

Announcement

3 August 2022

Settlement of Equity Raising

On 21 July 2022, Malabar Resources (Malabar), was pleased to advise that it has secured funding for the construction of its Maxwell Underground Metallurgical Coal Mine.

The funding includes debt facilities of c. \$250 million and equity of c. \$250 million. The equity was raised at \$1.25 per share from a combination of exercise of options and placement.

The majority of the equity c. \$221 million was settled on 1st August 2022. Holding statements will be dispatched to investors on 3 August 2022. The balance of the equity raise will complete when foreign shareholders obtain FIRB approval and the exercise by non-institutional (retail) shareholders of options issued in 2021.

\$94.4 million of the equity was provided by New Hope Corporation Limited (New Hope). This investment will result in New Hope acquiring a 15 per cent interest in Malabar. This level of investment provides New Hope with the ability to appoint a director to Malabar's board.

"Malabar looks forward to working collaboratively with New Hope and all of our shareholders in implementing our plans to develop our diversified portfolio of resources assets."

Construction on the Maxwell Underground Mine began in May 2022, with first coal expected to be produced in early 2023. The mine will produce high quality coal, with at least 75 per cent of the coal capable of being used for steel making.

Around 250 jobs will be created during the construction phase of the Maxwell Underground Mine. A further 350 operational jobs will be created once the mine is operational, delivering more than \$55 million in wages into the local Hunter Valley economy each year.

The Maxwell Underground Mine is part of Malabar's diversified portfolio of wholly-owned assets, which include:

- The Maxwell Solar Farm, which is located within the NSW Government's designated Hunter-Central Coast Renewable Energy Zone,
- Spur Hill exploration project (EL 7429), and
- Agricultural assets, including the Merton Vineyard.

Malabar's unique approach to developing its assets includes employing underground mining which is known to be less intrusive than other mining methods, focusing on metallurgical coal, developing large scale renewable energy resources, and rehabilitating previously mined areas for sustainable activities including renewables and agriculture.

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