 67.5 - - 19.3 19.3 19.3
7.5 +Convertible debt securities <i>(description)</i>	13,373,377	13,373,377	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	13,373,377 ^(b)	13,373,377 ^(b)	67.5	67.5

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7.7	Options <i>(description and conversion factor)</i>			Exercise price	Expiry date
		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
		1,356,000 ^(g)	-	\$0.480	30/06/14
		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
		11,670,000 ^(e)	-	\$0.518	27/06/15
		2,350,000 ^(f)	-	-	-
7.8	Issued during quarter	1,356,000 ^(g)	-	\$0.48	30/06/14
		2,350,000 ^(f)	-	\$0.00	30/06/20
		11,670,000 ^(e)	-	\$0.518	27/06/15
7.9	Exercised during quarter	1,000,000 ^(d)	-	\$0.193	9/12/12
		300,000 ^(d)	-	\$0.193	9/12/12
		300,000 ^(d)	-	\$0.193	9/12/12
7.10	Expired during quarter	4,750,000 ^(d)	-	\$0.193	9/12/12
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Note:

- (a) Shares issued to employees of the company as part of terms of employment contracts
- (b) Shares and Convertible Notes issued to Greatgroup Investment Limited pursuant to Shareholder approval obtained at the EGM 10 October 2012
- (c) Shares issued to the vendor as consideration for the acquisition of EPC 1186
- (d) Shares issued to Directors and Employees upon exercise of options. A total of 1,600,000 options were exercised, the balance of 4,750,000 options expired on 9 December 2012
- (e) Options issued to Credit Suisse, AG pursuant to approved from Shareholders at the EGM 10 October 2012
- (f) Performance Rights issued pursuant to Shareholder approval at the EGM 10 October 2012 – 50% vesting upon grant of The Range Project mining lease with the remaining 50% upon The Range Project achieving annualised production of 5 million tonnes for 1 month
- (g) Options issued to employees of the company as part of the terms of long term incentive arrangements pursuant to Shareholder approval obtained at the EGM 10 October 2012

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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 the ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



31/01/2013

Date:

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On Behalf of the Board
Doug McAlpine
Joint Company Secretary

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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