

12 October 2022

## Financing Agreement Executed and New Board Appointment

**Mayur Resources Limited** (ASX:MRL) (**Mayur** or the **Company**) advises that it has executed an agreement with Barra Resources Limited (**Barra**) with respect to current and future financing arrangements at both the Mayur parent and subsidiary company levels (**Financing Agreement**).

### KEY HIGHLIGHTS OF FINANCING AGREEMENT

- Barra subscribes immediately for a A\$0.5 million placement in Mayur at A\$0.10 per share (**Upfront Placement**). The Issue price for the placement is at an approximately 4.2% premium to the 60 trading day volume weighted average price (**VWAP**) of Mayur shares.
- Barra provides exclusive capital raising services to Mayur for up to 30 months. These services are targeted at the securing of the requisite development capital to enable staged construction of Mayur's mineral sands project and raw limestone quarry (Tranche 1), quicklime project (Tranche 2) and the Company's clinker/cement project and special economic zone project (Tranche 3). Under this arrangement Mayur is free to continue with its existing capital raising initiatives and discussions which if executed will sit outside of the Barra services success fee arrangements.
- Barra is granted the right, which it has indicated it will exercise, to have Mr Craig Ransley appointed as Executive Chairman of Mayur.
- Upon completion of the Upfront Placement, Mayur will issue 10 million issued and fully paid ordinary shares in Mayur as a "sign on bonus" to Mr Ransley. The issue of these shares is in part in lieu of a market competitive remuneration package an Executive Chairman such as Mr Ransley would be entitled to. This and other elements of his remuneration package are provided based upon the expected significant contribution and time commitment to be provided by Mr Ransley over the coming months and years to the Mayur portfolio. Mr Ransley will also be issued with 10 million Unlisted Share Performance based Options in Mayur, details of which are set out below.

In conjunction with the execution of the Financing Agreement, and upon the appointment of Mr Craig Ransley to the role of Mayur Executive Chairman, current Mayur Non-Executive Chairman, Mr Charles Fear, will step back to the role of Non-Executive Director.

**Mayur Non-Executive Chairman, Mr Charles Fear, commented,** *"I warmly welcome the involvement and commitment of Barra and Craig. They have recognised the substantial opportunity that Mayur presents, with the business having essentially ticked all key development boxes to deliver three shovel-ready development projects across its mineral sands project and quicklime & clinker/cement manufacturing project portfolio in PNG that shall see the establishment of a multi generational industrial company. We are now seeking with Barra and Craig on board to finalise our capital requirements from debt and equity markets to enable these projects to proceed to development and operations. I look forward to continuing the Mayur journey as a non-executive director and seeing Craig and his team deliver future successes at Mayur similar to those which they have already achieved across businesses with assets in Mongolia, South Africa and Australia."*

**Executive Chairman-elect, Mr Craig Ransley, added,** *"Having followed Mayur's progress for some time it was clear to myself and Barra that Mayur is a company with exciting, de-risked assets that are construction ready. My track record at Terracom demonstrates an ability to substantially grow shareholder value, as readily demonstrated from the progressive share price increase from A\$0.03 per share to well over AU\$1.00 per share recently. This was*



*delivered via a relentless commitment to building operations and applying my network of financiers and strategic partners to available opportunities. I believe that Mayur represents one of these very types of opportunities”.*

*“I am passionate about resource advancement in developing nations. In this respect, Mayur has created the pathway for PNG to ensure a secure domestic supply of building materials which are currently 100% imported. The creation of a long-life, world class lime, clinker and cement operation in PNG also has the undeniable advantage of being the closest supplier of these products to Australia, which still imports approximately 50% of its requirements in this space from north Asia”.*

*“I look forward to being in PNG in short order and working closely with the Managing Director and the Mayur Board and Executive Team, in conjunction with the PNG Government, to rapidly move Mayur’s project portfolio into development and operations.”*

## Key Terms of the Financing Agreement

The key terms of the Financing Agreement are outlined below (including their inter-dependent aspects).

### 1. Upfront Placement

Barra subscribes immediately to a placement of 5 million Mayur shares at an issue price of A\$0.10 per share for a A\$0.5 million equity contribution (**Upfront Placement**).

Payment of the Upfront Placement funds has been settled.

### 2. Nominee Director

Barra has the right to nominate Mr Craig Ransley to the position of Executive Chairman of Mayur as soon as the lodgement of the Subscription of Shares ‘Placement’ has been made.

### 3. Exclusive Capital Raising Services

Upon receipt of the Upfront Placement, Mayur grants Barra exclusive rights to provide Capital Raising Services to the Company. These Capital Raising Services are targeted at the securing of two tranches of project level capital funding for Mayur’s key projects over a maximum period of up to 30 months. This is targeted at obtaining the requisite development capital to enable staged development and construction of Mayur’s mineral sands and raw limestone quarry projects (Tranche 1; within 6 months) and the Company’s quicklime/clinker/cement project and special economic zone project (Tranche 2 and Tranche 3; within 18 months of Tranche 1 closing). Under the agreed arrangements, Mayur is free to continue with its existing capital raising initiatives and discussions which if executed will sit outside of the Barra services success arrangements.

The fees payable by Mayur to Barra (or its nominee) in consideration of the Capital Raising Services are entirely success based. In the event that Barra introduces third parties to finance Mayur’s projects, that leads to financial close of such project(s), the following fees are payable by Mayur to Barra (or its nominee):

- i) For secured debt style instruments (including prepayments), the fee shall be equal to 2.0% of the total amount received from the investment (with such fee payable only upon receipt of the funds by the Company); and
- ii) For equity, the fee shall be equal to 5.0% of the total amount received from the investment (with such fee payable only upon receipt of the funds by the Company).



Such fees will not be payable with respect to financing counterparties with which Mayur already has an ongoing relationship or negotiation on foot.

Fee payments to Barra with respect to the Capital Raising Services shall, at the election of Mayur, be made in cash or Mayur shares. In the event that such fees are settled via the issuance of shares, the number of shares payable is to be calculated as the dollar value of the fee payable divided by an issue price equal to 90% of the 30 trading day volume weighted average price (VWAP) for Mayur shares immediately prior to the funds which are the subject of the fee being deposited into the Company's bank account. The issuance of such shares will be subject to shareholder approval at such time.

#### **4. Share Price Performance Options & Monetary Remuneration**

Mr Ransley will be provided with a share price performance unlisted options package as follows:

- Share Price Performance Options Tranche A – 5,000,000 Unlisted Options in Mayur Resources Limited will be provided, that shall vest if within a 6 month term (commencing on the date of Mr Ransley's appointment), the share price performance of the Company is achieved at the limit of (or greater than) AU\$0.15 per share based upon a 60 trading day volume weighted average price (VWAP) of the Company share price. The strike price payable upon vesting is AU\$0.15; and
- Share Price Performance Options Tranche B – 5,000,000 Unlisted Options in Mayur Resources Limited will be provided, that shall vest if within a 6 month term (commencing on the date of Mr Ransley's appointment), the share price performance of the Company is achieved at the limit of (or greater than) AU\$0.20 per share based upon a 60 trading day volume weighted average price (VWAP) of the Company share price. The strike price payable upon vesting is AU\$0.20.
- Mr Ransley's annual monetary based salary component will be A\$100,000 per annum, inclusive of superannuation.

### **Mayur Board changes**

In conjunction with the execution of the Financing Agreement, and upon the appointment of Mr Craig Ransley to the role of Mayur Executive Chairman, current Mayur Non-Executive Chairman, Mr Charles Fear, will step back to the role of Non-Executive Director.

Craig Ransley was the founder of Terracom Limited (then Guildford Coal). Craig retired as the Chairman of Terracom in July 2022 after the market capitalisation of Terracom exceeded AU\$600 million. At Terracom, Mr Ransley was instrumental in working with the Board to restructure the Company and its balance sheet and was an integral part of Terracom's expansion into emerging markets.

Mr Ransley is a qualified Fitter and Machinist (Trade Qualified) and has a broad entrepreneurial background. He has been the driving force in building a number of companies and has extensive experience in the establishment and operations of mines around the world in developing countries as well as working in the labour hire and services industries, being a founder of TESA Group Pty Ltd which was sold to Skilled Group in 2006 for \$63 million.

**This announcement was authorised by Mr Paul Mulder, Managing Director of Mayur Resources Limited.**



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**ABOUT MAYUR**

Mayur Resources Limited is focused on the development of natural resources and renewable energy in Papua New Guinea. Our diversified asset portfolio spans iron and industrial sands, lime and cement, nature based forestry carbon credits, battery minerals and renewable power generation (geothermal and solar). Mayur also holds a 43% interest in copper gold explorer/developer Adyton Resources, a company listed on the TSX-V (TSXV:ADY).

Mayur's strategy is to serve PNG and the wider Asia Pacific region's path to decarbonisation by developing mineral projects that deliver higher quality, lower cost, and "net zero" inputs for the mining and construction industries, as well as constructing a renewable energy portfolio of solar, wind, geothermal, nature based forestry carbon credit estates, and battery storage.

Mayur is committed to engaging with host communities throughout the lifecycle of its projects, as well as incorporating internationally recognised Environmental, Social and Governance (ESG) standards into its strategy and business practices.