



## INVESTMENT HIGHLIGHTS

- Large underground coking coal project
- Environmental Assessment Requirements received
- High quality products, from well-known coal seams
- Proximity to infrastructure
- Competitive operating costs
- Experienced board and management

## BOARD OF DIRECTORS

**Wayne Seabrook**  
Chairman

**Graeme Booth**  
Managing Director

**Hans Mende**  
Non-executive Director

**Andy Plummer**  
Non-executive Director

**Simon Keyser**  
Non-executive Director

**Tony Galligan**  
Independent Non-executive Director

**Nicole Hollows**  
Alternate Director

## Malabar Coal Limited

ABN : 29 151 691 468  
ASX : MBC  
[www.malabarcoal.com.au](http://www.malabarcoal.com.au)

Level 26, 259 George Street  
Sydney NSW 2000  
T: +61 2 8248 1272

# QUARTERLY ACTIVITIES REPORT

For the quarter ended  
31 March 2015

- ✳ **Exploration Licence for the Spur Hill Underground Coking Coal Project renewed for a further 5 year period.**
- ✳ **Project Optimisation review underway focussing on the mine design and associated capex and opex minimisation.**



## Exploration Licence Renewal

The company is pleased to advise that Exploration Licence number 7429 (the tenement for the Spur Hill Underground Coking Coal Project) has been renewed for a further 5 years with an expiry date of 18 December 2019.

## Project Activities

During the quarter the company commenced a review of the project design and associated capex and opex for optimisation opportunities. The review is ongoing.

### ✳ Environmental and Project approvals

EIS studies advanced during the quarter include:

- Surface and Groundwater assessments;
- Noise assessment;
- Subsidence assessment;
- Aboriginal cultural heritage assessment;
- Transport assessment; and,
- Social Impact assessment.

Expenditure for these studies totalled approximately \$276,000 for the quarter.

### ✳ Mine design and infrastructure

Malabar advanced further studies to support the EIS and project optimisation review, including:

- Analyses of transport options and design;
- Review and design of coal handling and preparation facilities;
- Review and design of mine surface infrastructure; and
- Underground mine layout.

Expenditure for these studies totalled approximately \$46,000 for the quarter.



## ✱ Community

The Project held its fourth Community Consultative Committee meeting during the quarter. In addition the fourth Community Newsletter was distributed.

Senior executives continually interact with the local community on an informal basis through various activities including the sponsorship and attendance of sporting and community events.

## ✱ Resource definition

Exploration expenditure totalled \$5,000 for the quarter as the focus during the quarter was advancement of EIS studies and the optimisation review.

Total Resources for the Spur Hill Project are 625.9 million tonnes including 394.4 million tonnes of Indicated Resources. Please see Table 1 attached for further details.

## Financial

Cash on hand was \$2.407 million as at 31 March 2015.

## Mining Tenement

In accordance with the Project Farm-In Agreement, Malabar earned an additional 0.47% interest in the Project<sup>1</sup> through the expenditure of \$851,000. Hence, as at 31<sup>st</sup> March 2015 Malabar has a 37.86% interest in the Project and the right to increase its stake to 80%.

## Other

In connection with Listing Rule 5.3.2 there have been no activities relating to mining production and development.

## Contact details

For media inquiries please call:  
Graeme Booth (Managing Director)  
T: +61 2 8248 1272

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<sup>1</sup> Means Malabar's coal development Project (the 'Spur Hill Underground Coking Coal Project') in the Hunter Valley, New South Wales, based on Exploration Licence 7429.

\*Table 1: Reserves and Resources

100% BASIS	RESERVES		RESOURCES				
	Western (Underground) Zone		Western (Underground) Zone			Eastern Zone	Total
Seam	Probable Coal Reserve (Mt)	Probable Marketable Coal Reserve (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	Inferred (Mt)	Mt
WL2			0.0	46.8	46.8	0.0	46.8
WL1			0.0	22.0	22.0	0.0	22.0
Whybrow			58.5	1.2	59.7	1.8	61.5
Redbank Creek Upper			0.0	0.0	0.0	3.8	3.8
Redbank Creek Middle			0.0	0.0	0.0	3.7	3.7
Redbank Creek Lower			51.3	0.7	52.0	6.2	58.2
Wambo			38.1	4.3	42.4	16.0	58.4
Whynot	78	59	104.5	5.3	109.8	23.0	132.8
Glen Munro			14.7	0.5	15.2	1.6	16.8
Arrowfield			14.6	0.0	14.6	0.0	14.6
Bowfield	13	10	34.0	2.5	36.5	21.7	58.2
Warkworth			78.7	26.6	105.3	23.4	128.7
Mount Arthur			0.0	9.3	9.3	11.1	20.4
<b>Total</b>	<b>91</b>	<b>69</b>	<b>394.4</b>	<b>119.2</b>	<b>513.6</b>	<b>112.3</b>	<b>625.9</b>

- The Resources and Reserves Estimates have been prepared in accord with the JORC Code 2012
- The Reserves Estimate has been prepared by MineCraft Consulting Pty Ltd.
- The Resources Estimate has been prepared by Geological and Mining Services Australia Pty Ltd.
- The Resources in the above Table are inclusive of Reserves
- The Probable Marketable Coal Reserve is derived from the Probable Coal Reserve based on an average yield of 76% from the Whynot seam and 79% from the Bowfield seam. These average yields are derived from laboratory yields ranging from 80% to 85% adjusted for mining dilution and moisture adjustments.
- Further exploration and technical studies are expected to progressively convert an increasing proportion of the remaining Resources to Reserves.

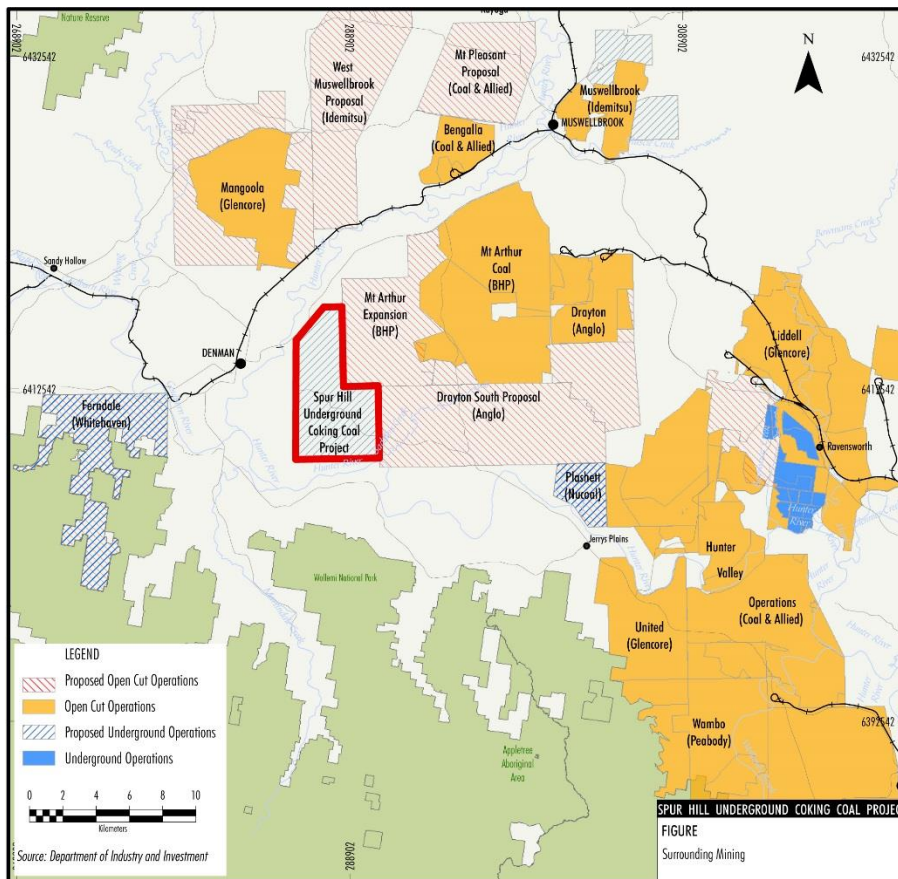
## ✳ About the Spur Hill Underground Coking Coal Project



The Project is located in the Upper Hunter Valley coal corridor in NSW. The Project has the potential to become a major underground coking coal mine producing up to 8 million tpa of Run-of-Mine coal for more than 20 years.

The target seams are likely to produce: soft coking coal, semi-soft coking coal, PCI and export thermal coal.

The Environmental Assessment Requirements for the Project have been issued by the NSW Department of Planning & Environment. The Environmental Impact Statement and Environmental Development Application for the Project are being prepared. Mining Lease Applications for the Underground Mining Area have been submitted.



**SPUR HILL UNDERGROUND COKING COAL PROJECT**  
FIGURE  
Surrounding Mining

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## ✱ Competent Persons Statements

The information in this ASX Release that relates to JORC Mineral Resources for the Spur Hill Underground Coking Coal Project is based on information compiled by Mr Darryl Stevenson. Mr Darryl Stevenson is the Principal Geologist and employee of Geological and Mining Services Australia Pty Ltd, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Darryl Stevenson is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The relationship between the Estimator and the Project owner is that of independent consultant. Mr Darryl Stevenson consents to the inclusion in ASX Release of the matters based on his information in the form and context in which it appears.

The information in this ASX Release that relates to JORC Mineral Reserves for the Spur Hill Underground Coking Coal Project is based on a Reserves Estimate that has been prepared by Mr Jeremy Busfield, Principal Mining Consultant of MineCraft Consulting Pty Ltd. Mr Busfield holds a Bachelor of Mining Engineering degree from the University of Queensland, is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a Registered Professional Engineer of Queensland (Mining) (RPEQ 10285). Mr Busfield has worked in various planning, operational and consulting roles for the underground coal industry for 27 years and as such qualifies as Competent Person under the JORC Code 2012. The relationship between the Estimator and the Project owner is that of independent consultant. Mr Busfield consents to the inclusion in this report of the matters based on his information and in the form and context in which it appears.

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