Mayur Resources

Nation building in Papua New Guinea

NATION BUILDING IN PAPUA NEW GUINEA

Annual Report

2019

Contents

Mayur Resources is focused on the development of natural resources in Papua New Guinea.

The maturation of our diversified asset portfolio, which spans industrial minerals, power generation, coal, copper and gold, will contribute to nation-building and job creation in a country experiencing a significant growth trajectory. Our unique portfolio of projects, many in close proximity to world scale producing mines, are either coastal or near the coast for easy development access and future access to sea borne markets.

Our Vision

Mayur Resources is committed to the development of economic growth and Nation Building of PNG, creating pathways to local and national prosperity.

Our Strategy

Mayur's strategy is to build and develop a diversified portfolio of resources and energy opportunities in a developing jurisdiction that:

- Is geographically well positioned to take advantage of opportunities in both PNG and the wider Asia region
- Offers protection against the cyclical nature of commodities through vertical integration
- Comprises projects that are positioned in the first quartile of the global cost curve of comparable resource projects

Our Values

Respect

We value all relationships, work together and strive to understand and serve our stakeholders with respect.

Accountability

We initiate sustainable outcomes, take responsibility and are open and accountable.

Innovation

We are resourceful. We solve problems and we constantly seek to create value while adapting, developing and continually improving.

Integrity

We commit. We keep our word, deliver results, and are professional

Managing Director's Letter to Shareholders

"Mayur Resources is committed to the development of economic growth and nation building of PNG, creating pathways to local and national prosperity."

Paul Mulder
Managing Director

Dear Shareholders

From an operational standpoint, our financial year ending 30 June 2019 has been another period of progress for Mayur in Papua New Guinea.

The company embraced its first full financial year as an ASX listed entity and despite market headwinds we have continued to work tirelessly on advancing and executing our strategic road map of nation building projects to contribute to the long-term prosperity of PNG.

Some of the key highlights of the year include the following:

- Completion of the Definitive Feasibility Study (DFS) for the Central Cement and Lime (CC&L) Project.
- Completion of extensive landowner and stakeholder engagement activities for the CC&L Project, culminating in the submission of a Mining Lease application
- Commencement of project financing activities for the CC&L project.
- Completion of a joint venture transaction with CRTH for the development of the Orokolo Bay Industrial Sands Project.
- Executed agreement to acquire minority interests in the power and coal subsidiaries to take the company's ownership of these business units to 100%.
- Raising of $9.7 million in a well-supported placement and option underwriting equity raise to provide the company with a funded pathway for 2019/2020.

Our focus is still very much on leveraging the 'nation building' opportunities we have generated to help diversify PNG's extractives and industrial manufacturing sector via the in-country downstream processing of its vast energy and mineral resources. This includes the provision of cement/lime, industrial mineral sands products and power generation from the company's portfolio – all of which are critical components for PNG's future economic development.

PNGs new Prime Minister, the Hon James Marape, entered office in May 2019, and we have continued to proactively engage with the new government. This was previously communicated via my letter to you in April 2019. It is clear that the government's vision is to transform PNG into an independent economic powerhouse within the next 10 years, underpinned by a more diversified economy with which to support long term prosperity for its people.

Furthermore, a key objective is to remove dependence on imports and rather achieve self-sufficiency in building materials and energy via use of in-country natural resources to diversify and mature PNG's economy rather than being reliant upon the next mega project in oil, gas or mining.

Against this backdrop we see great value in positioning Mayur as an industrial mineral and energy player in a rapidly developing country, that needs industrialisation activity to occur, as well as being favourably located on the doorstep of Asia.

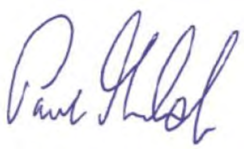
Overall, Mayur has continued to progress its projects along a pathway of development and value uplift that will ultimately position itself for production and cash flow realisation. While our Lae Power Station and Orokolo Bay mine development may not have advanced as rapidly as we would have liked, in contrast, the CC&L Project has progressed quickly, and we are confident we will secure the necessary licence to operate permits and be well advanced in securing the necessary project financing by June 2020. We look forward to building on these achievements as we continue to advance our other projects over the coming financial year and beyond.

I would like to take this opportunity to thank my fellow Directors for their guidance and support during another defining year for our company.

I also extend my gratitude to the dedication, hard work and professionalism of Mayur's employees, consultants and contractors without whose efforts it would not have been possible to achieve the significant progress that has been made during FY2019.

And on behalf of myself and the Board, I thank you, our shareholders, for your ongoing commitment and continued support as we execute on our strategy to identify, develop and bring into production nation building project opportunities in PNG.

Yours sincerely



Paul Mulder
Managing Director

FY2019 Highlights

16 July 2018

Letters of Intent signed for Orokolo Bay Industrial Sands Project.

Mayur signs three non-binding letters of intent with Chinese customers for vanadium titano-magnetite sands and two for valuable heavy mineral concentrate from the company's Orokolo Bay Project.

4 October 2018

MOA signed for Lae Enviro Energy Park.

Mayur Power Generation signs a Memorandum of Agreement with Morobe Provincial Government for development of the Lae Enviro Energy Park in Lae.

16 October 2018

Letters of Intent signed for Depot Creek Coal Project.

Following enquiries from various south-east Asian power utility companies, Mayur initiates a co-operation alliance with Square Resources via a letter of intent for promotion of "seaborne exported coal" from the company's Depot Creek Coal Project.

7 January 2019

Funding secured for Orokolo Bay Industrial Sands Project.

Mayur Resources secures up to US$25 million in funding from China Titanium Resources Limited for a 49% stake in MR Iron PNG, a 100%-owned Mayur subsidiary. The investment will be used for the construction of the pilot plant and full-scale plant.

24 January 2019

Definitive Feasibility Study for the Central Cement & Lime Project.

Mayur completes the Definitive Feasibility Study (DFS) for the Central Cement & Limestone Project. The DFS indicates the project will deliver healthy margins with current forecast-life-of-project revenue of US$4,792 million over an estimated 30-year project life.

25 February 2019

Amazon Bay Industrial Sands exploration licence granted.

Mayur secures exploration licence (EL2556) for its Amazon Bay Industrial Mineral Sands Project, constitutes an exciting addition to the portfolio with significant potential for vanadium-rich titano-magnetite.

13 March 2019

Offtake agreement signed for Orokolo Bay Industrial Sands Project.

Mayur enters into a binding offtake agreement with Qingdao Shinebest for the vanadium titano-magnetite iron sands product from the company's Orokolo Bay Project.

10 May 2019

PNG Energy Generation Solution MOA signed.

Mayur Power Generation signs a Memorandum of Agreement with Kumul Petroleum to establish a 50/50 joint venture for the development of PNG Energy Generation Solutions, an initiative to pool intellectual property and energy fuel supplies (coal and gas).

25 June 2019

Agreement to acquire ownership of energy projects to 100%.

Mayur Resources executes an agreement to acquire the remaining minority shareholdings of both Mayur Energy and Mayur Power Generation via a roll up share allocation taking the company's interests to 100% ownership.

Projects Overview

Mayur Resources is focused on the development of natural resources in Papua New Guinea.

Our purpose is to contribute to nation-building and job creation in a country experiencing a significant growth trajectory.

Our strategy is to build and develop a diversified portfolio of resources and energy opportunities in a developing jurisdiction that:

- Is geographically well positioned to take advantage of opportunities in both PNG and the wider Asia region.
- Offers protection against the cyclical nature of commodities through vertical integration.
- Comprises projects that are positioned in the first quartile of the global cost curve of comparable resource projects.

Mayur is currently advancing a number of projects spanning lime and cement, industrial minerals, power generation, coal, copper and gold.

Providing cheap, reliable and clean energy will improve infrastructure and develop wealth creation industries while steel and cement are fundamental for construction.

All projects are coastal or in close proximity to the coast for easy development access and future access to sea borne markets.

Central Cement & Lime Project

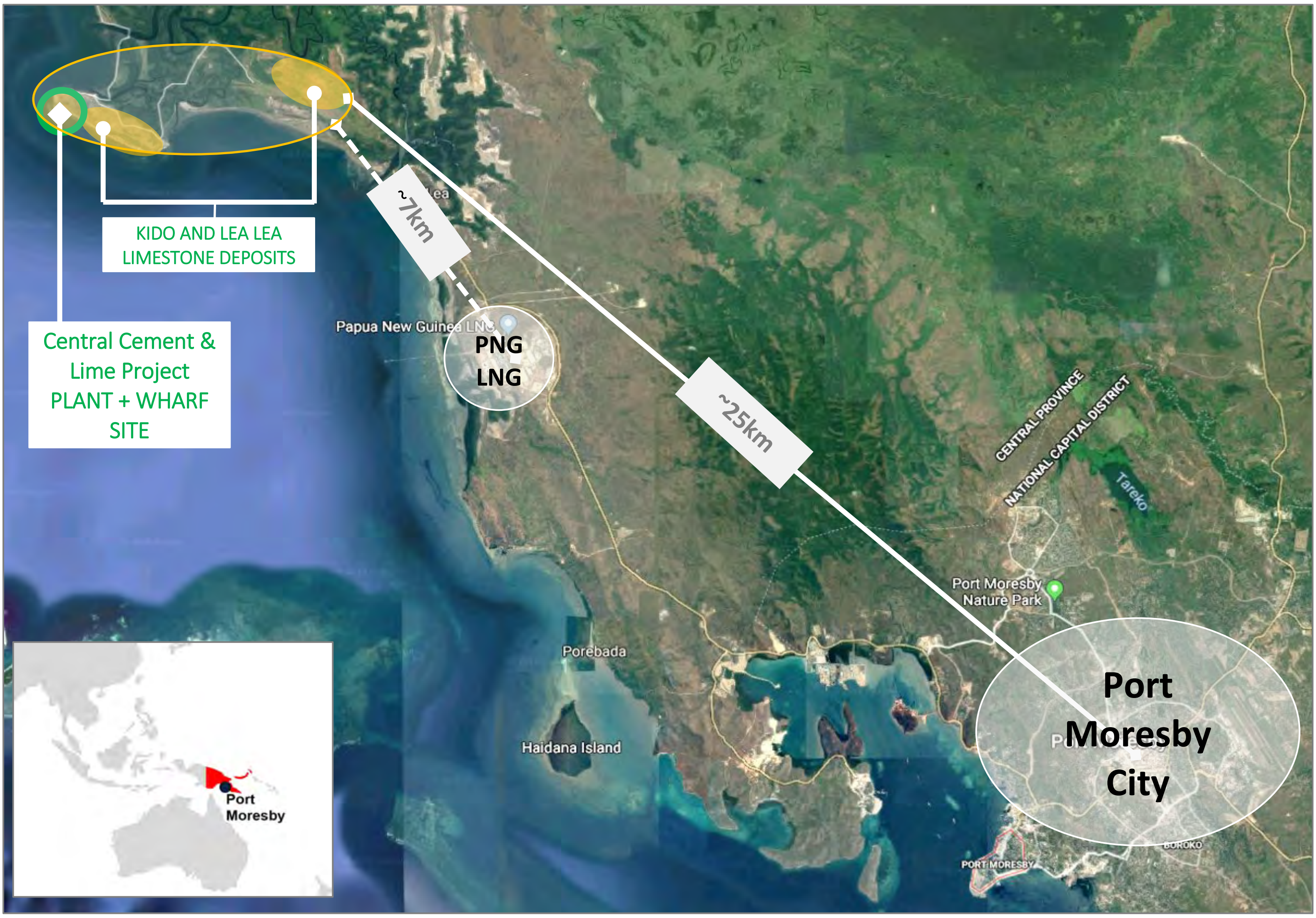
Mayur is advancing a new low-cost, coastally located, world class cement and lime manufacturing plant for PNG and nearby export markets.

The Central Cement and Lime (CC&L) project is an advanced greenfield project which involves the quarrying of extensive limestone deposits and the downstream production of clinker, cement and quicklime for both domestic and export markets. The project is located 25km north of the national capital, Port Moresby, and 7km from the Exxon PNG LNG Refinery.

A dedicated power station and purpose-built marine wharf facility adjacent to the proposed plant site will support the project by providing reliable power and logistics for the operations. The project comprises two large high-grade limestone deposits at Kido and Lea Lea, with 90 years of measured resource to retain optionality for future expansion. It is strategically located to provide a distinct competitive advantage to supply the domestic market in PNG and the east coast Australian market.

A Definitive Feasibility Study (DFS) was completed by the company in early 2019 that incorporated the outputs from an Engineering, Procurement and Construction (EPC) tender process and other project engineering and development activities.

Having delineated a maiden limestone JORC resource in early 2018, the DFS was subsequently completed within just 12 months,



and released in January 2019. This DFS included a maiden mining JORC Reserve that underwrote the resource inventory required for the life of the project. The key financial outputs of the DFS are summarised in the table below.

CC&L Project DFS Outcomes	
Estimated Life of Project (LOP)	30 years
Project CAPEX	US$331 m
Post-tax NPV (9%) Real, ungeared	US$352 m
Internal Rate of Return ungeared (IRR)	23.9 %
Project payback	5.2 years

The CC&L Project, underpinned by a huge high-grade Resource and Reserve, is now clearly the company's flagship project as demonstrated by the outputs from the DFS economics and the potential of the resource to support a multi-generation cement and lime industry for PNG and its near neighbours.

The project has the potential to be a game changer for both PNG and Mayur. It comprises a low-cost quartile[1], long life (multi-decade) industrial manufacturing facility located on the coast adjacent to deep water and advantageously positioned to serve PNG's expanding cement and lime industry, other Pacific nations and east coast Australia which has a growing demand for cementitious imports.

[1] *Refer to ASX release dated 24 January 2019 – DFS Completed for CC&L Project in PNG. The company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

An Environment Permit has been obtained for the project, and a Mining Lease (ML) application was lodged with the Mineral Resources Authority (MRA) in June 2019. This ML application represents the final key milestone in the statutory permitting and approvals process for the project to be shovel-ready. The next steps to enable a Financial Investment Decision (FID) are also underway, including EPC finalisation, product offtake agreements and procuring strategic partner/finance for the project

As a recap our key achievements for the CC&L over the financial year include:

- Completed DFS (including EPC tender for the integrated quarry, clinker/cement and lime plant).
- Secured 25-year Environmental Permit for the project.
- Secured full written support from the Central Governor for the project.
- Compiled detailed land ownership study following extensive community engagement activities.
- Progressed product offtake negotiations both in PNG and Australia for the clinker, cement and quicklime products.
- Submitted Mining Lease application to the Mineral Resources Authority (MRA) - the final key milestone in the statutory permitting and approvals process for the project to be "shovel" ready[2] .
- Commenced project finance (debt and equity) process with Morgans/KPMG appointed as lead advisors.

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[2] *Refer to ASX release dated 3 July 2019 – Mining Lease application lodged*

Industrial Mineral Sands

Orokolo Bay Industrial Sands Project

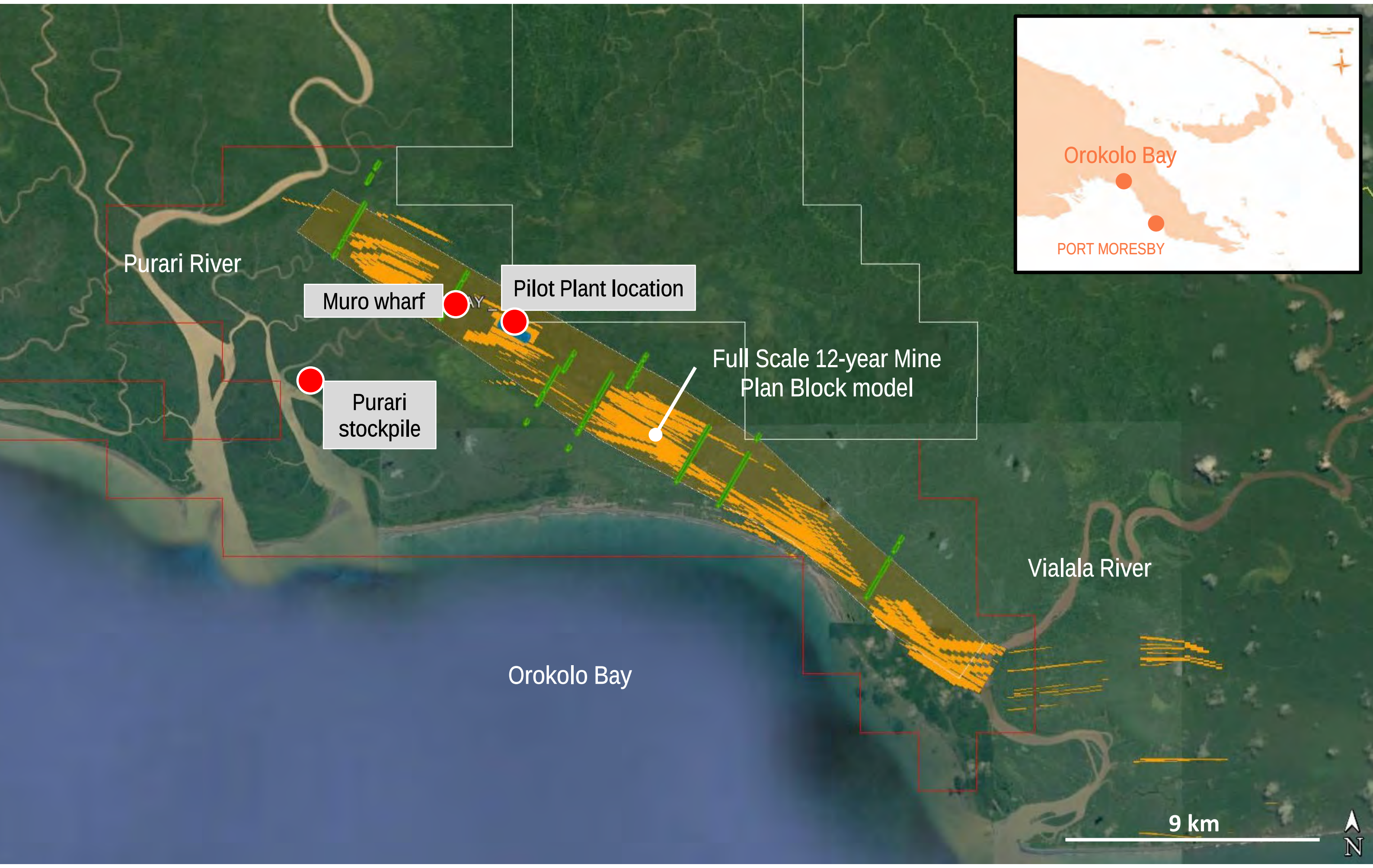
The Orokolo Bay Industrial Sands Project consists of a mineral sands resource that can be developed via a relatively simple onshore, surface sand mining and processing operation. This involves magnetic and gravity circuits to extract a number of end products including titano-magnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.

The transaction with China Titanium Resources Holdings (CTRH) completed in January 2019, has provided the company with both a funding and operational delivery solution for the project[1]. As our development partner, CTRH bring considerable expertise and the transaction enables them to earn up to 49% of the company's wholly owned subsidiary that in turn owns the Orokolo Bay Project and the wider industrial sands portfolio.

The deal with CRTH has enabled Mayur to retain control and 51% of the 'Future Economics' of the project without the need to seek additional funding or diluting company shareholders.

The final design of the Orokolo Bay pilot plant continues to progress well with a detailed construction design package well advanced. This will be procured by CTRH and then early works and construction are due to commence in late 2019, subject to receipt of requisite regulatory approvals.

We have continued to work on the product offtake with several agreements signed during the year and also with the Mineral Resources Authority (MRA), Provincial Government and the local communities to bring this operation into reality.



1 Refer to ASX release dated 7 January 2019 – Transaction completed with CTRH

Below is a summary of the key achievements over the year at our Orokolo Bay Project:

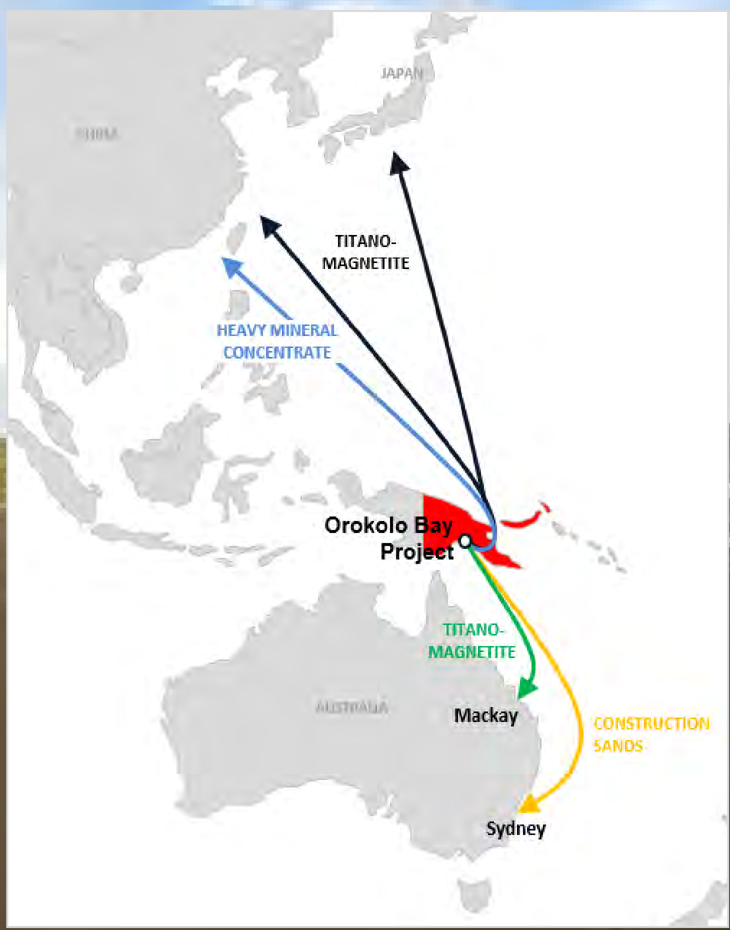
- Completed the transaction with CTRH.
- Completed a 250-hole drill program for a bulk sample pit.
- Designed bulk sample plant.
- Started DFS in-fill drilling programs.
- Signed Letters of Intent for product offtake[1]
- Secured a Life of Mine Environmental Permit.
- Signed binding offtake agreement for magnetite[2]

Amazon Bay Industrial Sands Project

Concerning the wider mineral sands portfolio, the successful recent granting of Amazon Bay EL2556 in Milne Bay province, also constitutes an exciting addition to the portfolio with significant potential for vanadium-rich titano-magnetite.

Given the large amount of historic work that has been undertaken by previous explorers at Amazon Bay over many years, we see this as an 'advanced exploration project' bringing synergies with Orokolo Bay. Previous exploration focused on Amazon Bay as a magnetite resource without fully pursuing its titanium and significant vanadium potential. This project will allow Mayur to further grow its vanadium titano-magnetite mineral inventory and target the opportunity to serve the growing global demand for vanadium. Vanadium is both a key ingredient for steel strengthening and large-scale energy storage (i.e. Vanadium Redox Batteries) for the renewable energy sector such as solar power and wind farms.

Amazon Bay provides Mayur the opportunity to potentially participate in the rapidly growing energy storage sector. Given this, we have reviewed our iron tenement portfolio to prioritise our targets and thus ultimately rationalise the number of mineral sands exploration licences held. We still wish to provide a long-term pipeline of future mineral sands project targets with a particular initial focus on progressing Orokolo Bay into production and to fully assess the vanadium potential at Amazon Bay.



[1] *Refer to ASX release dated 16 July 2018*

[2] *Refer to ASX release dated 13 March 2019*

Power Generation

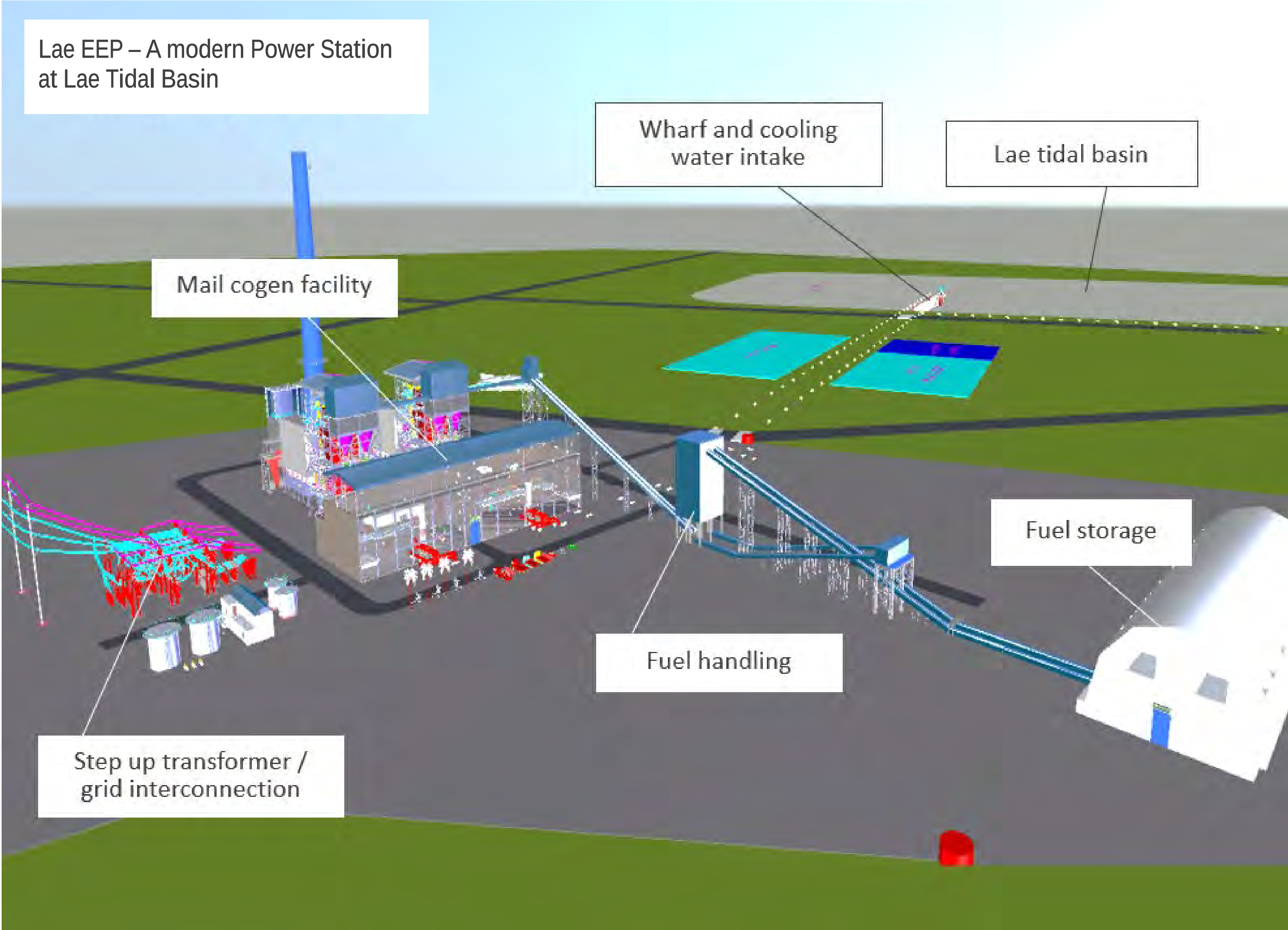
Lae Enviro Energy Park (EEP) Power Project

PNG continues to suffer from chronic power generation problems in terms of cost and reliability, and this is particularly acute in Lae with regular black / brown outs.

Mayur's proposed 52.5MW Enviro Energy Park in Lae, which will be an integrated, solar, biomass woodchip, and coal plant, will address the town's power shortages (including reliance on high cost, environmentally damaging diesel and heavy fuel oil generated power) and also assist PNG in meeting its electrification target of 70% by 2030 while also providing steam bypass for industrial users. The project has already received significant support from the Governors of both Gulf and Morobe Provinces, as well as numerous other Ministers.

The Lae EEP project is another high impact project we are developing for PNG where we saw an immediate need and have subsequently delivered a technically robust and commercially sound solution in response to a real problem for the country.

After being invited by PNG Power to submit a Power Purchase Agreement (PPA) proposal in 2015, Mayur responded expeditiously and submitted a PPA in March 2016. In parallel with this Mayur worked with PNG Ports to secure a 27-hectare site for the project at the new world class Lae Western Tidal Basin port development (where we have the full support in writing from the PNG Ports Board). Since 2016 Mayur has also submitted several variations to refine the proposal and provide a lowest cost power tariff to PNG Power.



Importantly Mayur has also demonstrated the environmental credentials of the project, including independent studies to show how Lae's ambient air quality will be improved via replacing the current prolific use of diesel and HFO for power generation. This will result in a 97% reduction in sulphuric oxides (SOx), 72% reduction in nitrogen oxides (NOx), 85% reduction in particulate matter emissions plus a net reduction in carbon dioxide (CO_2) greenhouse gas emissions compared to the current state. Climate change movements such as the Paris Agreement, to which PNG is a signatory, are not anti-carbon but rather focussed on reducing emissions. Our project will deliver on this objective by replacing the prolific use of high cost, high polluting heavy fuel oil being predominantly burned for power generation. We also see the project as a key enabler for the longer-term development of a broader energy mix in the Ramu power system including renewable energy sources. The project will introduce a new reliable fuel source for power generation on the Ramu power system which is currently reliant on only one or two energy sources.

While we have not been able to advance the project within PNG Power according to our desired schedule, the project is construction-ready, we have sought updated EPC bids and support from industry and all levels of government remains strong.

Our key achievements over the year include:

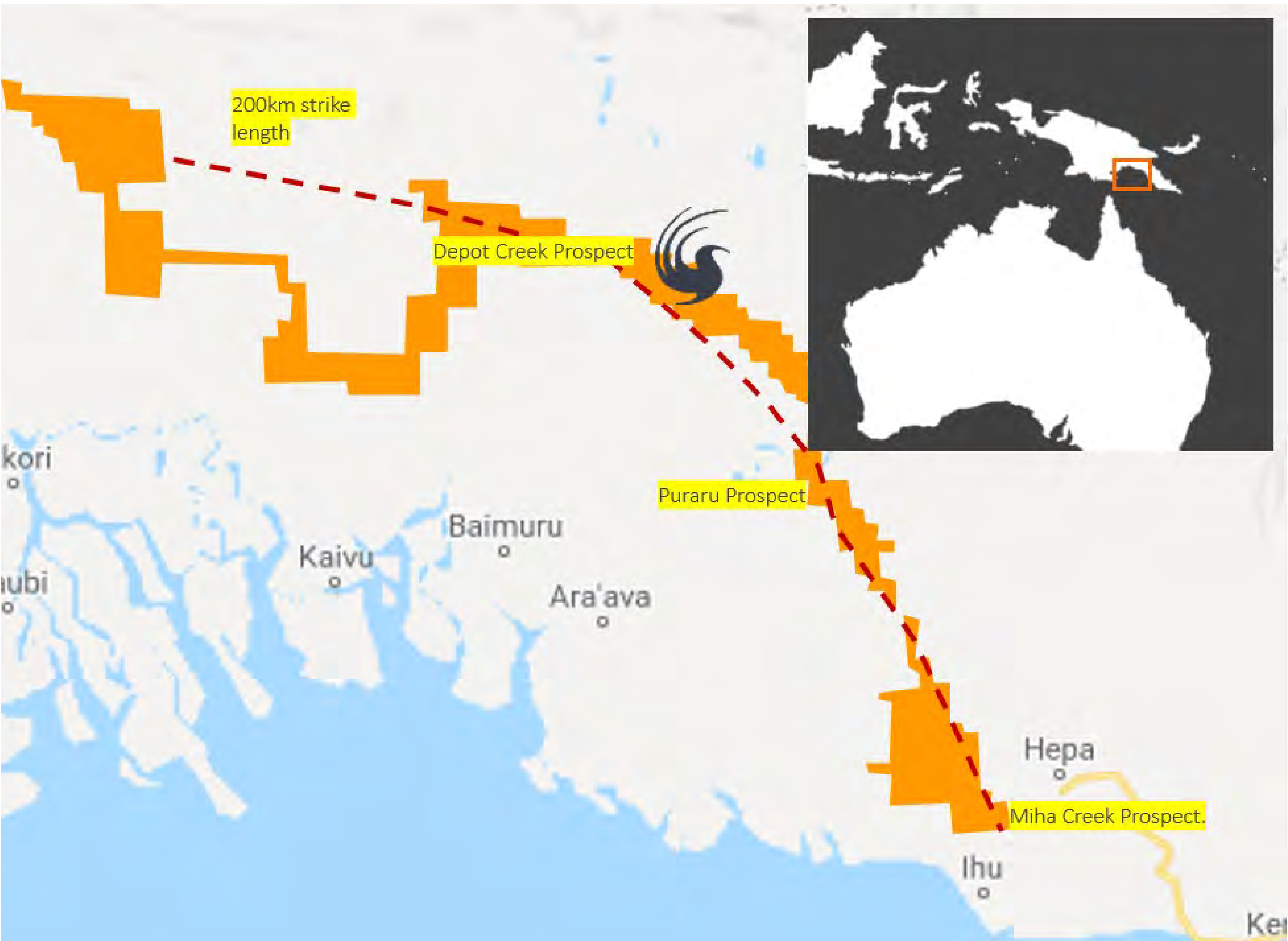
- Continuous dialogue with all government and industry stakeholders.
- Completed detailed air modelling studies demonstrating our proposed technology will drastically improve the current air quality in Lae in terms of NOx, SO_2 and particulate matter emissions (versus the use of diesel / HFO).
- Signed a MOA with Morobe Provincial Government to support the power station's development.
- Signed a MOA with Gulf Provincial Government to support the development of the Gulf Coal resources to vertically integrate into the Lae EEP.
- Provided PNG Power with formal variations to our PPA proposal relating to requested price tariff reduction initiatives.
- Continued intensive stakeholder management and engagement for the Lae EEP Power Purchase Agreement (PPA).
- Signed MOA between Kumul Petroleum Holdings Limited and Mayur Power Generation PNG Limited in the establishment of a 50/50 joint venture for the development of PNG Energy Generation Solutions - opportunities using Kumul's own gas sources and the provision of domestic market obligation gas via the agreement recently signed between PNG Government and Papuan LNG.

Coal Projects

Developing a new frontier for coal in Asia.

Mayur has pioneered coal exploration in PNG and holds a prospective tenement portfolio in Gulf Province, with a focus on the Depot Creek Project. As a follow up to the extensive field mapping and sampling program completed during the year to the south east and north west of the Depot Creek resource, we are now ready to progress to an infill and resource extension drilling program. Whilst our coal exploration activities are somewhat linked to our Lae Power Project, successful conversion of the resource to reserves will also enable the coal to be used as a fuel source for our Central Cement and Lime Project and/or for export markets. We are keen to see PNG benefit from the responsible and sustainable use of its own domestic coal energy resources, to replace the current reliance on imports of expensive and more polluting diesel and heavy fuel oils.

Despite the sentiment in the developed world, coal still has a fundamental role to play in providing cheap, reliable power throughout Asia and beyond. Moreover, the 52.5MW Lae EEP would only require approximately 300,000 tonnes of coal per annum – on the global scale it would be a relativity miniscule sized coal mining operation, when Australia produces around 300 million tonnes per annum and the world's largest coal miner (Coal India) produces around 600 million tonnes per annum. There is no denying the rapid rise in use of renewables in global power generation but coal will continue to provide fundamental base load power for the majority of the world's population.



We are therefore continuing to develop our coal projects and look forward to further drilling and resource definition in 2019/20.

Our key achievements over the year include:

- Secured Environmental Permit for coal bulk sample at Depot Creek (EL1875) – the first in PNG[1]
- Completed successful regional coal mapping and sampling program.
- Completed further field mapping and surface coal outcrop sampling across the coal exploration portfolio in Gulf Province[2].
- Signed non-binding Letter of Intent for coal offtake[3].
- Set up infill resource/reserve delineation drilling program for execution in 2019/20.

[1] Refer to ASX release dated 18 June 2018 – Bulk Sample Permit Granted

[2] Refer to ASX release dated 18 June 2018 – Successful coal mapping completed The Company is not aware of any new information or data that materially affects the information contained in the above announcements

[3] Refer to ASX release dated 16 October 2018

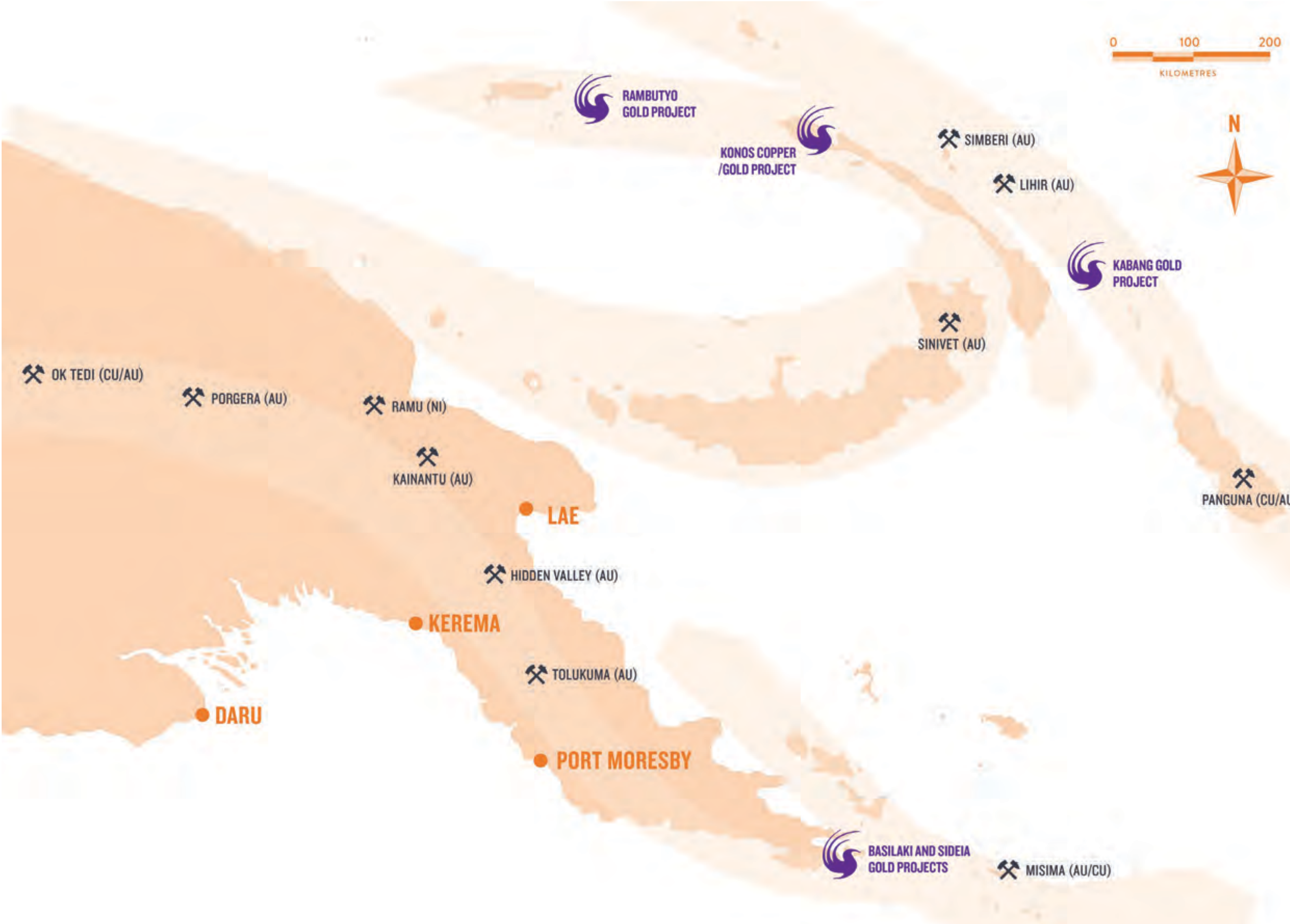
Copper & Gold Exploration

Since Mayur's IPO in 2017 we have completed a diamond drill program on Basilaki Island with a joint venture funding partner. Although the results looked encouraging, the grades were not sufficient to warrant further exploration on this specific target.

However, there are still a number of other targets on the Sideia /Basilaki Islands exploration licence that we continue to assess. We have also acquired additional copper/gold assets in the highly prospective Lihir, and New Ireland volcanic arcs and we are in active discussions with potential strategic funding partners to progress further exploration programs on these projects.

Our key achievements over the year for the copper gold portfolio include:

- Extended letter agreement with developer for Basilaki Project (EL2095).
- Completed diamond drill program completed at Basilaki Project.
- Flew airborne magnetic survey across Sideia Island (EL2095) Project in Milne Bay province.
- Completed pre-mobilisation for Feni Project drilling program.
- Secured new Rambutyo Exploration Licence (EL2594), a greenfield porphyry gold and possible collapsed caldera deposit at two major intersecting geological structures.
- Secured the Konos Exploration Licence in New Ireland (EL2591) a prospective greenfield copper-gold porphyry/skarn exploration project and completed a first pass field mapping and sampling exploration program.



Corporate Activities

2019 Fund Raising

At the company's IPO on 21 September 2017 a combination of loyalty options, advisor options and loan funded shares were issued as a mechanism to bring in additional future funding into the company whilst rewarding those that participated in the IPO.

In July 2019, the company entered into an underwriting agreement with Morgans Corporate Limited to underwrite the exercise of 12.189 million unlisted Loyalty Options and 1.337 million advisor options (together 'Unlisted Options') which expire on 21 September 2019 at $0.56, to raise $7.575 million.

In addition to the above, the company raised a further $2.1 million via a Placement to institutional and sophisticated investors to raise approximately $1.5 million together with the repayment of loans outstanding to the company for 1.5 million loan funded shares to raise a further $600,000.

The above equates to a total of $9.7 million and provides a fully funded pathway to pursue various key project outcomes within FY2019/20.

Acquisition of Minority Interests in Power and Coal subsidiaries

In June 2019, the company executed an agreement to acquire the remaining minority shareholdings of both Mayur Energy and Mayur Power Generation via a roll up share allocation taking MRL's interest to 100% ownership.

The transaction which was completed in October 2019, consolidates consolidates the corporate structure and now takes MRLs ownership of its power and energy subsidiaries to 100%. The power and energy subsidiaries include the company's coal exploration licence portfolio in Gulf Province and the Lae EEP Power Station Project.

Tenement List

As at 30 June 2019 the Company had interests in the following tenements, all located in Papua New Guinea:

Asset number	EL nr	Province	Commodity focus	Ownership	Km^2
1	2095*	Milne Bay	Copper / Gold	100%	75
2	2096*	New Ireland	Copper / Gold	100%	95
3	2594	Manus	Copper / Gold	100%	522
4	2591	New Ireland	Copper / Gold	100%	252
5	2150*	Gulf	Industrial Mineral Sands	100%^	307
6	2266	Gulf	Industrial Mineral Sands	100%^	634
7	2267*	Gulf	Industrial Mineral Sands	100%^	1,279
8	2268*	Gulf	Industrial Mineral Sands	100%^	1,279
9	2269	Western	Industrial Mineral Sands	100%^	638
10	2297*	Gulf	Industrial Mineral Sands	100%^	1,279
11	2304	Gulf	Industrial Mineral Sands	100%^	269
12	2305	Gulf	Industrial Mineral Sands	100%^	259
13	2556	Milne Bay	Industrial Mineral Sands	100%^	1,408
14	2303	Central	Limestone	100%	256
15	1873	Gulf	Coal	100%^^	256
16	1874	Gulf	Coal	100%^^	256
17	1875	Gulf	Coal	100%^^	314
18	1876	Gulf	Coal	100%^^	317

*Exploration Licence list (*ELs currently under renewal; ^all industrial mineral sands ELs are subject to the JV farm in deal with CTRH; ^^ 100% following acquisition per ASX announcement dated 25 June 2019)*

JORC Resources

2018/2019

Central Cement & Lime Project

As at 30 June 2018 – Mineral Resources

Measured Mineral Resources Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Measured	52%	61,000,000	53.4	0.6	1.65
Kido	Measured	52%	144,000,000	53.6	0.62	1.77
Total	Measured	52%	205,000,000*	53.5	0.61	1.73

Indicated Mineral Resource Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Indicated	50%	117,000,000	51.8	0.9	2.7
Kido	Indicated	50%	11,000,000	51.5	0.6	1.1
Total	Indicated	50%	128,000,000	51.8	0.9	2.6

Inferred Mineral Resource Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Inferred	48%	7,000,000	48.1	1.1	2.5
Kido	Inferred	48%	42,000,000	48.4	1.0	1.8
Total	Inferred	48%	49,000,000	48.3	1.0	1.9

As at 30 June 2019 – Mineral Resources

Measured Mineral Resource Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Measured	52%	61,000,000	53.4	0.6	1.65
Kido	Measured	52%	144,000,000	53.6	0.62	1.77
Total	Measured	52%	205,000,000*	53.5	0.61	1.73

Indicated Mineral Resource Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Indicated	50%	117,000,000	51.8	0.9	2.7
Kido	Indicated	50%	11,000,000	51.5	0.6	1.1
Total	Indicated	50%	128,000,000	51.8	0.9	2.6

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
East Lea Lea Correctives	Indicated	-	14,000,000	1	13.6	74

Inferred Mineral Resource Estimate

Area	Category	CaO cut off %	Tonnes	CaO %	Al_2O_3 %	SiO_2 %
Lea Lea	Inferred	48%	7,000,000	48.1	1.1	2.5
Kido	Inferred	48%	42,000,000	48.4	1	1.8
Total	Inferred	48%	49,000,000	48.3	1	1.9

Central Cement & Lime Project (continued)

As at 30 June 2019 – Ore Reserves

			CaO	Al_2O_3	Fe_2O_3	K_2O	MgO	Na_2O	SiO_2	LOI
Area	Reserves	Million tonnes	%	%	%	%	%	%	%	%
Kido	Probable	45	54	0.5	0.3	0.04	0.4	0.2	1.3	43
Lea Lea	Probable	33	44	4.5	3	0.3	2.2	0.3	9.5	36
Total		78								

Orokolo Bay Industrial Sands Project

As at 30 June 2018 – Mineral Resources (no change as at 30 June 2019)

Western		Fe cut off 5.25%	
Category	Million tonnes	DTR%	DTR Million Tonnes
Indicated	23.8	6.7	1.6
Inferred	115.4	5.3	6.1
Total	139.2	5.57	7.7

Eastern		Fe cut off 7%	
Category	Million tonnes	DTR%	DTR Million Tonnes
Indicated	7.0	5.7	0.40
Inferred	26.5	5.2	1.0
Total	33.5	5.32	1.4

Kabang (Feni) Project

As at 30 June 2018 – Mineral Resources (Inferred) (no change as at 30 June 2019)

Mineral Zone	Million tonnes	Au g/t	Au Mozs
Domain 2	19.9	1.0	0.65

Depot Creek Coal Project

As at 30 June 2018 – Mineral Resources (Inferred) (no change as at 30 June 2019)

Depth (m)	Mt (in-situ)	RD % (g/cc) adb	RD (g/cc) in-situ	IM% (adb)	Ash% (adb)	VM% (adb)	FC% (adb)	TS% (adb)	CV kcal/ kg (gar)
0-50	6.2	1.39	1.37	20.74	7.92	37.96	33.38	0.50	4720
50-100	3.6	1.40	1.38	20.40	9.44	37.28	32.88	0.61	4656
100-150	1.6	1.39	1.37	21.05	7.89	37.15	33.90	0.58	4729
150-200	0.01	1.36	1.35	22.48	4.53	37.46	35.53	0.39	4845
Total	11.5	1.40	1.37	20.77	8.02	37.75	33.46	0.54	4720

Competent Persons Statement

Statements contained in this Annual Report relating to Mineral Resource estimates for the Port Moresby Lime and Aggregate Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Rod Huntley, who is a member of the Australian Institute of Geoscientists). Mr. Huntley has sufficient and relevant experience (including PNG) that specifically relate to the style of mineralisation. Mr Huntley qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Huntley is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Huntley takes responsibility for the form and context in which this initial Mineral Resource Estimate prepared for the Port Moresby Lime and Aggregate Project appears.

Statements contained in this Annual Report relating to Mineral Resource estimates for the Orokolo Bay Industrial Sands Project and the Feni Gold project are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Orokolo Bay Project and Feni Gold appears.

Statements contained in this Annual Report relating to Mineral Resource estimates for the Depot Creek Coal Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Neill Biggs, who is a member of the Australian Institute of Geoscientists. Mr. Biggs has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Biggs qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Biggs is an employee of Resolve Geo Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Biggs takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.

Consolidated Financial Statements

MAYUR RESOURCES LTD
(Co. Reg. No. 201114015W)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 June 2019

CONTENTS

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Mayur Resources Ltd (the 'Company'), and its subsidiaries (collectively the 'Group') and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2019.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 10 to 54 are drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Robert Charles Neale
Paul Levi Mulder
Timothy Elgon Saville Crossley
Frank Terranova
Lu Kee Hong (appointed 25 September 2018)

In accordance with Article 91 of the Company's Articles of Association, Messrs Hong and Crossley retire and, being eligible, offer themselves for re-election.

The following persons served as directors during the financial year but are not serving as directors as at the date of this statement:

Paul McTaggart (resigned 31 January 2019)
Lee Wei Hsuing (resigned 25 September 2018)

Arrangements to enable directors to acquire shares and debentures

Except as described below, neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The Company has established a shared-based Employee Incentive Plan (EIP) to assist in the motivation, retention and reward of contractors and employees. The EIP is designed to align the interests of executives and senior management with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in the Company.

The EIP permits the grant of the following types of awards:

- performance rights;
- options; and
- loan funded shares.

(collectively referred to as "awards")

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT (continued)

Arrangements to enable directors to acquire shares and debentures (continued)

During the year ended 30 June 2019, the Company issued the following awards under the EIP:

	Number issued	*Exercise Price*
Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) (i)	1,278,945	Nil
Long term incentive rights (ii)	2,550,000	Nil
Loan funded shares (iii)	1,675,000	Nil
Long term incentive rights not subject to vesting conditions (iv)	90,000	Nil

(i) Salary sacrifice rights

Performance rights are granted to non-executive directors, employees and contractors to receive shares in respect of a portion of their agreed remuneration. Each performance right will entitle the holder to receive one share. The performance rights vest annually over four equal instalments and can be exercised for no consideration at any time after being granted but prior to the expiry date of the rights.

The number of performance rights to be issued at each grant date is determined by dividing the salary amount to be paid in the form of performance share rights divided by the prevailing share price.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in salary sacrifice rights of the Company as stated below:

	Salary sacrifice rights registered in the name of directors	
Name of directors	**At 1.7.2018**	**At the date of this statement**
Paul Levi Mulder	320,103	669,631
Timothy Elgon Saville Crossley	165,452	508,146

(ii) Long term incentive rights

Performance rights are also offered as part of a Long-Term Incentive Plan to employees, executive and non- executive directors, contractors, and consultants, to acquire shares in the Company. The rights will vest subject to the relevant performance measures being met and the participant remaining employed.

The performance rights have a $nil exercise price and an expiry date of 5 years from the grant date and are subject to the following vesting conditions that will be measured over a vesting period of three years from the date the Shares were first quoted on the Australian Stock Exchange ("ASX").

- **Tranche 1 (50% weighting):** For Tranche 1 Awards to vest, the Share price at any time within the three-year vesting period must be at a price 50% above the initial public offering price for the volume-weighted average price (VWAP) period for 10 days. The Tranche 1 performance rights were fully vested as at 30 June 2019;

- **Tranche 2 (25% weighting):** For Tranche 2 Awards to vest, the Delivery Engineering and Project Development Milestones as outlined in the Prospectus must be achieved within the vesting period. The vesting condition for the Tranche 2 performance rights had not been satisfied as at 30 June 2019; and

- **Tranche 3 (25% weighting):** For Tranche 3 Awards to vest, there must be a material uplift to geological resource and reserve delineation as outlined in the Prospectus within the vesting period. The Tranche 3 performance rights were fully vested as at 30 June 2019.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT (continued)

Arrangements to enable directors to acquire shares and debentures (continued)

(ii) Long term incentive rights (continued)

Should any of the Vesting Conditions not be met, the Awards related to that specific Tranche will lapse and be forfeited.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in long term incentive sacrifice rights of the Company as stated below:

	Long term incentive rights registered in the name of directors	
Name of directors	**At 1.7.2018**	**At the date of this statement**
Paul Levi Mulder	3,000,000	3,000,000
Timothy Elgon Saville Crossley	1,125,000	1,925,000

(iii) Loan funded shares

During the year the Company issued loan funded shares to eligible employees (including employees, executives and contractors) selected by the Board.

Pursuant to the terms of the Employee Incentive Plan, employees are granted an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan is limited recourse so that at any time the employee may divest their Shares in full satisfaction of the loan balance.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in long term incentive sacrifice rights of the Company as stated below:

	Loan funded shares in registered in the name of directors	
Name of directors	**At 1.7.2018**	**At the date of this statement**
Frank Terranova	1,125,000	1,125,000
Timothy Elgon Saville Crossley	1,125,000	1,925,000

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT (continued)

Directors' interests in shares, options and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in shares of the Company as stated below:

	Number of ordinary shares			
	Shareholdings registered in the name of directors		Shareholdings in which a director is deemed to have an interest	
Name of directors	**At 1.7.2018**	**At the date of this statement**	**At 1.7.2018**	**At the date of this statement**
Robert Charles Neale	149,228	149,228	150,000	150,000
Paul Levi Mulder	223,829	304,834	58,885,714	58,885,714
Timothy Elgon Saville Crossley	1,130,000	1,930,000	1,702,968	1,702,968
Frank Terranova	1,125,000	1,125,000	-	-

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in options of the Company as stated below:

	Number of options			
	Options registered in the name of directors		Options in which a director is deemed to have an interest	
Name of directors	**At 1.7.2018**	**At the date of this statement**	**At 1.7.2018**	**At the date of this statement**
Robert Charles Neale	74,614	74,614	75,000	75,000
Paul Levi Mulder	3,000,000	3,000,000	-	-
Timothy Elgon Saville Crossley	2,500	2,500	624,375	624,375

Except as disclosed in the above tables, there was no change in any of the above-mentioned interests in the Company between the end of the financial year and the date of this statement.

Except as disclosed in this report, no director who held office at the end of the financial year had an interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (ARCC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the external auditors of the Group and the Company, and the assistance given by the Group and the Company's management to the external auditors.
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARCC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT (continued)

Audit, Risk and Compliance Committee (continued)

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the ARCC to the board of directors with such recommendations as the ARCC considered appropriate.

The ARCC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The ARCC convened two meetings during the year with full attendance from all members. The ARCC has also met with the external auditors, without the presence of the Company's management, at least once a year.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Paul Levi Mulder
Director
27 September 2019

Frank Terranova
Director
27 September 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mayur Resources Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 10 to 54, which comprise the balance sheets of the Group and of the Company as at 30 June 2019 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
Impairment of exploration and evaluation expenditure	
Refer to Notes 2(p), 3 and 10 to the financial statements	
The Group is involved in exploration and evaluation activities with a focus on Industrial Minerals, Copper/Gold and Coal. The Group has exploration licences and prospective projects in Papua New Guinea. Exploration and evaluation expenditure totalling A$28,983,036 as disclosed in Notes 3 and 10 represent a significant balance recorded in the consolidated balance sheet. *SFRS(I) 6 Exploration for and Evaluation of Mineral Resources* requires the exploration and evaluation assets to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. As described in Note 3 to the financial statements, management performed assessment of potential indicators of impairment at 30 June 2019 in accordance with the accounting policy disclosed in Note 2(p) which required management to make certain estimates and assumptions as to future events and circumstances.	Our procedures included, amongst others: ▪ Evaluating the Group's accounting policy to ensure the policy complies with the requirements of *SFRS(I) 6 Exploration for and Evaluation of Mineral Resources;* ▪ Obtained an understanding of the status of ongoing exploration programmes and future intentions for the areas of interest, including future budgeted spend and related work programmes; ▪ Enquired of management and reviewed ASX announcements and minutes of directors' meetings to ensure the group had not decided to discontinue exploration and evaluation at its areas of interest; ▪ Considered the directors' assessment of potential indicators of impairment; ▪ Verified a sample of additions to the Group's exploration and evaluation assets during the financial year ended 30 June 2019 to support evidence of activities carried out; and ▪ Verified that each exploration licence remains valid in respect of each tenement through the review of official government documentation. We also assessed adequacy of the related disclosures made in Note 10 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 5, which we obtained prior to the date of this auditor's report, and the information included in the Annual Report for the financial year ended 30 June 2019 but does not include the directors' statement, the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in that regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Khor Boon Hong.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

27 September 2019

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 30 June 2019

	Note	Group 2019 A$	2018 A$
Revenue and other income	4	**125,813**	123,290
Less: expenses			
Impairment of exploration and evaluation expenditure	10	–	(702,332)
Consultants and contractors		**(754,959)**	(686,895)
Professional fees		–	(33,798)
Other cost related to initial public offering		–	(277,518)
Auditors' remuneration	5	**(156,004)**	(180,666)
Depreciation expense		**(19,136)**	(18,160)
Foreign exchange losses		**(39,704)**	(61,560)
Remuneration expenses		**(372,706)**	(410,468)
Insurance		**(97,892)**	(130,935)
Listing and share registry expenses		**(105,906)**	(47,843)
Operating lease rentals		**(286,129)**	(179,605)
Investor and public relations expense		**(203,923)**	(116,688)
Travel expenses		**(342,893)**	(201,202)
Other operating expenses		**(388,752)**	(227,511)
Share-based payments expense	17	**(666,359)**	(1,569,034)
Loss before income tax expense		**(3,308,550)**	(4,720,925)
Tax expense	7	–	–
Loss for the year		**(3,308,550)**	(4,720,925)
Other comprehensive income for the year, net of tax		–	–
Total comprehensive loss for the year		**(3,308,550)**	(4,720,925)
Loss for the period attributable to:			
- Owners of the Company		**(3,295,739)**	(4,713,215)
- Non-controlling interests		**(12,811)**	(7,710)
		(3,308,550)	(4,720,925)
Total comprehensive loss for the period attributable to:			
- Owners of the Company		**(3,295,739)**	(4,713,215)
- Non-controlling interests	11	**(12,811)**	(7,710)
		(3,308,550)	(4,720,925)
Basic and diluted loss per share attributable to owners of the Company (cents per share)	8	**(2.20)**	(3.65)

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
At 30 June 2019

	Note	30 June 2019 A$	Group 30 June 2018 A$	1 July 2017 A$
Non-current assets				
Property, plant and equipment	9	**2,118,410**	1,944,016	489,374
Exploration and evaluation expenditure	10	**28,983,036**	20,496,395	13,617,232
Total non-current assets		**31,101,446**	22,440,411	14,106,606
Current assets				
Cash and cash equivalents	12	**2,799,951**	12,533,142	501,879
Other receivables	13	**148,165**	261,000	195,657
Total current assets		**2,948,116**	12,794,142	697,536
Total assets		**34,049,562**	35,234,553	14,804,142
Current liabilities				
Trade and other payables	14	**2,199,554**	3,545,430	3,476,423
Amount due to shareholders	15	–	256,619	1,256,619
Total current liabilities		**2,199,554**	3,802,049	4,733,042
Total liabilities		**2,199,554**	3,802,049	4,733,042
Net assets		**31,850,008**	31,432,504	10,071,100
Equity				
Equity attributable to owners of the Company				
Share capital	16	**36,976,495**	36,667,443	2,038,237
Reserve	17	**2,720,951**	(696,051)	2,082,586
Retained earnings		**(8,564,346)**	(5,268,607)	(555,392)
		31,133,100	30,702,785	3,565,431
Non–controlling interests	11	**716,908**	729,719	6,505,669
Total equity		**31,850,008**	31,432,504	10,071,100

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

BALANCE SHEET
At 30 June 2019

	Note	**30 June 2019**	Company 30 June 2018	1 July 2017
		A$	A$	A$
Non-current assets				
Investments in subsidiaries	11(b)	**10,770,146**	10,770,146	1,818
Total non-current assets		**10,770,146**	10,770,146	1,818
Current assets				
Cash and cash equivalents	12	**2,143,602**	10,220,788	400,720
Other current assets	13	**116,303**	223,001	195,657
Receivables from related parties	19	**22,857,183**	15,195,223	5,046,853
Total current assets		**25,117,088**	25,639,012	5,643,230
Total assets		**35,887,234**	36,409,158	5,645,048
Current liabilities				
Trade and other payables	14	**1,716,283**	2,868,917	3,476,423
Amount due to shareholders	15	–	256,619	1,256,619
Total current liabilities		**1,716,283**	3,125,536	4,733,042
Total liabilities		**1,716,283**	3,125,536	4,733,042
Net assets		**34,170,951**	33,283,622	912,006
Equity				
Equity attributable to owners of the Company				
Share capital	16	**36,976,495**	36,667,443	2,038,237
Reserve	17	**6,984,113**	3,567,111	2,082,586
Retained earnings		**(9,789,657)**	(6,950,932)	(3,208,817)
Total equity		**34,170,951**	33,283,622	912,006

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2019

GROUP 2019	Share capital A$	Reserves A$	Retained earnings A$	Non-controlling interests A$	Total Equity A$
Balance as at 1 July 2018	36,667,443	(696,051)	(5,268,607)	729,719	31,432,504
Loss for the year	–	–	(3,295,739)	(12,811)	(3,308,550)
Total comprehensive income for the year	–	–	(3,295,739)	(12,811)	(3,308,550)
Transactions with owners in their capacity as owners:					
Shares issued pursuant to the exercise of options	309,052	–	–	–	309,052
Share based payments	–	3,417,002	–	–	3,417,002
Total transactions with owners in their capacity as owners	309,052	3,417,002	–	–	3,726,054
Balance as at 30 June 2019	**36,976,495**	**2,720,951**	**(8,564,346)**	**716,908**	**31,850,008**

GROUP 2018	Contributed equity A$	Reserves A$	Retained earnings A$	Non-controlling interests A$	Total Equity A$
Balance as at 1 July 2017	2,038,237	2,082,586	(555,392)	6,505,669	10,071,100
Loss for the year	–	–	(4,713,215)	(7,710)	(4,720,925)
Total comprehensive income for the year	–	–	(4,713,215)	(7,710)	(4,720,925)
Transactions with owners in their capacity as owners:					
Issue of shares	23,323,315	–	–	–	23,323,315
Costs of issuing shares	(1,994,205)	–	–	–	(1,994,205)
Shares issued pursuant to the exercise of options	448,679	–	–	–	448,679
Acquisition of non-controlling interests in subsidiaries	10,768,831	(4,263,162)	–	(6,505,669)	–
Issue of shares to Employee Share Trust	2,082,586	(2,082,586)	–	–	–
Acquisition of subsidiary	–	–	–	737,429	737,429
Share based payments	–	3,567,111	–	–	3,567,111
Total transactions with owners in their capacity as owners	34,629,206	(2,778,637)	–	(5,768,240)	26,082,329
Balance as at 30 June 2018	36,667,443	(696,051)	(5,268,607)	729,719	31,432,504

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2019

	Share capital A$	Reserves A$	Retained earnings A$	Total equity A$
Company				
2019				
Balance as at 1 July 2018	36,667,443	3,567,111	(6,950,932)	33,283,622
Loss for the financial year	–	–	(2,838,724)	(2,838,724)
Total comprehensive income for the financial year	–	–	(2,838,724)	(2,838,724)
Transactions with owners in their capacity as owners:				
Shares issued pursuant to the exercise of options	309,052	–	–	309,052
Share based payments	–	3,417,002	–	3,417,001
Total transactions with owners in their capacity as owners	309,052	3,417,002	–	3,726,053
Balance as at 30 June 2019	**36,976,495**	**6,984,113**	**(9,789,656)**	**34,170,951**
2018				
Balance as at 1 July 2017	2,038,237	2,082,586	(3,208,817)	912,006
Loss for the financial year	–	–	(3,742,115)	(3,742,115)
Total comprehensive income for the financial year	–	–	(3,742,115)	(3,742,115)
Transactions with owners in their capacity as owners:				
Issue of shares	23,323,315	–	–	23,323,315
Costs of issuing shares	(1,994,205)	–	–	(1,994,205)
Shares issued pursuant to the exercise of options	448,679	–	–	448,679
Shares issued to acquire non-controlling interests in subsidiaries	10,768,831	–	–	10,768,831
Issue of shares to Employee Share Trust	2,082,586	(2,082,586)	–	–
Share based payments	–	3,567,111	–	3,567,111
Total transactions with owners in their capacity as owners	34,629,206	1,484,525	–	36,131,731
Balance as at 30 June 2018	36,667,443	3,567,111	(6,950,932)	33,283,622

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2019

	Note	Group 2019 A$	Group 2018 A$
Loss before tax		**(3,308,550)**	(4,720,925)
Adjustments for:			
Interest income	4	**(66,854)**	(30,366)
Share based payment expense	17(b)	**666,359**	1,569,034
Depreciation expense	9(b)	**19,136**	18,160
Impairment of capitalised exploration and evaluation expenditure		**–**	702,332
Net foreign exchange differences		**(19,255)**	(31,364)
Total adjustments		**599,386**	2,227,796
Operating cash flows before changes in working capital		**(2,709,164)**	(2,493,129)
Changes in working capital:			
Decrease / (increase) in trade receivables and other current assets		**112,836**	(260,995)
Increase in employee provisions		**–**	62,318
Increase in trade and other payables		**17,900**	725,761
Total changes in working capital		**130,736**	527,084
Cash flows used in operations		**(2,578,428)**	(1,966,045)
Interest received		**66,854**	30,366
Net cash flows used in operating activities		**(2,511,574)**	(1,935,679)
Cash flow from investing activities			
Payments for property, plant and equipment		**(552,643)**	(1,472,802)
Proceeds from disposal of property, plant and equipment		**68,887**	–
Payments for exploration and evaluation expenditure		**(5,989,725)**	(4,565,061)
Net cash used in investing activities		**(6,473,481)**	(6,037,863)
Cash flow from financing activities			
Proceeds from share issue - parent		**309,052**	23,771,995
Cost of issuing shares		**–**	(1,798,553)
Repayment of borrowings - Siecap		**(823,382)**	(1,000,000)
Repayment of borrowings - Shareholders		**(256,619)**	(1,000,000)
Net cash (used in)/ provided by financing activities		**(770,949)**	19,973,442
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		**12,533,142**	501,879
Net (decrease) / increase in cash and cash equivalents		**(9,756,004)**	11,999,900
Foreign exchange difference on cash and cash equivalents		**22,813**	31,363
Cash and cash equivalents at end of financial year	12	**2,799,951**	12,533,142

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMETNS
For the financial year ended 30 June 2019

1. Corporate information

Mayur Resources Ltd (the "Company") (Co. Reg. No. 201114015W), is a limited liability company incorporated in Singapore. On 21 September 2017, the Company listed on the Australian Stock Exchange.

The registered office of the Company is located at 80 Robinson Road #02-00 Singapore 068898. The principal place of business is Level 7, 300 Adelaide Street, Brisbane QLD, 4000, Australia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The Company's shares are listed on the Australian Stock Exchange under the ticker code MRL.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are expressed in Australian dollar ("A$"), which is the Company's functional currency. The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group considers the characteristics of the asset or liability which market participants would consider when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 Share-based Payment, leasing transactions that are within the scope of SFRS(I) 1-17 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with SFRS(I)s requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a major degree of judgement or complexity, are disclosed in Note 3.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. **Summary of significant accounting policies (continued)**

(a) **Basis of preparation (continued)**

Use of estimates and judgements (continued)

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(b) **New and revised standards**

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises the standards and interpretations that are identical to the International Financial Reporting Standards. The Group has voluntarily adopted SFRS (I) on 1 July 2018. These financial statements for the financial year ended 31 December 2018 are the first set of financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 30 June 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 July 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I).*

Under SFRS(I), these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 30 June 2019 The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group has also presented statement of financial position as at 1 July 2018, which is the date of transition to SFRS (I).

In addition to the adoption of the new framework, the Group also concurrently applied all new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are effective for the current financial year. The application of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or financial position of the Group and the Company.

There was no impact on initial application of SFRS(I), SFRS(I) 15 and SFRS(I) 9 on the Group's balance sheet as at 1 July 2017, 30 June 2018 and 1 July 2018. There were no material adjustments to the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows for the financial year ended 30 June 2018 arising on transition to SFRS(I).

A. **SFRS(I)**

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) with 1 July 2018 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, subject to certain mandatory exceptions and optional exemptions under SFRS(I) 1. The application and transition to SFRS(I) did not have any significant impact on these financial statements and statements of financial position of the Group and the Company as at 30 June 2018 and 1 July 2017.

B. **SFRS(I) 15**

SFRS(I) 15 replaces FRS 18 *Revenue*, FRS 11 *Construction contracts* and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

2. Summary of significant accounting policies (continued)

(b) New and revised standards (continued)

B. SFRS(I) 15 (continued)

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted SFRS(I) 15 using the full retrospective approach. The Group has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application. Updates to the Group's accounting policy have been made as required.

The application of SFRS(I) 15 did not have any significant impact on these financial statements.

C. SFRS(I) 9

SFRS(I) 9 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on expected credit loss model and replace FRS 39 incurred loss model.

The Group and the Company applied SFRS(I) 9 using a modified retrospective approach, with date of initial application on 1 July 2018. The Group and the Company have not restated the comparative information, which continues to be reported under FRS 39. Differences arising from the adoption of SFRS(I) 9 have been recognised directly in retained earnings and other components of equity as at 1 July 2018.

The impact upon adoption of SFRS(I) 9 as at 1 July 2018 was as follows:

i) Classification and measurement

Under SFRS(I) 9, the Group and the Company classify their financial assets based on their business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's and the Company's business model was made as of the date of initial application on 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The following were the changes in classification and measurement arising from adopting SFRS(I) 9:

- Loans and receivables (including other receivables (excluding tax recoverable), and cash and cash equivalents) as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 July 2018.

There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(b) New and revised standards (continued)

SFRS(I) 16: Leases

SFRS(I) 16 replaces the existing FRS 17: *Leases*. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. The Group anticipates that the adoption of SFRS(I) 16 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. It is not practicable to provide a reasonable estimate of the impact of SFRS(I) 16 until the Group performs a detailed assessment. The Group is in the process of performing a detailed assessment of the impact and plans to adopt the standard on the required effective date.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(e) Basis of combination

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(e) Basis of combination (continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if the subsidiary incurred losses and the losses allocated exceed the non-controlling interests in the subsidiary's equity.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners).

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amounts of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(f) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and the Company are presented in Australian dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency transaction reserve within equity in the consolidated financial statements.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Summary of significant accounting policies (continued)

(f) Foreign currency (continued)

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities are translated at the closing rates at the date of the balance sheet;
(b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(c) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(g) Revenue

The Group has applied SFRS(I) 15 using the full retrospective method and the application of SFRS(I) 15 did not have any significant impact on these financial statements.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Interest income is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associate and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(j) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(k) Contingencies

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(l) Financial assets

The accounting policy for financial assets before 1 July 2018 is as follows:

Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment as a result of one or more events ('loss events') having occurred and which have an impact on the estimated future cash flows of the financial assets.

The accounting policy for financial assets from 1 July 2018 onwards is as follows:

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost of fair value, depending on the classification of the financial assets. The Group classifies its financial assets based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group's financial assets are classified at amortised cost which comprise other receivables and cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(l) Financial assets (continued)

The accounting policy for financial assets from 1 July 2018 onwards is as follows (continued):

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(m) Financial liabilities

Financial liabilities include trade and other payables and amount due to shareholders. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(n) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group and the Company review the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. Summary of significant accounting policies (continued)

(n) Impairment of non-financial assets excluding goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

(o) Property plant and equipment

Property, plant and equipment are stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Useful lives of property, plant and equipment range from 3 to 5 years.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the profit or loss when the changes arise.

(p) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained legal rights to explore an area are expensed in the profit or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or

ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

2. Summary of significant accounting policies (continued)

(p) Exploration and evaluation expenditure (continued)

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified from exploration and evaluation assets to property and development assets within property, plant and equipment.

(q) Share based payments

The economic entity makes equity-settled share-based payments to directors, employees and other parties for services provided for the acquisition of exploration assets. Where applicable, the fair value of the equity is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black Scholes option valuation pricing model which incorporates all market vesting conditions. Where applicable, the number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity-settled payment.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors.

(s) Employee benefits – defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions are recognised as an expense in the period in which the related service is provided.

3. Key sources of estimation uncertainty and critical accounting judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of exploration and evaluation expenditure

At 30 June 2019, the carrying value of exploration and evaluation assets of the Group was A$28,983,036 (2018: A$20,496,395). Exploration and evaluation assets are assessed for impairment in accordance with the accounting policy disclosed in Note 2(p). The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of profit or loss and other comprehensive income.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

3. Key sources of estimation uncertainty and critical accounting judgements (continued)

Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Fair value is calculated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The assumptions used in these valuation models are set out in Note 17.

Where the vesting of share-based payments contains performance based and market-based milestones, in estimating the number and fair value of the equity instruments issued, the Group assesses the probability of the milestones being met, and therefore the probability of the instruments vesting. Management applies judgement to arrive at the probabilities that are applied to these instruments. These estimates will be adjusted over time to reflect actual performance and management's best estimates of the conditions being met.

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the recognition criteria set out in SFRS(I) 1-12.

Calculation of loss allowance

When measuring the expected credit loss ("ECL"), the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculations of loss allowances on other receivables and receivables from related parties are subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables. Details of ECL measurement and carrying value of other receivables and receivables from related parties at the end of the year are disclosed in Notes 13, 19 and 20 respectively.

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are described in the preceding paragraphs).

Exploration and evaluation expenditure

As at 30 June 2019, six of the Group's mineral exploration licences had expired and were under application for renewal. The Group believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Group's application for renewal of the exploration licences not being granted in the ordinary course of business. The Group has determined that no impairment of the capitalised exploration and evaluation expenditure relating to these exploration licences is necessary as it is considered that there is a reasonable basis to expect that the renewal applications will be granted and that the Group is otherwise proceeding with exploration and development activities on the exploration licences. Should any of the exploration licences not be renewed, the relevant capitalised amount will be expensed as at 30 June 2019 in the statement of profit or loss and other comprehensive income. Exploration and evaluation assets are set out in Note 10.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

4. Revenue and other income

	Group	
	2019 A$	2018 A$
Interest income - cash and cash equivalents	**66,854**	30,366
Foreign exchange gain	**58,959**	92,924
	125,813	123,290

5. Auditor's remuneration

	Group	
	2019 A$	2018 A$
Audit fees:		
- Auditor of the Company	**46,004**	46,000
- Other auditors*	**110,000**	134,666
	156,004	180,666

There are no non-audit fees paid to other auditors in the years ended 30 June 2018 and 30 June 2019.

* Includes independent member firms of the Baker Tilly International network.

6. Segment information

For management purposes, the Group is organised into the following business units:

- Industrial minerals which includes limestone and the Port Moresby Lime Project.
- Iron which includes construction sands, magnetite sand and heavy mineral sands. The focus of this business unit is the development of the Orokolo Bay Industrial Sands Project located along the southern coast of Papua New Guinea;
- Copper and gold comprising the Group's interests in the Feni Island Project in the New Ireland Province of Papua New Guinea, the Basilaki / Sideia project in Milne Bay Province and the Sitipu Project in the Eastern Highlands province of Papua New Guinea;
- Coal and power comprising the Depot Creek coal resource in the Gulf Project of Papua New Guinea and which is developing a proposal for vertically integrated domestic power projects in Papua New Guinea with an initial focus on the Lae region; and
- Corporate which provides Group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. In the prior period the Industrial minerals and Iron segments were aggregated.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on actual expenditure incurred, including capitalised expenditure which differs from operating profit or loss reported in the consolidated financial statements.

Accounting policies adopted

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of gross expenditure that includes both expenditure that is capitalised in these financial statements and expenditure that is expensed in the statement of profit or loss and other comprehensive income in these financial statements. The measurement of gross expenditure does not include the impairment of exploration expenditure or non-cash items such as depreciation expense and share based payments expense. Interest and other items of revenue are allocated to the Corporate segment.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

6. Segment information (continued)

	Industrial Minerals A$	Iron A$	Copper and Gold A$	Coal and Power A$	Corporate A$	Per Consolidated Financial Statements A$
Group						
2019						
Results:						
Interest income	–	–	–	–	66,854	66,854
Segment loss	(6,722)	(64,354)	(282,915)	(116,464)	(2,838,095)	(3,308,550)
Assets:						
Exploration and evaluation Expenditure	5,282,453	14,443,580	2,494,720	6,817,422	–	28,983,036
Segment assets	5,283,320	15,237,752	2,666,996	8,601,595	2,259,899	34,049,562
Segment liabilities	53,368	329,497	27,830	99,175	1,689,684	2,199,554

	Industrial Minerals A$^	Iron A$^	Copper and Gold A$	Coal and Power A$	Corporate A$	Per Consolidated Financial Statements A$
2018						
Results:						
Interest income	–	–	–	–	30,366	30,366
Impairment of exploration and evaluation expenditure	–	–	(702,332)	–	–	(702,332)
Segment (loss)/profit	57,838	–	(922,489)	(70,088)	(3,786,186)	(4,720,925)
Assets:						
Exploration and evaluation expenditure	2,070,836	9,251,133	3,634,965	5,539,461	–	20,496,395
Segment assets	2,071,253	11,512,292	3,835,988	7,369,716	10,445,304	35,234,553
Segment liabilities	–	195,852	223,978	230,277	3,151,942	3,802,049

^In the financial year ended 30 June 2018 Industrial Minerals and Iron were reported as a single segment "Iron". The prior period segment disclosure has been amended to conform with the reporting in the year ended 30 June 2019.

Geographical information

The Group's non-current assets are all located in Papua New Guinea ("PNG").

7. Tax expense

	Group 2019 A$	Group 2018 A$
Tax expense attributable to profit is made up of:		
Current year income tax	–	–

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to loss before tax due to the following factors:

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

7. Tax expense (continued)

	Group	
	2019	2018
	A$	A$
Loss before income tax	**(3,308,550)**	(4,720,925)
Effect of tax rates in other jurisdictions	**(358,638)**	(518,430)
Tax calculated at a tax rate of 17% (2018: 17%)	**(562,453)**	(802,557)
Effect of change in tax rate*	**–**	32,542
Expenses not deductible for tax purpose	**365,924**	770,052
Deferred tax assets not recognised	**555,167**	518,393
	–	–

* The applicable rate of income tax in a jurisdiction other than Singapore in which the Group is subject to taxation was reduced to 27.5% from 30% in the year ended 30 June 2018.

	Group	
	2019	2018
	A$	A$
Accruals	**22,704**	32,956
Unrealised foreign exchange gains	**(5,328)**	(11,574)
Provisions	**33,570**	15,551
Capital raising costs	**79,405**	111,476
Tax losses available for offset against future taxable income	**1,212,570**	760,490
Net deferred tax assets	**1,342,921**	908,899
Deferred tax assets not recognised	**(1,342,921)**	(908,899)
	–	–

8. Earnings per share

The earnings per share was calculated on the basis of net loss attributable to equity shareholders divided by the weighted average number of ordinary shares. The basic and diluted loss per share is the same for the years ended 30 June 2018 and 2019 as the Group incurred losses for both years, and the share options are anti-dilutive.

The following tables reflect the loss and share data used in the computation of basic and dilute earnings per share for the financial years ended 30 June:

	Group	
	2019	2018
	A$	A$
Loss for the financial year attributable to owners of the Company	**(3,295,739)**	(4,713,215)

	Number of shares	
	2019	2018
	A$	A$
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	**150,139,304**	129,291,793

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

9. Property, plant and equipment

	Group		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$
Power plant assets, at cost	**1,758,588**	1,701,983	489,374
Property, plant and equipment, net of depreciation	**359,822**	242,033	–
	2,118,410	1,944,016	489,374

(a) Power plant assets at cost

The Group has commenced feasibility studies and negotiations to obtain approvals for a coal fired electricity power plant to operate in Lae, Morobe Province and supply electricity to PNG Power Limited. The capitalised costs relate to expenditure incurred as at 30 June 2019 in respect of the proposed project. Depreciation of these costs has not commenced as the assets are not ready for use.

	Group	
	2019 A$	2018 A$
Balance at 1 July	**1,701,983**	489,374
Additions	**56,605**	1,212,609
Balance at 30 June	**1,758,588**	1,701,983

(b) Property, plant and equipment, net of depreciation

	Group	
	2019 A$	2018 A$
Balance at 1 July	**242,033**	–
Additions	**226,575**	260,193
Disposals	**(89,650)**	–
Depreciation	**(19,136)**	(18,160)
Carrying value at 30 June	**359,822**	242,033

Additions include $98,697 (2018:$nil) settled by way of share based payments (refer Note 17).

	2019 A$	2018 A$
Cost		
- At 1 July	**260,193**	-
- At 30 June	**392,400**	260,193
Accumulated depreciation		
- At 1 July	**(18,160)**	-
- At 30 June	**(32,578)**	(18,160)
	359,822	242,033

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

10. Exploration and evaluation expenditure

	Group		
	30 June 2019	30 June 2018	1 July 2017
	A$	A$	A$
Exploration and evaluation phases	**28,983,036**	20,496,395	13,617,232

Exploration and Evaluation Assets

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment charges for prior year represent the full impairment of capitalised exploration in relation to tenements that the Group has, or intends to, relinquish.

Movements in exploration and evaluation assets during the financial year are summarised below:

	Group	
	2019	2018
	A$	A$
Balance at beginning of financial year	**20,496,395**	13,617,232
Exploration and evaluation expenditure on acquisition of a subsidiary (i)	–	737,429
Exploration and evaluation expenditure capitalised during the financial year (ii)	**8,486,641**	6,844,066
Impairment of exploration and evaluation expenditure	–	(702,332)
Balance at end financial year	**28,983,036**	20,496,395

(i) *Acquisition of Waterford Limited*

On 4 July 2017 the Group acquired four mining tenements through the acquisition of 100% of the share capital in Waterford Limited, a PNG registered company, in exchange for an 11% shareholding in both MR Energy PNG Pte Ltd and MR Power Generation PNG Pte Ltd. The fair value of the combined tenements at the date of acquisition was $737,429, based on the underlying capitalised exploration costs that were incurred to date at 30 June 2017.

(ii) Includes $2,651,946 (2018: $1,998,077) in costs settled by way of share based payments (refer Note 17).

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

11. Subsidiaries

(a) The Group's significant subsidiaries

Subsidiaries of Mayur Resources Ltd:	Country of incorporation	Principal activity	Effective ownership interest held by the Group 2019 %	2018 %
MR Exploration PNG Pte Ltd#	Singapore	Investment	**100**	100
MR Iron PNG Pte Ltd#	Singapore	Investment	**100**	100
MR Energy PNG Pte Ltd#	Singapore	Investment	**89**	89
MR Industrials PNG Pte Ltd#,@	Singapore	Investment	**100**	100
MR Power Generation Pte Ltd#	Singapore	Investment	**89**	89
Mayur Exploration PNG Limited^^	Papua New Guinea	Mineral exploration	**100**	100
Mayur Iron PNG Limited^^	Papua New Guinea	Mineral exploration	**100**	100
Mayur Energy PNG Ltd^^	Papua New Guinea	Coal exploration	**89**	89
Mayur Industrials PNG Ltd^^,%	Papua New Guinea	Steel	**100**	100
Mayur Power Generation PNG Limited^^	Papua New Guinea	Power generation	**89**	89
Waterford Limited^^	Papua New Guinea	Coal exploration	**89**	89

Audited by Baker Tilly TFW LLP
^^ Audited by independent overseas member firms of Baker Tilly International for consolidation purposes.
@ Formerly MR PNG DRI & Steel Making Pte Ltd
% Formerly Mayur PNG DRI & Steel Making Ltd

The above table presents the Group's ownership interests in subsidiaries as at 30 June 2019 and 30 June 2018. During the year ended 30 June 2019, no changes occurred in the Group's ownership interests in subsidiaries.

(b) Investments in subsidiaries

	Company 30 June 2019 A$	30 June 2018 A$	1 July 2017 A$
Unquoted shares at cost	**10,770,146**	10,770,146	1,818

(c) Non-controlling interests

Movement in non-controlling interests ("NCI") during the financial year are summarised below:

	Group 2019 A$	2018 A$
Accumulated NCI 1 July	**729,719**	6,505,669
Transferred to non-controlling interest reserve on acquisition of NCI in Singapore subsidiaries	–	(6,505,669)
NCI arising from acquisition of subsidiary	–	737,429
Profit or loss allocated to NCI during the year	**(12,811)**	(7,710)
Accumulated NCI at 30 June	**716,908**	729,719

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

11. Subsidiaries (continued)

(c) Non-controlling interests (continued)

Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
30 June 2019		
Mayur Energy PNG Ltd	Papua New Guinea	11%
Mayur Power Generation PNG Limited	Papua New Guinea	11%
30 June 2018		
Mayur Energy PNG Ltd	Papua New Guinea	11%
Mayur Power Generation PNG Limited	Papua New Guinea	11%

Set out below is summarised financial information for each of the Group's subsidiaries with NCI that are considered material to the Group. This financial information includes consolidation adjustments but excludes inter-company eliminations.

Summarised Balance Sheet

	Mayur Power Generation PNG Limited		Mayur Energy PNG Ltd	
	2019 $	2018 $	**2019 $**	2018 $
Non-current assets	**1,689,353**	1,659,079	**3,920,468**	3,955,610
Non-current liabilities	–	–	–	–
Current assets	–	–	**53,553**	127,262
Current liabilities	**(23,094)**	(20,443)	**(4,967)**	(5,000)
Net assets	**1,666,259**	1,638,636	**3,969,054**	4,077,872
Net assets attributable to NCI	**183,288**	180,250	**436,596**	448,566

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

11. Subsidiaries (continued)

(c) Non-controlling interests (continued)

Summarised Statements of Comprehensive Income

	Mayur Power Generation PNG Limited		Mayur Energy PNG Ltd	
	2019 **$**	2018 $	**2019** **$**	2018 $
Revenue	–	–	–	–
Loss before tax	**(18,504)**	(6,975)	**(78,847)**	(36,899)
Income tax expense	–	–	–	–
Loss after tax from continuing operations	**(18,504)**	(6,975)	**(78,847)**	(4,059)
Other comprehensive income	–	–	–	–
Total comprehensive loss	**(18,504)**	(6,975)	**(78,847)**	(4,059)
Loss allocated to NCI	**(2,035)**	(767)	**(8,673)**	(4,059)

Summarised Statement of Cash Flows

	Mayur Power Generation PNG Limited		Mayur Energy PNG Ltd	
	2019 **$**	2018 $	**2019** **$**	2018 $
Cash flows used in operating activities	–	–	–	–
Exploration and evaluation expenditure	–	–	**(35,629)**	751,291
Payments for property, plant and equipment	**278,928**	1,169,705	–	–

12. Cash and cash equivalents

	Group			Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Bank balances	**2,799,951**	12,533,142	132,565	**2,143,602**	10,220,788	31,406
Cash held in trust	–	–	369,314	–	–	369,314
	2,799,951	12,533,142	501,879	**2,143,602**	10,220,788	400,720

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

13. Other current assets

	Group			Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Goods and services tax receivables	**115,688**	228,823	–	**86,597**	**215,369**	–
Other current receivables	**32,477**	32,177	–	**29,706**	**7,632**	–
Prepaid share issue costs	**–**	–	195,657	**–**	–	195,657
	148,165	261,000	195,657	**116,303**	**223,001**	195,657

14. Trade and other payables

	Group			Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Trade creditors and accruals	**1,163,171**	1,688,665	616,658	**679,900**	**1,012,152**	616,658
Payable to Siecap (pre 30 June 2017 services)	**1,036,383**	1,856,765	2,859,765	**1,036,383**	**1,856,765**	2,859,765
	2,199,554	3,545,430	3,476,423	**1,716,283**	**2,868,917**	3,476,423

Refer Note 23(a) for further information regarding the Group's transactions with Siecap.

Set out below is a summary of movements in the Payable to Siecap (pre 30 June 2017 services):

	Group and Company	
	2019 A$	2018 A$
Balance at beginning of financial year	**1,856,765**	2,859,765
Other movements	**3,000**	(3,000)
Principal amounts repaid	**(823,382)**	(1,000,000)
Balance at end of financial year	**1,036,383**	1,856,765

15. Amount due to shareholders

	Group and Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$
Shareholders' loan	–	256,619	1,256,619

The Group entered into a loan agreement with the following Shareholders: DTJ Co Pty Ltd, Thomas Jonathan Charlton as trustee of the Charlton Family Trust, QMP Nominees Pty Ltd as trustee for the QFL Agencies Trust and MAYPNG Pty Ltd on 28 January 2016 under which those shareholders agreed to loan ongoing sums of funding to the Group for the running of the business. The amount of funds loaned must not exceed A$5 million.

The term of the loan is 5 years. The Group is not charged interest on the loan. The loan is not secured. The loan became repayable (in part or full) on listing.

On 22 September 2017, the Company repaid A$1 million of the loan utilising funds received pursuant to the Initial Public Offering. The balance of the loan was repaid in the current year.

Set out below is a summary of movements in loans during the year:

	Group and Company	
	2019 A$	2018 A$
Balance at beginning of financial year	**256,619**	1,256,619
Principal amounts repaid	**(256,619)**	(1,000,000)
Balance at end of financial year	**–**	256,619

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

16. Share capital

	Group and Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$
Issue and fully paid up capital			
Share capital	**36,976,495**	36,667,443	2,038,237

Movements in ordinary shares on issue on the period to 30 June were:

	2019		2018	
	Number	**$A**	Number	$A
At beginning of financial year	**149,016,844**	**36,667,443**	58,548,009	2,038,237
Issuance of shares pursuant to capital raising	–	–	48,558,290	23,323,316
Shares issued on the exercise of options and performance rights	**317,529**	**78,752**	906,213	448,679
Acquisition of non-controlling interests in subsidiaries (Note 17(a))	–	–	27,543,618	10,768,831
Issue of shares to Employee Share Trust (Note 17(b)(I))	–	–	8,885,714	2,082,586
Issue of Loan Funded Shares (Note17(b)(II))	**1,675,000**	–	4,575,000	–
Funds received for exercise of options for which shares were issued after year end	–	**230,300**	–	–
Cost of issuing shares	–	–	–	(1,994,205)
At end of financial year	**151,009,373**	**36,976,495**	149,016,844	36,667,443

Ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

Options issued

The Company did not grant any options during the year ended 30 June 2019

The following table illustrates the number and movements in Share Options issued during the reporting period:

	Loyalty Options		**Advisor Options**	
	2019	2018	**2019**	2018
On issue at beginning of the period	**13,909,828**	–	**1,337,856**	1,337,856
Options granted	–	19,404,148	–	–
Options exercised	**(140,585)**	(800,412)		
Options lapsed	**(1,579,606)**	(4,693,908)	–	–
On issue at end of the period	**12,189,637**	13,909,828	**1,337,856**	1,337,856
Weighted average exercise price of options	**$0.56**	$0.56	**$0.56**	$0.56
Weighted average share price on the date options exercised	**$0.72**	$1.06	**Nil exercised**	Nil exercised

The options do not have any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves

	Group			Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Non-controlling interests reserve (a)	**(4,263,162)**	(4,263,162)	-	-	-	-
Share based payments reserve (b)	**6,984,113**	3,567,111	2,082,586	**6,984,113**	3,567,111	2,082,586
	2,720,951	(696,051)	2,082,586	**6,984,113**	3,567,111	2,082,586

(a) Non- controlling interest reserve

On 3 July 2017 the Group acquired the non-controlling interests (NCI) in its Singapore subsidiaries for shares in the parent entity with a fair value of A$10,768,831 with a resulting transfer from equity attributable to non-controlling interest to equity attributable to owners of the parent entity and creation of a non-controlling interest reserve as summarised below:

	Group 2019 A$	Group 2018 A$
Fair value of shares in parent entity issued to acquire the NCI	-	10,768,831
NCI in subsidiaries	-	(6,505,669)
Transferred to Non-controlling interests reserve	-	(4,263,162)

There were no movements in the non-controlling interest reserve during the year ended 30 June 2019.

(b) Share based payments reserve

The share-based payments reserve is used to record the fair value of shares or options issued to employees/contractors and other service providers. In the year ended 30 June 2019 costs settled by way of share-based payments amounting to A$2,651,946 were capitalised as exploration and evaluation expenditure (2018: A$1,998,077).

	Group and Company	
	2019 A$	2018 A$
Balance at 1 July	**3,567,111**	2,082,586
Transfer to issued share capital on creation of Employee Share Trust (I)	-	(2,082,586)
Share based payments made during the year (II)	**3,417,002**	3,567,111
Balance at 30 June	**6,984,113**	3,567,111

The share-based payments made during the year were accounted for as follows:

	Group and Company	
	2019 A$	2018 A$
Recognised as share-based payments expense in the Statement of Profit or Loss and Other Comprehensive Income	**666,359**	1,569,034
Capitalised as exploration and evaluation expenditure	**2,651,946**	1,998,077
Capitalised as property, plant and equipment	**98,697**	-
	3,417,002	3,567,111

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves (continued)

(b) Share based payments reserve (continued)

I. Transfer to issued share capital on creation of Employee Share Trust

The balance of the share-based payments reserve at 30 June 2017 represented the accumulated fair value of service that had been provided to the Company by employees, contractors and other service providers at reduced rates. On 10 July 2017, the Company issued 8,885,714 shares at an issue price of 23.4 cents each (accounting fair value) to the Employee Share Trust ("EST"). At the same time a total of 8,885,714 performance rights were issued to the relevant employees, contractors and service providers.

Each performance right vested immediately and entitles the holder to receive one share that is held in the EST at the date of grant of that performance right. The rights can be exercised at any time, with a nil exercise price.

The underlying shares are held in the EST on behalf of the participants for an escrow period of two years. During this time, the participants are entitled to full dividend and voting rights as the beneficial owners of the shares. At the end of the escrow period, the employee/contractor may either direct the Trustee of the EST to sell the shares and pay them the sale proceeds less any relevant costs; or ask the Trustee to transfer legal ownership of the shares to them (i.e. transfer the shares out of the EST).

II. Share based payments made during the year

The following share-based payment transactions were recognised during the year:

	2019	
	Number issued	***$***
Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) (i)	**1,278,945**	**876,742**
Long term incentive rights subject to vesting conditions (ii)	**2,550,000**	**640,302**
Loan funded shares (iii)	**1,675,000**	**579,618**
Long term incentive rights not subject to vesting conditions (iv)	**90,000**	**48,600**
Amounts recognised in relation to share based payments issued in the current year		**2,145,262**
Amounts recognised in the current year in relation to share based payments issued in previous financial years		**1,271,740**
		3,417,002

	2018	
	Number issued	***$***
Vested performance rights awarded to employees as salary (Salary Sacrifice Rights)	607,171	557,417
Long term incentive rights subject to vesting conditions	6,250,000	595,757
Loan funded shares	4,575,000	1,214,205
Options	3,000,000	1,200,000
		3,567,111

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves (continued)

(b) Share based payments reserve (continued)

(i) *Salary sacrifice rights*

Performance rights are granted to employees and contractors to receive shares in respect of a portion of their agreed remuneration. Each performance right will entitle the holder to receive one share. The performance rights vest annually over four equal instalments and can be exercised for no consideration at any time after being granted but prior to the expiry date of the rights.

The number of performance rights to be issued at each grant date is determined by dividing the salary amount to be paid in the form of performance share rights divided by the prevailing share price (rounded down to the nearest whole number).

Any new employees/contractors or employees/contractors that have not worked on behalf of the Company for a minimum of 12 months shall be restricted in exercising their performance rights until such time they have worked for and/or on behalf of the Company for a year of 12 months.

During the year, 1,278,945 salary sacrifice rights were issued in respect of remuneration totalling $876,742 (2018: 607,171 salary sacrifice rights issued in respect of remuneration totalling $557,149).

(ii) Long term incentive rights subject to vesting conditions

Performance rights are also offered as part of a Long-Term Incentive Plan to employees, executive and non-executive directors, contractors, and consultants, to acquire shares in the Company. The rights will vest subject to the relevant performance measures being met and the participant remaining employed. During the year 2,550,000 performance rights (2018: 6,250,000 performance rights) have been awarded in respect of the Long-Term Incentive Plan.

Long term incentive rights issued 25 January 2019

On 25 January 2019, the Company issued 800,000 long term incentive rights. The performance rights have a $nil exercise price and an expiry date of 5 years from the grant date and are subject to the following vesting conditions that will be measured over a vesting period of three years from the date the Shares were first quoted on the ASX.

- **Tranche 1 (50% weighting):** For Tranche 1 Awards to vest, the Share price at any time within the three-year vesting period must be at a price 50% above the initial public offering price for the volume-weighted average price (VWAP) period for 10 days. The Tranche 1 performance rights met the VWAP vesting condition during the year ended 30 June 2019;

- **Tranche 2 (25% weighting):** For Tranche 2 Awards to vest, the Delivery Engineering and Project Development Milestones as outlined in the Prospectus must be achieved within the vesting period. The vesting condition for the Tranche 2 performance rights was not met during the year ended 30 June 2019; and

- **Tranche 3 (25% weighting):** For Tranche 3 Awards to vest, there must be a material uplift to geological resource and reserve delineation as outlined in the Prospectus within the vesting period. The vesting condition for the Tranche 3 performance rights was met during the year ended 30 June 2019.

Should any of the Vesting Conditions not be met, the Awards related to that specific Tranche will lapse and be forfeited.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves (continued)

(b) Share based payments reserve (continued)

The amount recognised as a share-based payment in relation to the long-term incentive rights in the year has been determined as follows:

Tranche	Grant date	Number issued	Fair value per right	Total Fair value	Period over which fair value to be recognised	Share based payment recognised in the year
Tranche 1	25/1/2019	400,000	$0.64	$256,000	Vested	$256,000
Tranche 2	25/1/2019	200,000	$0.64	$128,000	21/09/2020	$59,481
Tranche 3	25/1/2019	200,000	$0.64	$128,000	Vested	$128,000
						$443,481

The fair values per right have been determined as follows:

- **Tranche 1.** Tranche 1 vesting is determined by a market based condition being the Company's share price; consequently, the tranche 1 rights have been valued using an option pricing model using the following inputs:

Exercise price	$Nil
Share price target	$0.60
Expected volatility	100%
Risk-free interest rate	2.39%
Expected life of share options	5 years
Grant date share price	$0.64
Fair value per option	$0.64

II. Share based payments made during the year (continued)

(ii) Long term incentive rights subject to vesting conditions (continued)

- **Tranches 2 and 3.** Tranche 2 and 3 rights vest on the achievement of non-market conditions and consequently the fair value per right has been determined based on the Company's assessment of the probability of the vesting conditions being satisfied within the vesting period as follows:

	Tranche 2	Tranche 3
Grant date share price	$0.64	$0.64
Fair value per right	$0.64	$0.64
Probability of vesting condition being satisfied	75%	100%

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves (continued)

Long term incentive rights issued 12 October 2018

During the year, 1,750,000 performance rights were awarded in respect of the Long-Term Incentive Plan.

The performance rights have a $Nil exercise price and an expiry date of 5 years from the grant date and are subject to the following vesting conditions.

- **Tranche 1 (10% weighting):** For Tranche 1 Awards to vest, the Company must have secured Memorandum of Understanding offtake agreements before November 2018 for cement 800,000 tons per year cement, 800,000 tons per year clinker 800,000 and 200,000 tons per year quicklime. The vesting condition was not satisfied, and the rights lapsed prior to 30 June 2019.
- **Tranche 2 (15% weighting):** For Tranche 2 Awards to vest, a strategic investor must invest a minimum USD5 million in the Port Moresby Lime Project stapled to a project funding pathway before January 2019. The vesting condition was not satisfied, and the rights lapsed prior to 30 June 2019.
- **Tranche 3 (15% weighting):** For Tranche 3 Awards to vest, the Port Moresby Lime and Cement quarry aggregates early start up project must achieve Financial Investment Decision before March 2019. The vesting condition was not satisfied, and the rights lapsed prior to 30 June 2019.
- **Tranche 4 (15% weighting):** For Tranche 4 Awards to vest, the Port Botany (sand and / or cement) early start up opportunity must achieve Financial Investment decision before June 2019. The vesting condition was not satisfied, and the rights lapsed prior to 30 June 2019.
- **Tranche 5 (45% weighting):** For Tranche 5 Awards to vest, the Port Moresby Lime and Cement Project must achieve Financial Investment Decision and / or a transaction occurs that values the Port Moresby Cement and Lime Project at a minimum AUD$0.80 per share. The vesting condition had not been satisfied as at 30 June 2019.

The amount recognised as a share-based payment in relation to the long term incentive rights in the year has been determined as follows:

Tranche	Grant date	Number issued	Value per right	Total value	Period over which fair value to be recognised	Share based payment recognised in the year
Tranche 1	23/10/2018	175,000	–	–	3 months	–
Tranche 2	23/10/2018	262,500	–	–	4 months	–
Tranche 3	23/10/2018	262,500	–	–	6 months	–
Tranche 4	23/10/2018	262,500	–	–	9 months	–
Tranche 5	23/10/2018	787,500	$0.70	$551,250	24 months	$196,821

(ii) Long term incentive rights subject to vesting conditions (continued)

The fair values per right have been determined as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Fair value	$0.70	$0.70	$0.70	$0.70	$0.70
Probability of vesting condition being satisfied	0%	0%	0%	0%	100%
Value per right taking into account probability	–	–	–	–	$0.70

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

17. Reserves (continued)

II. Share based payments made during the year (continued)

(iii) Loan funded shares

During the year the Company issued loan funded shares to eligible employees (including employees, executives and contractors) selected by the Board. Pursuant to the terms of the Employee Incentive Plan, employees are granted an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time the employee may divest their Shares in full satisfaction of the loan balance.

In accordance with the requirements of applicable SFRS(I)' the loan funded shares are to be accounted for as an option granted to the employee with an exercise price equal to the market price of the Company's shares at the grant date. Consequently, the loan funded shares have been valued using an option pricing model using the following inputs:

	Issued on 12 October 2018	**Issued on 21 January 2019**
Exercise price	$0.70	$0.40
Expected volatility	52%	41%
Risk-free interest rate	2.69%	1.94%
Term	10 years	8.7 years
Suboptimal exercise factor	2.50	2.50
Grant date share price	$0.70	$0.64
Fair value per option	$0.3469	$0.3451

(iv) Long Term Incentive Rights not subject to vesting conditions

During the year the Company issued Long Term Incentive Rights to an employee in lieu of a performance bonus. As the long term incentive rights have no vesting condition, they have been valued using an option pricing model using the following inputs:

Exercise price	$Nil
Expected volatility	66%
Risk-free interest rate	2.39%
Term	5 years
Grant date share price	$0.54
Fair value per option	$0.54

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

18. Capital commitments

In order to maintain current rights of tenure to exploration tenements, including tenements that had expired and were the subject of renewal applications by the Group as at 30 June 2019, the Group is required to perform exploration work to meet minimum expenditure requirements as specified by the Papua New Guinea Mineral Resources Authority. The following table sets out the minimum expenditure commitments:

	Group and Company		
	30 June 2019	30 June 2018	1 July 2017
	A$	A$	A$
Payable:			
- not later than one year	**1,034,035**	2,686,791	1,848,535
- later than one year and not later than five years	**777,755**	1,844,529	323,017
	1,811,790	4,531,320	2,171,552

19. Receivables from related parties

	Company		
	30 June 2019	30 June 2018	1 July 2017
	A$	A$	A$
Receivables from subsidiaries	**30,314,929**	22,616,339	12,503,969
Less: Loss allowance	**(7,457,116)**	(7,457,116)	(7,457,116)
Net receivable from subsidiaries	**22,857,813**	15,195,223	5,046,853

Receivables from subsidiaries are unsecured, repayable on demand and are non-interest bearing.

	Company	
	2019	2018
	A$	A$
Balance at 1 July	**15,195,223**	5,046,853
Advances to subsidiaries	**4,911,942**	6,581,259
Share based payment	**2,750,648**	3,567,111
Balance at 30 June	**22,857,813**	15,195,223

20. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, loans and trade and other payables. The Group does not currently have any projects in production and as such the main purpose of these financial instruments is to provide liquidity to finance the Group's development and exploration activities. It is, and has been throughout the financial year, the Group's policy that no trading in speculative financial instruments shall be undertaken. The main risks arising from the Group's use of financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. During the financial year, the Group has had some transactional currency exposures, principally to the Papua New Guinea Kina ("PGK") and the United States Dollar ("USD"). The Group has not entered into forward currency contracts to hedge these exposures due to the short time frame associated with the currency exposure and the relatively modest overall exposure at any one point in time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2. Primary responsibility for identification and control of financial risk rests with the Board of Directors. However, the day-to-day management of these risks is under the control of the Managing Director and the Chief Financial Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(a) Categories of financial instruments

The carrying values of the Group's financial instruments at the balance sheet date are as follows:

	Group			Company		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Financial assets						
Financial assets at amortised cost	**2,810,427**	–	–	**25,002,856**	–	–
Loans and receivables	–	12,565,319	501,879	–	25,423,643	5,447,573
Financial liabilities						
Financial liabilities at amortised cost	**2,199,554**	3,802,049	4,733,042	**1,716,283**	3,125,536	4,733,042

Foreign currency risk

The Group is exposed to foreign currency risk arising from various currency exposures, including Papua New Guinea Kina ("PGK") and United States Dollar ("USD"). The Group's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign currency risk arises from future commercial transactions.

The Group manages foreign currency risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Group's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

	PGK			USD		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Financial assets						
Cash and cash equivalents	**654,413**	2,310,419	468,454	–	–	27,232
Net currencies exposure	**654,413**	2,310,419	468,454	–	–	27,232

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number in the table represents a decrease in the operating loss after tax and increase equity where the Australian dollar strengthens against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be negative.

	PGK			USD		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
Loss after tax and equity						
- 10% increase	**65,441**	231,042	(38,882)	–	–	(2,260)
- 10% decrease	**(65,441)**	(231,042)	38,882	–	–	2,260

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(b) Financial risk management (continued)

Interest rate risk

The Group's exposure to interest rate risk arises predominantly from cash and cash equivalents bearing variable interest rates. At the end of the reporting period, the Group maintained the following variable rate accounts:

	30 June 2019		30 June 2018		1 July 2017	
	Weighted average interest rate %	**Balance A$**	Weighted average interest rate %	Balance A$	Weighted average interest rate %	Balance A$
Cash and cash equivalents	**1.05**	**2,799,951**	1.55	12,533,142	0.5	501,879

At the end of the reporting period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax (loss) / profit and equity would have been affected as follows:

	After-tax loss (higher)/lower			**Equity higher/(lower)**		
	30 June 2019 A$	30 June 2018 A$	1 July 2017 A$	**30 June 2019 A$**	30 June 2018 A$	1 July 2017 A$
+1% (100bp)	**27,999**	125,331	5,018	**27,999**	125,331	5,018
-1% (100bp)	**(27,999)**	(125,331)	(5,018)	**(27,999)**	(125,331)	(5,018)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate exposure is significant in relation to the Group's total credit exposure. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
There has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
There is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(b) Financial risk management (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

The risk that the borrower will default on a demand loan depends on whether the borrower:
(i) has sufficient cash or other liquid assets to repay the loan immediately; or
(ii) does not have sufficient cash or other liquid assets to repay the loan immediately.

The Group performs this assessment qualitatively by reference to the borrower's immediate cash flow and liquid asset position. Relying on the 30 days past due rebuttable presumption is not considered an appropriate indicator given the lack of contractual payment obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes. Where information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate indicator given the lack of contractual payment obligations due throughout the life of the loan.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Maximum exposure and concentration of credit risk

The Group and the Company does not have concentration of credit risk at 30 June 2019 and 2018, except for receivables from subsidiaries of the Company.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(b) Financial risk management (continued)

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet and financial guarantees as disclosed in Note 20.

The credit loss for cash and cash equivalents and other receivables are immaterial as at 30 June 2019

Other financial assets at amortised cost

Other financial assets at amortised costs include other receivables, other current asset (excluding prepayments) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Group				
Other receivables	N.A. Exposure Limited	32,477	–	32,477
Cash and cash equivalents	N.A. Exposure Limited	2,799,951	–	2,799,951
Company				
Other receivables	N.A. Exposure Limited	29,706	–	29,706
Receivables from subsidiaries	Lifetime	30,314,929	7,457,116	22,857,813
Cash and cash equivalents	N.A. Exposure Limited	2,143,602	–	2,143,602

Movements in credit loss allowance

There are no movement in the allowance for impairment of financial assets under SFRS (I) 9 during the financial year for the Group and Company except for the following:

	Receivables from subsidiaries $
Company	
Balance at 1 July 2018	7,457,116
Loss allowance measured/(reversed):	
Lifetime ECL	
- Credit impaired	–
Balance at 30 June 2019	7,457,116

Previous accounting policy for impairment of financial assets

Financial assets that are past due but not impaired

The Group and Company do not have any class of financial assets that is past due but not impaired.

There is no other class of the Company's financial assets that is past due and/or impaired except for receivables from subsidiaries.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(b) Financial risk management (continued)

The carrying amounts of receivables from subsidiaries individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	30.6.2018 $	1.7.2017 $
Company		
Gross amount	22,616,339	12,503,969
Less: Allowance for impairment	7,457,116	7,457,116
	15,159,223	5,046,853
Movement in allowance for impairment:		
Beginning of financial year	7,457,116	7,457,116
Allowance made	–	-
End of financial year	7,457,116	7,457,116

Receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Liquidity risk

The going concern of the Group and the ability to meet its obligations is principally dependent upon the ongoing support from its shareholders and shareholder related entities, the ability of the Group to successfully raise capital as and when necessary and the ability to complete successful exploration and subsequent exploitation of the areas of interest. This is to ensure the continuance of its activities and to meet its financial obligations as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to meet the Group's forecast requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At reporting date, the Group did not have access to any undrawn borrowing facilities.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

20. Financial risk management (continued)

(b) **Financial risk management**

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 1 year A$
Group	
30 June 2019	
Trade and other payables	**2,199,554**
30 June 2018	
Trade and other payables	3,545,430
Amount due to shareholders	256,619
	3,802,049
1 July 2017	
Trade and other payables	3,476,423
Amount due to shareholders	1,256,619
	4,733,042
30 June 2019	
Trade and other payables	**1,716,283**
30 June 2018	
Trade and other payables	2,868,917
Amount due to shareholders	256,619
	3,125,536
1 July 2017	
Trade and other payables	3,476,423
Amount due to shareholders	1,256,619
	4,733,042

21. Fair value estimation

The carrying amount of financial assets (net of any allowance for impairment) and financial liabilities as disclosed in Note 20(a) is assumed to approximate their fair values primarily due to their short maturities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

22. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being share capital plus reserves. The Board of Directors monitors the level of capital as compared to the Group's long-term debt commitments.

The Group is not subject to any externally imposed capital requirements.

No changes were made to the Group's and the Company's capital management objectives or policies during the financial years ended 30 June 2019 and 30 June 2018.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

23. Related party transactions

(a) Siecap Pty Ltd Development Services Agreement and Loan Agreement

In the year ended 30 June 2018, Siecap Pty Ltd was a related party of the Company due to Paul Mulder who is the Managing Director of the Company having a controlling shareholding interest in Siecap Pty Ltd. Effective July 2018, Mr Mulder ceased to have a controlling shareholding interest in Siecap Pty Ltd and Siecap Pty Ltd ceased to be a related party of the Company.

In the year ended 30 June 2018 Siecap Pty Ltd provided services to the Group pursuant to a Development Services Agreement between Mayur Resources Pte Ltd, Mayur Exploration PNG Ltd, Mayur Iron PNG Ltd, Mayur Energy PNG Ltd, Mayur Power Generation PNG Ltd, Mayur Steelmaking and DRI PNG Ltd and Siecap Pty Ltd dated 27 June 2017 (Development Services Agreement). This agreement superseded a prior Development Services Agreement dated 21 March 2014.

Under the agreement, Siecap is engaged to provide the following services to the Group to assist in the project development cycle of developing resource assets from a greenfield conceptual level:

(a) exploration and geological services;
(b) project and development management services; and
(c) commercial services and analytics.

Siecap provided services under the Development Services on agreed normal commercial terms.

The Company entered into a loan agreement with Siecap Pty Ltd on 4 April 2013 under which Siecap Pty Ltd agreed to loan ongoing sums of funding to the Group for the running of the business. The amount of funds loaned must not exceed A$15 million.

The term of the loan is 7 years. The Group is not charged interest on the loan. The loan is not secured. The loan became repayable (in part or full) on the listing of the Company's shares on a stock exchange.

Set out below is a summary of transactions undertaken during the prior financial year under the Development Services Agreement and the Loan Agreement when Siecap Pty Ltd was a related party of the Company. Whilst the Company continued to use the services of Siecap Pty Ltd in the year ended 30 June 2019, no amounts are reported for 2019 as Siecap Pty Ltd was not considered a related party for the reasons described above:

	2018 A$
Balance at 1 July	2,859,765
Services provided by Siecap under Development Services Agreement	3,287,557
Payments made	(3,770,309)
Balance at 30 June	2,377,013

(b) Shareholder Loan

As disclosed in Note 15, the Group entered into a loan agreement with various Shareholders on 28 January 2016 under which those shareholders agreed to loan ongoing sums of funding to the Group for the running of the business. The amount of funds loaned must not exceed A$5 million.

The term of the loan is 5 years. The Group is not charged interest on the loan. The loan is not secured. The loan was repaid in full during the year ended 30 June 2019.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

23. Related party transactions (continued)

(b) Shareholder Loan (continued)

Set out below is a summary of transactions undertaken during the financial year under the Shareholder Loan Agreement:

	Group	
	2019	2018
	A$	A$
Balance at 1 July	**256,619**	1,256,619
Principal amounts repaid	**(256,619)**	(1,000,000)
Balance at 30 June	**-**	256,619

(c) *Compensation of key management personnel*

	Group	
	30 June 2019	30 June 2018
	A$	A$
Short term employee benefits	**532,500**	547,156
Superannuation contributions	**48,608**	51,954
Share based payments	**1,972,366**	2,517,583
	2,553,474	3,116,693

Total key management personnel compensation represents gross compensation paid or payable and includes amounts capitalised to exploration and evaluation expenditure and property, plant and equipment.

Comprise amounts paid to:		
Non-executive directors of the Company	**195,121**	495,675
Executive Directors	**2,358,353**	2,621,018
	2,553,474	3,116,693

The following awards were made to Directors of the Company pursuant to the Company's Employee Inventive Plan during the year:

	Salary Sacrifice Rights Number	Long Term Incentive Rights Number	Loan Funded Shares Number	Options Number
Paul Mulder	**349,528**	**-**	**-**	**-**
Timothy Crossley	**342,695**	**800,000**	**800,000**	**-**
	692,223	**800,000**	**800,000**	**-**

No awards were exercised, cancelled or lapsed during the year ended 30 June 2019.

The following awards were issued in the year ended 30 June 2018:

	Salary Sacrifice Rights Number	Long Term Incentive Rights Number	Loan Funded Shares Number	Options Number
Paul Mulder	320,103	3,000,000	-	3,000,000
Timothy Crossley	165,452	1,125,000	1,125,000	-
Frank Terranova	-	-	1,125,000	-
	485,555	**4,125,000**	**2,250,000**	**3,000,000**

No awards were issued in the year ended 30 June 2017.

Details of the terms of awards issued to key management personnel during the year are provided in Note 17.

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24. Contingent liabilities

In September 2015, the Group entered into a Development Management Deed with a third party. Under this deed and its subsequent addendums, the third party is to provide services relating to the Lae power project and any subsequent power projects undertaken by the Group. In addition to the amounts paid to the third party for their services, they are entitled to contingent compensation of A$140,000 payable upon financial close of the Lae power project (and likewise for any other subsequent projects).

In June 2017, the Group entered into two additional Deeds of appointment with third parties, regarding the power projects. Under these deeds, the third parties are to provide services relating to Lae power project. As compensation for their services they are entitled to various payments and/or interests in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd, contingent upon the achievement of certain milestones/investor introductions. These amounts include:

Third party 1

(a) A$50,000 fee upon signing of the Power Purchasing Agreement;
(b) A$700,000 fee upon financial close of the Lae power project;
(c) 8% equity in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd upon operation commencement and approval of first shareholder dividend payment; and
(d) Introduction fee of 3% of proceeds for any investors introduced which result in funds being received.

Third party 2

(e) Upon achievement of the signing of the Power Purchase Agreement and subsequent government guarantees by a defined date to be determined, 5% interest in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd; and
(f) Introduction fee of 3% of proceeds for any investors introduced which result in funds being received.

These amounts have not been recognised in the financial statements due to their payment being contingent upon future events not wholly within the control of the Group.

25. Subsequent events

No matter or circumstance has arisen since the end of the reporting period that has significantly affected, or may significantly affect, the Group's operations, the results of those operations or the Group's state of affairs in subsequent periods, other than those disclosed below:

- On 3 July 2019, the Company announced that it had entered into an underwriting agreement with Morgans Corporate Limited to underwrite the exercise of 12.189 million unlisted Loyalty Options and 1.337 million Advisor Options all of which expire on 21 September 2019 at $0.56 to raise $7.575 million.

- On 3 July 2019, 688,996 unlisted Loyalty Options were exercised at an exercise price of $0.56 per share to raise $1,505,832.

- On 3 July 2019, the Company also announced that it had raised a further $2.1 million via the following:

  i. A placement to institutional and sophisticated investors to raise approximately $1.5 million though the issue of 2,678,572 fully paid ordinary shares at an issue price of $0.56 per share.

  ii. Repayment of loans outstanding to the Company in relation to 1.5 million loan funded shares issued to employees under the Employee Incentive Plan to raise $600,000.

- On 3 July 2019, the Company announced that it had submitted a mining lease application with the Mineral Resources Authority of Papua New Guinea for the Company's Central Cement and Lime Project.

- On 18 July 2019, the Company announced that it had appointed Morgans Financial Limited and KPMG Corporate Finance to secure US$350 million in project finance for the Company's Central Cement and Lime Project.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

26. Authorisation of financial statements

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors dated 27 September 2019.

Shareholder Information

The shareholder information set out below was applicable as at 18 October 2019.

A Distribution of securities

Analysis of the number of equity securities by size of holding:

1-1,000	26
1,001-5,000	127
5,001-10,000	121
10,001-100,000	139
100,001 and over	79
Totals	492

There were 20 holders of less than a marketable parcel of listed shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of equity securities are listed below:

Name	Balance at 18-10-2019	%
DTJ Co Pty Ltd	50,000,000	28.253%
QMP Nominees Pty Ltd	15,268,036	8.627%
Level 280 Riverside Pty Ltd	9,750,000	5.509%
Morgan Stanley Australia Securities (Nominee) Pty Ltd <No 1 Account>	9,008,857	5.091%
Sargon Ct Pty Ltd <Mayur Resources ESP Alloc A/C>	8,885,714	5.021%
Asher Capital Pty Ltd <Nkf A/C>	7,765,944	4.388%
Timmoo Pty Ltd <The Mahony Family S/F A/C>	6,501,640	3.674%
Mr Thomas Jonathan Charlton <The Charlton Family A/C>	6,193,056	3.499%
J P Morgan Nominees Australia Pty Limited	4,140,000	2.339%
Cs Fourth Nominees Pty Limited <Hsbc Cust Nom Au Ltd 11 A/C>	4,132,593	2.335%
The Estate of The Late Lynley Jane Hardie	2,756,483	1.558%
Brispot Nominees Pty Ltd <House Head Nominee A/C>	2,135,040	1.206%
Mr Timothy Elgon Savile Crossley	1,930,000	1.091%
Citicorp Nominees Pty Limited	1,907,351	1.078%
Ubs Nominees Pty Ltd	1,896,413	1.072%
Cs Third Nominees Pty Limited <Hsbc Cust Nom Au Ltd 13 A/C>	1,764,191	0.997%
Wright Corporation Pty Ltd <Wright Corporation S/F A/C>	1,500,000	0.848%
Marford Group Pty Ltd	1,487,500	0.841%
James Sinton Spence	1,456,051	0.823%
Nero Resource Fund Pty Ltd <Nero Resource Fund A/C>	1,335,196	0.754%
Total Securities of Top 20 Holdings	139,814,065	79.004%
Total of Securities	176,971,032	

Unquoted equity securities

Security	Number on issue	Number of holders	Number of holders of more than 20% of securities
Long term Incentive rights	7,837,500	7	1
Salary sacrifice performance rights	2,184,028	10	1
Options	3,000,000	1	1

Unlisted Long-Term Incentive Rights and Performance Rights represent rights to acquire ordinary shares. Each right entitles the holder to acquire one ordinary share. The names of the holders of more than 20% the unlisted long-term Incentive Rights and Performance Rights are:

	Long Term Incentive Rights		Salary Sacrifice Performance Rights		Options	
Security Holder	LTI	% of total LTIs on issue	Options	% of total PRs on issue	Options	% of total PRs on issue
Paul Mulder	3,000,000	38%	787,408	36%	3,000,000	100%
Tim Crossley	1,925,000	25%	653,979	30%	-	-

C Substantial shareholders

Substantial shareholders (>5%) in the company are set out below:

Name	Units
DTJ Co Pty Ltd	50,000,000
QMP Nominees Pty LTD	15,268,036
Level 280 Riverside Pty Ltd	9,750,000
Morgan Stanley Australia Securities (Nominee) Pty Ltd <No 1 Account>	9,008,857
Sargon Ct Pty Ltd <Mayur Resources Esp Alloc A/C>	8,885,714

D. Listed shares subject to escrow

7,860,323 CDI's are subject to 12 months escrow

2,860,323 CDI's are subject to 24 months escrow

3,541,214 CDIs Escrowed with Release on 1 July 2020.

E. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- *CDI's*

  On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

- *Options, Long Term Incentive Rights, Salary Sacrifice Rights and Performance Rights*

  No voting rights.

F. ASX Listing Rule 4.10.19

Mayur Resources Ltd has used the cash and assets in a form readily convertible into cash at the time of admission in a manner consistent with its business objectives.

Corporate Directory

Board of Directors

Mr Rob Neale	Non-Executive Chairman
Mr Paul Mulder	Managing Director
Mr Tim Crossley	Executive Director
Mr Frank Terranova	Non-Executive Director
Mr Lu Kee Hong	Non-Executive Director

Company Secretary

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Website:

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Telephone:

+61 1300 737 760

Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

MRL

Auditors

Baker Tilly TFW