

Update to US\$50 Million Investment including US\$10 million Convertible Note for Mayur's Central Lime Project

Tuesday 15 October 2024

Mayur Resources Limited (ASX: MRL) (**Mayur** or the **Company**) is pleased to announce that ACAM LP and other investors (collectively, **Investors**) have entered into definitive transaction documents (**Notes Documentation**) with the Company to subscribe for US\$10 million of Convertible Notes (**Notes**). Pursuant to the Notes Documentation, it is further intended that, subject to conditions precedent, the Investors will provide an additional US\$40 million of equity funding to Mayur and its Central Lime Project (**CLP**) in Papua New Guinea (**PNG**).

The commitment from the Investors underlines the potential of Mayur's Central Lime Project, which is underpinned by a long-life, high-quality resource that is centrally located on the doorstep of fast-growing and supply constrained Asia-Pacific markets. The US\$10 million Notes financing will provide funding for CLP construction activities, retirement of existing debt and working capital.

The remaining conditional investment commitment of US\$40 million will be used to progress the CLP to full scale commercial production, which is scheduled to commence 18 months from Final Investment Decision.

Lime is a fundamental ingredient across a huge range of industries, with limited viable substitutes, and plays a critical role in the conversion of critical minerals and metals to clean energy and battery-ready materials. Lime also plays a significant role in protecting the planet from the harmful effects of acidification and maintaining the productivity of many of our agricultural lands.

US\$10 Million Notes Financing

- The Notes are unsecured obligations of the Company and have a maturity date of 31 October 2026.
- The Notes bear interest at a rate of 10% per annum, payable quarterly in arrears. Interest can be capitalised at the option of the Company for the term of the Notes.
- The Notes and any accrued and unpaid interest can be converted by the Investor into the Company's common shares at a fixed conversion rate of A\$0.2425 per share, unless redeemed by the Company.
- The Company retains the right to redeem the Notes at any time prior to maturity at 110% of face value, after providing the Investor a redemption notice and the Investor within 20 days electing not to exercise their conversion right.

Receipt of the US\$10 million is expected to be received by the Company imminently.

For further details of the Notes, see Appendix A.

Intended Additional US\$40 Million Equity Financing

It is currently envisaged that such equity funding requirements for the CLP shall be split into the following linked transactions with specified equity valuations and equity ownership levels:

- (i) Investment into the Company totalling approximately US\$7.8 million at A\$0.2425 per Share (subject to exchange rate fluctuations). If all Notes are converted into common shares prior to this

investment, the Investors would collectively hold in aggregate up to 19.99% of the Company's share capital; and

- (ii) additional investment of circa US\$32.2 million resulting in the Investors holding approximately 44.0% of CLP Project Company (subject to exchange rate fluctuations).

The intended equity financing described above is subject to conditions precedent, including:

- (i) Investors being satisfied regarding suitable debt arrangements forming part of the overall required funding for the CLP;
- (ii) The execution of Subscription Agreements and Shareholders Agreements, and the satisfaction of conditions precedent thereto; and
- (iii) The Company obtaining any necessary shareholder approvals required for or in connection with the overall required funding for the CLP.

Strategic Importance of the Investment

The US\$10 million Notes financing allows Mayur to extinguish current debt obligations while providing working capital for its corporate and CLP construction needs. The remaining conditional investment commitment of US\$40 million, lays the groundwork for advancing the CLP towards full-scale construction and commercial production.

This strategic investment supports PNG's goal of reducing its reliance on lime imports and positions the country as a potential hub for industrial materials in the Asia-Pacific region.

Richard Pegum, Chairman of Mayur Resources said: *"We welcome the commitment of the Investors and look forward to progressing to unconditional funding of the Central Lime Project. The US\$10 million Convertible Note will see the retirement of third-party debt and provide the necessary runway for our corporate and construction program, while we work towards considering a Final Investment Decision (FID) on the Central Lime Project."*

Next Steps

With the Notes in place and the US\$10 million funding expected to be received by the Company imminently, the focus is now on finalising the Subscription and Shareholders Agreements, final structuring, and meeting any outstanding conditions precedent. The Company and its advisors will continue assessing debt financing requirements to achieve unconditional funding for the CLP's development ahead of a Final Investment Decision expected by calendar year end.

An Appendix 3B in relation to the issue of the Notes and related conversion of the Notes will be issued to ASX following the release of this announcement.

Advisors

Tamesis Partners LLP is acting as the Company's adviser in relation to the transactions described above.

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Mayur Resources Limited is focused on the development of natural resources and renewable energy in PNG. Mayur's diversified asset portfolio spans iron and industrial sands, lime, cement, nature-based forestry carbon credits, battery minerals and renewable power generation (geothermal and solar). Mayur also holds a significant 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 targeted "carbon neutral" 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.

About the Central Lime Project

The Central Lime Project ("CLP") is Stage 1 of a vertically integrated manufacturing facility with the ability to meet 100% of PNG's raw lime, lime, hydrated lime, and other building material requirements, creating a new manufacturing industry and displacing imports into PNG, with the ability to penetrate nearby export markets in Australia and APAC. When constructed, the co-located quarry, plant site and deep draft wharf will enable scalable production of high-grade limestone, aggregates and lime products at low operating costs within the first quartile of the global cost curve. The CLP is also seeking to become Asia Pacific's first carbon-neutral producer, seeking to service and meet increasing demand from the critical minerals and battery metals processing sectors in support of the global energy transition. The CLP's lime products will also meet standards for the construction, environmental and pollution abatement sectors.

Mayur expects first raw limestone revenues from the CLP in H2 2024, with annual Stage 1 EBITDA post Quicklime kiln completion in excess of US\$25 million (A\$37.3 million¹) and more than US\$770 million (A\$1,149 million¹) of revenue over the project life of 30 years.¹

The CLP will create hundreds of jobs, while having capacity to replace all of PNG's current imports of lime valued at approximately K\$100 million (A\$42.8 million) per year, and service the broader Asia Pacific region.

About ACAM LP

ACAM LP is a partnership, primarily investing in natural resources.

Forward-Looking Statements

1. Refer to ASX Announcement dated 26 July 2022 "Updated DFS For Central Cement and Lime Project". All material assumptions underlying these production targets and forecasts continue to apply and have not materially changed.

Appendix A – Key Terms of the Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Notes.

Face Value	USD\$1,000 per Note plus any interest which has been added to the Principal Amount.
Aggregate Face Value	USD\$10,000,000
Maturity Date	31 October 2026
Conversion Price per Share	A\$0.2425 as adjusted in accordance with the ASX Listing Rules for reorganisations, bonus issues of Shares, and pro rata offers of Shares for cash.
Interest	<p>Each Note bears interest on the Principal Amount from (and including) the date of issue of the Note to (but excluding) the date on which the Note is Converted or Redeemed at a rate of 10% per annum.</p> <p>Interest accrues daily and for the actual number of days elapsed and is calculated on the basis of a year of a 365 day year.</p> <p>Payment of Interest:</p> <ul style="list-style-type: none"> (a) interest is payable in arrears on each Interest Payment/Capitalisation Date (being the end of each calendar quarter, the Maturity Date, and the date of Redemption or Conversion). (b) In respect of interest payable on the First Interest Payment/Capitalisation Date, interest will accrue from the date of issue of the Note until the First Interest Payment/Capitalisation Date. (c) On Conversion of a Note, the Company must pay all accrued but unpaid interest on the Note through the issue of Conversion Shares at the Conversion Price. <p>The Company may elect not to pay interest in cash on an Interest Payment/Capitalisation Date and instead add the interest for the relevant Interest Period to the Principal Amount of the Notes. The Company's election to do so is not a breach of its obligations in relation to payment of interest and is not an Event of Default.</p>
Shareholder ratification	The Company undertakes to use reasonable efforts to seek Shareholder approval for the purposes of ASX Listing Rule 7.4 for the issue of the Notes (Conversion Ratification) within 3 months after the first issue of Notes.
Conversion	<p>A Noteholder may at any time provide the Company written notice that it elects that all or any part of its Outstanding Notes are to be Converted (but, if in part, such Notes must be converted in a minimum denomination of \$500,000).</p> <p>The number of Conversion Shares to which a Noteholder will be entitled on Conversion of each Outstanding Note will be equal to the Principal Amount (together with all accrued but unpaid interest), converted to Australian Dollars, divided by the Conversion Price.</p>
Redemption in Cash	<p>The Company must redeem all Outstanding Notes of a relevant Noteholder on the earliest of:</p> <ul style="list-style-type: none"> (a) Company election: 25 Business Days (or such other period agreed between the Company and the Noteholder) after the Company elects to give written notice to all Noteholders before the Maturity Date requiring the Outstanding Notes of all Noteholders to be redeemed. The redemption obligation will be cancelled if a particular Noteholder gives a Conversion notice to the Company. (b) Change of Control: 25 Business Days (or such other period agreed between the Company and a Noteholder) after receipt by the Company of a written notice from a Noteholder Majority (being the holders of at least 50% of outstanding Notes)

	<p>requesting redemption of all Outstanding Notes following the occurrence of a change of control of the Company.</p> <p>(c) Event of Default: 20 Business Days (or such other period agreed between the Company and a Noteholder) after receipt by the Company of a written notice from a Noteholder Majority requesting redemption of all outstanding Notes following the occurrence of an Event of Default, which is specified in the notice and is still subsisting and has not been waived by a Noteholder Majority when the notice is given.</p> <p>(d) Maturity Date: On the Maturity Date (or such other date agreed between the Company and the Noteholder) if the outstanding Notes have not been Converted on or before the Maturity Date.</p> <p>(e) Written agreement: The date agreed in writing between that Noteholder and the Company, or between a Noteholder Majority on behalf of all Noteholders and the Company.</p> <p>If the Company redeems the Notes under any of the above circumstances, the Company must pay to that Noteholder an amount in cash equal to 110% of the aggregate Principal Amount, plus any accrued but unpaid interest in respect of such Outstanding Notes.</p>
Security	The Notes are unsecured.
Events of Default	<p>The Agreement includes events of default which the Company considers to be broadly on terms customary for securities of this nature, including in summary:</p> <ul style="list-style-type: none"> (a) a material breach or failure to comply with any material obligation under the transaction documents (and does not rectify such breach or failure within 15 days of notice of such); (b) failing to repay the Company's 2023 Loan Notes; (c) cessation/inability to carry on business; (d) the occurrence of an insolvency event in respect of the Company or a CLP Project Company; (e) a failure by the Company to obtain the Conversion Ratification within 12 months of the date of the Deed; (f) a breach of the Note subscription agreement or if any representation or warranty made, or other obligation entered into, by the Company in any of the Note subscription agreements is incorrect or misleading or breached in any material respect; (g) if the Deed and/or any of the Note subscription agreements is found or declared to be void, voidable or unenforceable or the Company repudiates or rescinds or shows an intention to repudiate or rescind any such document or it is or becomes unlawful for the Company to perform any of its obligations under any such document or any obligation of the Company under any such document is not or ceases to be legal, valid, binding or enforceable; and (h) if the listing of the Shares on ASX is abandoned or terminated, or trading in Shares is suspended for more than 5 Business Days in any rolling 12 month period, or trading in Shares is subject to a trading halt other than trading halts not exceeding 2 trading days. <p>The Company must notify Noteholders of the occurrence of an Event of Default as soon as practicable, and in any event within 5 Business Days, after becoming aware of the relevant occurrence or circumstances.</p>
Negative Covenants	Whilst the Notes are outstanding, a number of negative covenants apply to the Company, which the Company considers to be broadly on terms customary for securities of this nature.

	<p>In summary, the Company undertakes to each Noteholder while it holds Notes that it will not and will procure that no CLP Project Company will (without the prior consent of a Noteholder Majority):</p> <ul style="list-style-type: none"> (a) grant a security interest over any of its assets, whether to secure a debt to a third party or otherwise; or (b) subordinate its obligations in relation to the Notes in relation to a debt to a third party, where that third party debt would have priority over the Notes, except as required by law; (c) declare or pay dividends in relation to its Shares or other securities of any kind, undertake any distribution or reduction of capital in relation to its Shares or other securities of any kind, or undertake a buy-back in relation to its Shares or other securities of any kind (in each case other than by a CLP Project Company solely to another CLP Project Company, and other than repayment in full of the Company's 2023 Loan Notes); (d) materially change the nature of its business (for the avoidance of doubt this does not restrict the development of the CLP Project); (e) abandon or cease to develop the CLP Project or terminate or allow to be terminated, or not extend or renew or allow not to be extended or renewed on materially equivalent terms as those existing prior to renewal, any CLP Project Licence or as required for the continuing development thereof; or (f) sell or dispose of all or substantially all of its business or assets, including undertaking a sale or disposal of the CLP Project, any CLP Project Company, any CLP Project Licence or any interest in any of the foregoing or a transaction that would require Shareholder approval under ASX Listing Rule 11.2. <p>CLP Project Companies means the Company and each Group Company which owns any of the rights to, or assets (including shares in any Group Company) relating to, the proposed Central Lime Project in Papua New Guinea.</p>
Transfer of Notes	The Notes are transferable in whole or in part (but, if in part, in a minimum denomination of US\$200,000 and thereafter in integral multiples of US\$1,000 (or such other minimum or multiples as the Company may permit, having regard to all applicable securities laws).
Voting Rights	The Notes do not confer any voting rights.
Quotation	The Notes will not be quoted on ASX.
Governing Law	The Agreement is governed by the laws applying in the State of Queensland, Australia.
Representations and Warranties	The Company has provided the Noteholder with customary representations and warranties.
Chess Depositary Interests (CDIs)	The Company's Shares trade on ASX only in the form of Chess Depositary Interests (CDIs), representing underlying Shares. References in the terms of the Notes, and in this Notice, include a reference to CDIs where applicable, and any obligation by the Company to issue Shares will be satisfied by issue CDIs representing the equivalent number of underlying Shares to the Noteholder.