

MALABAR COAL COMPLETES THE ACQUISITION OF THE DRAYTON MINE ASSETS

26 February 2018

Malabar Coal Limited (**Malabar**) is pleased to announce that it has completed the acquisition of 100% of the Drayton mine assets in New South Wales.

The Drayton mine assets provide infrastructure suitable for use by Malabar's Spur Hill Underground Coking Coal Project (**Spur Hill**). This includes a coal preparation plant, coal stockpiling facilities, a rail loop, administration offices, workshops and other services.

The purchase of this infrastructure significantly reduces the capital cost required to bring Spur Hill into production and avoids the need to construct major new infrastructure.

The acquisition also includes Exploration Licence 5460 (**EL**), known as the Maxwell Project (**Maxwell**). Conditions written into the EL and a NSW Government planning policy restrict any potential development of the Maxwell Project to underground mining only.

Malabar has commenced technical studies to prepare a development application which incorporates the existing Drayton mine infrastructure.

As we have to date, Malabar will continue to work closely with the local community to ensure that any concerns they may have are addressed in any future application.

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