

## 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

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**Allan Davies**

Non-executive Director

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Independent Non-executive  
Director

**Lindi-May Lochner**

Company Secretary

Malabar Resources Limited

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*Food & gift hampers*

# QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 December  
2021

- ✳ Mining leases granted for Maxwell Underground.
- ✳ Entering into US\$55 million coal prepay agreement.

# Maxwell Underground Mine

## Health and Safety

Malabar is committed to the health and safety of its people and achieving zero harm. No notifiable incidents 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 requirements for compliance. Malabar has implemented site screening and vaccination requirements at site and has to date, recorded no cases of COVID-19 at site.

## Mining Leases (ML) and approvals

The necessary mining leases (ML 1820 and ML 1822) for constructing and operating the Maxwell Underground Mine were issued by the NSW State Government.

The NSW Government also approved modifications sought by Malabar. These were in relation to improved designs and layout to make the mine safer during operation and more efficient during construction. It will also improve water management outcomes, reduce disturbance to previously rehabilitated areas, and optimise the timing and costs associated with the mine's development.

## Project activity

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

- The access road,
- The mine entry area civil works,
- Portal works for the underground entries,
- Water treatment plant, and;
- High voltage power supply.

Other activities included:

- Completing and receiving approval for all pre-construction Environmental Management Plans in accordance with consent conditions, and;
- Tendering the rail haulage contract.

# Spur Hill Underground Project

Malabar holds Exploration Licence (EL) 7429.

2D seismic works have commenced to better define a geological feature called the "Eastern Boundary Fault". This work is forecast to be completed in the first quarter of 2022.

## Malabar Renewables

Studies continue in partnership with EDF Renewables (EDF-R) to determine the development parameters and strategy for large-scale solar generation.

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

## Environment

Activities over the last quarter included:

- Completion of 12,500 tree planting (bringing total trees planted for rehabilitation to c. 200,000);
- Annual fauna and flora monitoring;
- Targeted weed control and feral animal management on buffer land; and
- Continuation of the cattle grazing trial.

### **Merton Vineyard**

Merton has established itself as a supplier of high-quality grapes to local winemakers over the last decade. This year's harvest is expected to occur in the first quarter of 2022.



*Ripening of Shiraz grapes at Merton.*

## Community Engagement

### ***Community Consultative Committees (CCC)***

Malabar continues to engage with community stakeholders through the Maxwell CCC meetings held on a quarterly basis. Refer to Malabar's website to view presentations of these meetings.

### ***Community Sponsorships***

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



- Malabar has donated; and is recognised as a founding member of the Upper Hunter Regional Museum that will be built near Muswellbrook. This museum will showcase the rich history of the region and the diversity of industries within. The museum plans to include exhibits that encompass; indigenous heritage, early settlement, the coal mining industry, agriculture, power generation and equine history.
- Malabar continues to support local sporting clubs, including being a major sponsor of the Denman Sandy Hollow Junior Rugby League Club.
- Malabar contributed to the 2NM Power FM Toy and Food Appeal which delivered 322 food hampers and presents to families in need. Pictured below.



## Corporate Activities

Malabar is progressing well with structuring its funding package and has most recently entered into a US\$55 million coal prepay agreement with a customer.

Malabar has also extended its existing bonding facility agreement during the period.