



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

**INTERIM FINANCIAL REPORT**  
**FOR THE HALF-YEAR YEAR ENDED**  
**31 DECEMBER 2019**

## Directors' report

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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 2019 (“**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:

- Robert Charles Neale
- Paul Levi Mulder
- Timothy Elgon Savile Crossley
- Frank Terranova
- Lu Kee Hong

### Principal activities and review of operations

#### OROKOLO BAY SANDS PROJECT

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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. Our plans to build a pilot plant in 2020 remain firmly on track following the purchase of key plant equipment and mobile machinery in December 2019.

#### Orokolo Bay bulk sample pilot plant:

- Front-end engineering detail design for the 400tph unit completed.
- Joint venture partner, China Titanium Resources Holdings, have identified suitable Chinese suppliers. First equipment orders are being prepared under the terms of the existing earn in agreement<sup>1</sup>
- Mobilisation and early construction PNG based service providers have been identified and final contract negotiations are in progress
- Commenced recruitment of key national staff for the bulk sampling operation
- Landowner negotiations are in final stages of completion
- Plan to begin bulk sample phase operations in Q1CY2020 subject to receipt of final project approvals

#### Orokolo Bay definitive feasibility study (DFS):

- The infill drilling program and laboratory test work for the definitive feasibility study has been completed. The results are currently undergoing review by our in-house geology team in preparation for the upgraded JORC compliant resource statement
- Ongoing compilation and review of historical data and preparation of an Information Memorandum for the Amazon Bay Vanadium Titano-magnetite sands project (EL2556) as part of the development strategy to define a potential large-scale vanadium-bearing resource – this includes review of historic drilling and re-interpretation of airborne geophysical data

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<sup>1</sup> Refer to ASX release dated 7 January 2019 for terms of the arrangement with CTRH to earn up to 49% in the Industrial sands portfolio

## Directors' report (continued)

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### Principal activities and review of operations (continued)

#### OROKOLO BAY SANDS PROJECT (continued)

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- Key equipment orders have been placed in China by joint venture partner, China Titanium Resources Holdings (CTRH), for :
  - Process plant equipment including low intensity magnetic separators (LIMS).
  - Mobile machinery including haul trucks, excavator and a wheel loader.
- Commenced fabrication of the steelwork for the project in China. Mayur is due to undertake acceptance inspections in February 2020.
- Conducted a detailed site investigation trip with CTRH to confirm barging routes for access to and from the pilot plant via the Muro wharf
- Recruited key national staff for the bulk sampling operation.
- Completed landowner compensation agreements.
- Plan to commence clearing and grubbing for the construction of the bulk sample pilot plant in Q1CY2020.

#### Oroko Bay Definitive Feasibility Study (DFS):

- Completed airborne Lidar geophysical survey across the Project area in December 2019.
- Following data compilation and assessment, a resource consultant has been selected to carry out an upgraded JORC compliant resource estimation with results due in Q1CY2020.

#### Amazon Bay Sands Project

The granting of Amazon Bay EL2556 in Central Province last year is an exciting addition to our industrial sands portfolio with significant potential for vanadium-rich titano-magnetite.

Vanadium is a key ingredient in large-scale energy storage and provides an opportunity for the company to participate in the world's growing appetite for electrification.

During the quarter, Mayur compiled and analysed data to finalise the Information Memorandum for project as part of our development strategy to define a potential large-scale vanadium and titanium bearing resource.

#### CENTRAL CEMENT & LIME PROJECT (CCL)

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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 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.

- Submitted a Mining Lease (ML) application in early July following completion of surveying and marking out of ML boundary
- Progression of ML continuing with completion of the ML Wardens Hearing and strong ongoing support by Mineral Resources Authority (MRA) and local communities
- Completed land mapping within ML boundary and continued our community engagement program. This has included clan and landowner meetings focused on understanding community concerns and the contents of the project benefits package
- Continued with ongoing community engagement program to keep stakeholders up to date on project progress, and the contents of the project benefits package.

## Directors' report (continued)

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### Principal activities and review of operations (continued)

#### CENTRAL CEMENT & LIME PROJECT (CCL)

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- Project financing is advancing with debt lead arranger KPMG receiving Letters of Interest from several lenders wishing to participate in the debt financing of the US\$350 million project.
  - Approached a variety of debt providers around the world including commercial banks and export credit agencies.
  - Project equity raise process being progressed jointly by KPMG and Morgans Financial in parallel with the debt financing. Stage 1 (investor identification and engagement) now complete, and Stage 2 of the bidding process is ongoing, with Mayur currently in dialogue with a number of parties.
  - Developed a suite of project funding collateral including teasers, information memorandums, marketing analysis and other materials as part of the due diligence process
- Ongoing activities to seek product offtake both in PNG and Australia for the clinker, cement and quicklime products
- Undertook several site visits in PNG with potential investor and product offtake parties

#### COPPER & GOLD PROJECTS

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The Mayur Board is at the final stages of assessing the most value accretive way forward for shareholders with respect to the company's copper / gold portfolio. Options include assessing potential JV arrangements, enhancing the portfolio with new tenements and a spin out and separate listing of these assets. A final decision on the make-up of the portfolio is expected in CYQ12020

- Basilaki and Sideia (EL2095) – ongoing data assessment of previous drilling campaign and planning next stage of activity. geophysics data from the Sideia aeromagnetic and radiometric survey is being inversion modelled by external consultants with outputs to be incorporated into the geological model and confirm the next phase of drilling activity
- Konos (EL2591) - Results from a regional geochemical soil, outcrop and float sampling program completed in the previous financial year were returned and highlighted two copper / gold geochemical anomalies that required following up on the ground, along with an area of clay and potassic alteration that was identified.

A regional geochemical sampling program was completed in September over the potential porphyry / skarn target area, and samples are currently being processed for assay at ALS Laboratories in Brisbane. Samples collected included rock chips, stream sediment and ridge and spur soil samples. Expressions of interest for a potential in specie distribution via separate listing of copper / gold assets being assessed by Mayur Board.

- Feni (EL2096) –discussions were held late in the quarter with local landowners with a view to obtaining renewal of the exploration permit. Liaison on the permit renewal is continuing with the Mineral Resources Authority.
- Rambuto (EL2594) – planning for a field mapping and surface sampling program across the island targeting a greenfield porphyry gold and possible collapsed caldera deposit at two major intersecting geological structures. Data compilation, assessment and area ranking is ongoing. Have received a proposal for the next stage in the geochemical sampling program which is currently being studied with a view to moving forward with in the next quarter.

## Directors' report (continued)

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### Principal activities and review of operations (continued)

#### POWER GENERATION

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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

- Received revised Engineering, Procurement and Construction (EPC) bids for the project which include a new alternative boiler design enabling use of up to 50% biomass fuel and thus a lower utilisation of coal.
- Drafted full submission to the PNG Government (National Executive Council) for progression of the Power Purchase Agreement for the project.

#### COAL PROJECTS

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Mayur holds a prospective coal 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, we have now turned our attention to an infill and resource extension drilling program.

- Completed the first phase of its resource upgrade and extension drilling program.
- The program included the completion of 45 shallow backpack rig holes reaching depths of up to 9m to test and confirm seam continuity across the deposit. The field work also included the collection of 14 channel samples at various out cropping seams.
- All coal samples, including the drill core, are being delivered to ALS in Brisbane for laboratory test work and coal quality analysis.
- Mayur's technical consultants, Verum Group (previously CRL Energy), were also on site during the program to provide oversight and obtain key intelligence around logistics, access and local conditions for the planning of the Phase 2 drilling program scheduled to commence in Q1 CY2020.
- Completed airborne Lidar geophysical survey across the Project area in December 2019.

#### CORPORATE ACTIVITIES

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- Completed the capital raising as announced on 3 July 2019 that included:
  - Placement to institutional, experienced, sophisticated and professional investors raising A\$1.5 million.
  - Repayment of loans outstanding to the Company for 1.5 million loan funded shares totalling A\$600,000
- The above, plus the completion of the underwritten Unlisted Options offer as announced on 8 October 2019 equates to a total A\$9.7 million in funding for the Company and provides a strong funding buffer to enable the continued development of the project portfolio in PNG<sup>2</sup>

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<sup>2</sup> Refer to ASX release dated 8 October 2019 - Completion of the Underwritten Unlisted Options Offer

## Directors' report (continued)

### Principal activities and review of operations (continued)

#### OPERATING RESULT

The Company reported a loss after tax of A\$2,461,686 for the half-year ended 31 December 2019 (2018: loss after tax of A\$1,798,354).

#### TENEMENT LIST

As at 31 December 2019 the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea.

As noted in Table 1, EL2096 continues to progress through the statutory assessment and renewal process as prescribed by the PNG Mining Act. The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company 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 Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

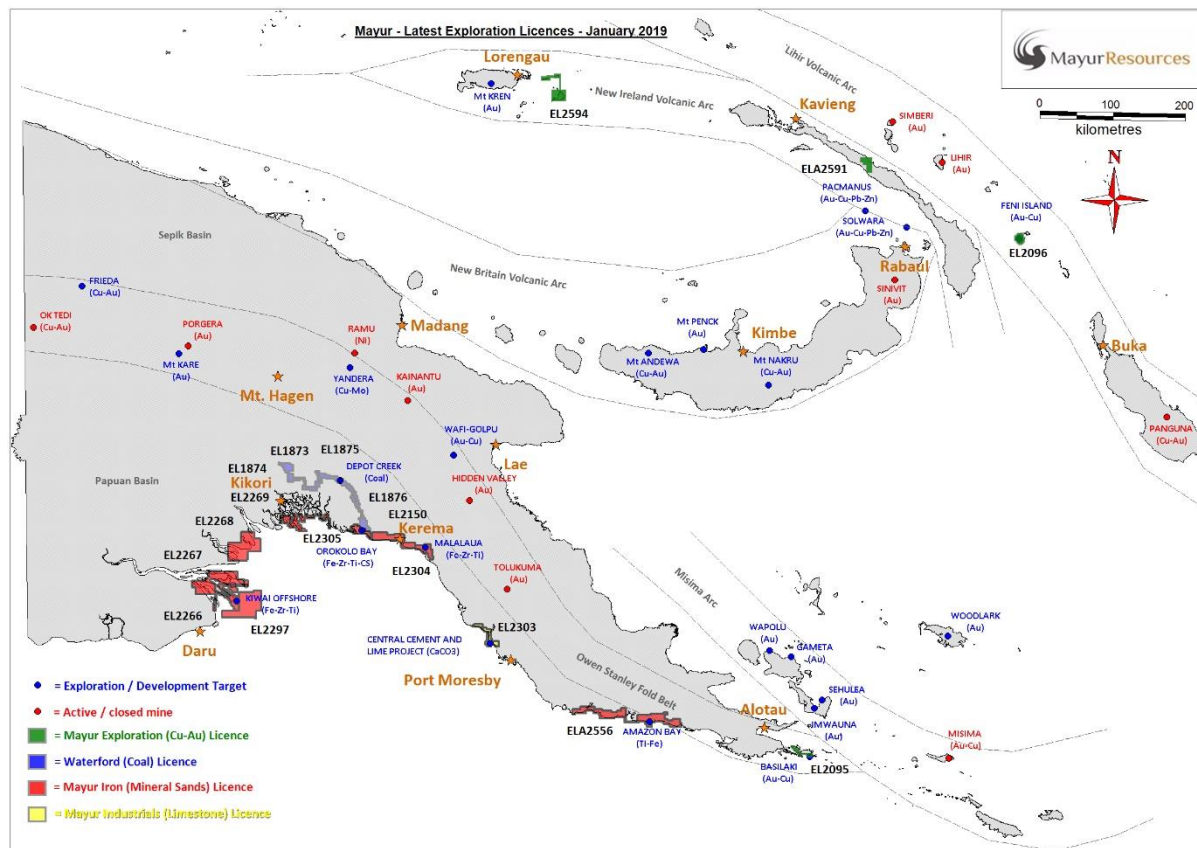
	EL nr	Province	Commodity focus	Ownership at end of quarter	Km <sup>2</sup>
1	2095	Milne Bay	Copper / Gold	100%	150
2	2096*	New Ireland	Copper / Gold	100%	95
3	2594	Manus	Copper / Gold	100%	522
4	2591	New Ireland	Copper / Gold	100%	252
5	2150	Gulf	Industrial Mineral Sands	100%^	307
6	2266	Gulf	Industrial Mineral Sands	100%^	634
7	2267	Gulf	Industrial Mineral Sands	100%^	1,279
8	2268	Gulf	Industrial Mineral Sands	100%^	1,275
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%^	1,405
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

Table 1 - 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 Jun 2019)

Mayur Resources Limited  
Interim Financial Report for the half-year ended 31 December 2019  
**Directors' report (continued)**

Principal activities and review of operations (continued)

**TENEMENT MAP**



**Figure 1 - Exploration Licence map**

**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:

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

**Paul Levi Mulder**  
Managing Director  
Brisbane, 13 March 2020

**Robert Charles Neale**  
Chairman  
Brisbane, 13 March 2020

## Directors' declaration

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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 at 31 December 2019 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.



**Paul Levi Mulder**  
Managing Director  
Brisbane, 13 March 2020



**Robert Charles Neale**  
Chairman  
Brisbane, 13 March 2020



**MAYUR RESOURCES LIMITED  
INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM  
FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

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**Report on Review of Interim Financial Statements**

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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 9 to 22, which comprise the condensed consolidated balance sheet of the Group as at 31 December 2019, 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.

**Conclusion**

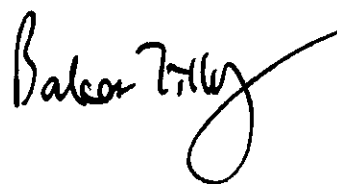
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and the financial performance, cash flows and changes in equity of the Group for the half-year then ended in accordance with SFRS(I) 1-34.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the interim financial statements. As at 31 December 2019, the Group incurred a loss for the period of A\$2,461,686, net cash outflows from operating activities and investing activities of A\$1,984,067 and A\$2,584,149 respectively. 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 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 qualified in respect of this matter.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore



13 March 2020

**Baker Tilly TFW LLP** (trading as Baker Tilly) is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly TFW LLP (Registration No. T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

**Condensed consolidated statement of profit or loss and other comprehensive income**

		<i>For the half-year ended 31 December</i>	
	<i>Notes</i>	<b>2019 A\$</b>	<b>2018 A\$</b>
Interest revenue		11,247	46,154
Net foreign exchange gains		12,876	75,624
<b>Revenue and other income</b>		<b>24,123</b>	<b>121,778</b>
<b>Less: expenses</b>			
Audit fees		(24,377)	(40,000)
Consultants and contractors		(965,525)	(443,301)
Depreciation expense		(12,637)	(9,148)
Director and key management personnel remuneration		(219,080)	(186,074)
Finance expenses		(3,109)	(3,406)
Impairment of exploration and evaluation expenditure	5	(219,727)	-
Impairment of property, plant and equipment		-	(46,237)
Insurance		(53,325)	(37,107)
Investor and public relations expenses		(86,394)	(83,375)
Listing and share registry expenses		(164,402)	(73,919)
Occupancy costs		(92,483)	(180,109)
Other operating expenses		(273,941)	(144,467)
Share based payments expense	8	(202,837)	(462,021)
Travel expenses		(167,972)	(210,968)
<b>Loss before income tax expense</b>		<b>(2,461,686)</b>	<b>(1,798,354)</b>
Taxation		-	-
<b>Loss for the period</b>		<b>(2,461,686)</b>	<b>(1,798,354)</b>
<b>Other comprehensive income for the reporting period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(2,461,686)</b>	<b>(1,798,354)</b>
<b>Loss for the reporting period attributable to:</b>			
- Owners of the Company		(2,461,686)	(1,799,618)
- Non-controlling interests		-	1,264
		<b>(2,461,686)</b>	<b>(1,798,354)</b>
<b>Total comprehensive loss for the reporting period attributable to:</b>			
- Owners of the Company		(2,461,686)	(1,779,618)
- Non-controlling interests		-	1,264
		<b>(2,461,686)</b>	<b>(1,798,354)</b>
Basic and diluted loss per share attributable to owners of the Company (cents per share)	3	<b>(1.48)</b>	<b>(1.20)</b>

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

Mayur Resources Limited  
Interim Financial Report for the half-year ended 31 December 2019

## Condensed consolidated balance sheet

<i>As at</i>			
		<i>31 December</i>	<i>30 June</i>
	<i>Notes</i>	<i>2019</i> <i>A\$</i>	<i>2019</i> <i>A\$</i>
<b>Non-current assets</b>			
Property, plant and equipment	4	2,447,593	2,118,410
Exploration and evaluation expenditure	5	<u>31,360,536</u>	<u>28,983,036</u>
<b>Total non-current assets</b>		<b><u>33,808,129</u></b>	<b><u>31,101,446</u></b>
<b>Current assets</b>			
Cash and cash equivalents		5,990,733	2,799,951
Prepayments		86,097	-
Other current receivables		<u>408,237</u>	<u>148,165</u>
<b>Total current assets</b>		<b><u>6,485,067</u></b>	<b><u>2,948,116</u></b>
<b>Total assets</b>		<b><u>40,293,196</u></b>	<b><u>34,049,562</u></b>
<b>Current liabilities</b>			
Trade and other payables	6	<u>1,329,123</u>	<u>2,199,554</u>
<b>Total current liabilities</b>		<b><u>1,329,123</u></b>	<b><u>2,199,554</u></b>
<b>Total liabilities</b>		<b><u>1,329,123</u></b>	<b><u>2,199,554</u></b>
<b>Net assets</b>		<b><u>38,964,073</u></b>	<b><u>31,850,008</u></b>
<b>Equity</b>			
<i>Equity attributable to owners of the Company</i>			
Share capital	7	49,028,107	36,976,495
Reserves	8	961,998	2,720,951
Accumulated losses		<u>(11,026,032)</u>	<u>(8,564,346)</u>
		<b><u>38,964,073</u></b>	<b><u>31,133,100</u></b>
Non-controlling interests	9	<u>-</u>	<u>716,908</u>
<b>Total equity</b>		<b><u>38,964,073</u></b>	<b><u>31,850,008</u></b>

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

## Condensed consolidated statement of changes in equity

2019	Share capital A\$	Reserves A\$	Accumulated losses A\$	Non- controlling interests A\$	Total Equity A\$
<b>Balance as at 1 July 2019</b>	36,976,495	2,720,951	(8,564,346)	716,908	31,850,008
Loss for the half-year	-	-	(2,461,686)	-	(2,461,686)
<b>Total comprehensive loss for the period</b>	-	-	(2,461,686)	-	(2,461,686)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of equity securities	11,516,824	-	-	-	11,516,824
Costs of equity raising	(2,554,360)	-	-	-	(2,554,360)
Acquisition of non-controlling interests in subsidiaries	3,089,148	(2,372,240)	-	(716,908)	-
Share based payments	-	613,287	-	-	613,287
<b>Total transactions with owners in their capacity as owners</b>	12,051,612	(1,758,953)	-	(716,908)	9,575,751
<b>Balance as at 31 December 2019</b>	<b>49,028,107</b>	<b>961,998</b>	<b>(11,026,032)</b>	<b>-</b>	<b>38,964,073</b>

2018	Share capital A\$	Reserves A\$	Accumulated losses A\$	Non- controlling interests A\$	Total Equity A\$
<b>Balance as at 1 July 2018</b>	36,667,443	(696,051)	(5,268,607)	729,719	31,432,504
Loss for the half-year	-	-	(1,799,618)	1,264	(1,798,354)
<b>Total comprehensive loss for the period</b>	-	-	(1,799,618)	1,264	(1,798,354)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of equity securities	73,708	-	-	-	73,708
Share based payments	-	1,853,496	-	-	1,853,496
<b>Total transactions with owners in their capacity as owners</b>	73,708	1,853,496	-	-	1,927,204
<b>Balance as at 31 December 2018</b>	<b>36,741,151</b>	<b>1,157,445</b>	<b>(7,068,225)</b>	<b>730,983</b>	<b>31,561,354</b>

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

## Condensed consolidated statement of cash flows

	<i>For the half-year ended 31 December</i>	
	<i>2019 A\$</i>	<i>2018 A\$</i>
Loss before tax	(2,461,686)	(1,798,354)
<u>Adjustments for:</u>		
Interest income	(11,247)	(46,154)
Impairment of exploration expenditure	219,727	-
Impairment of property, plant and equipment	-	46,237
Depreciation expense	12,637	9,148
Finance expenses	3,109	3,406
Share based payments expense	202,837	462,021
Net foreign exchange differences	(12,876)	(75,624)
Total adjustments	414,187	399,034
Operating cash flows before changes in working capital	(2,047,499)	(1,399,320)
<u>Changes in working capital:</u>		
Increase in receivables	(136,440)	(48,326)
Increase in prepayments	(64,097)	(72,151)
Increase in trade and other payables	252,722	20,151
Total changes in working capital	52,185	(100,326)
Cash flows used in operations	(1,995,314)	(1,499,646)
Interest received	11,247	46,154
<b>Net cash flows used in operating activities</b>	<b>(1,984,067)</b>	<b>(1,453,492)</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(312,907)	(220,703)
Proceeds from disposal of property, plant and equipment	-	68,887
Payments for exploration and evaluation expenditure	(2,271,242)	(3,851,203)
<b>Net cash used in investing activities</b>	<b>(2,584,149)</b>	<b>(4,003,019)</b>
<b>Cash flow from financing activities</b>		
Proceeds from share issue	9,445,093	73,708
Capital raising costs	(513,691)	-
Repayment of borrowings – Siecap	(1,182,015)	-
Finance costs	(3,109)	(3,406)
Repayment of borrowings - Shareholders	-	(256,619)
<b>Net cash generated from/(used in) financing activities</b>	<b>7,746,278</b>	<b>(186,317)</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at 1 July	2,799,951	12,533,142
Net increase/(decrease) in cash and cash equivalents	3,178,062	(5,642,828)
Foreign exchange difference on cash and cash equivalents	12,720	70,906
<b>Cash and cash equivalents at 31 December</b>	<b>5,990,733</b>	<b>6,961,220</b>

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

## Notes to the financial statements

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### 1. Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year ended 31 December 2019 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 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 2019 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](http://www.mayurresources.com) or at [www.asx.com.au](http://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 including *SFRS(I) 16, Leases*. 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 and the Company 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 at 31 December 2019 the Group had cash reserves of A\$5,990,773 (30 June 2019: A\$2,799,951), net working capital of A\$5,155,944 (30 June 2019: A\$748,562) and net assets of A\$38,964,073 (30 June 2019: A\$31,850,008). The Group incurred a loss for the half year ended 31 December 2019 of A\$2,461,686 (2018 loss: A\$1,798,354), net cash outflows from operating activities of A\$1,984,067 (2018: A\$1,453,492 outflows) and net outflows from investing activities of \$2,584,149 (2018: A\$4,003,019 outflows).

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 of the Group’s tenements.

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.

## 2. Segment information

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

- Industrial minerals which includes the Port Moresby Lime Project.
- Iron which includes construction sands, magnetite sands, heavy mineral sands and limestone. 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 and
- 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.
- 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 (continued)

### 2. Segment information (continued)

2019	Industrial Minerals A\$	Copper and Gold A\$	Iron A\$	Coal and Power A\$	Corporate A\$	Total A\$
<i>Results:</i>						
Segment revenue	-	-	-	-	24,123	24,123
Segment expenditure	(805,056)	(152,925)	(1,044,374)	(945,340)	(2,063,243)	(5,010,938)
	<u>(805,056)</u>	<u>(152,925)</u>	<u>(1,044,374)</u>	<u>(945,340)</u>	<u>(2,039,120)</u>	<u>(4,986,815)</u>
Capitalised expenditure						2,947,693
Share based payment expense						(202,837)
Impairment of exploration and evaluation expenditure						<u>(219,727)</u>
Operating loss before tax						<u>(2,461,686)</u>
<i>Assets:</i>						
Segment assets	<u>5,840,176</u>	<u>2,828,872</u>	<u>16,808,438</u>	<u>9,570,587</u>	<u>5,245,123</u>	<u>40,293,196</u>
Segment liabilities	<u>20,409</u>	<u>47,004</u>	<u>163,020</u>	<u>149,387</u>	<u>949,303</u>	<u>1,329,123</u>



## Notes to the financial statements (continued)

### 2. Segment information (continued)

2018	Industrial Minerals^ A\$	Copper and Gold A\$	Iron^ A\$	Coal and Power A\$	Corporate A\$	Total A\$
<i>Results:</i>						
Segment revenue	—	—	—	—	121,778	121,778
Segment expenditure	(1,720,456)	(267,449)	(1,933,836)	(1,170,728)	(1,458,111)	(6,550,580)
	<u>(1,720,456)</u>	<u>(267,449)</u>	<u>(1,933,836)</u>	<u>(1,170,728)</u>	<u>(1,336,333)</u>	<u>(6,428,802)</u>
Capitalised expenditure						5,092,469
Share based payment expense						<u>(462,021)</u>
Operating loss before tax						<u><u>(1,798,354)</u></u>
<i>Assets:</i>						
Segment assets	<u>12,799,070</u>	<u>4,158,383</u>	<u>4,085,708</u>	<u>8,445,359</u>	<u>5,487,740</u>	<u><u>34,976,260</u></u>
Segment liabilities	<u>621,957</u>	<u>76,760</u>	<u>-</u>	<u>128,433</u>	<u>2,587,756</u>	<u><u>3,414,906</u></u>

^In the half-year ended 31 December 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 half-year ended 31 December 2019.

## Notes to the financial statements (continued)

### 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.

	<i>For the half-year ended 31 December</i>	
	<b>2019</b>	2018
	<b>A\$</b>	A\$
Loss for the reporting period attributable to owners of the Company	<b><u>(2,461,686)</u></b>	<u>(1,799,618)</u>

	<i>For the half-year ended 31 December</i>	
	<b>2019</b>	2018
	<b>Number of shares</b>	Number of shares
Weighted average number shares - basic and diluted	<b><u>165,794,409</u></b>	<u>149,460,969</u>

	<i>For the half-year ended 31 December</i>	
	<b>2019</b>	2018
	<b>A\$</b>	A\$
Basic and diluted loss per share attributable to owners of the Company (cents per share)	<b><u>(1.48)</u></b>	<u>(1.20)</u>

Options on issue at the end of the half-year (refer Notes 7 and 8(b)) have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

### 4. Property, plant and equipment

	<i>31 December</i>	<i>30 June</i>
	<b>2019</b>	2019
	<b>A\$</b>	A\$
<b>Net carrying value:</b>		
Power plant assets, at cost	<b>2,049,845</b>	1,758,588
Other property plant and equipment, net of depreciation	<b><u>397,748</u></b>	<u>359,822</u>
	<b><u>2,447,593</u></b>	<u>2,118,410</u>

## Notes to the financial statements (continued)

### 4. Property, plant and equipment (cont'd)

#### *Power Plant Assets*

The Group is undertaking 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 31 December 2019 in respect of the proposed project. The Power Plant assets have not been put to use, hence no depreciation is charged.

	<i>Half-year ended</i> <b>31 December</b> <b>2019</b> A\$	<i>Year ended</i> <b>30 June</b> <b>2019</b> A\$
<b>Reconciliation of movements in Power Plant assets</b>		
Balance at the beginning of the reporting period	1,758,588	1,701,983
Additions	<u>291,257</u>	<u>56,605</u>
Balance at the end of the reporting period	<u><b>2,049,845</b></u>	<u><b>1,758,588</b></u>

#### *Other Property, Plant and Equipment*

#### **Reconciliation of movements in Other Property, Plant and Equipment**

Balance at the beginning of the reporting period	359,822	242,033
Additions	50,563	226,575
Disposals	-	(89,650)
Depreciation	<u>(12,637)</u>	<u>(19,136)</u>
Balance at the end of the reporting period	<u><b>397,748</b></u>	<u><b>359,822</b></u>

### 5. Exploration and evaluation expenditure

	<i>31 December</i> <b>2019</b> A\$	<i>30 June</i> <b>2019</b> A\$
Exploration and evaluation expenditure	<u><b>31,360,536</b></u>	<u><b>28,983,036</b></u>

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.

#### **Reconciliation of movements in exploration and evaluation assets**

	<i>Half-year ended</i> <b>31 December</b> <b>2019</b> A\$	<i>Year ended</i> <b>30 June</b> <b>2019</b> A\$
Balance at beginning of the reporting period	28,983,096	20,496,395
Exploration and evaluation expenditure during the reporting period	2,597,167	8,486,641
Exploration and evaluation expenditure written off during the reporting period	<u>(219,727)</u>	<u>-</u>
Balance at the end of the period	<u><b>31,360,536</b></u>	<u><b>28,983,096</b></u>

## Notes to the financial statements (continued)

### 6. Trade and other payables

	<i>31 December</i>	<i>30 June</i>
	<i>2019</i>	<i>2019</i>
	A\$	A\$
Trade creditors and accruals	1,329,123	1,163,171
Payable to Siecap (a)	-	1,036,383
	<b>1,329,123</b>	<b>2,199,554</b>

#### (a) Payable to Siecap

In the half-year to 31 December 2019, the Company repaid in full the outstanding balance of the loan provided to the Group by Siecap prior to 30 June 2017. The term of the loan was 7 years and was repayable in part or full upon the purchase of the Group by one of the shareholders or an investment event (private placement or Initial Public Offering). The loan was non-interest bearing.

### 7. Share capital

	<i>Half-year ended</i>	<i>Year ended</i>
	<i>31 December</i>	<i>30 June</i>
	<i>2019</i>	<i>2019</i>
	A\$	A\$
Issued and paid up capital - ordinary shares	<b>49,028,107</b>	36,976,495

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.

	<b>Half-year ended</b>		<b>Year ended</b>	
	<b>31 December 2019</b>		<b>30 June 2019</b>	
	<b>Number</b>	<b>A\$</b>	<b>Number</b>	<b>A\$</b>
At beginning of the reporting period	151,009,373	36,976,495	149,016,844	36,667,443
Issuance of shares pursuant to capital raising	13,271,673	7,432,137	-	-
Issuance of shares in settlement of capital raising costs	3,791,214	2,040,669	-	-
Issuance of shares on exercise of options and performance rights	3,109,566	1,412,960	317,529	78,752
Issuance of shares as partial payment for services received	68,560	31,058	-	-
Acquisition of non-controlling interests in subsidiaries (Note 8(a))	5,720,646	3,089,148	-	-
Issue of Loan Funded Shares	-	-	1,675,000	-
Funds received on sale of Loan Funded Shares	-	600,000	-	-
Funds received for exercise of options for which shares were issued after year end	-	-	-	230,300
Cost of issuing shares	-	(2,554,360)	-	-
At end of the reporting period	<b>176,971,032</b>	<b>49,028,107</b>	<b>151,009,373</b>	<b>36,976,495</b>

## Notes to the financial statements (continued)

### 7. Share capital

#### *Options issued*

The Company did not issue any options during the half-year ended 31 December 2019.

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

	<b>Loyalty Options</b>		<b>Advisor Options</b>	
	<b>31 December</b>	30 June	<b>31 December</b>	30 June
	<b>2019</b>	2019	<b>2019</b>	2019
<b>On issue at beginning of half-year</b>	<b>12,189,637</b>	13,909,828	1,337,856	1,337,856
Options granted	-	-	-	-
Options exercised	<b>(2,934,392)</b>	(140,585)	-	-
Options lapsed	<b>(9,255,245)</b>	(1,579,606)	(1,337,856)	-
<b>On issue at end of half-year</b>	<b>-</b>	12,189,637	-	1,337,856

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.

### 8. Reserves

	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	2019
	<b>A\$</b>	A\$
Capital reserve	<b>(6,635,402)</b>	(4,263,162)
Share based payments reserve	<b>7,597,400</b>	6,984,113
	<b>961,998</b>	2,720,951

#### *(a) Capital reserve*

During the half-year, the Group acquired the non-controlling interests (NCI) in its MR Energy PNG Pte Ltd and MR Power Generation Pte Ltd for shares in the parent entity with a fair value of A\$3,089,149 with a resulting transfer from equity attributable to non-controlling interest to equity attributable to owners of the parent entity and creation of a capital reserve as summarised below:

	<b>31 December</b>	<b>30 June</b>
	<b>2019</b>	2019
	<b>A\$</b>	A\$
Balance at the beginning of the reporting period	<b>(4,263,162)</b>	(4,263,162)
Fair value of shares in parent entity issued to acquire the NCI	<b>(3,089,148)</b>	-
NCI in subsidiaries	<b>716,908</b>	-
Balance at the end of the reporting period	<b>(6,635,402)</b>	(4,263,162)

#### *(b) Share based payments reserve*

The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

## Notes to the financial statements (continued)

### 8. Reserves (continued)

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

	<i>Half-year ended 31 December 2019 A\$</i>	<i>Year ended 30 June 2019 A\$</i>
Balance at the beginning of the reporting period	<b>6,984,113</b>	3,567,111
Share based payments made during the reporting period	<b>613,287</b>	3,417,002
Balance at the end of the reporting period	<b>7,597,400</b>	6,984,113

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	<b>202,837</b>	666,359
Capitalised as exploration and evaluation expenditure	<b>405,443</b>	2,651,946
Capitalised as property, plant and equipment	<b>5,007</b>	98,697
	<b>613,287</b>	3,417,002

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

	<i>Half-year ended 31 December 2019 Number</i>	<i>A\$</i>	<i>Year ended 30 June 2019 Number</i>	<i>A\$</i>
Vested performance rights awarded to employees as salary (Salary Sacrifice Rights)	<b>798,788</b>	<b>376,500</b>	1,278,945	876,742
Long term incentive rights subject to vesting conditions	-	-	2,550,000	640,302
Loan funded shares	-	-	1,675,000	579,618
Long term incentive rights not subject to vesting conditions	-	-	90,000	48,600
Amounts recognised in relation to share based payments issued in the current year		<b>376,500</b>		2,145,262
Amounts recognised in the current year in relation to share based payments issued in previous financial years		<b>236,787</b>		1,271,740
		<b>613,287</b>		3,417,002

#### *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.

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 half-year of 12 months.

## Notes to the financial statements (continued)

### 9. Subsidiaries

Subsidiaries of Mayur Resources Limited:	Country of incorporation	Principal Activity	Ownership interest held by the group	
			31 December 2019	30 June 2019
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	100%	89%
MR PNG DRI & Steel Making Pte Ltd	Singapore	Investment	100%	100%
MR Power Generation Pte Ltd	Singapore	Investment	100%	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	100%	89%
Mayur PNG DRI & Steel Making Ltd	Papua New Guinea	Steel	100%	100%
Mayur Power Generation PNG Limited	Papua New Guinea	Power generation	100%	89%
Waterford Limited	Papua New Guinea	Coal exploration	100%	89%

Movement in non-controlling interests during the period are summarised below:

	<i>Half-year ended 31 December 2019 A\$</i>	<i>Year ended 30 June 2019 A\$</i>
Accumulated NCI at the beginning of the reporting period	<b>716,908</b>	729,719
Transferred to capital reserve on acquisition of NCI in Singapore subsidiaries	<b>(716,908)</b>	-
Profit/(loss) allocated to NCI during the year	-	(12,811)
Accumulated NCI at the end of the reporting period	<u>-</u>	<u>716,908</u>

### 10. Events occurring after the reporting half-year

No matter or circumstance has arisen since the end of the reporting half-year 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 half-years.

### 11. Authorisation of interim financial statements

The interim financial statements of the Group for the half-year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors dated 13 March 2020.