

OUR STRATEGY

Malabar recognises the need to transition to a low carbon economy which is why we have developed a unique strategy by employing less intrusive underground mining methods, focusing on metallurgical coal, developing large scale renewable energy, and rehabilitating previously mined areas for sustainable activities including renewables and agriculture.

Malabar is supporting the transition of industries in the Upper Hunter region which have primarily comprised of open cut thermal coal production and coal-fired power generation.

BOARD OF DIRECTORS

Wayne Seabrook

Chairman

Tony Haggarty

Non-executive Director

Allan Davies

Non-executive Director

Brian Beem

Non-executive Director

Tony Galligan

Independent Non-executive
Director

Lindi-May Lochner

Company Secretary

Malabar Resources Limited

ABN: 29 151 691 468

www.malabarresources.com.au

Registered Office:

Level 26, 259 George Street

Sydney NSW 2000

T: +61 2 8248 1272



QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September
2021

- ✱ **Project finance for the Maxwell Underground Metallurgical Mine well advanced.**
- ✱ **Malabar partners with EDF Renewables on large scale solar in the Upper Hunter Valley.**
- ✱ **Appointment of Tony Haggarty and Allan Davies to Board of Directors.**

Maxwell Underground Mine

Health and Safety

Malabar is committed to the health and safety of its people and achieving zero harm. No notifiable incidents have been recorded to date for the 2021 calendar year.

Malabar has implemented policies and procedures to address the on-going risks of COVID-19 and continues to monitor government websites for compliance. During the lockdown period essential staff attended site on a rotational basis to ensure operations at site continued.

To date, no cases of COVID-19 have been reported on site.

Project activity

Construction-related activities during the quarter included inviting tenders for major critical path items comprising, inter alia:

- the permanent access road to mine entry area (MEA); and
- the longwall equipment supply and install.

Preparation of Environmental Management Plans in accordance with consent conditions continue, with the majority of the pre-construction plans approved.

Spur Hill Underground Project

Malabar holds Exploration Licence (EL) 7429 and has commenced landholder consultation to commence 2D seismic works in the last quarter of 2021.

The objectives of the 2D Seismic Program include:

- Better define a geological feature called the “Eastern Boundary Fault”,
- Define the grade and/or presence of geological structures between the Eastern Boundary Fault and the hinge axis of the Denman Anticline; and
- Assess the geological structure of the southern portion of the Spur Hill licence, and correlate with the 2D seismic recently completed in the north of EL7429.

Malabar Renewables

In August 2020 Malabar announced that it had received development consent for its 25 MW Stage 1 Maxwell Solar Farm.

Since then it has become apparent that Malabar’s land holding provides the potential to substantially increase renewable energy generation beyond 25 MW. This is due to the substantial transmission network in the Upper Hunter and the NSW Government’s establishment of the Hunter-Central Coast region as the state’s fourth Renewable Energy Zone (REZ) in November 2020.

Malabar is therefore pleased to announce it has entered into a memorandum of understanding with EDF Renewables (EDF-R), a major global energy company, to develop large scale renewable energy projects in the Upper Hunter Valley.

This partnership with EDF-R will bring global and local expertise for large scale solar development in the Upper Hunter region. EDF-R has a presence in more than 22 countries with its renewable generation portfolio exceeding 15,000MW from solar and wind.

Environment

During the quarter, Malabar continued to rehabilitate portions of the land that had previously been used for open cut coal mining.

Activities over the last quarter included:

- Spring tree planting underway with 12,500 trees being planted. (Total trees planted for rehabilitation now exceed 175,000);
- Targeted weed control and feral animal management on buffer land; and
- Continuation of the cattle grazing trial. Cattle are rotated through rehabilitated paddocks to improve species diversity.

Community Engagement

Planning Agreement with Muswellbrook Shire Council

Malabar entered into a long-term Planning Agreement (PA) with the Muswellbrook Shire Council (MSC) for the Maxwell Underground Mine (Maxwell Mine) that will help fund important community services and projects in the Muswellbrook Shire.

The Maxwell Mine has a development approval for 26 years, meaning the PA is likely to generate in excess of \$10 million allowing MSC to fund vital infrastructure and community services for decades to come.

Community Sponsorships and CCCs

Malabar is an active participant in the local community and is always looking for opportunities to support a wide range of local groups, businesses and charities. Sponsorships over the last quarter included:

- Malabar donated stationery to the Singleton Neighbourhood Centre to distribute to families in need, with children who are learning at home due to COVID lockdowns.
- Malabar donated food pantry items to the Scone Community Pantry who provide food and essential items to relieve poverty within the Upper Hunter Community.
- Malabar donated sporting equipment to Jerrys Plains Public School to assist with physical activities during the COVID lockdown.



Corporate Activities

Funding

Following the NSW Government and Commonwealth Government approvals for the Maxwell Underground Metallurgical Mine and the successful institutional placement and retail entitlement issue earlier this year, Malabar has made significant progress in discussions with its financiers and the associated due diligence process in relation to project financing facilities for the mine.

Appointment to Board of Directors

Malabar welcomes Allan Davies and Tony Haggarty to the Board of Malabar.

Tony and Allan are key shareholders of Malabar and have been involved with the company since its inception in 2011. They are joining the Board at an important time as Malabar transitions from exploration and approvals through to the construction and operation of the Maxwell Underground Metallurgical Mine and as we escalate our renewable energy developments.

