



Malabar Resources

High growth, high margin
metallurgical coal business

February 2024



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A substantial company with excellent assets

- Large resource of high quality coals; ~75% metallurgical coal suitable for steel-making.
- Low-risk development utilising recommissioned infrastructure with replacement value of >A\$500m⁽¹⁾.
- First bord & pillar (“B&P”) production in 2023 and development of longwall underway.
- Strategically located with access to high-capacity rail to Newcastle port.
- Key metrics when longwall is fully ramped-up:
 - ✓ Sales of ~6.0Mtpa of high quality coal for ~20 years.
 - ✓ Bottom quartile operating costs of c.A\$55/t FOB⁽²⁾.
 - ✓ EBITDA estimated at ~A\$550m-A\$850m per annum⁽²⁾.
- Large land holding (8,900 ha) with planning progressing for a 350MW solar farm and BESS⁽³⁾ on surplus land.
- The Malabar team has been responsible for value creation exceeding \$5 billion with the likes of Excel Coal and Whitehaven Coal.

(1) Based on GHD estimate from 2018, adjusted for inflation and additional capex investment by Malabar since this date.

(2) Based on Malabar’s financial model, estimated on a real \$2023 basis from FY28-FY44.

(3) Malabar owns a carried interest in the project with an opportunity to vary that carried interest prior to construction commencing. Following FID Malabar would be required to contribute equity in the project. BESS means Battery Energy Storage System.



Executive summary

1

Maxwell Mine Update and developing a 300m Longwall Operation

- Since completion of the initial funding in September 2022 for a 145m longwall, substantial progress has been made developing the Maxwell Mine.
 - ✓ Critical infrastructure successfully refurbished and recommissioned.
 - ✓ First coal railed in June 2023.
 - ✓ Coal quality exceeding the NEWC benchmark.
- As announced in November 2023, Malabar is committed to developing the mine as a 300m longwall (vs 145m longwall) to realise Maxwell's full potential.
- 300m longwall generates greater sales at lower operating costs creating a resilient and profitable business best placed to deliver consistent returns.

2

Development Requirement

- The development capital required to construct the Maxwell Mine has been revised to ~A\$550m⁽¹⁾ to:
 - i. Install a 300m longwall and the coal handling infrastructure with greater capacity that is required;
 - ii. Accommodate moderate increases in operating and capital costs (broadly in line with recent industry inflation);
 - iii. Eliminate regret capital which would have been incurred by initially developing a 145m longwall operation⁽²⁾.

1. Malabar business overview

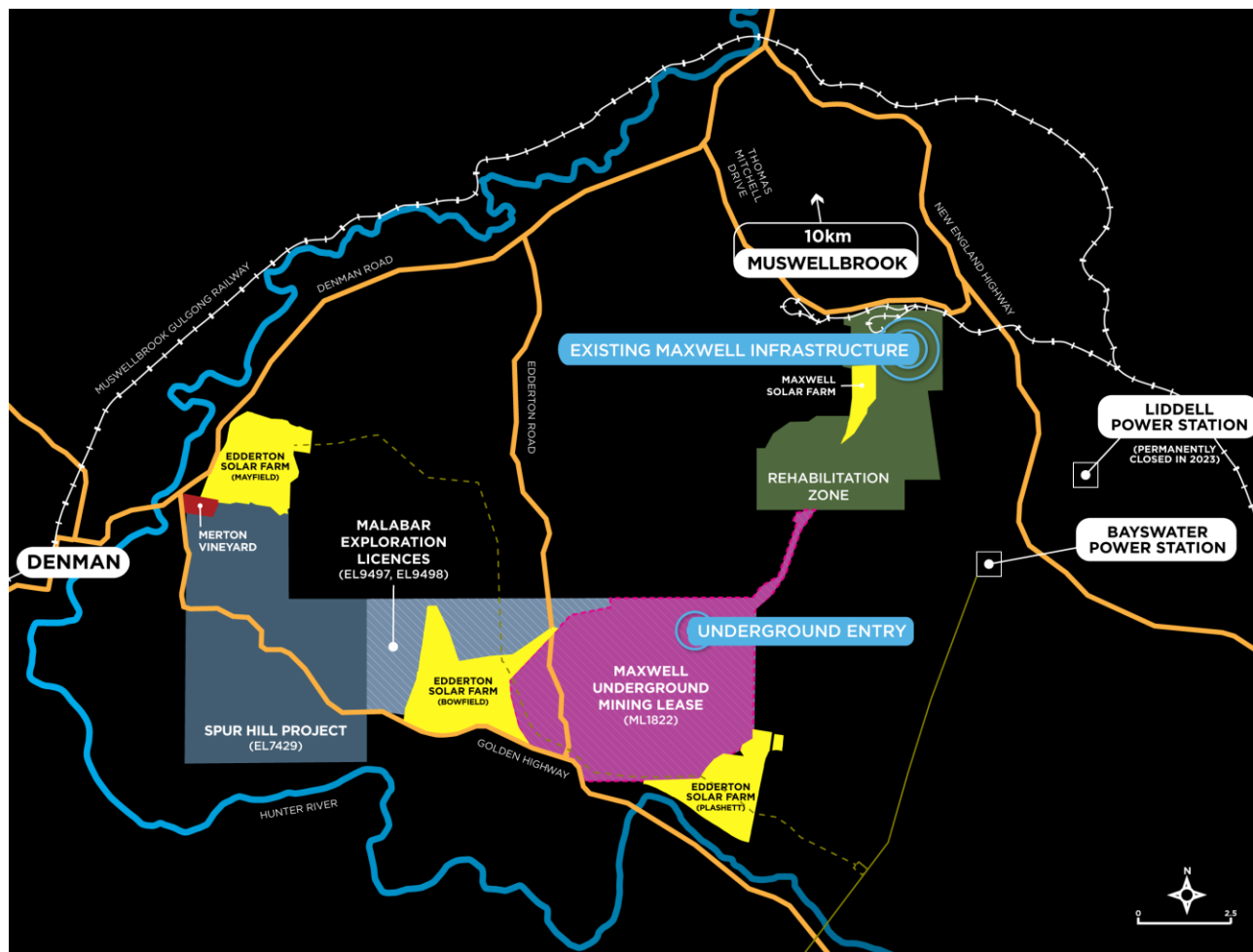
Malabar's business

Our vision:

Building a successful resources company for the long-term benefit of all stakeholders while listening to our communities.

Our assets include:

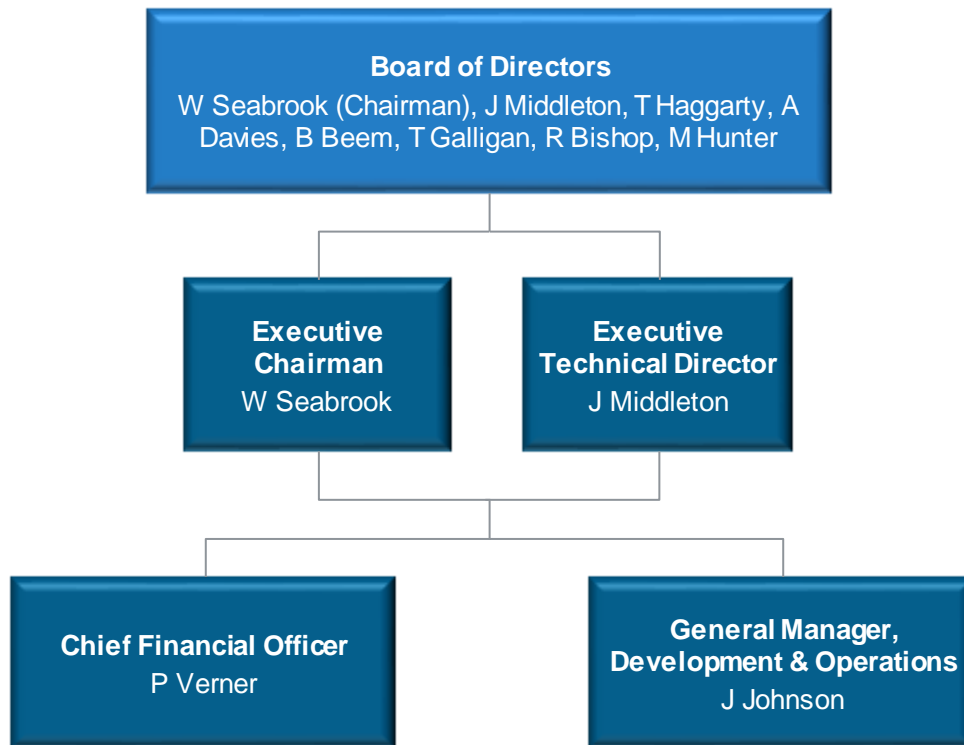
- The **Maxwell Underground Mine** – our principal asset.
- Antiene Rail Spur which connects Maxwell Mine to the main track.
- 20% shareholding in Newcastle Coal Shippers, which owns 37% of PWCS, providing dividends to Malabar.
- Maxwell extension project EL 9497 & 9498 and Spur Hill exploration project EL 7429.
- The 25MW approved Stage 1 Maxwell Solar Farm.
- The large scale Edderton Solar Farm (c. 350MW and equivalent battery) being advanced in partnership with EDF-Renewables⁽¹⁾.
- Agricultural assets, including the Merton Vineyard.



(1) EDF Renewables is an Australian renewable energy infrastructure developer that operates wind and solar projects across 22 countries. The Edderton Solar Farm is a joint venture between Malabar and EDF Renewables. Malabar owns a carried interest in the project with an opportunity to vary that carried interest prior to construction commencing.

Extensive board and management track records of developing and operating underground coal mines

Core shareholders hold greater than 75% of Malabar, ensuring interests are aligned with other shareholders.



- Expertise with mine approvals, construction, operations, logistics, coal sales and marketing, financing and investment management.
- Direct experience and proven success of the directors and foundation shareholders for underground mines including; Wambo, Metropolitan, Narrabri, Ulan West and Integra.
- Focused on maximising sustainable economic and social benefits by delivering the Maxwell Mine.

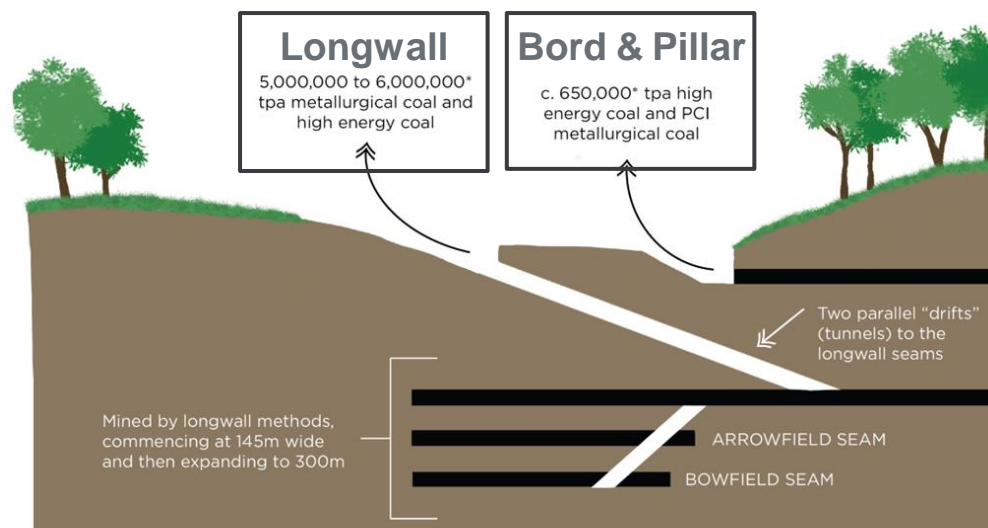
Board	Experience
Wayne Seabrook	+ 40 years mining, coal and finance industry
Jim Middleton	+ 40 years coal industry
Tony Haggarty	+ 40 years coal industry
Tony Galligan	+ 40 years coal industry
Allan Davies	+ 40 years coal industry
Brian Beem (rep. H Mende)	+ 20 years coal and finance industry
Rob Bishop (rep. New Hope)	+ 20 years mining and finance industry
Matthew Hunter	+ 25 years finance industry
Senior Executives	
James Johnson	+ 20 years coal industry
Paul Verner	+ 20 years coal and finance industry

Building a world-class underground metallurgical coal mine

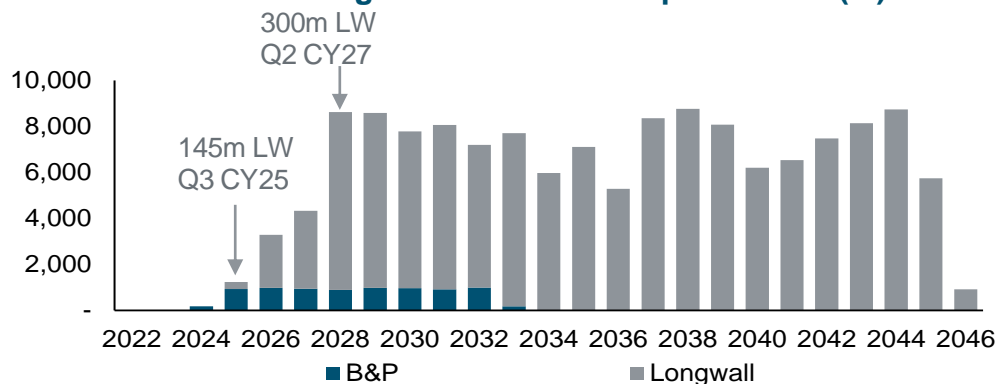
- The Maxwell underground mine and its downstream infrastructure will comprise of:
 - A 300m longwall mining high quality metallurgical coal;
 - Ample downstream infrastructure capacity to ensure the longwall is unconstrained – including; underground conveyors, overland conveyor, intermediate stockpiles, and the washing and product handling facilities.
- In the near term the longwall will be supplemented by the producing B&P mine with the following features;
 - Short development timeframe, low capital cost but greater operating costs suited for the current coal price environment.

	Longwall	B&P
Products	SSCC, High Energy Thermal	PCI, High Energy Thermal
Sales (Mtpa)⁽¹⁾	~6.4	~0.65
Total over mine life (Mt)	~120	6
Life (years)	~21	~10
Op costs excl. royalties (A\$/t sales, real)⁽²⁾	~\$55/t	~\$115/t

Maxwell Underground Coal Mine



300m wide longwall forecast ROM production (kt)



(1) Average salable production following initial mine ramp up.
 (2) FOB costs in 2023 real excluding royalties.

Developing Maxwell as a 300m longwall operation

Maxwell Mine development strategy

- The prior owners failed to obtain development approval to develop the Maxwell resource as an open cut mine.
- Malabar recognized the potential for an underground mine targeting the deeper, high quality (metallurgical) coals, so acquired the resource, land, and substantial infrastructure in 2018.
- The Maxwell Mine was planned to be developed in two distinct stages.
- This staged development strategy aimed for early coal sales from the B&P while the 145m longwall mine was constructed, with ability to move to a 300m longwall operation in the future.

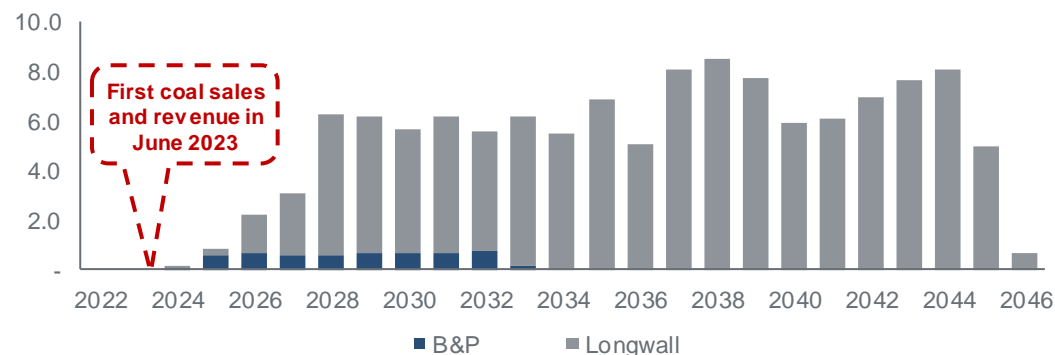
Decision to expand to 300m longwall

- As announced in November 2023, the Malabar Board has now committed to develop the operation as a 300m longwall to realise Maxwell's full potential.
- This decision reduces the overall capital to commissioning a 300m longwall but will increase the near-term capital requirement as greater capacity coal handling infrastructure will be constructed (e.g. conveyors and ventilation).
- This decision eliminates regret capital which would have been incurred by initially developing infrastructure for a 145m longwall operation⁽⁵⁾.
- 300m longwall will generate greater sales at lower operating costs creating a resilient and profitable business best placed to deliver consistent shareholder returns.

Current longwall strategy vs prior strategy

	Prior strategy: 145m Longwall ⁽¹⁾	Current: 300m Longwall
Sales ⁽²⁾	3.2Mtpa	6.6Mtpa
Milestones	B&P production commenced in Q4 FY2023. Q1 FY26 145m longwall commences sales.	B&P production commenced in Q4 FY2023. Q1 FY2026 longwall commissioned. Q3 FY2027 longwall ramped up to full 300m width.
Development Capex ⁽³⁾	~A\$333m	~A\$550m
Operating costs ex. Royalties ⁽²⁾	~A\$81/t (Avg. B&P and Longwall)	~A\$55/t
Typical EBITDA at consensus prices ⁽²⁾	A\$175m-A\$260m	A\$500m-A\$750m
Typical EBITDA at Malabar prices ⁽²⁾	A\$200m - A\$300m	A\$550m-A850m

Coal Sales (Mt)⁽⁴⁾



Note: Physicals and financials on a June year-end basis. Shown in 2023\$ real terms.

(1) Inclusive of Whynot B&P and Longwall Stage 1. Based on current financial model.

(2) Broker consensus prices. Stage 1 from FY26 to FY38. Stage 2 from FY28 to FY44. Average flexed +/- 20% for range. Shown in real \$2023 terms.

(3) Stage 1 capex shown as 1 January 24 to 31 December 25. Stage 2 from 1 January

24 to 30 June 27. Shown in nominal terms to tie to S&U.

Years shown as financial years (June year-end).

(5) Regret capital includes capital spent on 145m longwall equipment and infrastructure that would need to be replaced for the 300m longwall.

Lowest quartile cost underpins strong operating margins

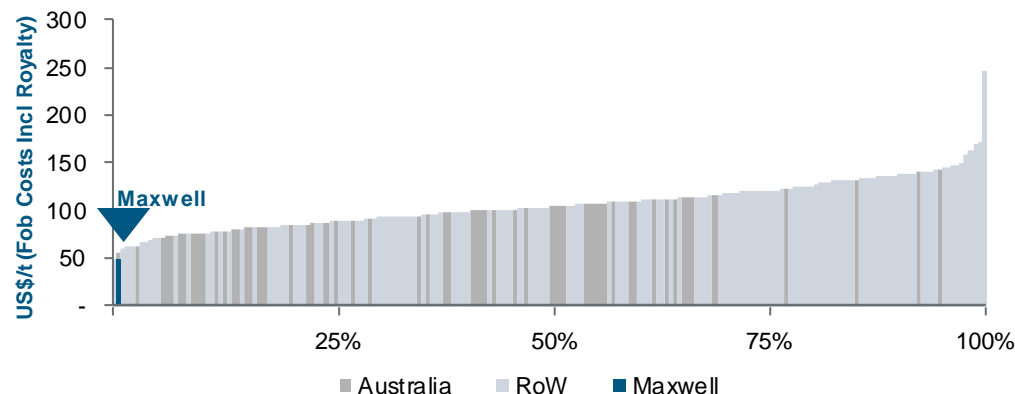
The Maxwell Mine sits in the lowest quartile of metallurgical and thermal costs curves

Low operating costs result from:

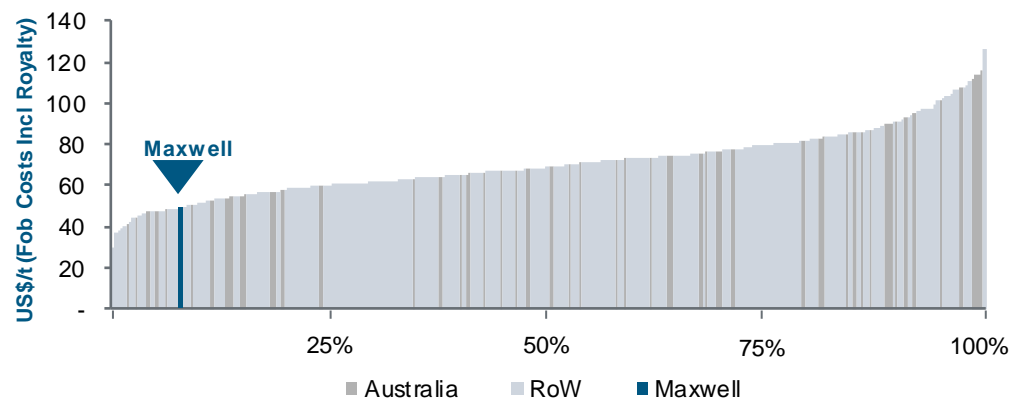
- A well designed modern 300m longwall operation.
- Greater product yield than Hunter Valley peers.
- No legacy rail or port take-or-pay contracts.
- Proximity to the port results in low rail costs.
- PWCS provides the lowest sustainable coal handling charges.



Seaborne Metallurgical cost curve – 2026 (US\$/FOB t)⁽¹⁾⁽²⁾



Seaborne Thermal cost curve – 2026 (US\$/FOB t)⁽¹⁾⁽²⁾



Note: As at 19 January 2024

(1) Converted to at spot AUDUSD FX of 0.66.

(2) Cost curves provided by WoodMackenzie as at October 2021. Thermal curve energy

adjusted to 6,322 GAR basis. Presented in nominal terms.

(3) Malabar cost based on 300m Longwall from in FY29 (first full year post capex completion).

High quality, high demand metallurgical products to be delivered to premium Asian steel mills

Metallurgical Semi-Soft Coking Coal (SSCC)

- Quality compares favourably to competitor coals and is well suited for major steel mill coke blends.
- Key attributes such as moisture, ash, sulphur, phosphorus and fluidity, means that Malabar's SSCC is forecast to price at or above benchmark price.
- Target customers are major Asian steel-mills, in particular Japan and fast-growing steel producers India and Vietnam.
- LOI's have been executed with major steel makers and numerous trading companies with significant metallurgical coal trading activities.

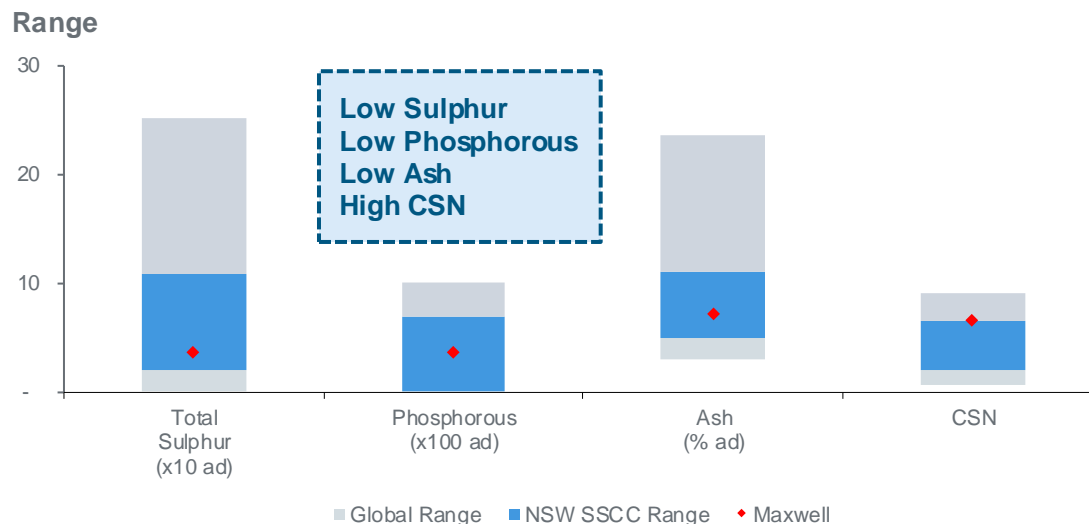
Metallurgical PCI Coal

- Potential the Whynot seam will yield a PCI coal for steelmaking. (c. less than 8% ash, 0.4% Sulphur, 0.02% Phosphorus.)

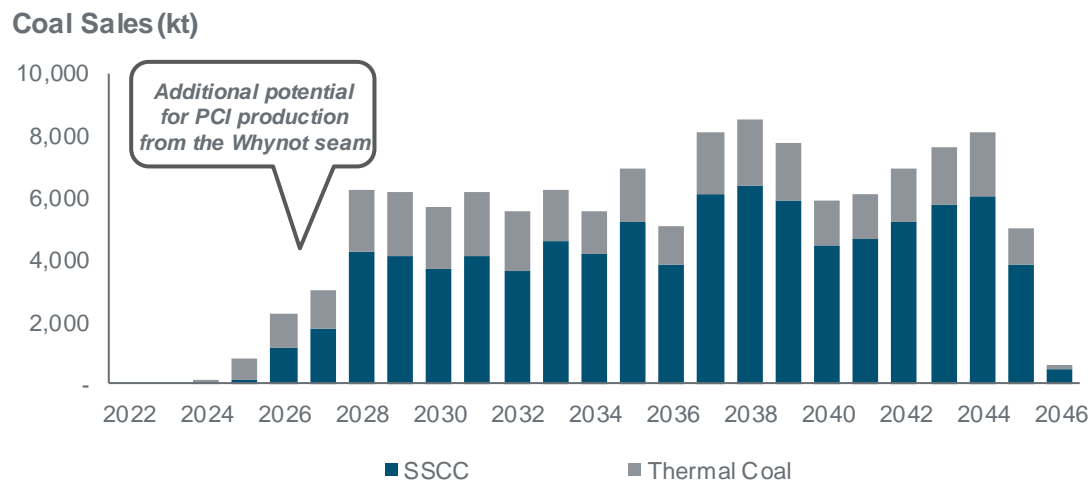
Thermal

- The balance of Maxwell's coal is high quality export thermal coal that is superior in quality to the Newcastle benchmark and suited to new generation HELE power stations.
- Malabar has a long-term offtake agreement for up to 25% of total production with a blue-chip Japanese end-user.

SSCC quality compares favorably with competitors' coals...



...with Maxwell's product mix predominately SSCC



Attractive supply and demand dynamics of SSCC

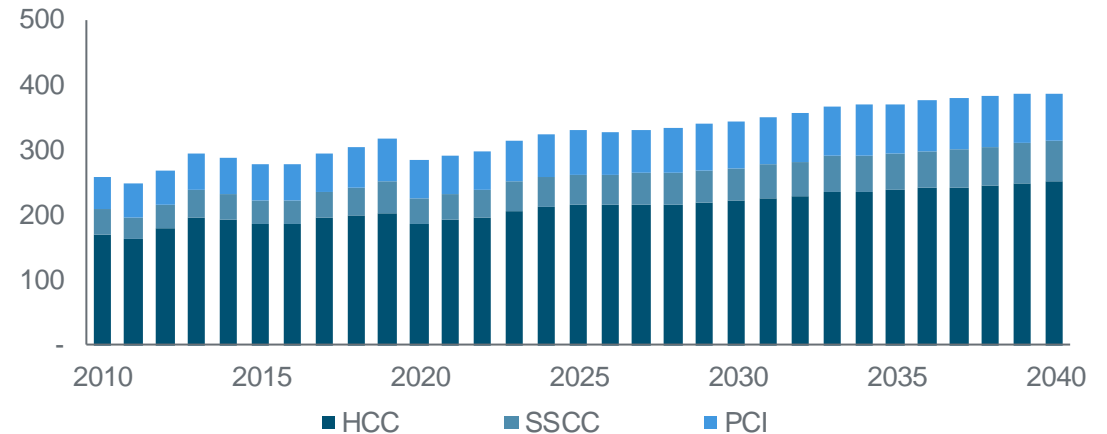
- Role of SSCC is expected to grow as a result of:
 - Increased demand from India due to increasing steel production and increased proportion of SSCC in coke blends (currently 21% increasing to 30% in the long term);
 - Advanced steel making technology favors a greater proportion of SSCC;
 - Cost competitiveness of SSCC;
 - Increased likelihood of permitting delays or permanent stalling of new metallurgical coal and SSCC supply (e.g. recent government policies in Canada); and
 - Reducing CO₂ emissions from BF-BOF⁽¹⁾ operations by lowering ash levels in coke blends. Low ash SSCC assists this outcome.

Australia to remain the leader of the global seaborne metallurgical coal market with Maxwell placed to service growing demand in the Asian region.

Sanctions on Russian coal exports creating increased demand for Australian metallurgical coal

Increasing demand for seaborne metallurgical coal over the long-term...

Metallurgical coal demand (Mt)



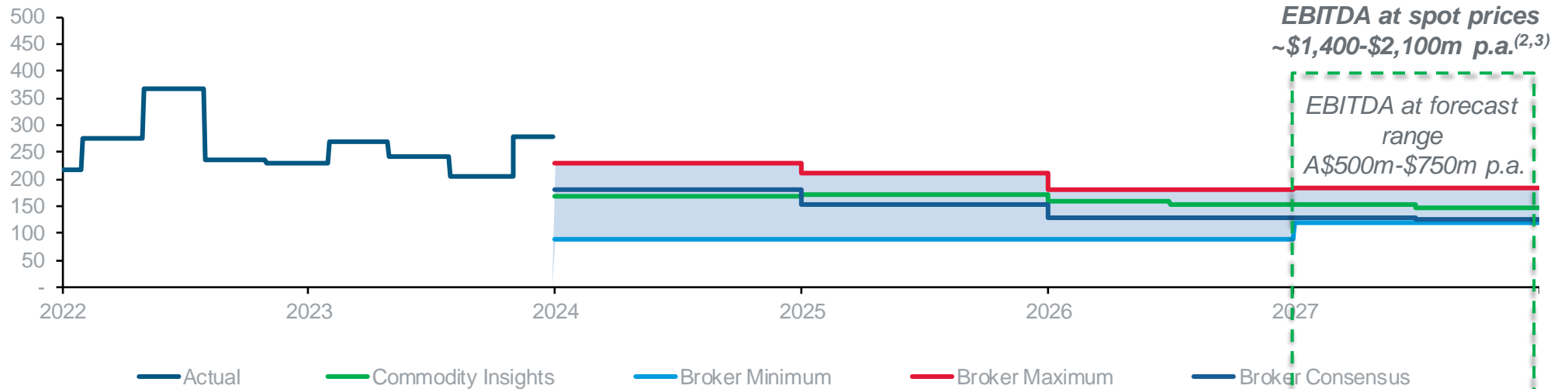
...with the majority coming from Australia⁽²⁾



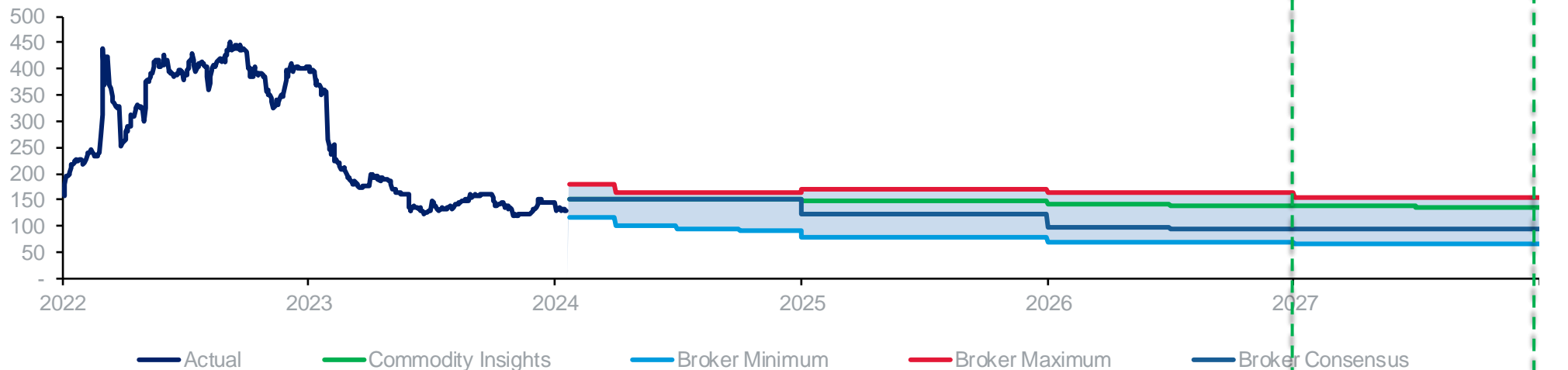
Source: Wood Mackenzie as at October 2021.
 (1) Blast Furnace-Basic Oxygen Furnace.
 (2) Forecast trade flows for 2030.

Potential for coal prices to remain above forecasts

SSCC price forecast (US\$/t)⁽¹⁾



Thermal coal price forecast (US\$/t)⁽¹⁾



(1) Forecast coal prices shown on a real 2023 dollar basis.
 (2) Average EBITDA +/- 20%, shown on a real \$2023 basis.
 (3) EBITDA range at current spot prices in nominal terms is A\$1,600-\$3,200m.

Leading ESG track record

Malabar is committed to its ESG principles...

✓ Greater than 75% of production suitable for steelmaking; the balance suitable for HELE power generators.

✓ Demonstrated best practice rehabilitation of over 880 hectares and more than 350,000 trees planted.

✓ Underground mining minimises dust emissions, noise, water and visual impacts.

✓ Minimise incremental environmental and social impacts by utilising the substantial existing infrastructure.

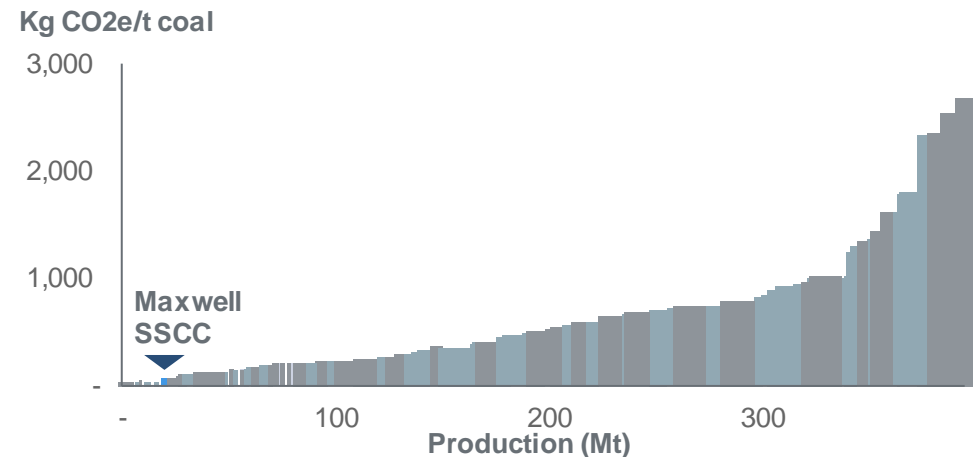
✓ Carbon offset through the development of the Edderton and Maxwell Solar Farms.⁽³⁾

✓ Strong local community support via the creation of 450 new jobs at the mine and >50 jobs through associated renewable energy projects.

✓ Rigorous and transparent disclosure regime.

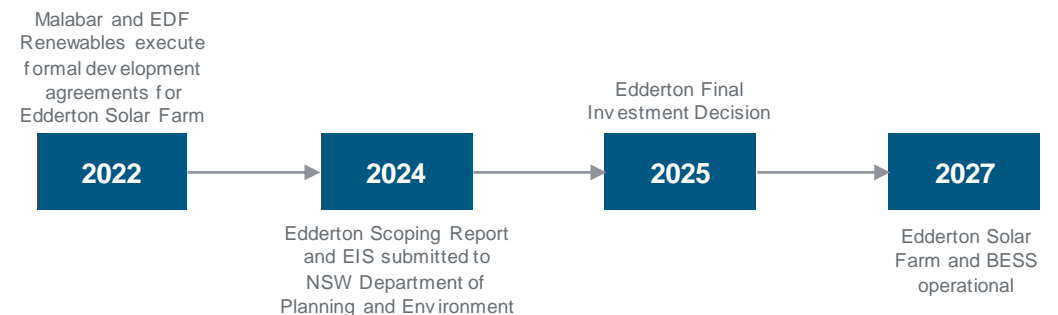
... as shown by low emissions compared to competing supply

Metallurgical coal Scope 1, 2 and 3 (transportation) emissions⁽¹⁾



... and is positioned to play a role in the energy transition via its renewable projects

Edderton Solar Farm and BESS project timeline⁽²⁾



(1) Source: Wood Mackenzie, Company Filings.

(2) Dates are illustrative only and Solar Farm and BESS timeline remains subject to various approval risks. Refer to section 5 for additional risk factors.

(3) The Maxwell Solar Farm is expected to provide energy to approximately 10,000 homes, the Edderton farm is expected to provide energy to 130,000 homes.

2. Construction progress

Construction progress



- ✓ Construction activities well advanced in creating two underground mining operations side-by-side.
- ✓ Services and utilities well advanced or complete including; 10km access road, permanent power established, water systems and dams substantially complete.
- ✓ Downstream CHPP, TLO, & rail loop successfully refurbished (where necessary) and recommissioned.

Bord & Pillar construction and operation

Mine Entry

- Three B&P portal entries have been constructed.

Construction delay

- Ramp-up of B&P production was delayed by weather at commencement of construction in addition to:
 - Global and domestic supply chain hold-ups, and
 - Challenges of a competitive labour market.
- Addressed by Malabar-designed “new to industry” program and continued aggressive recruitment strategies.

Coal Production

- 1st continuous miner commenced in March 2023.
- 1st low height continuous miner commenced in November 2023.
- 2nd low height continuous miner to commence in February 2024.
- Mine is forecast to ramp up to 60,000t/month by mid CY2024.
- The coal processing facility has been refurbished and successfully recommissioned.

Despite an initial delay, mining rates in the B&P operation are accelerating



Maxwell 300m longwall operation – “the main game”



BHP's Mount Arthur Mine

300m longwall operation and downstream infrastructure is being built as a high-capacity low-cost operation.

It will be the largest capacity underground mine in the Hunter Valley.

2 x mine entries

300m wide longwall operation construction

Drifts to Woodlands Hill seam being constructed and longwall mining equipment being manufactured in China, Europe and Australia.

Mine entries

- Completed in July 2023.

Surface to seam “declines”

- Contractor Pybar commenced drivage of the two declines in July 2023.
- More than 900m has been completed.

Longwall equipment

- Longwall equipment manufacture has commenced (ZMJ in China, HBT in Europe and Ampcontrol in Australia).
- Agreements executed for long-term supply of mining equipment for ongoing underground roadway construction.



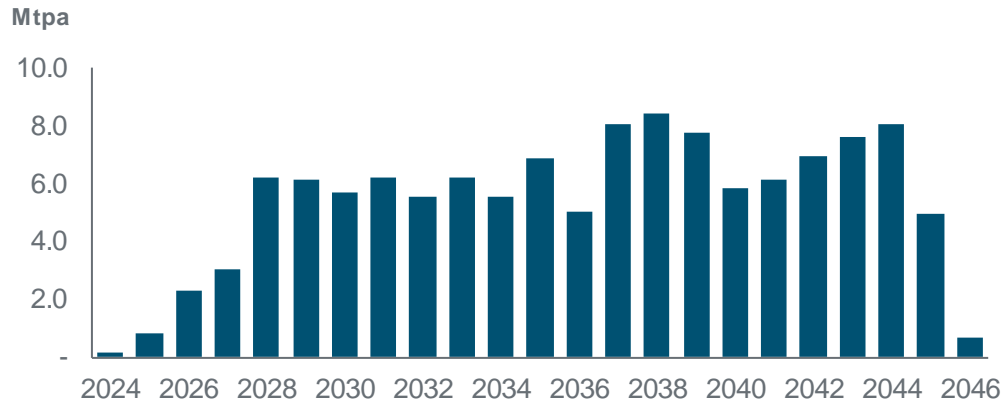
Processing, stockpiling and train-loading infrastructure recommissioned

- Successfully recommissioned infrastructure with replacement value of >A\$500m⁽¹⁾, including:
 - the coal processing facility, and
 - stockpiling, reclaim and train loading facilities.
- Trains have been successfully discharged at the Port of Newcastle at PWCS and NCIG and ships loaded.

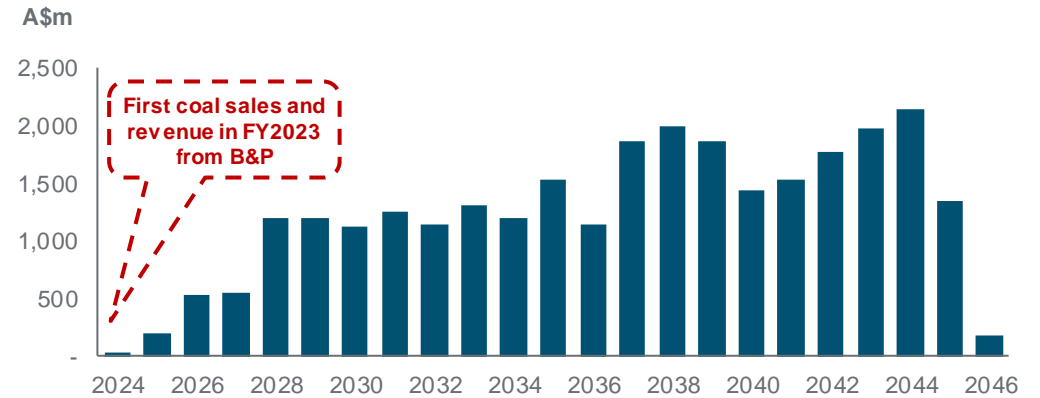


Strong operating and financial profile with first coal achieved in FY23 and first longwall coal estimated in FY25

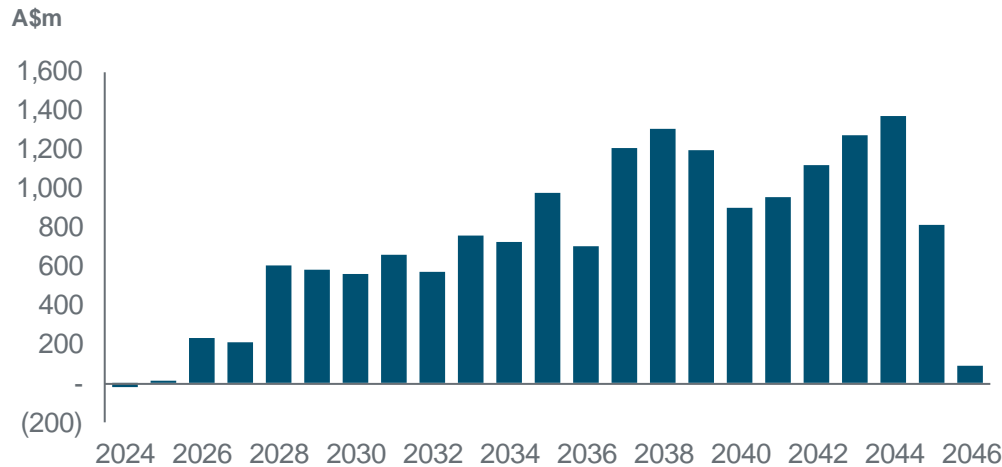
Coal Sales



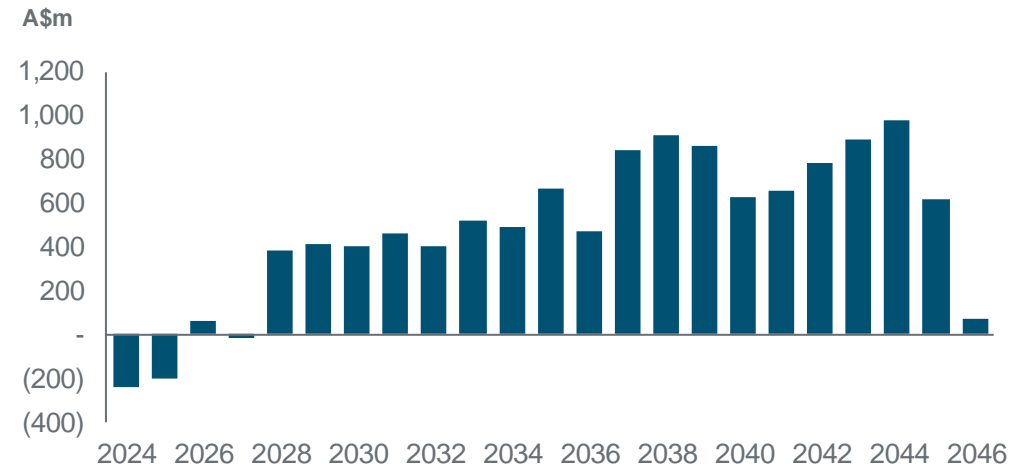
Revenue



EBITDA



Unlevered FCF⁽¹⁾



Note: Years shown as financial years (June year-end). Shown on a nominal basis.
 (1) Excludes interest and fees.

Business highlights



3. Risks

Key risks

Malabar and coal industry risks

Licences and approvals risk

Malabar's exploration, development and operational activities are dependent upon the retention of appropriate licences, permits, and approvals, often from various governmental agencies and regulatory bodies, which may not be granted, be withdrawn or delayed, or be made subject to limitations or material changes by the relevant granting authority, including dilution of Malabar's interest in, or even loss of, the relevant licence or consent. Further, Malabar may be unable to renew permits and licences necessary for its exploration, development or mining of specific coal deposits, or obtain modifications to existing permits and licences. Renewal of the term of a granted tenement is also subject to the government's discretion, and renewal conditions may necessitate increased expenditure, amongst other things. The imposition of new conditions (and potentially the inability to meet those conditions) may adversely affect Malabar's operations, performance, and overall financial position.

Resources and Reserves estimations risk

Estimating the quantity and quality of Coal Resources and Reserves are inherently uncertain processes and the Coal Resources and Reserves stated in this presentation and any Coal Resources or Reserves that Malabar states in the future are, and will be, estimates and may not prove to be an accurate indication of the quantity and/or quality of coal that Malabar has identified or that it will be able to extract.

Resources and Reserves estimates are expressions of judgment based on knowledge, experience, industry practice and resource and reserve modelling. As such, estimates are inherently imprecise, and depend upon many factors including interpretations, geological assumptions, the application of sampling techniques, estimates of coal prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable. Despite employing qualified professionals to prepare Resources and Reserves estimates, such estimates may nevertheless prove to be inaccurate. There are also risks that any coal ultimately mined may be of a different or inferior grade, quality, or volume from the Resources and Reserves estimates.

The inclusion of Coal Resources and Reserves estimates in this presentation should not be regarded as a representation that these amounts can be economically exploited, and investors are cautioned not to place undue reliance on the estimates, particularly Inferred Coal Resources estimates, which are highly uncertain. As a result, Resources and Reserves estimates are regularly revised based on actual production experience or new data and are therefore expected to change over time as new information becomes available. If Malabar encounters formations which are not consistent with those predicted by past drilling, sampling and similar examinations, Malabar's Coal Resources and Reserves estimates may have to be adjusted. Moreover, a decline in the price of coal, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environmental, permitting, title or tax regulations, that are adverse to Malabar, may mean the volumes of coal that Malabar can reasonably extract may be significantly lower than the Coal Reserves estimates presented.

Coal industry specific risk

Coal quality is known to vary. Actual coal qualities produced during the life of the mine may vary from those expected currently, which are based on resource drilling to date. Final product types are not known with certainty, and variables include ash levels, coal washability, coking characteristics, and market demand for various product types. Changes to conditions in coal markets, coal prices and other macroeconomic factors including foreign exchange rates could have an adverse impact on the commercial viability of exploiting Coal Reserves. Malabar may be forced to defer or suspend some or all of its planned activities.

Insurance risk

Although insurance is maintained by Malabar, no assurance can be given that adequate insurance will continue to be available to Malabar in the future on commercially acceptable terms. In addition, Malabar may incur liabilities to third parties (in excess of any insurance cover or statutory reserves) arising from negative environmental impacts or other damages or injury. There is a risk of an occurrence of a significant event leading to losses that are not fully covered by insurance.

Infrastructure access risk

A number of factors could potentially disrupt the services used to transport the coal produced from Malabar's mining operations, including any failure of the rail or port infrastructure providers to provide capacity in order to meet future export requirements, key equipment and infrastructure failures, weather-related problems, and industrial action, thereby impairing Malabar's ability to supply coal to customers.

Key risks

Malabar and coal industry risks	
Operational risk	<p>The Maxwell Underground Project is exposed to material operating risks including potential risk of sub-standard coal quality specifications, outbursts or spontaneous combustion from gas within the coal seam, mining and processing technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant or equipment.</p> <p>These risks and hazards may result in delays and other business interruptions, increased costs, personal injury, damage to or destruction of properties or production facilities, environmental damage, possible legal liability, damage to Malabar's business reputation and corporate image, and, in severe cases, fatalities.</p>
Commodity price risk	<p>Commodity prices fluctuate and are affected by a number of factors beyond Malabar's control, including world demand and consumption for coal, forward selling by producers, speculation by financial investors, production costs in major coal-producing regions, changes in global coal mining capacity and output, and macro-economic factors such as expectations regarding inflation, interest rates, and global and regional demand for, and supply of, coal as well as general global economic conditions. These factors may have an adverse effect on Malabar's exploration, development and production activities, as well as on its ability to fund those activities.</p>
Competition and substitution risk	<p>Competition in the coal industry is based on many factors, including but not limited to price, production, capacity, coal quality and characteristics, transport capability, costs, and brand name. Malabar faces competition from other Australian and international producers of coal. Increases in production or a reduction in the price of competing coals from both Australia and overseas may adversely impact Malabar's ability to sell its coal products at prices desirable to Malabar. Increased competition in the future, including from new competitors, may emerge.</p>
Labour risk	<p>There is a risk that Malabar may be unable to attract the skilled labour force necessary for the Maxwell Underground Project, and this may adversely impact Malabar's financial performance. Malabar may incur costs and liabilities resulting from claims by employees for work-related injuries, and Malabar must make adequate provision for its workers' compensation liabilities.</p>
Key personnel risk	<p>Malabar may be adversely affected if any of its Directors or management leaves Malabar. Malabar might not be able to replace them with persons of equivalent expertise and experience within a reasonable period of time or at all and Malabar may incur additional expenses to recruit, train and retain personnel. Additionally, any key personnel of Malabar who leave to work for a competitor may adversely impact Malabar. Malabar's ability to attract and retain personnel will have a direct impact on its ability to deliver its project commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of Malabar.</p>
Closure and rehabilitation risk	<p>At completion of mining operations, Malabar is required to rehabilitate and otherwise close that operation in accordance with relevant laws and an approved plan. There is a risk that the cost of, or time taken to, rehabilitate or otherwise close any mining operation may be more expensive or take longer than originally planned with a consequential effect on the Malabar's financial performance.</p>
Weather risk	<p>The current and future operations of Malabar operations, including the construction timing and ramp up of Maxwell, may be affected by restrictions on activities due to seasonal weather patterns, flooding and cyclonic activity.</p>
Climate change risk	<p>The operations and activities of Malabar are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact Malabar and its profitability. While Malabar will endeavor to manage these risks and limit any consequential impacts, there can be no guarantee that Malabar will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risk that cannot be predicted by Malabar, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risk such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Malabar operates.</p>

Key risks

Malabar and coal industry risks

Ongoing Amendment of Facilities

Malabar is seeking adjustments to its existing term loan facility to reflect the amended construction sequence. While discussions are ongoing, the Company cannot guarantee that these amendments will be granted and failure to agree an amendment could have an impact on future covenant testing.

The future capital requirements of the Company will depend on many factors. Changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated. The Company's operations require a significant amount of working capital and may be adversely affected if they experience limited availability of funds. Given that the Company may require additional funding, there can be no assurance that additional capital or debt financing will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business and the enterprises in which it invests and their respective financial condition and performance, and their ability to continue as a going concern. Although the Directors believe that additional capital and debt financing can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all.

Future Funding risk

Deterioration in the Company's credit profile could increase costs of borrowing money and limit access to the capital markets and commercial credit. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and the enterprises in which it invests and could affect the Company's ability to continue as a going concern. The Company may undertake additional offerings of shares and of securities convertible into shares in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of shares. In addition, as a result of such additional shares, the voting power of the Company's existing shareholders will be diluted. The Company may undertake additional issuances of debt facilities which could increase the risks associated with the Company's existing indebtedness including the Company's ability to comply with covenants and repayment of principal and interest. Funding of coal operations is becoming increasingly restricted, including in connection with climate change, or may require covenants that impact pricing or operations. The Company's ability to attract future funding and investment may be impacted by changing business and community expectations regarding environmental, social and governance matters and more stringent environmental assessments of proposed projects. These changes may increase the cost of funding for the Company or otherwise increase the cost of the Company's development and mining activities or delay or preclude those activities altogether.

In addition to the above considerations, commodity prices will have an impact on the revenue received by the company, with cashflows from the bord & pillar operation contributing to working capital during the construction and ramp up of the longwall. In the event that commodity prices are lower than Malabar commodity price forecasts, which are referenced throughout this presentation, this may result in additional funding being required to complete development of the project.

Conditions Precedent to Draw down of Facilities

The Company has a number of funding sources currently in place including a Senior Debt Facility and a Subordinated Prepayment Facility. The drawdown of these facilities and their respective tranches are subject to various project completion milestones. Any additional delays to project development or failure to reach these milestones may impact the ability to draw down on these facilities on the initial dates specified.

Shortage of Skilled Labour

Efficient coal mining using modern techniques and equipment requires skilled labourers, preferably with at least a year of experience and proficiency in multiple mining tasks. Any reduced availability or future shortage of skilled labour in the Australian mining industries could result in Malabar having insufficient personnel to operate its business, or expand production, particularly in the event there is an increase in the demand for its coal, which could adversely affect Malabar's financial condition and results of operations.

Key risks

Malabar and coal industry risks

Native Title risk

The *Native Title Act 1993* (Cth) (NTA) recognises and protects the rights and interests of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. Native title may impact on Malabar's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be grants of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title. If invalid because of native title, tenements granted prior to 1 January 1994 have been validated by the NTA. Tenements granted between 1 January 1994 and 23 December 1996, if invalid because of native title, are also likely to have been validated subject to satisfying criteria established in the NTA. For tenements that may still be subject to native title to be validly granted (or renewed) after 23 December 1996 the "right to negotiate" regime established by the NTA must be followed resulting in an agreement with relevant native title parties or a determination by an independent tribunal as to whether the tenement can be granted from a native title perspective. Alternatively an Indigenous Land Use Agreement may be entered into between Malabar and relevant native title parties. The NTA provides that there is a compensation liability for certain acts, including the grant of a tenement, and the *Mining Act 1992* (NSW) transfers liability for some native title compensation matters from the State to tenement holders. An expedited regime not requiring agreement or determination by an independent tribunal may apply to some exploration tenements subject to satisfying criteria established in the NTA. Malabar must also comply with Aboriginal cultural heritage legislation requirements which will generally require cultural heritage survey work to be undertaken ahead of the commencement of mining and exploration operations.

The Native Title Act, 1993, where applicable, would be complied with in relation to the renewal of any necessary mining tenements for the Maxwell Underground Project.

The capital expenditure and timing required to develop the Maxwell Underground Mine may differ from the current expectations of Malabar. Construction of the Maxwell Mine is subject to a range of risks and variables which may impact upon Malabar's ability to achieve large scale production at the site and meet the indicated development timetable. Malabar will rely on a number of third-party contractors to undertake construction. If Malabar and those contractors do not manage the project effectively or consistently with Malabar's expectations, construction may be delayed or cost more than anticipated. Such contractors may not be available to perform services for Malabar when required or may only be willing to do so on terms that are not acceptable to Malabar.

Construction risks

Further, construction may be constrained or hampered by the contractor's capacity constraints, mobilisation issues, plant, equipment, materials and staff shortages, industrial and environmental accidents, industrial disputes and unexpected increases in the costs of labour, consumables, spare parts, plant and equipment, and IT failures or disruptions and other global trends or events (such as the COVID-19 outbreak and global geopolitical uncertainty and national or regional governmental response to such events). In the event that a contractor underperforms or is terminated by Malabar, Malabar may not be able to find a suitable replacement on satisfactory terms within a reasonable time or at all. These circumstances may have a material adverse effect on the timeliness and cost of construction.

Further, the expansion of Maxwell Mine may not deliver the volumes, production efficiencies or product quality expected by Malabar. This could occur where plant and equipment does not perform as required or as expected, including in accordance with its nameplate design capacity. In such circumstances, Malabar may be required to make additional investments in plant and equipment. Delays in construction or underperforming operations could result in cost overruns, or impact customer arrangements, which may result in a reduction in revenues, contractual claims against Malabar by customers, or deteriorating relationships with customers. Cost overruns may also result in the plant expansion not delivering the margins Malabar expects, and as a result negatively impact its financial performance.

Increases in capital or delays to capital spend will adversely affect the profitability of the Maxwell Underground Mine.

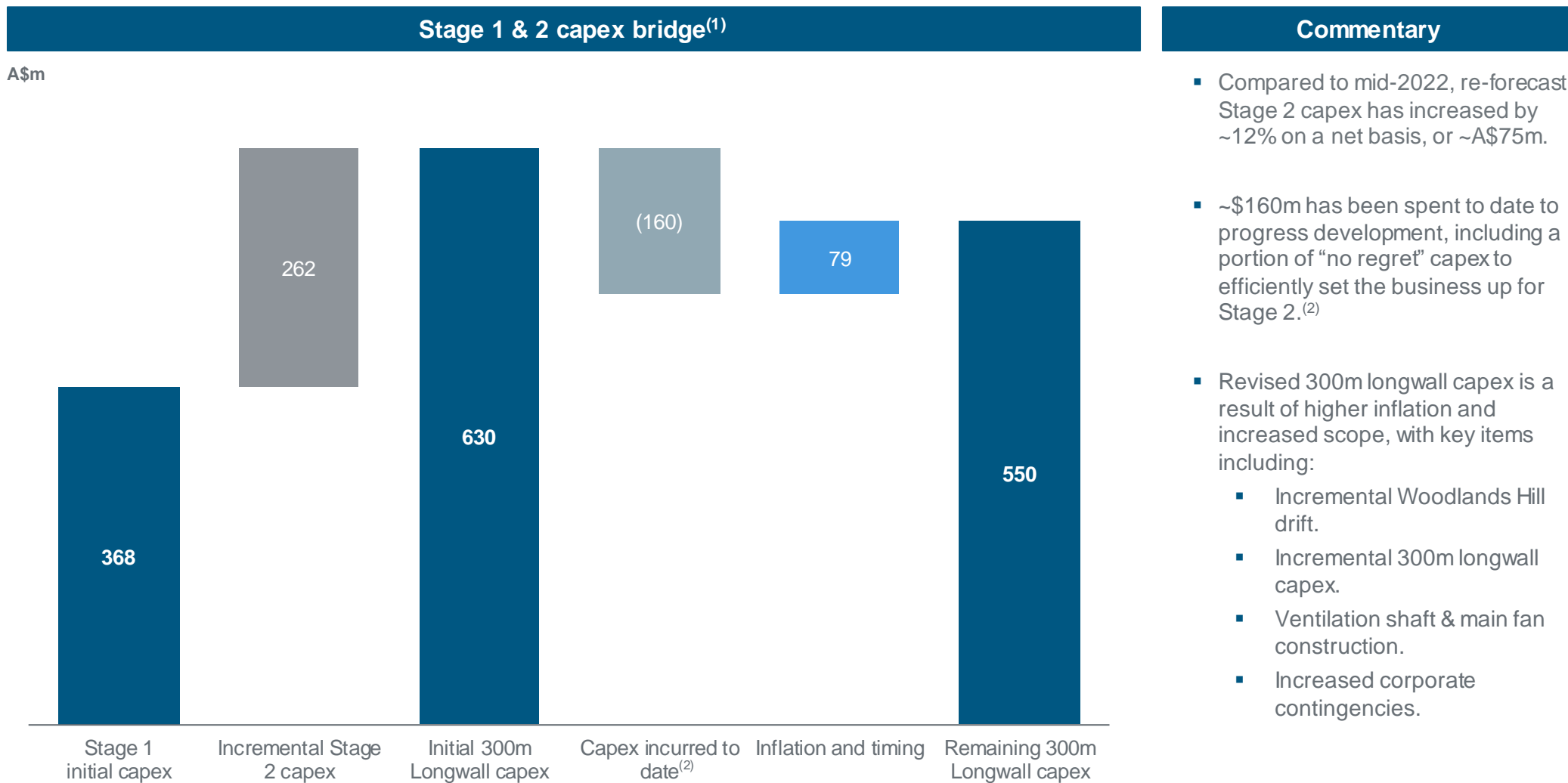
General risks

General risks	
Debtors' risk	There is a risk that the Malabar may be unable to recover amounts owed to it (or which may be owed to it in the future) by debtors, which may have an adverse effect on the financial performance of the Malabar.
Accounting risk	Australian accounting standards are set by the AASB and are outside the Directors' and Malabar's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Malabar's financial statements.
Tax risk	Changes to the rate of taxes imposed on Malabar (including in overseas jurisdictions in which Malabar operates now or in the future) or tax legislation generally may affect Malabar and its Shareholders. In addition, an interpretation of Australian tax laws by the Australian Taxation Office that differs to Malabar's interpretation may lead to an increase in Malabar's tax liabilities and a reduction in Shareholder returns. Personal tax liabilities are the responsibility of each individual investor. Malabar is not responsible either for tax or tax penalties incurred by investors, who should seek their own independent advice as appropriate.
General economic risk	Malabar's operating and financial performance is influenced by a variety of general economic and business conditions, both domestic and international, including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on Malabar's operating and financial performance.
Litigation risk	There is a risk that Malabar may in future be the subject of or required to commence litigation. There is, however, no litigation, mediation, conciliation or administrative proceeding taking place, pending or threatened against Malabar.
Liquidity	Malabar is not a listed company and shares in Malabar are not quoted on an exchange. An investment in Malabar should be treated as an illiquid investment as investors will not be able to buy or sell Malabar shares through an exchange. No representation, warranty or guarantee is given that any application for listing in an public securities market will be made.
Change of law risk	Government regulations and policies may adversely affect the financial performance and/or the current and proposed operations of Malabar. New legislation and/or new regulations may be adopted that adversely affect Malabar's current and proposed mining operations, cost structure and/or the ability of its customers to use coal. New legislation or administrative regulations (or new judicial interpretations or administrative enforcement of existing laws and regulations), including proposals related to the protection of the environment that further regulate and tax the Australia coal industry, may also require Malabar or its customers to change operations significantly or incur increased costs.
Regulatory risk	Extensive government regulations impose significant costs on Malabar's mining operations, and future additional regulations could increase those costs or limit Malabar's ability to produce and sell coal. The Australian coal industry is subject to strict regulation by Australian law with respect to such matters as limitations on land use, employee health and safety, mine permitting and licensing requirements, reclamation and restoration of mining properties, air quality standards, water pollution, protection of human health, plant life and wildlife, discharge of materials into the environment, surface subsidence from underground mining and the effects of mining on groundwater. Australian health and safety regulation in the coal mining industry is a comprehensive and pervasive system designed for protection of employee safety and health. Complying with existing or new regulations may delay commencement or continuation of exploration or production operations or adversely affect Malabar's mining operations or cost structure, any of which could harm its future results.
War and terrorist attacks risk	War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a consequential effect on the Malabar's financial performance.

Appendix A: Supporting information

Capex update

Capex estimates has been updated to deliver the 300m longwall



Note: Numbers are subject to rounding. Shown in real terms.

(1) Capex figures are displayed over differing periods. Stage 1 initial capex included spend to September 25; Stage 2 initial capex to December 2026; Remaining 300m Longwall capex from January 2024 to September 2027.

(2) Capex incurred to date from 1 April 2022 to 31 December 2023.

(3) Reflects Longwall and Bord & Pillar capex per June 2022 company estimates.

Large, high quality resource underpinning 25+ years

A large well understood deposit of high quality coals

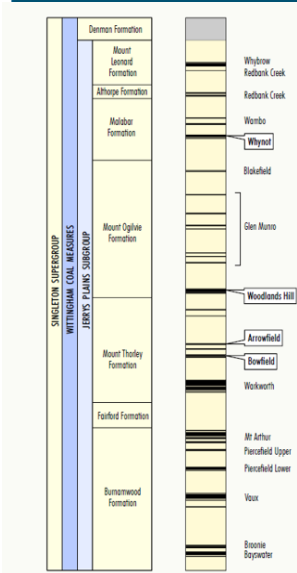
Resources and Reserves

- The Maxwell deposit has been extensively drilled with over 900 exploration holes as well as comprehensive 2D and 3D seismic surveys completed.
- The coal seams are within the well understood Wittingham Coal Measures.
- The majority of resources within the mine's domain are classified as Measured.
 - Consequently, a high proportion of JORC Reserves are in the Proved classification, highlighting the thorough geological understanding.
- >75% metallurgical coal capable of being used for steel-making.

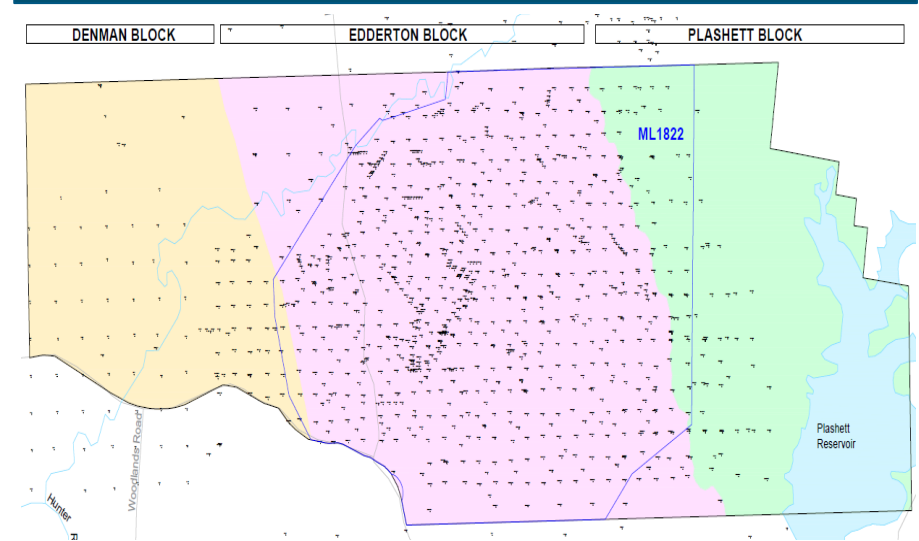
JORC Resources ⁽¹⁾			
	Measured and Indicated	Inferred	Total
ML1822 (Maxwell)	510Mt	20Mt	530Mt

JORC Reserves ⁽¹⁾			
	Proved	Probable	Total
Initial c. 25 years of the Maxwell Mine	136Mt	8Mt	144Mt

Stratigraphic Column



Extensive geological database including c. 900 holes and geophysical surveys



Appendix B: Coal market outlook

Coal Supply and Demand

- **Increasing demand:** Demand is forecast to increase led by India which recently became the World's largest metallurgical coal importer

“....steel demand continues to grow”

- **Lack of new supply:** Under-investment in expansions/replacement production is reducing supply.

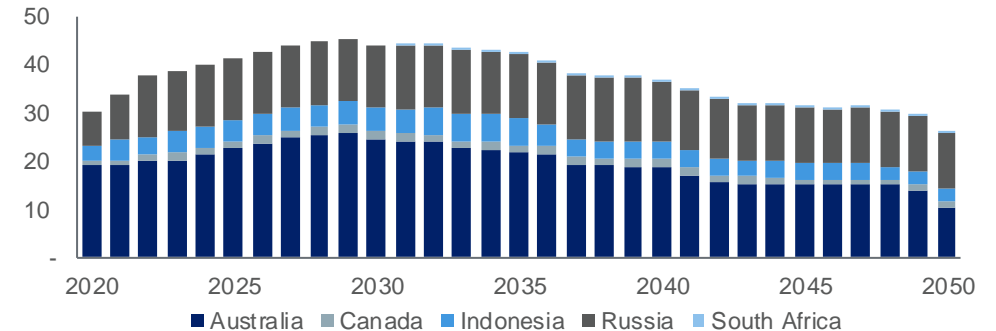
“....high prices have not bought on material new supply”

- **Escalation:** Capital and operating costs have increased globally due to the cost of energy, labour, supplies, raw materials and increases in royalties and other government charges/imposts.

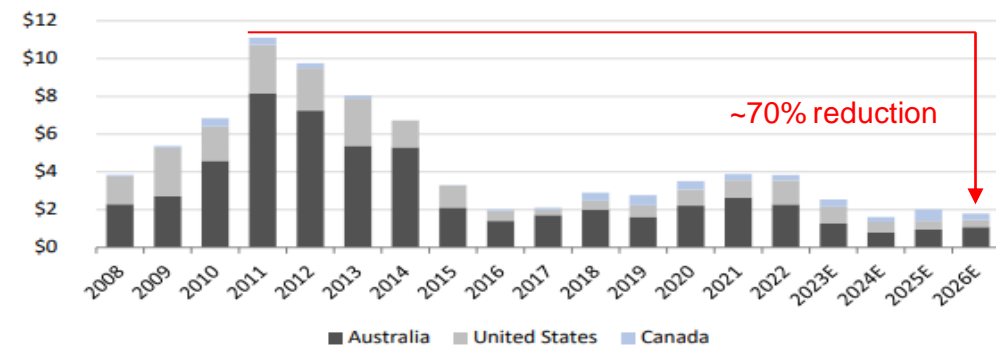
“....incentive pricing has increased”

(1) Sourced from Wood Mackenzie October 2021; figures exclude probable and possible coal projects.
 (2) Operating, suspended and closed assets only.
 (3) Wood Mackenzie & broker research
 (4) Adjusted to be shown on a 2023 dollar basis

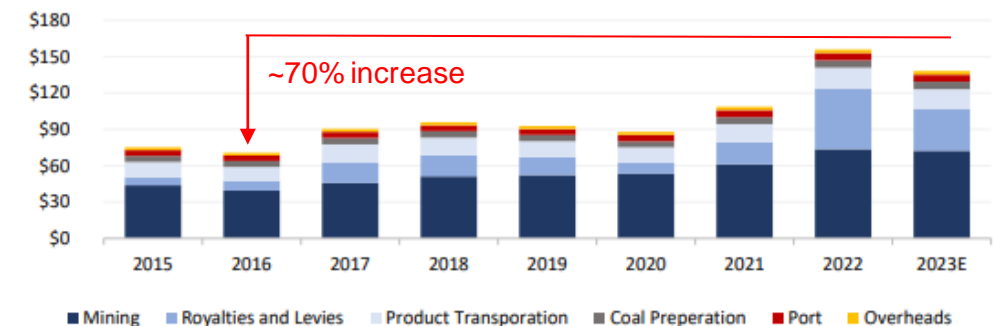
Global Seaborne SSCC production (Mt)⁽¹⁾⁽²⁾



Expansion capex (US\$ billions)⁽³⁾⁽⁴⁾



Seaborne metallurgical coal total cash cost (US\$/t)⁽³⁾



Coal Industry Trends

item	Industry impact	Maxwell impact
Coal demand and resulting prices	<ul style="list-style-type: none"> • Strong demand with customers seeking security of supply • Lack of new supply due to approval, financing and ESG challenges <p>✓ Long term SSCC coal price forecasts have increased by ~20%⁽¹⁾</p>	<ul style="list-style-type: none"> • SSCC demand increasing as HCC prices and ash levels increase • High calorific value thermal coal remains the premium global thermal product, <p>✓ Hence higher prices for Malabar products</p>
Operating and capital costs	<ul style="list-style-type: none"> • Operating costs have increased by c. 40% for many mines over the last 2 to 3 years. • Large capital cost overruns have occurred due to labour shortages, input costs, energy prices and supply chain hold ups. 	<ul style="list-style-type: none"> • Maxwell's operating costs have increased by 10% over the last 2 year period (LOM costs \$50 vs \$55 FOB A\$/t)⁽²⁾ • Capital cost for the 300m longwall has increased 10% - This increase has been constrained by the decision to commit now to the bigger wall, rather than in two steps.
Government intervention	<p>Coal Royalties</p> <ul style="list-style-type: none"> • Qld Gov't aggressively increased their scheme – top marginal royalty rate is 40%. • NSW Gov't increased royalties by a flat 2.6% (revised royalty is 8.8% to 10.8 % depending on the type of mine). <p>GHG emissions reduction scheme</p> <ul style="list-style-type: none"> • Safeguard Mechanism will increase costs. 	<p>Coal Royalties</p> <ul style="list-style-type: none"> • A royalty rate of 9.8% less allowable deductions will apply to Maxwell from FY24 onwards. <p>GHG emissions reduction scheme</p> <ul style="list-style-type: none"> • Maxwell's coal seams have low methane content. • Expected costs of Safeguard compliance is ~5% increase in operating cost – from 2027 onwards⁽³⁾. • Malabar is working on abatement and carbon offset alternatives.

These impacts underpin higher for longer coal prices

- (1) Increase based on broker consensus long-term real SSCC prices over the last 2 years.
 (2) Costs are in real 2023 dollars and exclude royalties.
 (3) Safeguard mechanism costs are included in operating costs of A\$55/t (based on FY28-FY44).