

## Appendix 5B

### Mining exploration entity and oil and gas 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, 01/05/2013

Name of entity

Stanmore Coal Limited

ABN

27 131 920 968

Quarter ended ("current quarter")

31 December 2015

#### 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 <sup>1</sup>	32,251	32,813
1.2 Payments for (a) exploration & evaluation	(790)	(1,523)
(b) development <sup>2</sup>	(6,288)	(7,791)
(c) production	-	-
(d) administration <sup>3</sup>	(978)	(1,331)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	121
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (net GST)	2,761	2,761
<b>Net Operating Cash Flows</b>	<b>26,973</b>	<b>25,050</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	(1,960)
(b) equity investments	-	-
(c) other fixed assets <sup>4</sup>	(3,550)	(3,552)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) <sup>2</sup>	(24)	(26)
<b>Net investing cash flows</b>	<b>(3,574)</b>	<b>(5,538)</b>
1.13 Total operating and investing cash flows (carried forward)	23,399	19,512

<sup>1</sup> Amounts relate to initial compensation payments received from the vendors of the Isaac Plains Coal Mine. Refer to ASX presentation dated 30 November 2015

<sup>2</sup> Relates to site re-establishment costs, stamp duty paid upon acquisition, legal fees and due diligence costs

<sup>3</sup> Increased administration costs relating to IT, communications and travel for the quarter

<sup>4</sup> Capital expenditure related to dragline overhaul program

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	23,399	19,512
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
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 (facility fees <sup>5</sup> )	(4,234)	(4,234)
	<b>Net financing cash flows</b>	<b>(4,234)</b>	<b>(4,234)</b>
	<b>Net increase (decrease) in cash held</b>	<b>19,165</b>	<b>15,278</b>
1.20	Cash at beginning of quarter/year to date	<b>11,395</b>	<b>15,282</b>
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>30,560</b>	<b>30,560</b>

**Payments to directors of the entity, associates of the directors, 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	245
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

The Company signed a US\$42 million secured debt facility arrangement with Taurus Mining Finance Fund in November 2015. The facility provides US\$30 million to cash-back certain project guarantees at the Isaac Plains Coal Mine. The facility also provides US\$12 million as a contingent working capital facility for general project use.

During the quarter the Company completed the acquisition of the Isaac Plains Coal Mine. The balance sheet and other accounting implications will be disclosed in the half year report with balance date 31 December 2015.

<sup>5</sup> Facility fees include establishment fee for debt facility provided by Taurus Mining Finance Fund and payment of interest in advance (6 months)

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

---

- 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

Pursuant to the Joint Exploration Agreement signed December 2013, JOGMEC contributed \$742k during the quarter to reimburse allowable expenditure incurred at the Clifford Project (EPC 1274 and 1276). Over the 3 year funding period JOGMEC will earn up to a 40% economic interest by contributing up to A\$4.5 million to the Clifford Project.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities <sup>6</sup>	42,000	30,000
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation <sup>7</sup>	850
4.2 Development <sup>8</sup>	4,950
4.3 Production <sup>9</sup>	7,200
4.4 Administration	500
<b>Total</b>	<b>13,500</b>

### 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	28,577	10,962
5.2 Deposits at call	1,900	350
5.3 Bank overdraft	-	-
5.4 Other (provide details)	83	83
<b>Total: cash at end of quarter (item 1.22)</b>	<b>30,560</b>	<b>11,395</b>

Note: Amounts shown at 5.4 relate to term deposits which cash-back guarantees provided to third parties (including infrastructure and corporate office).

<sup>6</sup> Loan facility provided by Taurus Mining Finance Fund as part of a US\$42 million facility in relation to the Isaac Plains Coal Mine.

<sup>7</sup> Amount relates to exploration and feasibility studies conducted at Isaac Plains East

<sup>8</sup> Amount relates to capital and other costs incurred at Isaac Plains Coal Mine

<sup>9</sup> Amount relates to contract costs incurred prior to first coal shipment

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased	MDL 135 & (part) MDL 137 ML 70342 & EPC 755	0% 0%	100% 100%

#### 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	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	222,497,435	222,497,435	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	2,766,000	-	<i>Exercise price</i> \$0.22	<i>Expiry date</i> 4/09/17
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired / cancelled during quarter	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
7.11	<b>Performance Rights</b> (description and conversion factor)	2,150,000	-	<ul style="list-style-type: none"> <li>• 50% vest upon grant of the Range Project Mining Lease</li> <li>• 50% vest upon achieving full production at the Range Project</li> </ul>	30/06/2020
7.12	Issued during quarter				
7.13	Exercised during quarter				
7.14	Expired / cancelled during quarter				
7.15	<b>Debentures</b> (totals only)				
7.16	<b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## 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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

..  .....

Date: 29 January 2016

On Behalf of the Board  
Andrew Roach  
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 and petroleum 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 or petroleum 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.

== == == == ==