



# Malabar Coal AGM Presentation

23 November 2017

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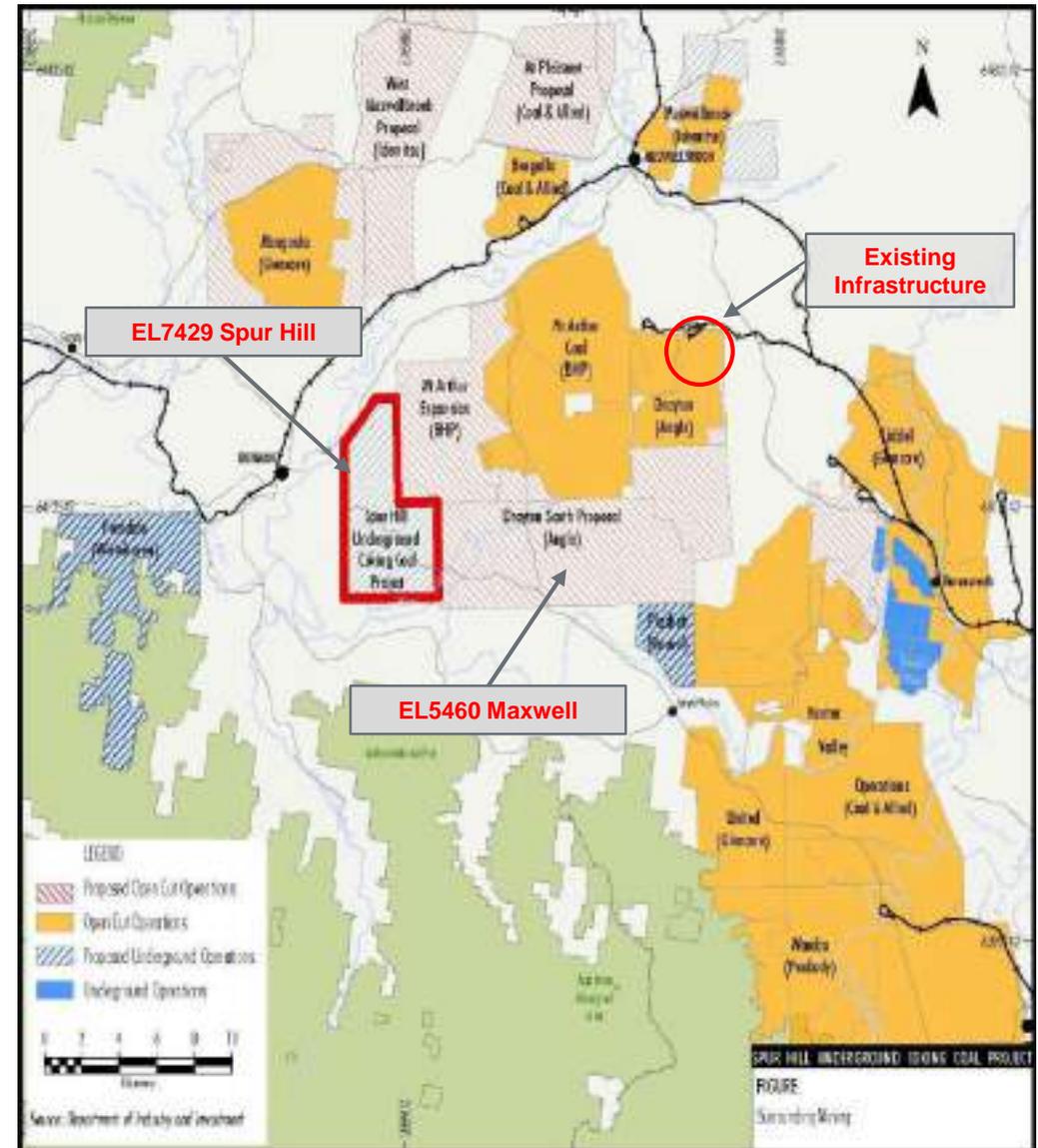
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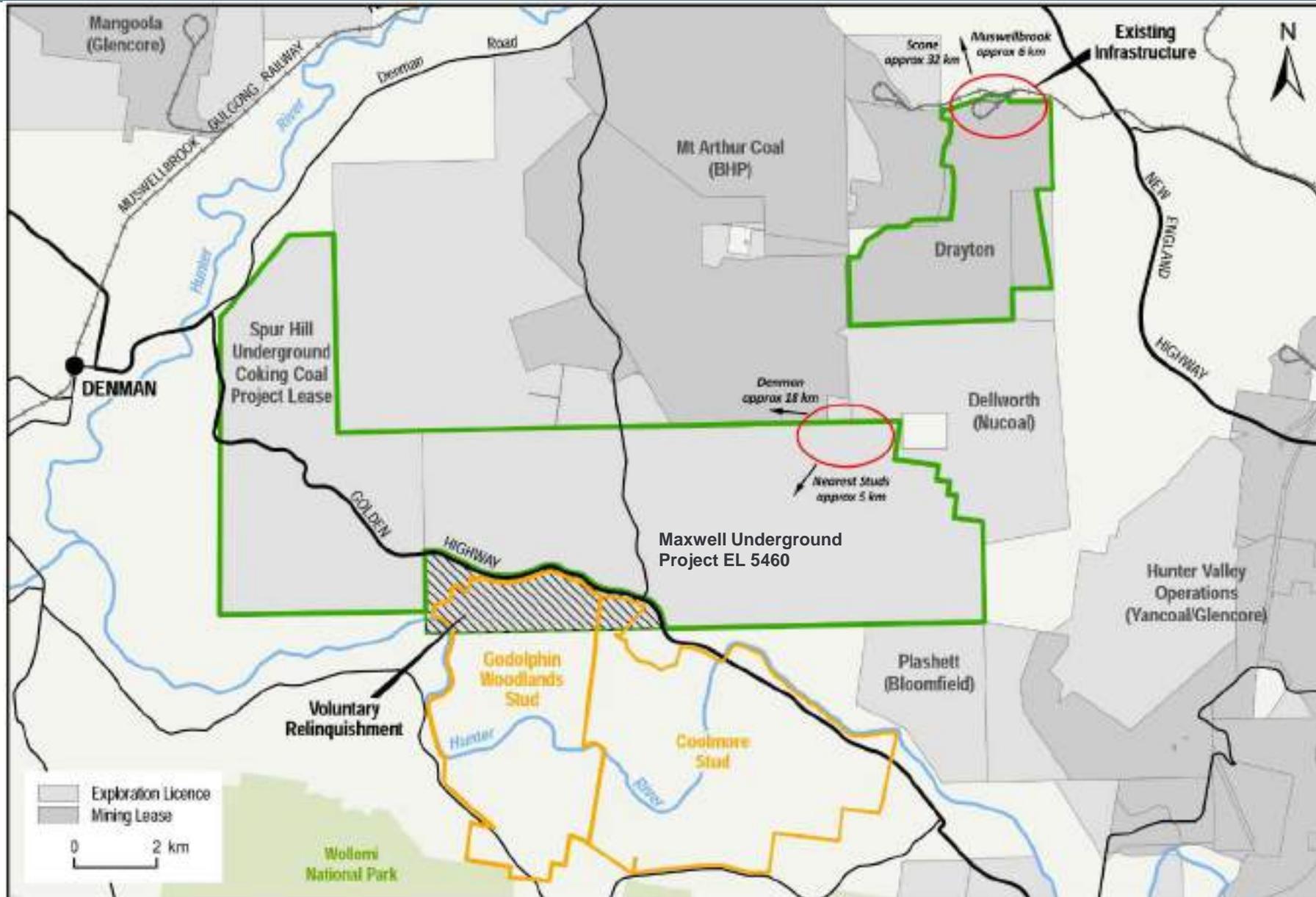
# Introduction



- Malabar owns 100% of the Spur Hill Underground Coal Project in the Upper Hunter region of NSW and is acquiring 100% of the nearby Drayton open cut mine, infrastructure and the Drayton South resource area (EL5460 - to be renamed the Maxwell Coal Project).
- Following the acquisition, Malabar will have;
  - Substantial underground coal resources of high quality metallurgical and thermal coals available for export from Newcastle;
  - Opportunity to develop high-productivity longwall mines in the Maxwell and Spur Hill areas;
  - Existing coal preparation, train loading facilities, reject disposal areas and other mine infrastructure suitable for use by either Maxwell and/or Spur Hill.



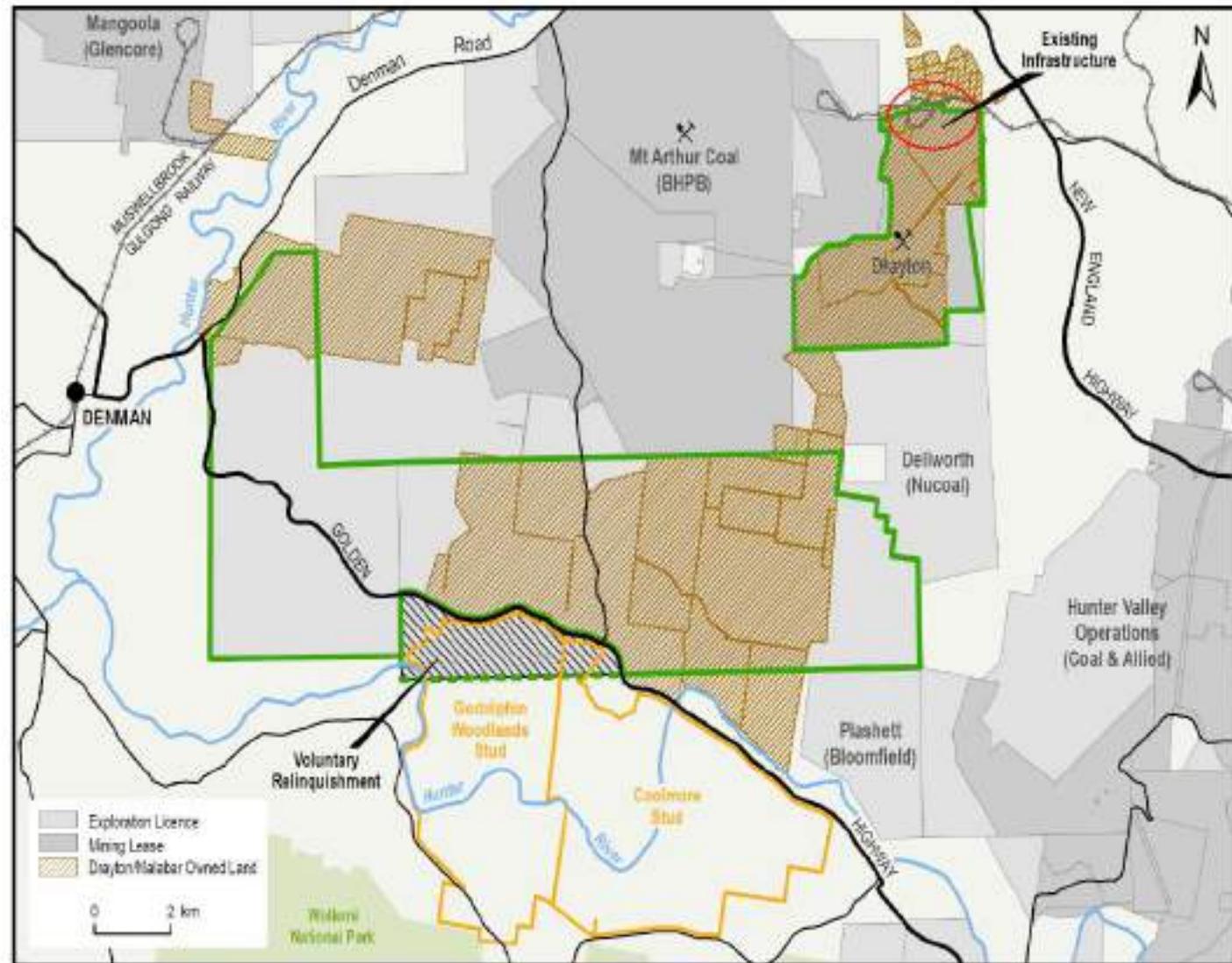
# Project Map



# Land



- Area hatched in brown shows land currently owned by Malabar or will be acquired as part of the Drayton acquisition;
- Total of 8,800 ha;
- All infrastructure on land owned by Malabar;
- All underground workings in Maxwell will be under land owned by Malabar;
- 80% of land in Spur Hill either owned by Malabar or under life-of-mine agreements with landowners.



# Existing infrastructure at Drayton



Coal Treatment Facility



Coal Treatment Facility



Product Coal

## Bathhouse

- First Aid station
- Offices
- Male & female changing areas

## Training Centre

- Two story
- Lower story - training rooms and offices

## Workshop

- 11 bay workshop
- 2 bay fabrication shop



## Administration

- Boardroom
- Offices
- Lunch, printing and storage rooms
- Computer server room
- Large meeting room
- Kitchen facilities

## Main Store

## Fuel Storage

## Heli Pad

## Storage Buildings

## Main Sub Station



▶ Antiene Spur & Rail loop

Substantial capital savings from existing coal processing, coal handling, rail facilities, offices, and workshops

# What we are proposing...



- Malabar is proposing an underground mine at Spur Hill.
- Likewise, any development of Maxwell (prev. “Drayton South”) would be underground. As part of this strategy;
  - ▶ the area south of, and including, the Golden Hwy has been relinquished. So no mining will occur under the Godolphin or Coolmore horse studs (this has been ratified by the NSW government)
  - ▶ Any mine entry would be at least 5km from the horse studs, in a natural basin where it cannot be seen from their properties
  - ▶ We have requested that our commitment to mine underground at EL5460 is written into the licence conditions.
- The project will deliver certainty for the community that has been frustrated by ongoing attempts to develop an open-cut mine at EL 5460.
- Malabar has also committed to rehabilitate the northern Drayton Mine site.
  - ▶ We will achieve a better outcome for this site, using reject stone to fill the existing voids.
- We will continue to use the existing infrastructure on the Drayton site for mines at Spur Hill or Maxwell.
  - ▶ This means the majority of the surface activities including coal preparation and train loading will be undertaken within the existing infrastructure area at the north of the Drayton site.

# Benefits



**350**

new, direct jobs and many more indirect jobs for many decades



**\$1.7 billion**

in royalties over first c. 30 years

**\$600 million**

per year in export income for NSW

**\$55 million**

per year in wages

**\$100 million**

per year in taxes



**ON-GOING SUPPORT FOR LOCAL BUSINESSES**

We have provided ongoing support to local community groups for six years. Beneficiaries include:



\* These are the benefits of the first longwall. A second longwall would multiply these benefits.

# Broad community support



The Hon Gladys Berejiklian  
Premier  
GPO Box 5341  
SYDNEY NSW 2001

9 October 2017

Dear Premier,

We are coming together to express our support for Malabar Coal's proposal for an underground coal mine within EL 5460, the site previously known as Drayton South. We understand you and your parliamentary colleagues are currently reviewing the application to renew the exploration licence (EL) and that a decision is imminent.

We are each committed to the Hunter Region, and understand the significant economic boost this Project could deliver.

Particularly, we would draw your attention to the following:

1. We understand the project will deliver about **350 new, direct, long-term jobs** into the region and many more indirect jobs. This will provide a real boost for the local economy, keeping families and young people in the region. This will provide flow on benefits to other parts of the economy as local wages are spent in our towns. Mining semi-soft coking coal, used in steel making, will also increase the diversity of our local economy.
2. During the construction phase and once mining begins, **the project will support local businesses**. The project will provide ongoing support for local businesses from the initial capital to establish an underground mine and substantial ongoing operating inputs.
3. Malabar's proposal for an underground mine only will deliver **certainty** to a community that has been frustrated by ongoing attempts to obtain approval for an open-cut coal mine on the site.
4. Malabar has outlined a different approach to **rehabilitation** of the Drayton mine that will deliver a far better outcome for locals. The local community has welcomed this improved outcome.

While we may differ on a range of issues, we unanimously support Malabar's proposal for the site and wanted to convey this support to you.

We understand the importance of co-existence in our region. Our hope is that you can see this proposal, which is vastly different to past proposals for the site, can deliver the economic boost we desperately want, while also addressing the concerns of other industries or stakeholders.

Of course, any future proposal would have to pass through the State's stringent planning approvals process. The renewal of the EL is not in any way an approval, it just provides the opportunity for Malabar to submit a proposal must be considered on its merits.

We have copied this letter to your parliamentary colleagues the Deputy Premier, the Hon. Don Harwin MP, and the Hon. Anthony Roberts MP.

Should you have any questions, contact details for each signatory are listed below.

Yours sincerely,

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## POPULAR PLAN

WE'VE GOT THE STREETS AND GOOD STORIES TO TELL. AND WE'VE GOT TO TALK & CONVINCE YOU THAT THE BENEFITS OF A NEW LOCAL AND BETT-ER LOCAL ECONOMY ARE WORTH THE COST OF A NEW LOCAL AND BETT-ER LOCAL ECONOMY. WE'VE GOT THE STREETS AND GOOD STORIES TO TELL. AND WE'VE GOT TO TALK & CONVINCE YOU THAT THE BENEFITS OF A NEW LOCAL AND BETT-ER LOCAL ECONOMY ARE WORTH THE COST OF A NEW LOCAL AND BETT-ER LOCAL ECONOMY.

It's the Coalfield's future that people are the most concerned about in this proposal. Competing jobs are a reality every day. But we can't ignore the fact that if we don't do this, we're not going to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**King of Malabar's Steve** It's a concrete issue that we're all aware of. But we need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Jim of Muswellbrook's Jim** I see the future in the region with this being a great opportunity. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Alison of Muswellbrook's Alison** The proposal is a good one. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Don of Muswellbrook's Don** This is a great opportunity for the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Steve of Malabar's Steve** It's a great opportunity for the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Murray of Malabar's Murray** This is a great opportunity for the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



**Scott of Malabar's Scott** This is a great opportunity for the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region. We need to get the jobs we need to support the region.



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# Co-existence



- We believe the majority of the local community understands the value of co-existence to our community.
- Co-existence means the community and the State can continue to reap the benefits of many different strong local industries that have worked side by side for over a century, and all the jobs and economic investment they provide.
- To continue to be a vibrant community, we need a wide range of jobs, for a wide range of people. The people we speak with in the community really want new jobs and new opportunities to keep families and young people in the region.
- Malabar is committed to providing these opportunities to the communities located around the proposed mine sites.

# Concluding remarks



- Malabar continues work on progressing the development of the Spur Hill tenement.
- Announced the acquisition of the Drayton assets from Anglo American in May 2017.
- Exact timing of handover is uncertain as awaiting state government renewal of EL 5460 renewal. This is the critical path item to the settlement of the acquisition.
- Low operating costs expected and substantial capital savings for the development of Spur Hill and Maxwell as the majority of surface infrastructure is in place.
- Our staff are preparing for handover of the assets