



Malabar Resources

Annual General Meeting

14th November 2024



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A substantial company with excellent assets

- Large resource of high quality coals; >75% metallurgical coal suitable for steel-making.
- Utilises existing infrastructure with replacement value exceeding A\$500m.
- Production commenced in CY2023 via a bord & pillar mine whilst the longwall mine is constructed.
- Strategically located with access to high-capacity rail to Newcastle port.
- Key metrics when the longwall is fully ramped-up:
 - ✓ Sales of ~6.0Mtpa of high quality coal for +20 years.
 - ✓ Bottom quartile operating costs of c.A\$55/t FOB⁽¹⁾.
 - ✓ EBITDA estimated at ~A\$550 to A\$850 ⁽¹⁾ million per annum.
- Large land holding (8,900 ha) with planning progressing for large scale renewables (solar and grid-scale battery).



(1) Based on Malabar's financial model, estimated on a current real basis from FY28 to FY44

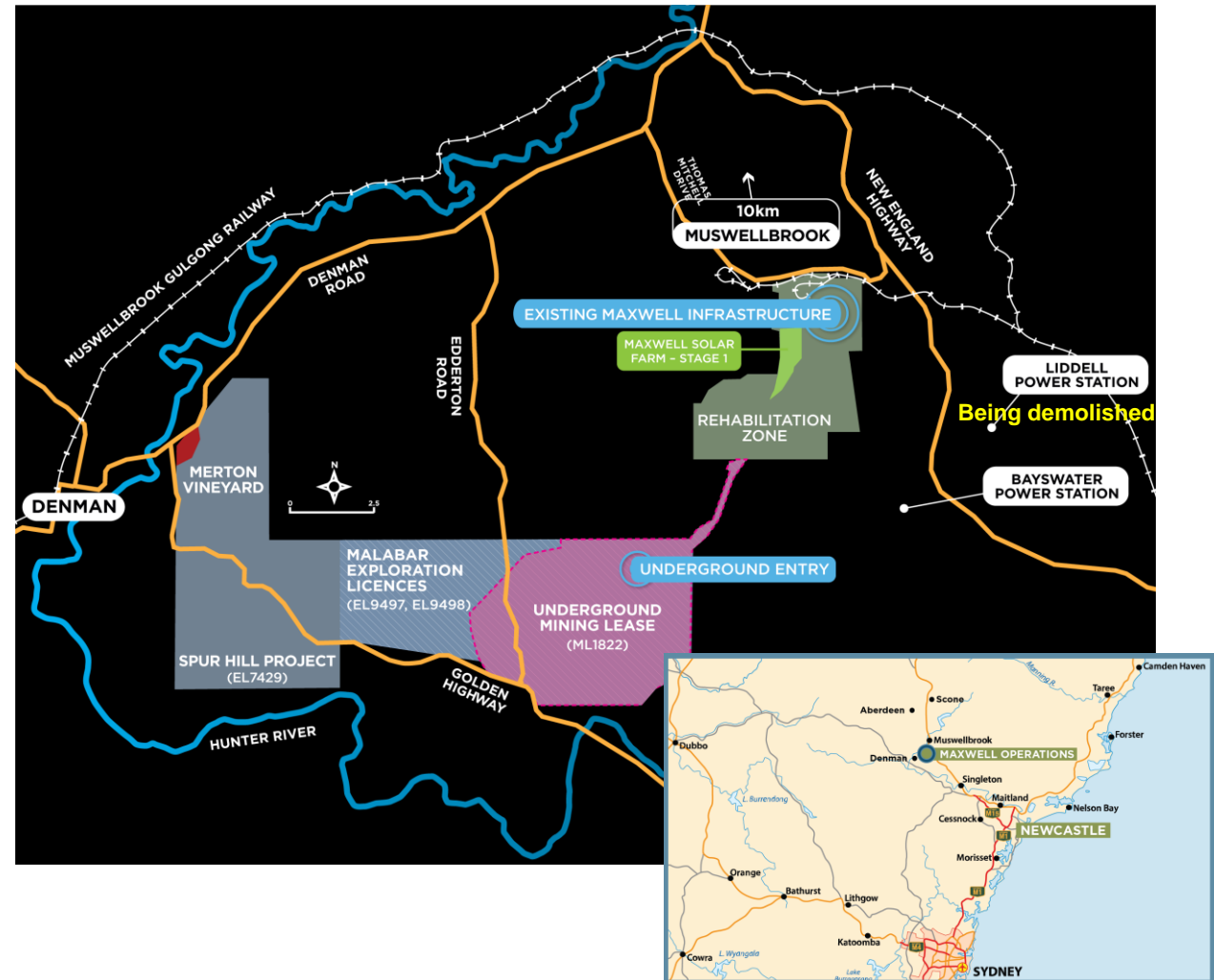
Malabar's business

Our vision:

Building a successful resources company for the long-term benefit of all stakeholders while listening to our communities.

Our assets include:

- The **Maxwell Underground Mine** – our principal asset
- **Antiene Rail Spur** which connects Maxwell Mine to the main track
- 20% shareholding in **Newcastle Coal Shippers**, which owns 37% of PWCS, providing dividends to Malabar
- Maxwell extension project **EL9497 & 9498** and **Spur Hill exploration project EL 7429**
- The 25MW approved Stage 1 **Maxwell Solar Farm**
- The large-scale renewable projects
- Agricultural assets, including the **Merton Vineyard**



Substantial progress over the year

Bord & Pillar activities:

- The B&P mine continues to ramp up.
- c.140,000 tonnes produced in FY2024.
- Coal quality greater than benchmark achieving premium prices.

Longwall activities:

- Drifts to the initial coal seam 99% complete;
- Boring of the main ventilation shaft over 50% complete;
- Delivery of key major longwall mine equipment with roof supports transported to the mine and shearer etc arrived in Hunter Valley workshop.

People

- Overwhelming response to our recruitment campaign for staffing the longwall operation.

Other

- Progressing grid-scale renewable projects.



Underground entry area last year



Underground entry area Oct 2024

Leadership with track records of developing and operating underground coal mines

- Expertise with mine approvals, construction, operations, logistics, coal sales and marketing, financing and investment management.
- Direct experience and proven success of the directors, senior management, and foundation shareholders with underground mines.
- The Board deeply appreciates the dedication and contribution of our previous General Manager, James Johnson, in establishing the foundations of the Maxwell Underground Mine over the past 5 years.



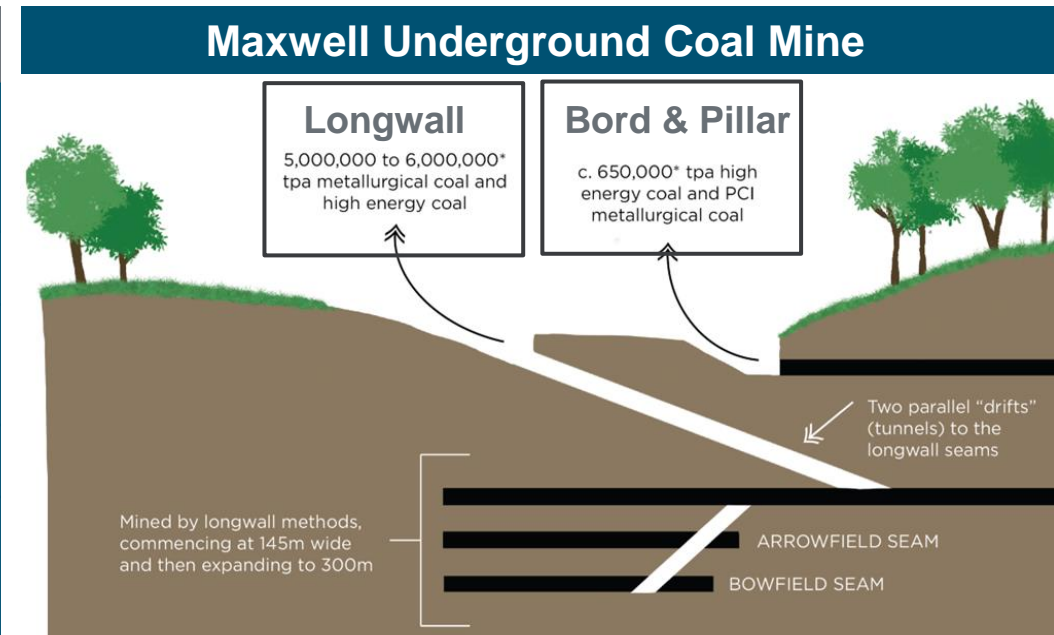
Board	Experience
Wayne Seabrook	+ 40 years mining, coal and finance industry
Jim Middleton	+ 40 years coal industry
Tony Haggarty	+ 40 years coal industry
Tony Galligan	+ 40 years coal industry
Allan Davies	+ 40 years coal industry
Brian Beem (rep. H Mende)	+ 20 years coal and finance industry
Rob Bishop (rep. New Hope)	+ 20 years mining and finance industry
Matthew Hunter	+ 25 years finance industry
Senior Executives	
Robert Hayes	+ 35 years coal industry
Paul Verner	+ 20 years coal and finance industry

High-capacity underground mine

- The Maxwell underground mine comprises of
 - I. A high-capacity longwall mine – **Construction and development**
 - II. A bord and pillar (“B&P”) mine – **Operational**
- Both operations use shared coal handling, washing and train loading facilities – **Operational**

	Longwall	B & P
Products	SSCC ³ , High CV Thermal	PCI ⁴ , High CV Thermal
Sales (Mtpa) ¹	~6.0	~0.65
Total sales over mine life (Mt)	120	6
Life (years)	25+	~10
Op costs (real) excl royalties ² (\$/t FOB)	~A\$55	~A\$120

~95% of Maxwell’s production and NPV is from the longwall operation



*Washed/product coal



¹ Ave annual production following initial mine ramp up
² FOB (“free-on board”) costs in 2023 real excl royalties

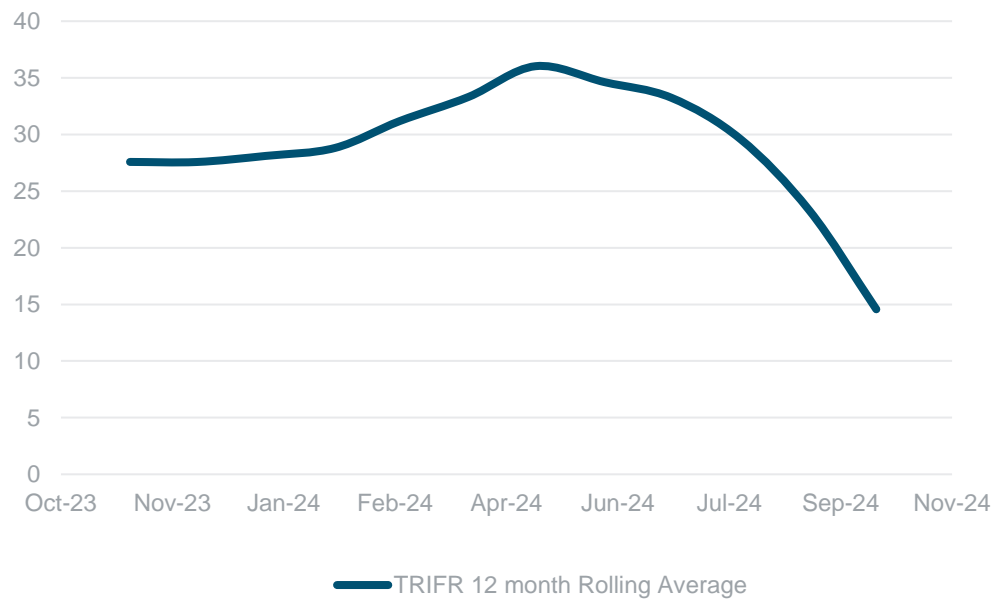
³ SSSCC = semi-soft coking coal / steel making coal

⁴ PCI = Pulverised Coal Injection coal for blast furnaces (steel making)

Safety

- The safety of our people is a key priority.
- Safety performance has improved following a “reset” implemented across our business.
- As we are currently onboarding 200+ new team members to meet the needs of the longwall, a core focus is establishing a strong safety culture at the outset.

Total Recordable Injury Frequency Rate (TRIFR)



Malabar's New to Industry Safety Training



Note: Total Recordable Injury Frequency (TRIFR) is the number of lost time injuries or substitute work and other injuries requiring medical treatment per million manhours worked on a rolling 12-month basis.



Longwall construction and development

Maxwell Longwall Operation



The longwall operation and downstream infrastructure is being built as a high-capacity low-cost operation.

It will be the largest capacity underground mine in the Hunter Valley.

Longwall access drifts 99% completed

Completion of the longwall mine's two surface-to-seam tunnels ("drifts") is imminent.

- As at today, 2,659m out of a total 2,667m of tunnelling has been completed.

Completion of the drifts is a significant milestone in the development of the Maxwell Underground Mine.

- The drawdown of the next tranche of senior debt is linked to this milestone.
- Longwall "development mining" activities will now commence.
- Provides coal for semi-soft coking coal testing to commence with steel mills.

Drifts' statistics:

- Construction commenced in July 2023
- Length of each drift: c. 1,350m
- Depth of cover at drifts' bottom: ~130m
- Rock moved: 85,000m³ or 200,000 tonnes
- Manhours: 300,000
- Life of the Maxwell Underground Mine + 40¹ years

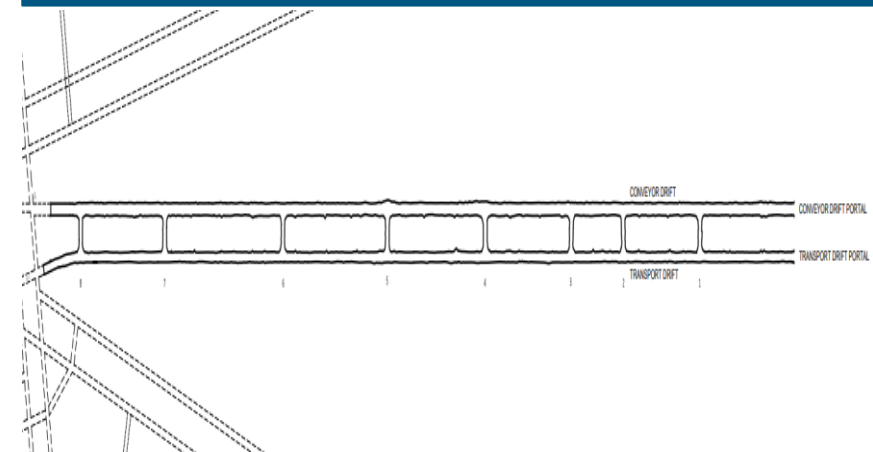


Note 1: Assumes further of Malabar's existing resources are approved for underground mining

First Woodlands Hill coal



Plan of drifts



Longwall development activities over the next year

Upon completion of the drifts, initial mining activity in the coal seam (“Mine Development”) will be with “Continuous Miners” creating the life-of-mine underground workings and establishing the first longwall panel for first longwall coal production in late CY 2025.

Coal production from these Mine Development activities is due to commence in December 2024.

Underground Mine Development Equipment

- Three sets of mine development equipment are being delivered to site with the 1st and 2nd sets in November 2024 and the 3rd set by mid next year.

Workforce

- A major recruitment drive was launched in mid 2024 for more than 200 positions. We had an overwhelming response.
- The new team members are commencing in stages. The first cohort commenced in the September quarter.
- The Maxwell Longwall Enterprise Agreement was finalised and approved by the Fair Work Commission in September 2024
- Full manning is expected by mid CY 2025.

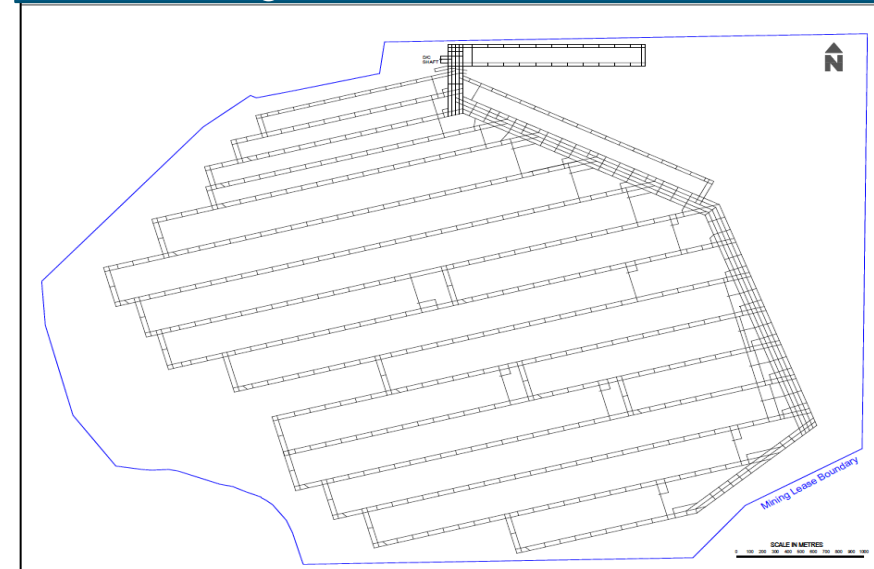
Conveyors

- Drift conveyor from the drift bottom to the surface has been commissioned.

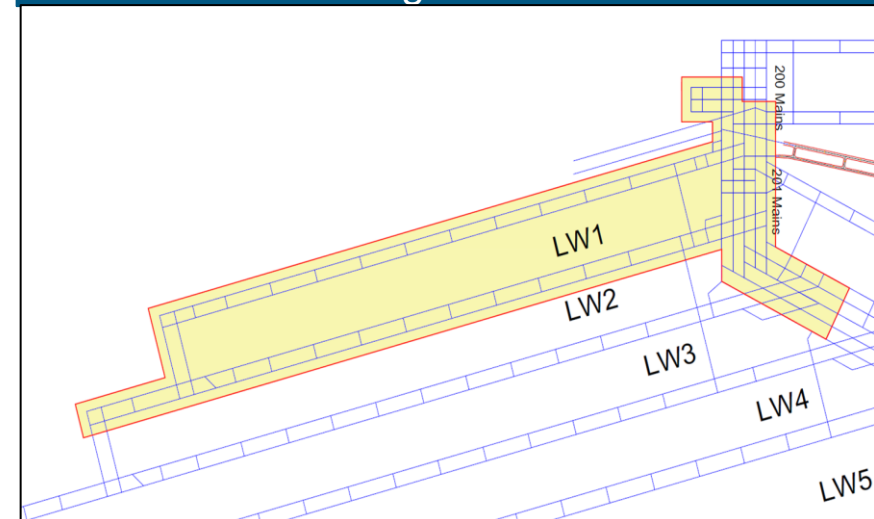
1st coal from “development” expected by the end of CY2024

1st longwall coal expected by the end of CY2025

First Longwall Seam “Woodlands Hill”



1st Longwall Panel



Longwall equipment

- 72 roof supports for the initial 145m wide longwall panels have been delivered to site.
- The longwall shearer and associated equipment have been delivered from Germany to the manufacturer's Hunter Valley facility.
- Compatibility testing currently underway.
- Longwall "mini build" on surface and training planned for first half CY2025.
- The longwall will then be disassembled and taken underground in second half of CY2025.

Longwall roof supports in China



Longwall roof supports delivered to Maxwell – October 2024

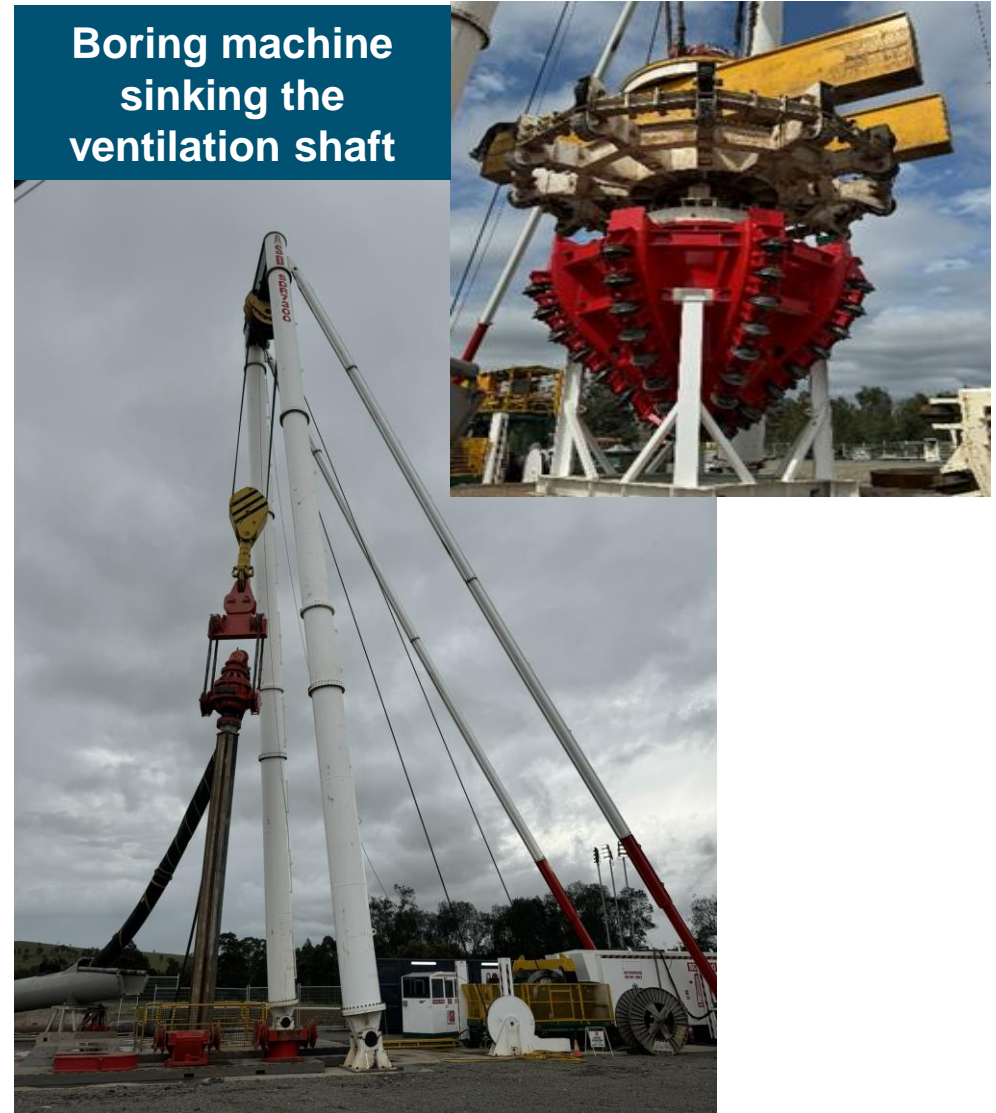


Longwall construction and equipment

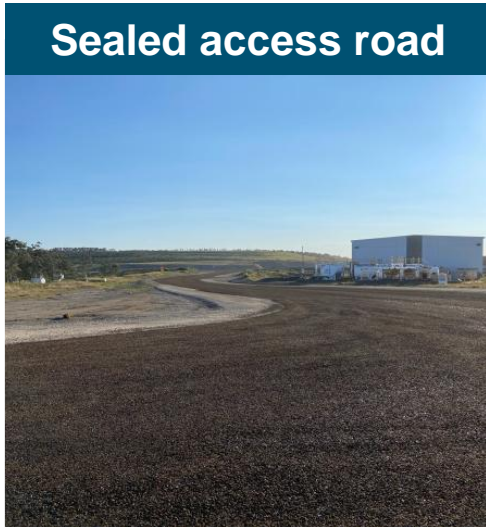
Longwall shearer and AFC in Beresford (NSW) facility



Boring machine sinking the ventilation shaft



Sealed access road





Mobile bolter

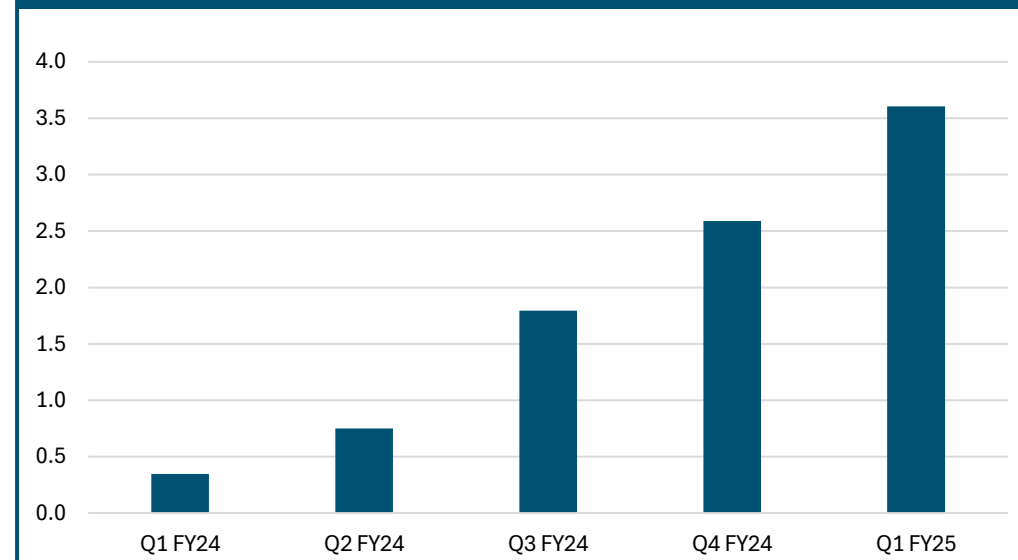
Bord & Pillar operation

Bord & Pillar operation

- The B&P is now operational with production ramping up following:
 - Establishment of mine entries, ventilation and conveyor systems;
 - Continued recruitment and training;
 - Commissioning of two specialised “low height” continuous mining machines and associated low height mobile roof bolters; and
 - Development of pit room and production panels to achieve greater productivities.
- The ramp up profile has been slower than forecast due to:
 - supply chain delays impacting the commissioning dates of the mining units; and
 - we are yet to have two fully developed production panels to maximise productivity.

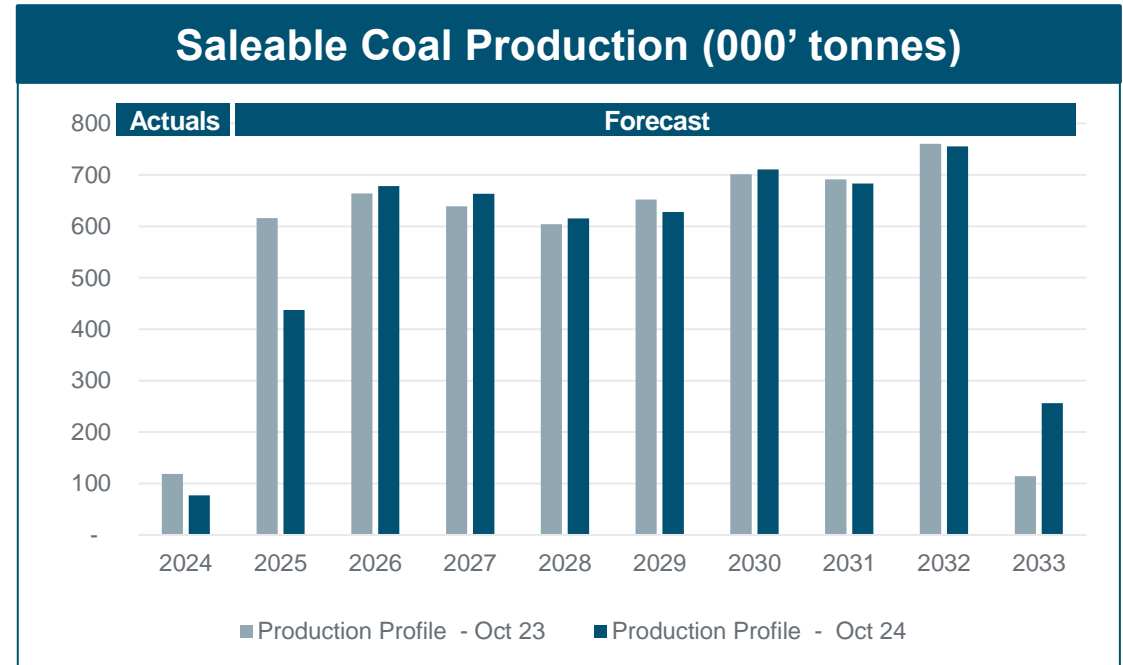


Ramp up (Drivage km per qtr)



B&P productivity

- B&P productivity is expected to increase due to:
 - Increased Continuous Miner utilisation as commissioning issues are resolved
 - More efficient operations as the continuous mining units progress into the production panels;
 - Our mining teams gain more experience with the mine layout and mining conditions;
 - Commencing secondary extraction expected in Q2 CY2025.



Name plate capacity of ~600,000 tpa is forecast to be achieved in H1 CY2025

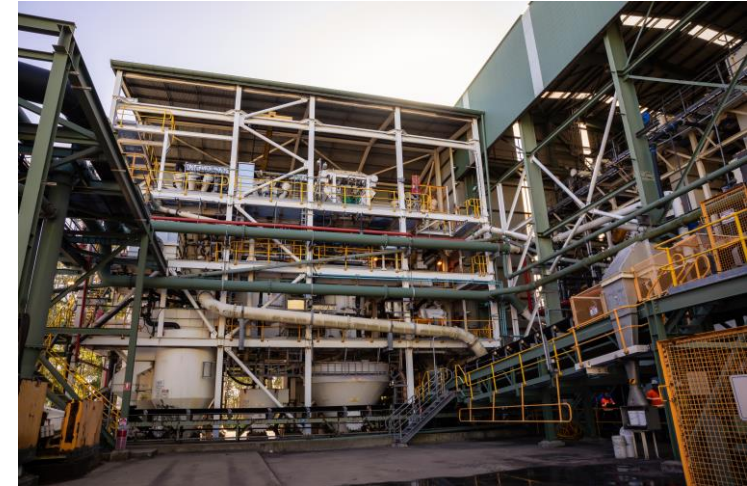




Coal processing, stockpiling and shipping

Processing, stockpiling and train-loading infrastructure

- Coal handling infrastructure has been successfully recommissioned including;
 - the coal processing facility, and
 - stockpiling, reclaim and train loading facilities.
- Coal processing facility has been operating at its name-plate capacity of 850 tph.



Rehabilitation & community

Rehabilitation and community engagement

Rehabilitation of mining land

Malabar is committed to establishing and maintaining processes to minimise land disturbance and achieve a safe, stable and non-polluting final landform.

- We have rehabilitated over 850 hectares of land and planted over 355,000 trees.
- This rehabilitated land supports our agricultural activities.
- Every year we undertake extensive land management activities including weed eradication, erosion control and feral animal management.

Supporting agricultural enterprises

- We proudly own the **Merton Vineyard**, producing Chardonnay, Shiraz and Verdelho. Wine is sold under the “**Small Forest**” label.
- We also lease substantial areas of grazing and cropping land to local farmers.

Community engagement

- Malabar continues to engage with community stakeholders through the Maxwell Community Consultative Committee meetings held on a quarterly basis.
- Malabar supports many local community organisations, with over \$675,000 donated to date.



Working with First Nations People



Developing Cultural Awareness

Malabar is working with the local community to improve cultural awareness;

- In July we had the privilege of recognising and celebrating **NAIDOC** week. Our celebration brought together local community members and our Malabar team.
- We also support the **Blackrock Second Chance for Change Program**.



Sales and market outlook

Sales

Quality of product sold

- Coal sold to date has been mined from the Bord & Pillar operation.
- 100% of coal sales have been into the premium Japanese market.
- An average **premium of ~11% to Newcastle benchmark** has been received.



Long-term coal quality

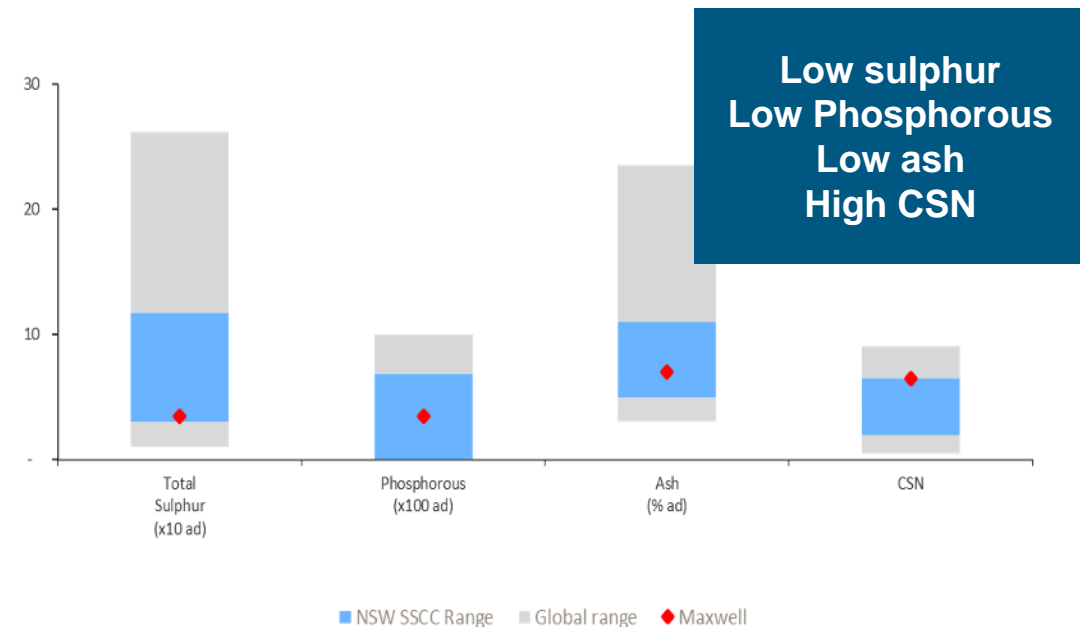
Semi Soft Coking Coal (SSCC) – metallurgical

- Maxwell's SSCC has attractive metallurgical coking and caking qualities with low impurities.
- With the Woodlands Hill coal seam being reached coal samples can be provided to customers with testing expected to occur early next year.

Thermal product

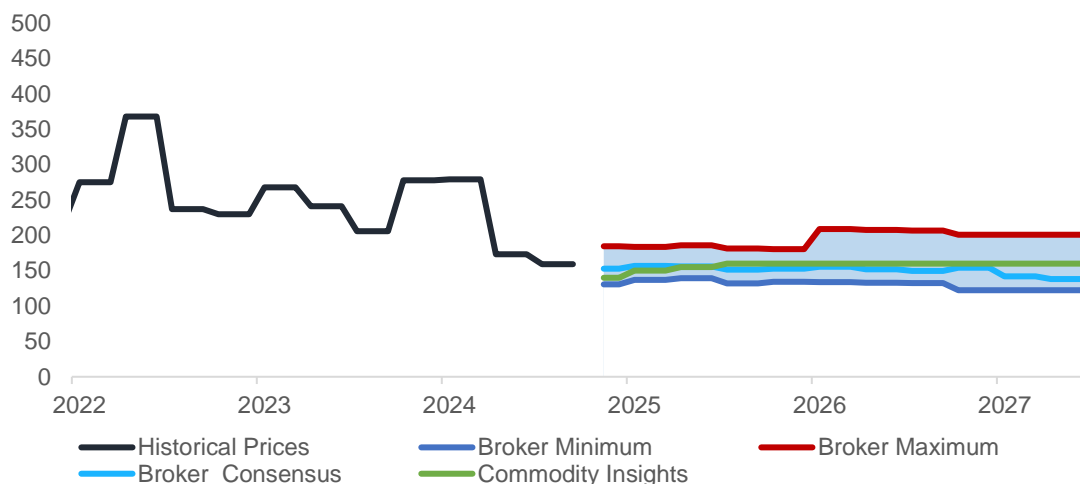
- Balance of our long-term production will be sold as a thermal product.
- There continues to be strong interest from customers for premium coal.

Maxwell's SSCC metallurgical qualities



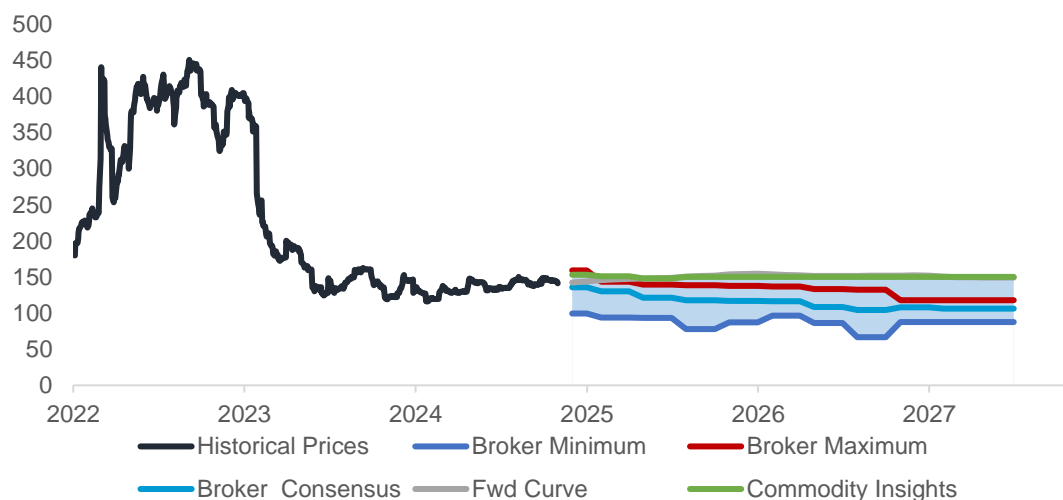
Price forecasts

SSCC (metallurgical) price forecast (US\$/t) ⁽¹⁾



- Recently SSCC coal prices have under performed vs thermal coal prices due to the currently subdued steel and metallurgical coal markets.
- Currently SSCC is priced below NEWC prices. It is expected that in the medium-term demand-supply dynamic will rebalance prices.
- Metallurgical coal is expected to strengthen due to Indian restocking post monsoon season, Chinese stimulus, and tight supply dynamics.
- **The structural shortfall in global metallurgical coal supply, particularly the long-term production constraints from Australian producers, combined with increased seaborne demand from India, is anticipated to drive higher metallurgical coal prices.**

Thermal coal price forecast (US\$/t) ⁽¹⁾



- The thermal market has rebalanced following the spikes in 2022.
- This has been driven by a slowdown in demand post-2023, as post Russia-Ukraine energy trade flows settle.
- **However long-term supply disruptions and uncertainty are expected to remain, particularly for high energy coal.**

Attractive supply and demand dynamics of SSCC

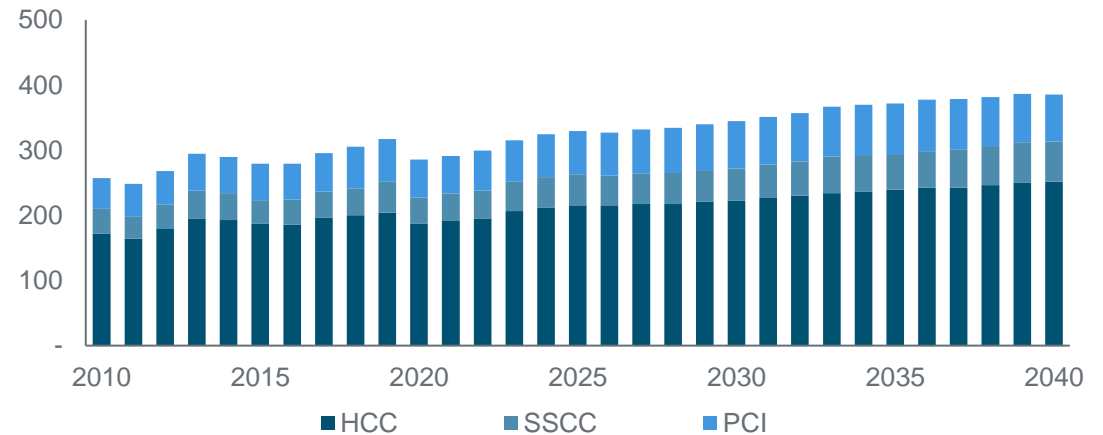
- Role of SSCC is expected to grow as a result of:
 - Increased demand from India due to increasing steel production and increased proportion of SSCC in coke blends (currently 21% increasing to 30% in the long term);
 - Advanced steel making technology favors a greater proportion of SSCC;
 - Cost competitiveness of SSCC;
 - Increased likelihood of permitting delays or permanent stalling of new metallurgical coal and SSCC supply (e.g. recent government policies in Canada); and
 - Reducing CO₂ emissions from BF-BOF⁽¹⁾ operations by lowering ash levels in coke blends. Low ash SSCC assists this outcome.

Australia to remain the leader of the global seaborne metallurgical coal market with Maxwell placed to service growing demand in the Asian region.

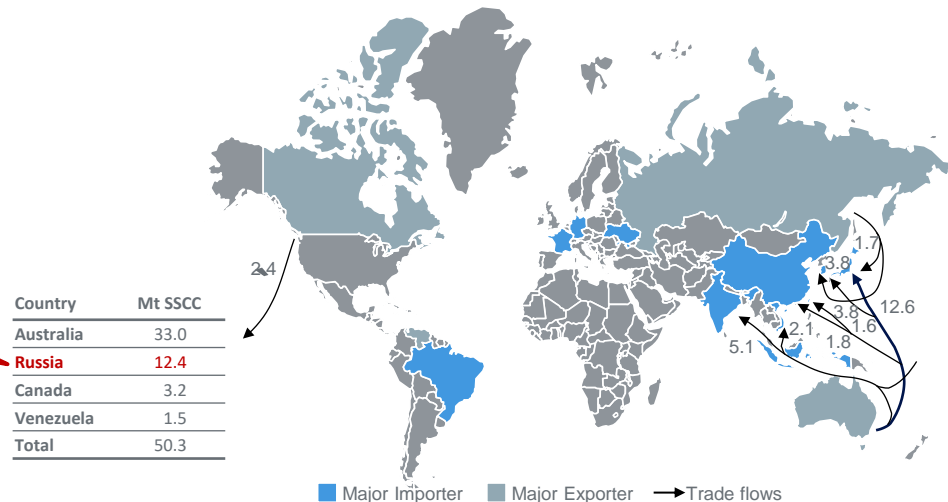
Sanctions on Russian coal exports creating increased demand for Australian metallurgical coal

Increasing demand for seaborne metallurgical coal over the long-term...

Metallurgical coal demand (Mt)



...with the majority coming from Australia⁽²⁾



Source: Wood Mackenzie as at October 2021.
 (1) Blast Furnace-Basic Oxygen Furnace.
 (2) Forecast trade flows for 2030.

ESG & renewable energy developments

Malabar is committed to its ESG principles...

- ✓ Greater than 75% of production suitable for steelmaking.
- ✓ Demonstrated best practice rehabilitation of the old Drayton open-cut mine.
- ✓ Underground mining employs less intrusive mining methods to minimise dust emissions, noise, water and visual impacts.
- ✓ Minimise incremental environmental and social impacts by utilising the substantial existing brownfield infrastructure.
- ✓ Green energy focus and opportunities to reduce emissions using rehabilitated land to develop Stage 1 Maxwell Solar Farm, and opportunity to develop substantially greater renewable energy developments
- ✓ Proactive community engagement.
- ✓ Rigorous and transparent disclosure regime.

Renewable energy developments

Malabar is well located to play a significant role in NSW's energy transition

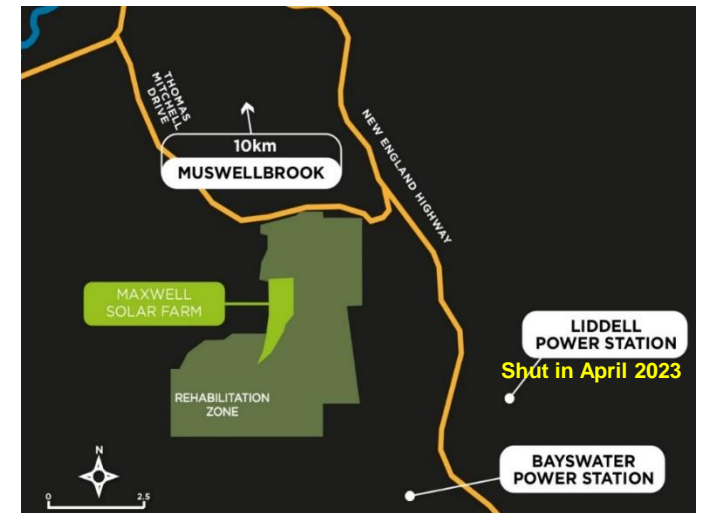
- Since the closure of Liddell in April 2023, wholesale power prices have increased

25MW Maxwell Solar Farm

- Development Consent received for construction on c.105 ha of rehabilitated open cut mine.
- We have selected a preferred power supplier to provide a packaged electricity supply from grid and behind-the-meter BOOT (Build-Own-Operate-Transfer) of the Maxwell Solar Farm

Large scale renewable opportunities

- The large-scale renewable opportunities are being pursued;
 - The Edderton grid-scale 350MW solar farm, and;
 - Large scale battery storage of c.700MWh.



Financial

Profit and Loss Statement - FY2024

- Increase in coal sales from higher volumes from the B&P. Average sale price achieved was A\$ 219/t.
- Operating expenses have increased in line with greater production.
- “Share in profits of associates” are dividends received from Newcastle Coal Shippers, which owns 37% of PWCS.
- Other income comprises wayleave income, rental income, grape sales and sundry income
- Unrealised foreign exchange loss during the year on US denominated debt.

P&L statement	2024 \$'000	2023 \$'000	Movement \$'000
Coal Sales			
Coal sales revenue	17,051	1,670	15,381
Royalty expenses	(1,193)	(120)	(1,073)
Net Coal Sales Revenue	15,858	1,550	14,308
Operating Costs			
Operating expenses	(13,738)	(1,472)	(12,266)
Selling & distribution expenses	(1,102)	(62)	(1,040)
Operating Costs	(14,840)	(1,534)	(13,306)
Operating Profit	1,018	16	1,002
Other			
Share in profits of associates	3,030	2,852	178
Other income	2,104	2,450	(346)
Other expenses	(1,525)	(910)	(615)
Foreign exchange (loss)/gain	(1,809)	326	(2,135)
Total Other	1,800	4,718	(2,918)
EBITDA	2,818	4,734	(1,916)

Strong Balance Sheet

Balance Sheet as at 30 June 2024

- Increase in cash from (i) coal prepayment facility and (ii) A\$180m equity raise proceeds.
- Property, plant and equipment increased during the year as construction at both the Longwall and Bord & Pillar operations.
- Unearned revenue increased during the year with the receipt of US\$55 million coal prepayment under a long-term offtake agreement.
- Increase in share capital from the Feb 2024 equity raise net of issue costs.

	2024	2023
Balance Sheet	\$'m	\$'m
Cash and cash equivalents	184	143
Receivables and Inventory	24	20
Property, plant and equipment	553	301
Other assets	31	28
Total Assets	793	492
Trade and other payables	33	18
Unearned revenue	83	-
Borrowings	72	52
Provisions and other liabilities	69	65
Total Liabilities	258	135
Total Equity	535	358

The Maxwell Underground is being funded by:

- **Cash on hand:** A\$91million (@ 31st October 2024),
- **Senior Debt Facility:** Total facility is US\$120 million of which US \$96 million is currently undrawn,
- **Coal Prepayment Facility:** A US\$55million facility which was drawn in April 2024.



End