

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

Lindi-May Lochner

Company Secretary

Malabar Resources Limited

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Registered Office:

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Image of rehabilitation of previous open cut mine

QUARTERLY ACTIVITIES REPORT

For the quarter ended 30 September
2022

- ✳ **Completion of funding for construction of the Maxwell Underground Mine**
- ✳ **Construction activities accelerate**
- ✳ **Building our Maxwell team**

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.

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 targeting combined annual sales of +3.5 million tonnes,
- Then in late 2025, **Stage 2** work commences to expand the longwall to 300m wide with sales increasing to 5.5 - 6.5Mtpa.

Malabar is constructing two sets of underground entries, namely entries to:

- the Longwall seams, and
- the Whynot Bord and Pillar seam.

These entries are adjacent to each other.

Project activity

Construction activities at site have progressed. An access road to the underground Mine Entry Area (MEA) has been completed which has allowed the commencement of the Whynot Seam portal entry and other MEA earthworks to commence.



Malabar has also secured mine production equipment for the Whynot seam, which is currently being overhauled to specification.

Preferred suppliers for other construction and key equipment packages have been selected.

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 reserves from those in the Spur Hill EL.

It is anticipated that these exploration activities will commence in the next quarter. This work had been delayed due to Covid and then, more recently, 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 included:

- Preparing 10 ha for planting c. 2,000 trees in spring. (Total trees planted to date exceeds 300,000),
- Weed and pest control.



Community engagement

Community Consultative Committees (CCC)

Malabar engages with our local community stakeholders through the Maxwell CCC meetings held on a quarterly basis. Refer to Malabar's website to view presentations provided at 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:

- Site National Aborigines and Islanders Day Observance Committee ('NAIDOC') BBQ provided by Blackrock Industries, and;
- Sponsored the Muswellbrook High School NAIDOC league tag event (combined with the local primary schools).



Community support

Malabar 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.

Our team

Advertising and appointment of roles for the Maxwell mine continues with a number of key personnel commencing over the quarter. The Maxwell mine will ultimately employ c. 350.

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



Corporate activities

Completion of financing

Malabar completed its capital raising in August 2022, raising \$250 million from issuing shares to new and existing shareholders.

Malabar also reached financial close of its debt facilities in September 2022 of c. AUD \$250 million comprising USD \$120 million senior debt facility and USD \$55 million subordinated debt.

The first tranche of the senior debt component was drawn in September.

30 June 2022 Financial Report

Malabar's annual Financial Report ending 30 June 2022 was published, and is available on the Company's website via the following link:

https://malabarresources.com.au/images/docs/Malabar_Resources_Limited_Annual_Financial_Report_30_June_2022_FINAL.pdf