

Trees growing on rehabilitated land from 2019 seedlings



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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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

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QUARTERLY ACTIVITIES REPORT

For the quarter ended 31 March 2022

- ✳ **Tendering critical path construction contracts and equipment supply.**
- ✳ **Selected preferred supplier for drift development**
- ✳ **Progressing the funding package to develop the Maxwell Underground Mine.**

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 2022 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. There has been minimal disruption at site due to COVID-19.

Project activity

Malabar selected Pybar Mining Services (Pybar) as the preferred contractor for the drift development.

Other construction-related activities during the quarter included inviting and evaluating tenders for all the critical path activities and equipment including:

- the access road,
- construction of the mine entry area,
- services (e.g. power and water supplies),
- mining, conveying and ventilation equipment, and;
- rail services.

Spur Hill Underground Project

Malabar holds Exploration Licence (EL) 7429.

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

This work has been delayed due to Covid and then, more recently, adverse weather.

The fieldwork is forecast to be completed this year.

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

Quarterly activities

- Autumn tree bed preparations commencing in April 2022 with approximately 13,000 trees to be planted in May 2022. On completion total trees planted for rehabilitation will exceed 200,000;
- Annual fauna and flora monitoring completed with results showing that grassland rehabilitation areas are progressing well towards closure criteria;
- Continued targeted weed control and feral animal management on mine rehabilitation and offset areas; and
- Continuation of the mine rehabilitation cattle grazing trial with a local farmer from Denman.



Rehabilitation of previous open cut mining



Cattle grazing trial on rehabilitated pastures

Merton Vineyard

Merton has established itself as a supplier of high-quality grapes to local winemakers over the last decade. This year's harvest of 110 tonnes was our biggest.



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:

- Continued support for local junior sport as the major sponsor of the Denman Sandy Hollow Junior Rugby League Football Club.
- A major sponsor of the Upper Hunter Education Fund which provides financial assistance to young people of the Upper Hunter with their tertiary education.
- Sponsorship of the major cattle events at the Upper Hunter Show.
- Major sponsor of the Jerrys Plain Cup at Muswellbrook Race Club as part of the Jerrys Plains bicentennial celebrations.



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.

Corporate Activities

Malabar is progressing well with completing the funding package to develop the Maxwell Underground Mine. In the March quarter the following progress has been made:

- Agreed favourable deferred payment terms from key equipment suppliers;
- Senior debt term sheets have been received and continued to be negotiated; and
- Ongoing discussion with potential customers on coal offtake and funding arrangements.

The focus for the June quarter is finalising the senior debt financing and commencing the equity raise to complete the funding package required for the Maxwell Underground Mine.

Interim Financial Report 31 December 2021

Malabar's Interim Financial Report was published, and available via the following link:

https://malabarresources.com.au/images/docs/Malabar_Resources_Limited_Interim_Report_-_31_December_2021.pdf