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

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR YEAR ENDED
31 DECEMBER 2021

Directors' report

The directors of Mayur Resources Limited (the "**Company**" or "**Mayur**") submit herewith the half-year report of the Company and the subsidiaries it controlled (collectively "**Group**") for the half-year ended 31 December 2021 ("**reporting period**").

Directors

The following persons were directors of the Company during the whole of the reporting period under review and up to the date of this report, unless otherwise stated:

- Charles Anthony Candlin Fear (appointed 16 September 2021)
- Christopher Charles Indermaur (appointed 16 September 2021)
- Paul Levi Mulder
- Timothy Elgon Savile Crossley
- Hubert Hanjause Namani
- Wee Choo Peng

Principal activities and review of operations

Mayur had a positive half-year notwithstanding the ongoing uncertainties posed by COVID-19 with significant progress being made on all projects.

CENTRAL CEMENT AND LIME PROJECT (CCL)

The Central Cement and Lime (CCL) 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 PNG domestic and export markets. The project is located 25km north of the national capital, Port Moresby, and 7km from the Exxon PNG LNG Refinery. Significant developments during the half-year included:

- Offtake support received from blue chip end users for circa 400,000 tonnes per annum (tpa) being the entirety of the Quick lime kilns output for Stage 1 of CCL Project;
- Offtake support received for over 1.1 million tpa of clinker and cement for Stage 2 of the CCL Project;
- Granting of a Special Economic Zone (SEZ) over an area of 52 km^2 that includes the full CCL project site underlining Government support and that 'PNG is open for business';
- SEZ licence enables Mayur to develop other industry within the SEZ, including renewable energy and for which a study for large scale solar (>500 MW) has commenced with renewable energy consulting firm VECKTA;
- Several site visits completed including engagements with local community and a range of PNG stakeholders;
- Finalised the alignment and locations for the road and bridge upgrades and commenced geotechnical surveys to provide direct access to the project in the future; and
- Finalised the microgrid rooftop Solar project for Kido Community School with installation occurring in February 2022.

OROKOLO BAY INDUSTRIAL SANDS PROJECT

The Orokolo Bay Industrial Sands Project in PNG will produce a number of products including titano-magnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.

Significant developments during the half-year included:

- Detailed site visit completed and conducted engagement with the community at Orokolo Bay and proposed contractor delivery partners for the project to conduct pre-construction survey work;
- Detailed bathymetric survey was undertaken of the sections of the Muro and Purari Rivers that will form the barging route for the transport of the mine products. Initial results indicate that the proposed route is far deeper than expected, allowing a refinement of the barging model that should reduce handling costs;
- Secured a 20-year Mining Lease for the Orokolo Bay Iron and Industrial Sands project that compliments the environmental conditions that were issued in 2019;

Principal activities and review of operations (continued)

- Strategic delivery, investment partner and project operator secured with HBS, PNG's leading civil and mining contractor;
- HBS to commence site establishment works at Orokolo Bay in March 2022;
- Executed a term sheet for supply of magnetite to a Leading Japanese Trading House from the Orokolo Bay Project; and
- Continuing to progress the spin out of Ortus Resources Limited via an Initial Public Offering on the Australian Securities Exchange, planned to occur prior to 30 June 2022..

RENEWABLES

Mayur is focused on the development of a portfolio of renewable energy opportunities in Papua New Guinea – with interests and aspirations in nature based forestry carbon credits, large scale solar, battery, and large scale geothermal.

Significant developments during the half-year included :

- Established Mayur Renewables to address opportunities around clean energy within Mayur's portfolio as well as the identification of new renewable power and carbon mitigation opportunities in PNG and the Pacific Region;
- Completed a study demonstrating 500MW of renewable solar power potential within the Special Economic Zone (SEZ) that also hosts the Central Cement and Lime Project;
- Signed an MoU with Australian-UK energy storage innovator Gelion Technologies for supply of zinc-bromide non-flow battery technology to PNG;
- First nature-based forest carbon concessions granted to Mayur preserving and protecting circa 800,000 hectares of PNG's pristine rainforests; and
- Forestry project areas are to be developed as carbon estates to generate high-quality nature-based forestry carbon credits under UNFCCC REDD+ program.

POWER GENERATION

Mayur's proposed 52.5MW EEP Project comprises an integrated, solar, biomass woodchip, and coal plant in the city of Lae. The co-generation facility will also provide steam by-product for nearby industrial users. It is designed to improve reliability of supply and reduce the cost and environmental footprint of power generation in the city by displacing the current reliance on imported diesel and fuel oil. The EEP will also assist PNG in meeting its electrification target of 70% (currently 13%) by 2030. The EEP Project received Prime Minister and Ministerial approval in principle in late 2020 together with an outlined process to finalise the associated Power Purchase Agreement (PPA) for the project.

Only minor desktop works were completed during the half year, as the Group was focused on its other projects during the 6 month period.

COAL PROJECTS

Mayur holds a prospective coal tenement portfolio in Gulf Province, with a focus on the Depot Creek Project.

Only minor desktop works were completed during the half year, as the Group was focused on its other projects during the 6 month period.

CORPORATE ACTIVITIES

Significant corporate activities in the half-year included:
- Completed an A$2.65 million equity capital raising via a placement to professional and sophisticated investors through the issue of 13,250,000 CDI's at A$0.20 on 21 December 2021; and
- Completed a Promissory Note financing in the amount of A$3.0 million with Tribeca for an amount of funding of A$ 3 million, comprised of 2 tranches each of A$ 1.5 million (2 related lenders). The facility has a term of 2 years with an interest rate of 8% per annum, with interest payable quarterly in arrears. The A$3 million facility will be utilised for general corporate purposes and to progress Mayur's Carbon Estate projects to be verified under the United Nation's Reducing Emissions from Deforestation and Forest Degradation (REDD+) program in PNG..

Directors' report

Principal activities and review of operations (continued)

OPERATING RESULT

The Company reported a loss after tax of A$2,783,688 for the half-year ended 31 December 2021 (half-year ended 31 December 2020: loss after tax of A$7,431,272). The operating result reflected the following significant items:

- Equity accounted share of the loss of TSX-V listed Adyton Resources Corporation which was spun-out of Mayur in February 2021. Mayur hold a 42.75 % interest in Adyton. Mayur's share of Adyton's loss for the 6 month period ended 31 December 2021 was A$1,118,338; and
- Costs incurred to 31 December 2021 relating to the proposed Initial Public Offering of Ortus Resources Limited on the ASX, amounting to A$389,491.

OUTLOOK

During the coming 12 month period, the Group will be focused on :

- Advancing the Central Cement and Lime Project to Final Investment Decision, bringing on board a strategic development partner for the project, and the commencement of construction of Stage 1 of the project;
- Undertaking and completing the Initial Public Offering of Ortus Resources Limited on the Australian Securities Exchange, the development of the Orokolo Bay Industrial Sands Project, and first commercial shipment of product;
- Advancing the portfolio of renewable energy opportunities in Papua New Guinea – with interests and aspirations in nature based forestry carbon credits, large scale solar, battery, and large scale geothermal; and
- Positioning the future development pathway for the Power Generation and Coal Projects.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

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 reporting periods, other than those disclosed below:

- On 12 January 2022, Mayur, via its 100% owned subsidiary Mayur Renewables PNG Limited, has been granted its first forest carbon concessions in PNG, demonstrating material progress on its commitment to achieve "net zero" carbon emissions for its nation building import displacement projects, and delivering on the objectives of its strategic review completed in October 2021. The carbon credits from the forest concessions will provide Mayur with a tangible path to "net zero" for its projects by partnering with PNG Landowners and the PNG Government, whilst also enabling participation in international carbon trading markets.

Directors' report

Principal activities and review of operations (continued)

TENEMENT LIST

As of 31 December 2021, the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea.

	EL nr	Province	Commodity focus	Ownership at End of Quarter	Km^2
1	EL2150	Gulf	Iron / HMS	100%	256
2	EL2304	Gulf	Iron / HMS	100%	256
3	EL2305	Gulf	Iron / HMS	100%	256
4	ML541	Gulf	Iron / HMS	100%	21.5
5	EL2556	Milne Bay	Iron / HMS	100%	694
6	ELA 2695	Western Gulf	Iron / HMS	100%	2064
7	EL2303	Central	Limestone	100%	255
8	EL2616	Central	Limestone	100%	54
9	ML526	Central	Limestone	100%	53.3
10	EL1875	Gulf	Coal	100%	256
11	EL1876	Gulf	Coal	100%	256
12	EL2599	Gulf	Coal	100%	48
13	ELA2725	West New Britain	Geothermal	100%	571
14	ELA2726	Gulf / West Provinces	Geothermal	100%	493
15	ELA2222	West New Britain	Geothermal	0%^	877
16	ELA2225	Fergusson Island (west)	Geothermal	0%^	167
17	ELA2226	Fergusson Island (east)	Geothermal	0%^	302
18	EL2095*	Milne Bay	Copper / Gold	43%^^	150
19	EL2096*	New Ireland	Copper / Gold	43%^^	95
21	EL2594	Manus	Copper / Gold	43%^^	259
22	EL2591*	New Ireland	Copper / Gold	43%^^	252
23	EL2546	Milne Bay	Copper / Gold	43%^^	38
24	EL2549	Milne Bay	Copper / Gold	43%^^	102
25	EL2572*	Milne Bay	Copper / Gold	43%^^	126
26	EL2408	East New Britain	Copper / Gold	43%^^	249

Table 1 - Exploration Licence list (*ELs currently under renewal);

^Kuth Energy ELs are subject to the JV farm in deal

^^Exploration Licences held by Adyton Resources Corporation in which MRL has an indirect interest through its 43% ownership interest in Adyton Resources Corporation.

Directors' report

Principal activities and review of operations (continued)

TENEMENT MAP

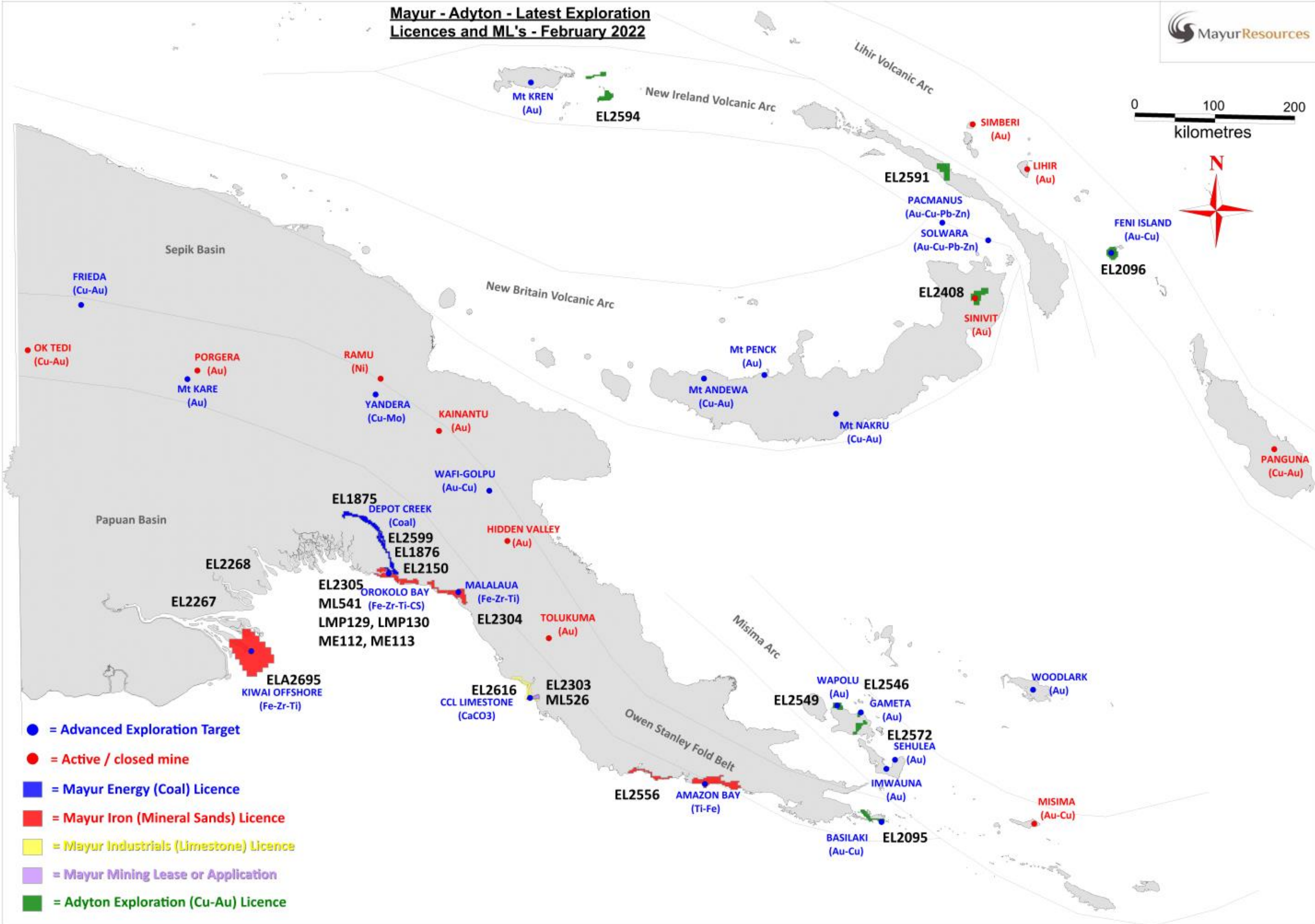

Figure 1 - Exploration Licence map

This report is made in accordance with a resolution of directors.

Paul Levi Mulder
Managing Director
Brisbane, 15 March 2022

Charles Anthony Candlin Fear
Chairman
Brisbane, 15 March 2022

Directors' declaration

In the directors' opinion:

(a) the attached interim financial statements and notes are in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34, *Interim Financial Reporting*; and give a true and fair view of the Group's financial position as of 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows and changes in the equity for the half-year ended on that date;

and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

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Paul Levi Mulder	**Charles Anthony Candlin Fear**
Managing Director	**Chairman**
Brisbane, 15 March 2022	**Brisbane, 15 March 2022**

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MAYUR RESOURCES LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
ON INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Report on Review of Interim Financial Statements

We have reviewed the accompanying interim financial statements of Mayur Resources Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 8 to 23, which comprise the condensed consolidated balance sheet of the Group as at 31 December 2021, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows of the Group for the half-year then ended, and selected explanatory notes.

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34, *Interim Financial Reporting* ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the interim financial statements. As at 31 December 2021, the Group incurred a loss for the period of A$2,783,688, net cash outflows from operating activities of A$1,190,832. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern depends on its ability to generate cash flows from financing activities.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities that may arise and to reclassify non-current assets as current assets. No such adjustments have been made to these interim financial statements. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Group as of 31 December 2021, and of its financial performance, cash flows and changes in equity of the Group for the half-year then ended in accordance with SFRS(I) 1-34.

Baker Tilly

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 March 2022

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	*For the half-year ended 31 December* *2021* *A$*	*2020* *A$*
Interest revenue		2,117	43
Other income		–	58,494
Revenue and other income		**2,117**	**58,537**
Less: expenses			
Audit fees		(90,022)	(40,950)
Consultants and contractors		(236,317)	(208,353)
Costs related to RTO transaction		–	(663,504)
Costs relating to proposed IPO of subsidiary		(389,491)	–
Depreciation expense		(8,421)	(13,806)
Director and key management personnel remuneration		(216,767)	(161,830)
Finance expenses		(129,028)	(922)
Impairment of exploration and evaluation expenditure	5	(4,312)	(5,484,250)
Insurance		(68,016)	(65,784)
Investor and public relations expenses		(35,472)	(92,327)
Listing and share registry expenses		(77,334)	(52,104)
Net foreign exchange losses		(58,783)	(119,380)
Occupancy costs		(69,052)	(69,712)
Other operating expenses		(133,098)	(223,276)
Professional fees		(145,021)	–
Share based payments expense – reversal/(charge)	9	13,186	(205,483)
Travel expenses		(19,519)	(88,128)
Share of results of associate		(1,118,338)	–
Loss before income tax expense		**(2,783,688)**	**(7,431,272)**
Taxation		–	–
Loss for the period		**(2,783,688)**	**(7,431,272)**
Other comprehensive loss:			
Share of other comprehensive loss of associate		(31,918)	–
Total comprehensive loss for the period attributable to owners of the Company		**(2,815,606)**	**(7,431,272)**
Basic and diluted loss per share attributable to owners of the Company (cents per share)	3	**(1.26)**	**(4.06)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Condensed consolidated balance sheet

	Notes	As at 31 December 2021 A$	30 June 2021 A$
Non-current assets			
Property, plant, and equipment	*4*	3,135,984	3,152,305
Exploration and evaluation expenditure	*5*	30,392,244	28,186,048
Investment in associate	*6*	10,231,622	11,381,878
Total non-current assets		**43,759,850**	42,720,231
Current assets			
Cash and cash equivalents		6,458,730	4,535,828
Prepayments		249,933	175,594
Other current receivables		176,940	145,968
Total current assets		**6,885,603**	4,857,390
Total assets		**50,645,453**	47,577,621
Current liabilities			
Trade and other payables		1,462,248	1,270,792
Short term loan	*7*	3,000,000	–
Total current liabilities		**4,462,248**	1,270,792
Total liabilities		**4,462,248**	1,270,792
Net assets		**46,183,205**	46,306,829
Equity			
Share capital	*8*	59,303,246	56,729,839
Reserves	*9*	4,252,092	4,165,435
Accumulated losses		(17,372,133)	(14,588,445)
Total equity		**46,183,205**	46,306,829

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Condensed consolidated statement of changes in equity

2021	Share capital A$	Reserves A$	Accumulated losses A$	Total equity A$
Balance as of 1 July 2021	56,729,839	4,165,435	(14,588,445)	46,306,829
Loss for the half-year	–	–	(2,783,688)	(2,783,688)
Other comprehensive loss				
Share of other comprehensive loss of associate	–	(31,918)	–	(31,918)
Total comprehensive loss for the period	–	(31,918)	(2,783,688)	(2,815,606)
Transactions with owners in their capacity as owners:				
Issue of equity securities	2,650,000	–	–	2,650,000
Costs of equity raising	(76,593)	–	–	(76,593)
Share based payments	–	118,575	–	118,575
Total transactions with owners in their capacity as owners	2,573,407	118,575	--	2,691,982
Balance as of 31 December 2021	**59,303,246**	**4,252,092**	**(17,372,133)**	**46,183,205**

2020	Share capital A$	Reserves A$	Accumulated losses A$	Total equity A$
Balance as of 1 July 2020	49,048,549	1,414,698	(12,284,745)	38,178,502
Loss for the half-year	–	–	(7,431,272)	(7,431,272)
Total comprehensive loss for the period	–	–	(7,431,272)	(7,431,272)
Transactions with owners in their capacity as owners:				
Issue of equity securities	5,476,494	–	–	5,476,494
Costs of equity raising	(284,868)	–	–	(284,868)
Share based payments	–	584,396	–	584,396
Total transactions with owners in their capacity as owners	5,191,626	584,396	–	5,776,022
Balance as of 31 December 2020	**54,240,175**	**1,999,094**	**(19,716,017)**	**36,523,252**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Condensed consolidated statement of cash flows

	Note	*For the half-year ended 31 December*	
		2021	***2020***
		A$	***A$***
Loss before tax		(2,783,688)	(7,431,272)
Adjustments for:			
Interest income		(2,117)	(43)
Impairment of exploration expenditure		4,312	5,484,250
Depreciation expense		8,421	13,806
Finance expenses		129,028	922
Share of results of associate		1,118,338	---
Share based payments expense		(13,186)	205,483
Unrealised foreign exchange differences		58,783	86,066
Total adjustments		1,303,579	5,790,484
Operating cash flows before changes in working capital		(1,480,109)	(1,640,788)
Changes in working capital:			
Increase in receivables		(30,972)	(66,071)
Increase in prepayments		(74,339)	(70,110)
Increase in trade and other payables		392,471	339,844
Total changes in working capital		287,160	203,663
Cash flows used in operations		(1,192,949)	(1,437,125)
Interest received		2,117	43
Net cash flows used in operating activities		**(1,190,832)**	**(1,437,082)**
Cash flow from investing activities			
Payments for property, plant, and equipment	4(b)	(303,592)	(132,859)
Payments for exploration and evaluation expenditure	5	(1,974,188)	(1,023,467)
Net cash used in investing activities		**(2,277,780)**	**(1,156,326)**
Cash flow from financing activities			
Proceeds from share issue		2,650,000	5,476,494
Capital raising costs		(76,593)	(284,868)
Proceeds from borrowings		3,000,000	---
Finance expenses		(123,110)	(922)
Net cash generated from financing activities		**5,450,297**	**5,190,704**
Reconciliation of cash and cash equivalents			
Cash and cash equivalents on 1 July		4,535,828	2,988,147
Net increase in cash and cash equivalents		1,981,685	2,597,296
Foreign exchange difference on cash and cash equivalents		(58,783)	(86,066)
Cash and cash equivalents on 31 December		**6,458,730**	**5,499,377**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

Notes to the financial statements

1. Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year ended 31 December 2021 has been prepared in accordance with Singapore Financing Reporting Standards (International) ("SFRS(I)") 1-34, Interim Financial Reporting.

This condensed consolidated interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting half-year. Those public announcements may be viewed on the Company's website www.mayurresources.com or at www.asx.com.au under the code MRL.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as noted below.

In the reporting period, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or financial position of the Group for the reporting period.

The functional and presentation currency used in the preparation of these financial statements is the Australian dollar ("A$").

Going Concern

As of 31 December 2021, the Group had cash reserves of A$6,458,730 (30 June 2021: A$4,535,828), net working capital of A$2,423,355 (30 June 2021: A$3,856,598) and net assets of A$46,183,205 (30 June 2021: A$46,306,829). The Group incurred a loss for the half year ended 31 December 2021 of A$2,783,688 (2020: A$7,431,272) and net cash outflows from operating activities of A$1,190,832 (2020: A$1,437,082).

The ability of the Group to continue as a going concern is principally dependent upon the following: ·

- the ability of the Company to raise additional funding in the future; and ·
- the successful exploration and subsequent exploitation and development of the Group's tenements and projects.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Based on the success of previous capital raisings combined with the potential to attract farm-in partners for projects, the potential sale of the current portfolio of exploration assets held and the ability of the Group to reduce or defer uncommitted expenditure, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are confident of securing funds as and when necessary to meet the Group's obligations as and when they fall due.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Notes to the financial statements

1. Basis of preparation of half-year report (continued)

Impact of COVID-19

The outbreak of the COVID-19 pandemic in early 2020 and the subsequent travel and trade restrictions imposed by the governments of numerous countries including Australia and Papua New Guinea have caused disruption to businesses and economic activity. The Board and Management of the consolidated entity have considered the impact of the COVID-19 pandemic on the consolidated entity's operations and financial performance and have determined that the consolidated entity has not been materially impacted by the COVID-19 pandemic at this stage. Restrictions on international travel and disruptions to international supply chains have caused some delays in the consolidated entity's exploration and development programs but have not had a significant impact on the consolidated entity's operations or results to the date of these financial statements.

In preparing the consolidated financial report, management has considered the impact of COVID-19 on the various balances in the financial report, including the carrying values of trade receivables and finite life non-current assets. Management determined that there was no significant impact of COVID-19 on the abovementioned balances and accounting estimates.

2. Segment information

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

- Industrial minerals which includes the Central Cement and Lime Project;
- Iron which includes construction sands, magnetite sands, heavy mineral sands, and industrial 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
- 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;
- Renewable Energy, which includes the development of a portfolio of renewable energy opportunities in Papua New Guinea – with interests and aspirations in nature based forestry carbon credits, large scale solar, battery, and large scale geothermal;
- 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; 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.

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.

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 income statement 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. Inter-segment assets and liabilities are excluded.

Notes to the financial statements

2. Segment information (continued)

31 December 2021	**Industrial Minerals** A$	**Iron** A$	**Coal and Power** A$	**Renewables** A$	**Corporate** A$	**Total** A$
Results:						
Interest income	–	–	–	–	2,117	2,117
Impairment of exploration and evaluation expenditure	–	(4,312)	–	–	–	(4,312)
Depreciation of property, plant, and equipment	(2,521)	–	(3,817)	–	(2,083)	(8,421)
Share of results of associate					(1,118,338)	(1,118,338)
Segment loss	**(139,609)**	**(70,606)**	**(41,506)**	**(55,497)**	**(2,476,470)**	**(2,783,688)**
Assets:						
Exploration and evaluation expenditure	9,200,884	15,965,995	5,225,365	–	–	**30,392,244**
Segment assets	**9,214,054**	**16,611,975**	**8,823,269**	**–**	**15,996,155**	**50,645,453**
Segment assets include:						
Non-cash expenditure capitalised	296,055	(86,756)	(41,921)	–	–	**167,378**
Additions to property, plant, and equipment	–	–	–	–	20,000	**20,000**
Segment liabilities	**78,665**	**417,115**	**42,198**	**38,439**	**3,885,831**	**4,462,248**

31 December 2020	**Industrial Minerals** A$	**Iron** A$	**Coal and Power** A$	**Copper and Gold** A$	**Corporate** A$	**Total** A$
Results:						
Interest income	–	–	–	–	43	43
Impairment of exploration and evaluation expenditure	–	(2,710,798)	(2,773,452)	–	–	(5,484,250)
Segment loss	(1,890)	(2,813,011)	(2,846,954)	(48,110)	(1,721,307)	(7,431,272)
Assets:						
Exploration and evaluation expenditure	6,497,111	14,994,848	4,927,477	2,789,437	–	29,208,873
Segment assets	6,502,467	15,589,516	8,364,913	2,885,899	4,461,145	37,803,940
Segment assets include:						
Non-cash expenditure capitalised	74,938	203,746	29,381	23,783	–	331,848
Additions to property, plant, and equipment	–	–	179,886	–	–	179,886
Segment liabilities	87,084	237,538	79,759	3,933	872,374	1,280,688

Notes to the financial statements

3. Earnings per share

The earnings per share was calculated based on 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, as the Company did not have any dilutive potential ordinary shares on issue during the reporting period covered by these financial statements.

The following tables reflect the loss and share data used in the computation of basic and diluted earnings per share.

	For the half-year ended 31 December	
	2021	2020
	A$	A$
Loss for the reporting period attributable to owners of the Company	**(2,783,688)**	(7,431,272)
Basic and diluted loss per share attributable to owners of the Company (cents per share)	**(1.26)**	(4.06)

	2021	2020
	Number of shares	Number of shares
Weighted average number shares - basic and diluted	**220,434,000**	182,891,101

Options on issue at the end of the half-year (refer Note 8) have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

4. Property, plant and equipment

	31 December 2021 A$	*30 June 2021 A$*
Net carrying value:		
Power plant assets, at cost (a)	2,768,074	2,795,974
Property, plant and equipment, net of depreciation (b)	367,910	356,331
	3,135,984	**3,152,305**

(a) Power plant assets at cost

The Group continued 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 of 31 December 2021 and 30 June 2021 in respect of the proposed project. The Power Plant assets have not been put to use, hence no depreciation is charged.

Notes to the financial statements

4. Property, plant and equipment (continued)

(a) Power plant assets at cost (Continued)

Reconciliation of movements in power plant assets	***Half-year ended 31 December 2021 A$***	*Year ended 30 June 2021 A$*
Balance at the beginning of the reporting period	2,795,974	2,106,447
Share based payments – (reversal)/change	(35,617)	212,305
Additions	7,717	477,222
Balance at the end of the reporting period	**2,768,074**	2,795,974

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

Reconciliation of movements in other property, plant and equipment

Balance at the beginning of the reporting period	356,331	384,409
Additions (cash settled)	20,000	–
Depreciation	(8,421)	(28,078)
Balance at the end of the reporting period	**367,910**	356,331

Non-cash transactions

Aggregate cost of power plant expenditure	(27,900)	689,527
Aggregate cost of property, plant and equipment	20,000	–
Less: Share-based payment – reversal/changed	35,617	(212,305)
Add: Change in other payables for additions	275,875	158
Net cash outflow for exploration and evaluation expenditure	**303,592**	477,380

5. Exploration and evaluation expenditure

	31 December 2021 A$	*30 June 2021 A$*
Exploration and evaluation expenditure	**30,392,244**	28,186,048

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.

Notes to the financial statements

5. Exploration and evaluation expenditure (continued)

Reconciliation of movements in exploration and evaluation assets

	Half-year ended 31 December 2021 A$	*Year ended 30 June 2021 A$*
Balance at beginning of the reporting period	28,186,048	33,260,840
Exploration and evaluation expenditure capitalised during the reporting period	2,210,508	4,792,055
Exploration and evaluation expenditure disposed off on loss of control of subsidiary	–	(2,848,378)
Impairment of exploration and evaluation expenditure	(4,312)	(7,018,469)
Balance at the end of the period	**30,392,244**	28,186,048

Impairment charges for the period represent the impairment of capitalised exploration in relation to tenements that the Group has, or intends to, relinquish. Movements in impairment charges are summarised below:

Movement of impairment of exploration and evaluation expenditure		
Balance at beginning of the reporting period	7,238,196	219,727
Impairment charge during the financial year	4,312	7,018,469
Balance at the end of the period	**7,242,508**	7,238,196

Non-cash transactions

Aggregate cost of exploration and evaluation expenditure	2,210,508	4,792,055
Less: Share-based payment	(167,378)	(1,992,057)
Less: Change in other payables for additions	(68,942)	(210,086)
Net cash outflow for exploration and evaluation expenditure	**1,974,188**	2,589,912

6. Investment in associate

	31 December 2021 A$	*30 June 2021 A$*
Investment in Adyton Resources Corporation	**10,231,622**	11,381,878

On 18 February 2021, the Group acquired a 42.75% ownership interest in Adyton Resources Corporation as the consideration of the Group's disposal of its 100% ownership interest in MR Exploration PNG Pte Ltd and Mayur Exploration PNG Limited.

Adyton Resources Corporation is incorporated in Canada with its principal place of business at Level 14, 167 Eagle Street Brisbane QLD Australia. The principal activity of Adyton Resources Corporation is mineral exploration for gold and copper in Papua New Guinea.

The Group accounts for its investment in Adyton Resources Corporation using the equity method. The financial year end date of Adyton Resources Corporation is 31 December, and it presents its financial statements in Canadian dollars. For the purposes of applying the equity method of accounting, the financial statements of Adyton Resources Corporation for the six months ended 31 December 2021 have been used. The fair value of the Group's interest in Adyton Resources Corporation on 31 December 2021 was A$4.06 million based on the quoted market price available on the TSX Venture Exchange. The fair value measurement is classified with Level 1 of the fair value hierarchy.

The Group did not receive any dividends from Adyton Resources Corporation during the financial half year.

Notes to the financial statements

7. Short term loan

The A$ 3 million Loan Facility has been provided by funds managed by Tribeca Investment Partners and has a term of 2 years with an interest rate of 8% per annum, with interest payable quarterly in arrears. The short term loan is repayable upon demand. The interest payable as at 31 December 2021 of A$5,918 has been included in other payables. A bullet payment at the end of the term is required to extinguish the facility. The A$ 3 million facility will be utilised for general corporate purposes and to progress Mayur's Carbon Estate projects to be verified under the United Nation's Reducing Emissions from Deforestation and Forest Degradation (REDD+) program in PNG.

8. Share capital

	31 December 2021 A$	*30 June 2021 A$*
Issued and paid up capital - ordinary shares	**59,303,246**	56,729,839

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.

Movements in ordinary shares on issue are summarised below.

	Half-year ended 31 December 2021		**Year ended 30 June 2021**	
	Number	**A$**	**Number**	**A$**
At beginning of the reporting period	**217,135,969**	**56,729,839**	177,017,923	49,048,549
Issuance of shares pursuant to capital raising	**13,250,000**	**2,650,000**	28,147,127	7,976,494
Issuance of shares in settlement of capital raising costs	**–**	**–**	250,000	50,000
Issuance of shares on exercise of options and performance rights	**629,672**	**–**	11,720,919	–
Issuance of loan funded shares	**3,500,000**	**–**	–	–
Issued as remuneration upon appointment	**861,066**	**–**	–	–
Cost of issuing shares	**–**	**(76,593)**	–	(345,204)
At end of the reporting period	**235,376,707**	**59,303,246**	217,135,969	56,729,839

Options issued

The Company had NIL options on issue at 30 June 2021 and 31 December 2021.

The Company did not issue any options during the half-year ended 31 December 2021.

Notes to the financial statements

9. Reserves

	31 December 2021 A$	*30 June 2021 A$*
Capital reserve (a)	**(6,545,316)**	(6,545,316)
Share of foreign currency translation reserve of an associate	**(305,843)**	(273,925)
Share based payments reserve (b)	**11,103,251**	10,984,676
	4,252,092	4,165,435

(a) Capital reserve

No movements occurred in the capital reserve during the current reporting period.

(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. Movements in the share-based payments reserve during the reporting period were:

	Half-year ended 31 December 2021 A$	*Year ended 30 June 2021 A$*
Balance at the beginning of the reporting period	**10,984,676**	8,050,100
Share based payments made during the reporting period	**118,575**	2,934,576
Balance at the end of the reporting period	**11,103,251**	10,984,676

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

Recognised as share-based payments expense in the Statement of Profit and Loss and Other Comprehensive Income	**(13,186)**	730,214
Capitalised as exploration and evaluation expenditure (Note 5)	**167,378**	1,992,057
Capitalised as property, plant, and equipment (Note 4)	**(35,617)**	212,305
	118,575	2,934,576

Notes to the financial statements

9. Reserves (continued)

(b) Share based payments reserve (continued)

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

	Half-year ended 31 December 2021 Number	A$	*Year ended 30 June 2021* Number	A$
Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) (i)	**2,090,199**	**450,800**	3,391,603	1,003,171
Loan Funded Shares issued to executives on commencement of employment	**–**	**–**	3,500,000	645,956
Shares awarded to employee of company as a bonus payment	**–**	**–**		171,139
Long term incentive rights subject to vesting conditions (LTI Performance Rights) (ii)	**11,950,000**	**133,207**	15,500,000	1,055,400
Amounts recognised in relation to share based payments issued in the current year		**584,007**		2,875,666
Amounts recognised in the current year in relation to share based payments issued in previous financial years		**(465,432)**		58,910
		118,575		2,934,576

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 period, 2,090,199 salary sacrifice rights were issued in respect of remuneration totalling A$450,800 (30 June 2021: 3,391,603 salary sacrifice rights issued in respect of remuneration totalling A$1,003,171).

Notes to the financial statements

9. Reserves (continued)

(b) Share based payments reserve (continued)

ii. LTI performance rights

On 16 December 2021, following approval from shareholders at the Company's AGM, the Group issued 8,700,000 long term incentive rights to Executive Directors. The rights were issued across 4 tranches, subject to certain milestones as follows:

1. 2,175,000 rights on the financial closure of the Central Cement and Lime Project.
2. 2,175,000 rights on the Company's share price achieving a 120-day VWAP of A$0.80 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.
3. 2,175,000 rights on the Company's share price achieving a 120-day VWAP of A$1.20 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.
4. 2,175,000 rights on the Company's share price achieving a 120-day VWAP of A$1.80 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.

Tranche	Number of LTI rights granted	Expiry Date	Value per LTI	% recognised on 31 December 2021
Milestone 1*	2,175,000	31/03/2022	0.22	14
Milestone 2*	2,175,000	30/06/2022	0.02	8
Milestone 3^	2,175,000	31/12/2022	0.01	4
Milestone 4^	2,175,000	31/12/2023	0.02	2

*The performance condition associated with these LTIs are non-market conditions. Non-market conditions are considered by adjusting the number of rights included in the measurement of the transaction amount so that, ultimately, the amount recognised shall be based on the number of rights that eventually vest.

^ The market conditions associated with these LTIs, upon which vesting is conditioned, have been considered when estimating the fair value of the rights granted.

[a] Before probability of occurrence applied

On 16 December 2021, following approval from shareholders at the Company's AGM, the Group issued 3,250,000 long term incentive rights to Non Executive Directors. The rights were issued across 4 tranches, subject to certain milestones as follows:

5. 750,000 rights on the financial closure of the Central Cement and Lime Project.
6. 850,000 rights on the Company's share price achieving a 120-day VWAP of A$0.80 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.
7. 850,000 rights on the Company's share price achieving a 120-day VWAP of A$1.20 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.
8. 800,000 rights on the Company's share price achieving a 120-day VWAP of A$1.80 or in the event of an IPO, the combined value look through is equivalent to the MRL share price plus the new IPO Company.

Tranche	Number of LTI rights granted	Expiry Date	Value per LTI	% recognised on 31 December 2021
Milestone 1*	750,000	31/03/2022	0.22	14
Milestone 2*	850,000	30/06/2022	0.02	8
Milestone 3^	850,000	31/12/2022	0.01	4
Milestone 4^	800,000	31/12/2023	0.02	2

Notes to the financial statements

9. Reserves (continued)

(c) Share based payments reserve (continued)

iii. LTI performance rights (continued)

*The performance condition associated with these LTIs are non-market conditions. Non-market conditions are considered by adjusting the number of rights included in the measurement of the transaction amount so that, ultimately, the amount recognised shall be based on the number of rights that eventually vest.

^ The market conditions associated with these LTIs, upon which vesting is conditioned, have been considered when estimating the fair value of the rights granted.

[a] Before probability of occurrence applied

10. Subsidiaries

Subsidiaries of Mayur Resources Limited:	**Country of incorporation**	**Principal Activity**	**Ownership interest held by the group**	
			31 December 2021	**30 June 2021**
MR Iron PNG Pte Ltd	Singapore	Investment	100%	100%
MR Energy PNG Pte Ltd	Singapore	Investment	100%	100%
MR Industrials PNG Pte Ltd	Singapore	Investment	100%	100%
MR Power Generation Pte Ltd	Singapore	Investment	100%	100%
MR Renewables PNG Pte Ltd*	Singapore	Investment	100%	–
Mayur Iron PNG Limited	Papua New Guinea	Mineral exploration	100%	100%
Mayur Energy PNG Ltd	Papua New Guinea	Coal exploration	100%	100%
Mayur Industrials PNG Ltd	Papua New Guinea	Industrial minerals	100%	100%
Mayur Power Generation PNG Limited	Papua New Guinea	Power generation	100%	100%
Waterford Limited	Papua New Guinea	Coal exploration	100%	100%
Mayur Renewables PNG Ltd[#]	Papua New Guinea	Renewable project	100%	–
Ortus Resources Limited[@]	Australia	Mineral exploration	100%	–

* Incorporated on 11 November 2021
[#] Incorporated on 19 August 2021
[@] Incorporated on 6 July 2021

11. Events occurring after the reporting half-year

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 reporting periods, other than those disclosed below:

- On 12 January 2022, Mayur, via its 100% owned subsidiary Mayur Renewables PNG Limited, has been granted its first forest carbon concessions in PNG, demonstrating material progress on its commitment to achieve “net zero” carbon emissions for its nation building import displacement projects, and delivering on the objectives of its strategic review completed in October 2021. The carbon credits from the forest concessions will provide Mayur with a tangible path to “net zero” for its projects by partnering with PNG Landowners and the PNG Government, whilst also enabling participation in international carbon trading markets

Notes to the financial statements

12. Authorisation of interim financial statements

The interim financial statements of the Group for the half-year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 15 March 2022.