

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.

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

Rob Bishop

Non-executive Director

Matthew Hunter

Non-executive Director

Lindi-May Lochner

Company Secretary

Malabar Resources Limited

ABN: 29 151 691 468

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QUARTERLY ACTIVITIES

For the quarter ended 31 December 2022

- ✳️ **Construction progresses at the mine entry area**
- ✳️ **Execution of critical contracts**
- ✳️ **Our Maxwell team continues to grow**

Maxwell Underground Mine

Health and Safety

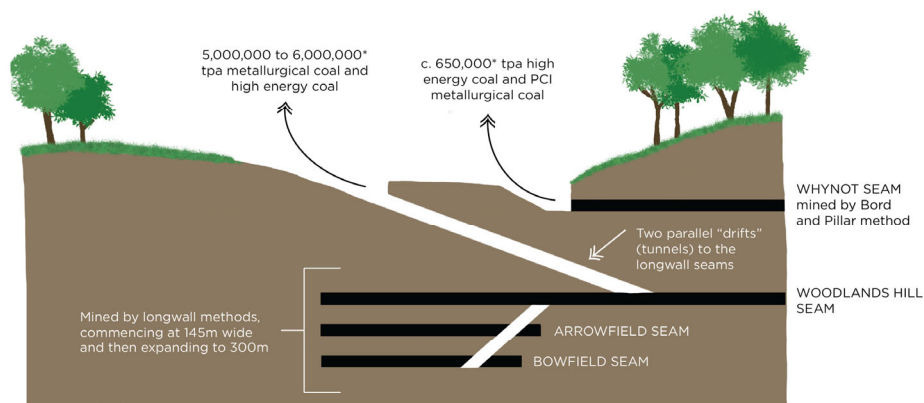
Malabar is committed to the health and safety of its people and achieving zero harm.

Development Overview

The Maxwell Underground Mine is being developed in two stages:

- **Stage 1** consists of the; “Whynot” Bord & Pillar operation, and a 145m wide longwall operation (initially in the “Woodlands Hill” seam) targeting combined annual sales of +3.5 million tonnes,
- Then in late 2025, **Stage 2** work commences to expand the longwall in the Woodlands Hill seam to 300m wide with sales increasing to 5.5 - 6.5Mtpa.

Maxwell Underground Mine



To access the seams Malabar is constructing two underground entries as seen in the aerial photograph.

Woodlands Hill seam portal →

Whynot seam portal →



Project activity

Construction activities at site have progressed throughout the quarter with the construction of the Whynot portal, Woodland's portal entry, permanent access road and overhead powerline underway.

Other highlights include:

- PIMS Group has been appointed as the preferred contractor for the Whynot Underground bord and pillar operation.
- Pybar Mining Services has been appointed as the contractor for the Woodlands Hill drift construction.
- Mining equipment for the Whynot seam is well advanced for phased delivery commencing in the next quarter.
- Equipment supply contracts for the longwall have been executed.
- The re-start of the coal handing and processing facilities is well underway.

Spur Hill Underground Project (EL 7429)

2D seismic will be undertaken to better define a geological feature called the "Eastern Boundary Fault" which separates the Maxwell coal resources from those in the Spur Hill EL 7429.

It is anticipated that these exploration activities will commence in the next quarter. This work had been delayed due to Covid and adverse weather.

Renewable energy

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

Quarterly activities include:

- Planting of approximately 4,000 trees to increase connectivity throughout our woodland corridor. Total trees planted at site exceeds 300,000.
- Key land management activities were undertaken such as weed spraying and feral animal management on site and within our biodiversity offset areas.

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 during the last quarter included:

- Hunter Coal Festival
- Great Cattle Dog Muster
- Denman Public School
- Denman Sandy Hollow Junior Rugby League
- 2NM Power FM Christmas Food and Toy Appeal
- NSW Fire and Rescue Station 208 Aberdeen
- Roohaven Wildlife
- Calvary Singleton



Community Support

Malabar also maintains a 24-hour community hotline (1800 653 960) for any issues or enquiries related to our operations or our plans for the local area. To date no complaints have been registered.

Our team

Advertising and appointment of roles for the Maxwell mine continues with a number of key personnel commencing over the quarter.

Please refer to Malabar's website <https://malabarresources.com.au/people-careers> to view opportunities.

Corporate Activities

Official celebration of construction commencement

During November 2022, Malabar welcomed a range of local community members, suppliers, Muswellbrook Shire Council, elected representatives and local businesses to the mine to celebrate the commencement of construction. Construction of the mine marks a significant milestone for the mine and will generate approximately 250 jobs throughout the construction period.



Appointment of Matthew Hunter to join the board of Malabar

We are pleased to announce that Matthew Hunter has joined the board of Malabar Resources Limited. Matthew has more than 25 years' experience in investment banking and principal investment. For the past six years, Matthew has been a consultant to OCP Asia. Prior to this, Matthew was a Managing Director of private equity firm, The Carlyle Group based in Sydney, which followed a career in Investment Banking with JPMorgan, Goldman Sachs and Merrill Lynch, focused on mergers and acquisitions in Australia and the UK. Matthew is also presently a non-executive director of National Group, MP Water, MediRent and Chairman of Emay.