



MAYUR RESOURCES LTD

(ARBN 619 770 277)

(Proposed ASX Code: MRL)

PROSPECTUS

21 July 2017

For the offer of up to 38,808,290 ordinary Shares at an issue price of A\$0.40 each, to raise up to A\$15,523,316 with a Minimum Subscription of A\$10,443,446.

LEAD MANAGER


BELL POTTER

This Prospectus provides important information about Mayur Resources Limited. You should read the entire document including the Application Form. If you have any questions about the Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the Shares being offered under this Prospectus should be considered highly speculative.

*‘Developing
a diversified
resources & energy
platform in
Papua New Guinea.’*



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CORPORATE DIRECTORY



Chairman and Directors:

Rob Neale (Chairman)
Tim Crossley (Executive Director)
Paul Mulder (Managing Director)
Frank Terranova (Non-Executive Director)
Paul McTaggart (Non-Executive Director)
Lee Wei Hsiung (Non-Executive Director)

Company Secretaries:

Pan Mi Keay
Ong Bee Choo

Registered Offices:

Australia (principal administrative office):

Level 17, 300 Adelaide Street,
Brisbane, Qld 4000
Phone +61 7 3157 4400

Singapore (registered address):

80 Robinson Road, #02-00,
Singapore 068898

Website: www.mayurresources.com
Email: info@mayurresources.com

Share Registry:

Boardroom
Level 12, 225 George Street,
Sydney NSW 2000

Solicitors to the Offer:

Ashurst ADT Law

12 Marina Boulevard, #24-01, Marina Bay
Financial Centre Tower 3, Singapore
018982

Ashurst Australia

Level 38, Riverside Centre, 123 Eagle Street,
Brisbane QLD 4000

Solicitors reporting on Tenements:

Ashurst PNG

Champion Parade, Port Moresby,
Papua New Guinea

Independent Technical Expert:

**Rod Huntley
Groundwork Plus Pty Ltd**

6 Mayneview Street,
Milton QLD 4064

Investigating Accountant / Auditor:

Pitcher Partners Brisbane

Level 38, Central Plaza 1, 345 Queen Street,
Brisbane QLD 4000

Tax Advisor:

PricewaterhouseCoopers

480 Queen Street,
Brisbane QLD 4000

Lead Manager:

Bell Potter

Level 38, Aurora Place, 88 Phillip Street,
Sydney NSW 2000

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IMPORTANT NOTICE



2 IMPORTANT NOTICE

This Prospectus is dated 21 July 2017 and was lodged with the ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return of investment, payment of dividends or the future value of the Shares, except as required by law and then, only to the extent so required.

The Company will apply for its admission to the Official List of ASX and for admission of the Shares to quotation by ASX within seven days after the date of this Prospectus.

2.1 Important Document

It is important that you carefully read this Prospectus in its entirety before deciding to invest in the Company and, in particular, that you consider the assumptions underlying any prospective financial information and the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

2.2 Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed at the Company's website at www.mayurresources.com

The Offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia and certain qualifying investors in New Zealand, Hong Kong, Singapore, China, Papua New Guinea and the United Kingdom.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the General Manager on +61 7 3157 4400 during office hours or by emailing the Company at info@mayurresources.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.3 Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia, except for certain qualifying investors in New Zealand, Hong Kong, Singapore, China, PNG and the United Kingdom, may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.4 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the *Corporations Act*.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge Applications prior to the expiry of the Exposure Period.

2.5 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.6 Forward-looking Statements

This Prospectus contains forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

2.7 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

2.8 Definitions

Throughout this Prospectus abbreviation and defined terms are used. Those relevant to mineral exploration are contained in the glossary located in the Independent Technical Assessment Report in Section 10 of this Prospectus, and other abbreviations and legal terms are contained in the Definitions in Section 17 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

2.9 Currency

References to “\$”, “A\$”, “AUD”, “dollar” or “cents” are references to Australian currency, unless otherwise stated.

References to “US\$” or “USD” are references to United States currency, unless otherwise stated.

References to “PGK” are references to Papua New Guinea currency, unless otherwise stated.

References to “S\$” are references to Singapore currency, unless otherwise stated.

2.10 Competent Person’s Statement

The information in this Prospectus that relates to exploration targets, exploration results, and estimates of mineral resources and ore reserves (as applicable) is based on, and fairly represents, information compiled and conclusions derived by Mr Rod Huntley who is a Member of the Australian Institute of Geoscientists. Mr Huntley is a director and employee of Groundworks Plus Pty Ltd and is not an employee of Mayur or a related party of Mayur. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a ‘Competent Person’ as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (the JORC Code). Mr Huntley consents to the inclusion in this Prospectus of the statements based on his information in the form and context in which they appear.

2.11 Offer of Shares in CDI form

The Offer contained in this Prospectus is an invitation to apply for Shares in the Company. Shares will be issued in the form of CDIs, which are a form of beneficial interest in the Shares held by CDN (a depositary nominee). The issue of CDIs is necessary to allow investors to trade the Shares on ASX and settle the transactions through CHESSE. CDIs give a holder similar, but not identical, rights to a holder of Shares. Note that in this Prospectus, the terms “Shares” and “CDIs” may be used interchangeably.

More details regarding CDIs are contained in Section 7.10.

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SUMMARY OF THE OFFER



3 SUMMARY OF THE OFFER

SHARE ISSUE PRICE		\$0.40 PER SHARE
Number of Shares to be issued under the Offer:		
Minimum subscription		At least 26,108,615
Maximum subscription		38,808,290
Amount to be raised under the Offer:		
Minimum subscription		A\$10,443,446
Maximum subscription		A\$15,523,316

KEY DATES	
Lodgment of Prospectus with ASIC	Friday, 21 July 2017
Opening Date of Offer (9:00am Sydney time)	Monday, 31 July 2017
Expected Closing Date of Offer (5:00pm Sydney time)	Friday, 18 August 2017
Settlement of the Offer	Tuesday, 22 August 2017
Issue and transfer of Shares (Completion of the Offer)	Monday, 28 August 2017
Expected dispatch of Holding Statements	Tuesday, 29 August 2017
Expected date for Shares to commence trading on ASX (on a normal settlement basis)	Friday, 1 September 2017

The above dates are indicative only and may change without notice subject to the Corporations Act, ASX Listing Rules and other applicable laws. The Company reserves the right to amend this indicative timetable. ASIC may extend the Opening Date for a period of up to seven days. The Company reserves the right, subject to the Corporations Act, to extend the Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of the Shares.

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CHAIRMAN'S LETTER



Dear Investor

On behalf of the Directors of Mayur Resources Limited (**Mayur**), I am delighted to invite you to invest in **Mayur**.

Mayur was incorporated in Singapore as a private limited company under the Companies Act (Chapter 50). Pursuant to resolutions passed on 3 July 2017, the shareholders of Mayur approved the conversion of the Company into a public company limited by shares; the change of name to "Mayur Resources Limited", and the adoption of a new Constitution. Mayur converted to a public company on 11 July 2017. Mayur's operational headquarters are in Brisbane, Australia.

Mayur has been operating since 2011 with the purpose of acquiring, exploring and developing mineral and energy development opportunities in Papua New Guinea (PNG) and neighbouring countries. Over the last 5 years Mayur has established an impressive portfolio of projects that includes:

- (a) industrial minerals (construction sands, magnetite sands, heavy mineral sands and limestone)
- (b) copper and gold, and
- (c) coal and power generation, as further outlined below:

(a) Industrial Minerals (construction sands, magnetite sands, heavy mineral sands and limestone)

The Company is focussing its efforts on developing the Orokolo Bay Industrial Sands Project located along the southern coast of PNG. Following the delineation of a JORC Resource, a Pre-Feasibility Study (PFS) was completed by the Company based on a simple low-cost mining operation that is proposed to use a combination of excavators and simple gravity and magnetic mineral processing. The PFS also identified the opportunity to establish a multi-product mine that could produce fine-grain construction sands, titanomagnetite (iron ore), industrial magnetite (for dense media separation (DMS)) and a zircon-rich Valuable Heavy Mineral Concentrate (VHMC) by-product. Non-binding Letters of Intent to trial and / or purchase the products have been signed for a significant proportion of the forecast production quantities. The Company has also secured a permit to export up to 200,000 tonnes of material that may enable the company to begin shipments within 14 months of listing on ASX.

The other key project in this portfolio is the Port Moresby Limestone Project. Currently a drilling programme is underway to enable the delineation of a JORC Resource/Reserve. Confidential discussions have commenced with several large-scale lime companies who have interest in securing strategic positions in the Pacific region relating to the provision of lime and associated downstream lime products.

In addition, there are numerous other project tenements within the remainder of the portfolio offering a pipeline of future opportunities.

(b) Copper and Gold

The Company has an opportunity to expand the current 650,000 Oz gold JORC resource at its Feni Island Project in New Ireland Province. Other projects in the copper and gold portfolio include the prospective Basilaki/Sideia project in Milne Bay Province (where a geophysics (Induced Polarisation) work programme is currently being undertaken) and the Sitipu project located in the Eastern Highlands region on the prolific Owen Stanley Fold Belt.

(c) Coal and Power

The Company has delineated PNG's first JORC coal Resource at Depot Creek in the Gulf Province and with this has been developing a vertically integrated domestic power project to be, in part, decoupled from international energy prices via this captive coal source. The concept involves the development of Enviro Energy Parks (EEP) and anticipates the use of domestic coal from Depot Creek together with other renewable fuel sources. The Company's first EEP power project is proposed to be at Lae, the country's industrial and manufacturing hub in Morobe Province. A Definitive Feasibility Study (DFS) has been completed for a 52.5MW (net) power facility at the Port of Lae (with future scalability to 200MW). The Company has, via PNG Ports, secured an Environmental Approval from the Conservation and Environmental Protection Authority (CEPA) in PNG, to construct the EEP and on the request of PNG Power, the state-owned power entity, has submitted a detailed Power Purchase Agreement (PPA).

The Company has plans for further similar power projects elsewhere in PNG to serve the forecast growth in energy demand from industry (including mining and resources projects) and domestic users. The Company is also in a dialogue with several resource project operators/developers as it continues to advance the development of a power plant with a nameplate rating of about 200MW, and associated transmission infrastructure, for the Yandera project (as publicly announced by Era Resources, TSE-ERX).

Diversification Strategy

One of Mayur's key differentiators from its peers is that, not only does it have a diversified portfolio of assets, but also a diversification of products within these asset classes. For example the PFS for the Orokolo Bay Industrial Sands project has identified construction sand, zircon rich heavy mineral concentrate and two grades of magnetite sand as marketable products. This diversity

has the potential to provide Mayur with a significantly more stable revenue platform to combat international commodity pricing cycles. Further to this, Mayur's platform provides an opportunity for participation in both international (export) and domestic markets as a supplier of raw materials. This should provide additional insulation from international market pricing volatility.

The Team

Mayur has assembled an experienced management and technical team which is well qualified to develop and maximise the potential of its assets. The Board has significant expertise and experience in mineral exploration, project development, operations and corporate finance and aims to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's projects and maximise value to shareholders.

The Offer

The Company is seeking to raise a minimum of **\$10,443,446** and a maximum of **\$15,523,316**. The Offer is not underwritten.

Purpose of the Offer

The purpose of the Offer is to strategically expand the Company's shareholder base, facilitate a listing of the Company on ASX and provide sufficient funds to:

- deliver a Definitive Feasibility Study (DFS) to enable a Final Investment Decision (FID) for the Orokolo Bay Industrial Sands Project and, if fully subscribed, also construct a trial scale pilot plant at the site for commercial scale export to Asia;
- deliver a JORC Resource/Reserve and DFS for the commercialisation of the Port Moresby Limestone Project in conjunction with potential joint venture parties;
- conduct further exploration activities across the tenement portfolio in industrial and mineral sands, coal, copper and gold, and generally maintain the portfolio in good standing;
- seek new JV exploration and development opportunities for the highly prospective Feni and Sitipu copper/gold tenements; and
- secure the PPA for the Lae Power Project, continue to work with Era Resources in the provision of a power plant with a nameplate rating of about 200MW and associated transmission infrastructure, and continue to seek other in-country power development opportunities in PNG.

Minimum subscription

The minimum subscription under the Offer is **\$10,443,446**. If the minimum subscription is not raised by the Closing Date the Offer will not proceed and all application money will be returned without interest within the time prescribed under the *Corporations Act*.

No Shares will be issued under this Prospectus until sufficient Applications have been received by the Company to satisfy this minimum subscription condition.

Closing Date

The Company will accept applications from the Opening Date until 5pm Sydney time on 18 August 2017 (Closing Date) or any other date the Directors in their absolute discretion determine.

For further details of the Offer please refer to Section 7. An investment in the Company is subject to certain risks which are highlighted in Section 12.

I encourage you to read this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should seek independent professional advice. On behalf of the board of directors of the Company, I look forward to welcoming you as a Shareholder.

Yours faithfully and on behalf of my fellow board members,



Rob Neale
Chairman

21 July 2017

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INVESTMENT OVERVIEW



5 INVESTMENT OVERVIEW

This information contains a summary of what the Directors consider to be key information with respect to Mayur and the Offer. It is not a summary of this Prospectus. Prospective investors should read the Prospectus in full, including the experts' reports in this Prospectus before deciding to invest in the Shares.

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
A. THE COMPANY		
Who is issuing this Prospectus?	Mayur Resources Limited (ARBN 619 770 277), (“ Mayur ” or the “ Company ”).	Section 6
Who is Mayur?	Mayur was incorporated in Singapore as a private limited company under the Companies Act (Chapter 50) on 13 June 2011. Pursuant to written resolutions passed on 3 July 2017, the shareholders of Mayur approved the conversion of the Company into a public company limited by shares; the change of name to “Mayur Resources Limited”, and the adoption of a new Constitution. Mayur converted to a public company on 11 July 2017. Mayur’s corporate and administrative headquarters are in Brisbane, Australia. Mayur is a resident of Australia for Australian income tax purposes.	Section 6
What does Mayur do and how is it structured?	<p>Mayur is a diversified mineral exploration, development and energy company with a holding structure in Singapore and a group of subsidiaries in Singapore and Papua New Guinea (PNG) that hold various assets / projects.</p> <p>Mayur is structured into three asset divisions:</p> <ol style="list-style-type: none"> 1. Industrial Minerals comprising: <ul style="list-style-type: none"> • Industrial Sands (titanomagnetite, construction and non-magnetic heavy mineral sands) • Limestone and Aggregates 2. Copper/Gold 3. Power Generation 	Sections 6 and 10
What projects does the Company have and how are these being prioritised?	<p>Mayur has a portfolio of projects in PNG under the above-mentioned divisions, summarised as follows:</p> <ul style="list-style-type: none"> • Mayur’s overall strategy prioritises the development of the Orokolo Bay Industrial Sands Project and the potential commencement of small scale production in 14 months from listing. • The Orokolo Bay Industrial Sands Project contains a JORC Inferred Resource of 173 million tonnes at 9.2 % iron, 107,000 tonnes of zircon, and 86 million tonnes of construction sand. Priority is given to a smaller tonnage level with a materially higher and/or refined grade fraction within this Resource that produces a specification deemed at this point to be acceptable to the end user market(s). • The Orokolo Bay Industrial Sands Project is essentially a simple sand mining project involving magnetic and gravity separation of naturally fine grained material, located very near to the coast with mineralisation at surface. 	Sections 6 and 10

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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A. THE COMPANY (cont)		
	<p>In addition to the Orokolo Bay Industrial Sands Project, Mayur has various other projects at different stages of development that offer the potential to increase current JORC Resources and eventually pathways to revenue generation. These are summarized below:</p> <ul style="list-style-type: none"> • The Port Moresby Limestone Project is located at surface on the coast, circa 25 km north of Port Moresby. Currently the limestone deposit is being drilled with an objective of delineating a JORC Resource/Reserve in the coming months. • The Feni Island Gold Copper Project has 650,000 Oz gold JORC Inferred Resource. • On the Basilaki/Sideia Copper Gold Project, Mayur (via one of its subsidiaries) is party to a binding letter agreement with a large North American copper gold developer/operator under which exploration activities are underway that may result in a formal JV agreement. • The Depot Creek Coal Project has a 11.2 Mt JORC Inferred Resource with 210 Mt regional Exploration Target. The Company's strategy is to use the coal from the Depot Creek Project as fuel to supply its domestic vertically integrated Lae Power Project, thereby decoupling the fuel supply cost from the international market. • Mayur's Power Generation division has completed a full feasibility study for a 52.5MW (net) power station in Lae (Lae Power Project). Following a request by PNG Power Ltd (PNG's state-owned power company), Mayur submitted a Power Purchase Agreement (PPA) proposal. This is currently under assessment by PNG Power. The proposed PPA is a 25-year agreement to supply power to the Ramu grid that serves Lae and the surrounding region. 	<p>Sections 6 and 10</p>
<p>What is the financial position of the Company?</p>	<p>Assuming the Company raises the maximum subscription of A\$15.52m the Company's proforma statement of Financial Position as at 31 December 2016 has net assets of A\$26.33m.</p> <p>This considers a range of subsequent events and transactions as detailed in Section 8 and is made up of total assets of A\$28.53m (including cash of A\$12.28m) and total liabilities of A\$2.19m</p> <p>Relevant Financial Information in respect of the Company, including a pro forma statement of financial position detailing the effect of the Offer, is in Section 8.</p>	<p>Section 8</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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A. THE COMPANY (cont)

<p>How will the Company report to Shareholders?</p>	<p>The Company will send to its Shareholders an annual report (12 months from listing date) and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and on Mayur's website www.mayurresources.com</p>	<p>Section 13</p>
<p>Will the Company pay dividends?</p>	<p>The Company's initial focus will be on achieving the earliest possible cash flow from the Orokolo Bay Industrial Sands Project and capital growth via developing the remainder of the portfolio.</p> <p>The Company has no immediate plan to declare or distribute dividends. However, where possible, the Directors intend to adopt a policy of declaring the highest possible rates of dividends after considering factors such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.</p> <p>The Company and its related subsidiaries are structured in a way to facilitate at a future point disposal, mergers and acquisitions that may give rise to non-operating dividend distribution(s). Refer to corporate structure in Section 6.1.</p>	<p>Section 6</p>
<p>What are the corporate governance principles and policies of the Company</p>	<p>To the extent applicable, considering the Company's size and nature, the Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 13 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in that section.</p> <p>In addition, the Company's full Corporate Governance Plan will be available on the Company's website: www.mayurresources.com</p>	<p>Section 13</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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B. BUSINESS MODEL		
<p>What are the key business objectives of Mayur?</p>	<p>The Company’s management strategy and purpose of the Offer is to provide funding to:</p> <ul style="list-style-type: none"> • deliver a Definitive Feasibility Study (DFS) to enable a Final Investment Decision (FID) for the Orokolo Bay Industrial Sands Project and, if fully subscribed, also construct a trial scale pilot plant at the site to enable the potential export of up to 200,000 tonnes of product; • deliver a JORC Resource / Reserve and a DFS for the commercialisation of the Port Moresby Limestone Project in parallel and linked to assessing JV development opportunities; • secure the PPA for the Lae Power Project in readiness to commence financial close activities and continue to work with the Era Resources owned Yandera copper project in the provision of a power plant with a nameplate rating of about 200MW, whilst seeking other in-country power development opportunities in PNG; • continue exploration activities on identified exploration targets within the Basilaki / Sideia copper gold tenement • conduct further exploration works across the remainder of the tenement portfolio in industrial and mineral sands, coal, copper and gold, and generally maintain the portfolio in good standing; and • seek new joint venture exploration and development opportunities for the highly prospective Feni and Sitipu copper/gold tenements. 	<p>Section 6</p>
<p>What are the key dependencies of Mayur’s business model?</p>	<p>The key dependencies of the Company’s business model includes successfully raising the minimum Offer amount of A\$10.44m and being able to advance the projects through their project development lifecycle towards cash-flow generation.</p>	<p>Section 6</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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C. KEY ADVANTAGES AND RISKS

<p>What are the key strengths and competitive advantages of the Company?</p>	<ul style="list-style-type: none"> • The Company has an experienced Board, and the management team has a track record of delivering value. • The Company’s asset diversity is a strategic differentiator. The objective being to produce products for both local and international end users, thus providing a level of insulation from the cyclical nature and volatility of international markets. • The portfolio provides a disruptive platform (domestically and internationally) with which to challenge and compete with current imports and internationally supplied end-user markets. • The strength of the model is that the Company possesses and aims to continue to create value-accretive options. • The Company plans to create value for its shareholders via the development of a pipeline of projects to a point where there are choices to either operate, sell or spin out. • Another key point to note is that the largest shareholder (Mr Paul Mulder) is the Managing Director of the Company. Mr Mulder has and will continue to act in this capacity after the Offer. Mr Mulder has heavily invested in the Company and with the management team also possessing a material interest in the Company post-IPO, there is a high degree of alignment and motivation to succeed. • The Company’s team comprises successful technical experts with over 150 years of combined experience in the mining sector. The Company is also partnered with well-regarded local PNG companies, some of which should be in the Company’s top 10 shareholders post-IPO. • The Company’s stakeholder relationships at all levels have enabled the establishment of the only diversified industrial minerals and energy portfolio in PNG. • Projects are located along coastal areas, river systems, or near to existing roads, thus providing long-term lower logistics costs (during exploration, construction and operations) compared to inland, high-altitude and logistically constrained operations (i.e. mountainous inland terrain of PNG). • The Company’s projects are also set to benefit very low socio- economic regions of PNG, and as a result should help to improve general standards of living and opportunities in these areas. 	<p>Section 6</p>
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QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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C. KEY ADVANTAGES AND RISKS (cont)

<p>What are the key risks of investing in the Company?</p>	<p>There are various risks associated with investing in the Company specifically and in the share market generally. Some of the key risks are summarised below (this is not exhaustive and full details of these risks are set out in Section 13, categorised in terms of company specific, industry specific and general risk):</p> <ul style="list-style-type: none"> • Title Risk – The Company’s mining and exploration activities are dependent on the maintenance (including renewal) of the tenements in PNG. Maintenance of the Company’s Tenements is dependent on, among other things, the Company’s ability to meet conditions imposed by relevant authorities including compliance with the Company’s work programme requirements, which in turn is dependent on the Company being funded to meet those expenditure requirements. Although the Company has no reason to believe that the tenements will not be renewed in the future (Mayur has a history of renewal success across its portfolio), there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. • Environmental Risk – The Company’s projects are in PNG and therefore subject to PNG laws and regulations regarding environmental matters. The authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining projects, the Company’s activities are expected to have some form of impact on the environment, particularly if mine development proceeds. Whilst the company largely has a portfolio of standard bulk mining projects that represents a far smaller and less complex project type compared to other existing and proposed resource projects in PNG, there still may be a possibility of cost and complexity risk in complying with environmental laws and regulations which may impact the Company in terms of developing economically viable projects. • Geological Risk – Notwithstanding the fact that the Company has JORC Resources for several of its projects, investors should understand that mineral exploration and mine development are high-risk undertakings. There can be no assurance that further exploration will result in the discovery of an economically viable project. • Permitting and Approvals Risk – Mining in PNG requires a Mining Lease, which may be granted once certain criteria are fulfilled, including completion of a feasibility study and obtaining requisite environmental permits. There can be no assurance that the Company will be able to obtain all requisite permits and licences notwithstanding that it has fulfilled all these licensing criteria or, even if such permits and licences are obtained, renew them in the future, either at all or on a timely basis or on commercially acceptable terms and conditions. 	<p>Section 12</p>
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QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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C. KEY ADVANTAGES AND RISKS (cont)

	<ul style="list-style-type: none"> • Product Mix and Pricing Risk – Future revenues from the Orokolo Bay Industrial Sands Project will be derived from the sales of several different mineral products including iron sands, construction sands and heavy mineral concentrate. Whilst some of these products have prices linked to international price indices (i.e. magnetite iron sands being linked to the iron ore price) other products such as construction sands do not and will be subject to negotiation with customers and localised demand and supply factors. These factors may have an adverse effect on the Company’s exploration, development and production activities as well as its ability to fund those activities. The Company proposes to develop a product pricing strategy to minimise this risk. The Port Moresby Limestone Project faces a similar risk as limestone does not have an international pricing index. • Currency Volatility – International sales prices of various commodities are denominated in US dollars, whereas the income and expenditure will be in AUD and PGK, consequently exposing the Company to fluctuations and volatility of the rates of exchange between the USD and AUD and the PGK and AUD as determined by international markets. • Nature of Mineral Exploration and Mining – As with all the other projects in the portfolio, there are risks associated with permits, approvals and agreements not being obtained or the economic viability of extracting the resources not being achieved due to exogenous (e.g. commodity prices) and endogenous (e.g. mineral grade) factors. • Liquidity Risk – On completion of the Offer, the existing shareholders of the Company, if examined on a combined basis, will still hold more than 51% of the total issued Share capital of the Company. Under Chapter 9 of the listing rules several of the shareholders will be subject to escrow periods, which may cause a liquidity risk as some of these shares cannot be traded for between 12 and 24 months. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares. If illiquidity arises there is a risk that Shareholders in part may be limited from realising their investment in the Company. • Country Risk – The PNG risks are not dissimilar to investing in any developing economy (whilst acknowledging PNG’s legal framework is based upon common law principles) and include but are not limited to: stakeholder and community risks (i.e. landowners); geopolitical risks; perceptions of low levels of governance and transparency (from Government and other authorities); lack of skilled labour; perceptions about political instability and personal security; and lack of infrastructure to support remote operations. • Acquisition and Growth Risk – All the Company’s projects to some degree will involve commercial and legal arrangements with various counterparties in a range of jurisdictions. The Company may partner with entities who simply do not deliver on their obligations despite contractual arrangements being in place. There is a risk that standard legal remedies may not provide full cover for such eventualities. Where the Company has entered into non-binding arrangements, there is no guarantee that binding agreements will be entered into. 	
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QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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D. DIRECTORS AND RELATED PARTY INTERESTS AND ARRANGEMENTS

<p>Who are the Directors of the Company?</p>	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Rob Neale – Independent Director and Chairman • Tim Crossley – Executive Director • Paul Mulder – Managing Director • Frank Terranova – Independent Director • Paul McTaggart – Independent Director • Lee Wei Hsiung – Non-Executive Director 	<p>Section 6</p>
<p>What benefits are being paid to Board members?</p>	<p>The Board members are entitled to the following annual cash-based remuneration and fees:</p> <ul style="list-style-type: none"> • Rob Neale – A\$90,000 • Tim Crossley – A\$175,000 (part-time executive role; 50% to be sacrificed and taken as performance rights) • Paul Mulder – A\$424,000 (full-time role; 50% to be sacrificed and taken as performance rights) • Frank Terranova – A\$40,000 • Paul McTaggart – A\$50,000 • Lee Wei Hsiung - see Section 14.14 for details of engagement <ul style="list-style-type: none"> • other non-cash benefits are set out in Section 15.7 	<p>Section 6, 14.11, 14.12, 14.14 and 15.7</p>
<p>What Employee Incentive Plan (EIP) is in place?</p>	<p>The Company has established a shared-based Employee Incentive Plan (EIP) to assist in the motivation, retention and reward of contractors and employees. The EIP is designed to align the interests of executives and senior management with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in the Company.</p> <p>The EIP permits the grant of the following types of awards:</p> <ul style="list-style-type: none"> • performance rights • options at a future point, and • loan funded shares. • (collectively referred to as “awards”) <p>An Employee Share Trust (EST) has been established to operate in conjunction with the EIP, to assist with the delivery of equity where performance rights or options are issued to participants. The EST has been established for the sole purpose of acquiring and holding shares (as such rights may be applicable to pre- and post-IPO events) to be delivered under the EIP Plan to employees and contractors. The Company has appointed an independent third party to act as trustee of the EST.</p>	<p>Section 15.7</p>

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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D. DIRECTORS AND RELATED PARTY INTERESTS AND ARRANGEMENTS (cont)

<p>What interests do Directors have in the securities of the Company</p>	<p>The interests of the Directors at the date of this Prospectus and following completion of the Offer are detailed in Section 7 and 15.</p> <p>As at the date of this Prospectus, Mr Paul Mulder, as Managing Director, has an indirect interest of 52.64% of the Shares on Issue held by DTJ Co Pty Ltd.</p> <p>Upon completion of a Fully Subscribed Offer Mr Paul Mulder, will have an indirect interest of 37.37% of the Shares on issue (excluding Mr Mulder's A\$1m participation in the Offer). If Fully Subscribed, and with Mr Mulder's participation in the Offer, his indirect interest will increase to 39.24%*. In addition to this Mr Mulder has an additional 6.6% indirect interest through voting arrangements with some holders of awards under the EIP.</p> <p>As at the date of this Prospectus, Mr Tim Crossley, a Director, has an indirect interest in 0.47% of the Shares on Issue held within the EST, and if Fully Subscribed this will increase to 1.40%* via his participation in the Offer.</p>	<p>Section 7 and 15</p>
<p>What important contracts has the Company entered with related parties?</p>	<p>The Company is a party to several related party agreements. Summaries of the related party agreements are in Section 14 but include the following:</p> <ul style="list-style-type: none"> • Development Services Agreement with Sicap Pty Ltd • Waterford Ltd sale and purchase agreement • Loan from Sicap Pty Ltd • Loan from current shareholders • Development agreements with TESC Pty Ltd 	<p>Section 14</p>
<p>What other important material contracts has the Company entered?</p>	<p>The Company or one of its subsidiaries is a party to several material contracts. Summaries of the material contracts are in Section 14.</p>	<p>Section 14</p>

E. SUMMARY OF THE OFFER

<p>What is the Offer and what are its key terms?</p>	<p>The Company is offering 38,808,290 million new shares at an issue price of \$0.40 each to raise a maximum of \$15.52million (before expenses of the Offer).</p>	<p>Section 7</p>
<p>Who is eligible to participate in the Offer?</p>	<p>The offer is open to investors with a registered address in Australia and certain qualifying investors in New Zealand, Hong Kong, Singapore, China, PNG and the United Kingdom.</p>	<p>Section 7</p>
<p>What is the allocation policy?</p>	<p>The Directors, in consultation with the Lead Manager, will allocate Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.</p>	<p>Section 7</p>
<p>How do I apply for Shares?</p>	<p>Application for Shares under the Offer can be made by completing the Application Form in accordance with the instructions in the accompanying Application Form.</p>	<p>Appendix A</p>
<p>What is the effect of the Offer on the capital structure of the Company?</p>	<p>The Shares issued under the Offer will represent an approximate range of 20-30% of the enlarged issued share capital of the Company following the Offer based on raising between the minimum of A\$10.44m and the maximum amount of A\$15.52m.</p>	<p>Section 7</p>

* Assumes full subscriptions by Mr Mulder (\$1m) and Mr Crossley (\$0.5m) in the Offer and does not account for any potential scaling back if an oversubscription eventuates as detailed in Section 7.4.

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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E. SUMMARY OF THE OFFER (cont)

What are the Loyalty Options provided as part of the Offer?	The Company will issue and allot for no further consideration one free Loyalty Option to security holders for every two Offer securities issued under the IPO, they will be exercisable at a 40% premium to the price of the offer security, vesting in four equal instalments over a 12-month period. They will be exercisable on or before the second anniversary of the IPO to security holders who hold at least the same number of securities they were issued under the Offer on the relevant vesting date.	Section 15.4 and 15.6
Minimum subscription to the Offer?	The minimum total aggregate subscription under the Offer is 26,108,615 million Shares to raise A\$10.44m (before associated costs).	Section 7
Is the Offer Underwritten?	The Offer is not underwritten.	-
Where will the Shares be quoted?	An application will be made to the ASX for quotation of the Shares under the trading symbol "MRL".	-
How will the proceeds of the Offer be used?	<p>The Company intends to use the funds raised from the Fully Subscribed Offer broadly as follows:</p> <ul style="list-style-type: none"> • \$6,400,000 to complete a DFS for the Orokolo Bay Industrial Sands Project including a pilot plant to conduct commercial-based shipments to Asia (up to 200,000 tonnes) • \$1,800,000 for further exploration of the remainder of the mineral sands projects and to complete JORC Resource/ Reserve definition and DFS for the Port Moresby Limestone Project • \$865,000 for exploration and development works of the Company's coal projects to further support resource/reserve definition of an expanded base • \$400,000 to secure the Power Purchase Agreement that has been submitted to PNG Power (PNG's state power company) • \$325,000 for further exploration of the Company's copper gold projects in conjunction with other funding supplied under the Company's third-party condition precedent binding project development agreement on the Basilaki/Sideia Project • \$10,000 for DRI and steel desktop works • \$1,600,000 in working capital for staff employment and other associated expenses for two years. This includes technical in-house based staff works expenditure that qualifies for exploration development work allocation that would otherwise be provided by third parties • \$1,500,000 for covering the costs of the Offer • \$500,000 for other IPO investment linked payments to contractors and middle management • \$2,000,000 conditional repayment of IPO ASX listing Bridging Loan provided since 18 May 2016 (conditionally payable in part from any funding above the minimum subscription amount and paid in full upon subscription funding being above \$12,443,446. If only the minimum subscription is taken, then no repayment is due). <p>This is a statement of the Company's intentions as at the date of this Prospectus and could be subject to change.</p>	Section 7.5
Will any of the Shares issued under the Offer be subject to escrow?	Details of the current Shares in the Company that will be subject to escrow are in Section 7.	Section 7.7

QUESTION	RESPONSE	WHERE TO FIND MORE INFORMATION
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F. OTHER INFORMATION		
What are CDIs?	<p>The Listing Rules require that the Company operates both an electronic issuer-sponsored sub-register and an electronic Clearing House Electronic Sub-register System (CHES) sub-register.</p> <p>Mayur is incorporated in Singapore, a jurisdiction that does not recognise the holding of securities or electronic transfer of legal title to Shares other than shares held in the name of the sole recognised depository agent, namely Central Depository (Pte) Ltd, a subsidiary of the Singapore Exchange. To facilitate the use of CHES, Shareholders will hold their Shares in the form of CHES Depository Interests (or CDIs), which are a form of beneficial interest in Shares held by a depository nominee.</p> <p>CDIs give a holder similar, but not identical, rights to a holder of Shares. References in this Prospectus to “Shares” include references to “CDIs” as appropriate.</p>	Sections 7.10
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.	-
What are the tax implications of investing in the Shares?	<p>The Shares may be subject to Australian tax on dividends and possibly Australian capital gains tax on a future disposal of Shares issued under this Prospectus.</p> <p>The Company has commissioned PricewaterhouseCoopers (PwC) to produce a taxation report as detailed in their letter in Section 9. PwC’s taxation report is limited to advising on Australian income tax implications arising to certain classes of Australian tax resident shareholders who acquire interests in the Company through participating in the IPO.</p> <p>Notwithstanding the above, the tax consequences of any investment in Shares will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 9
How can I obtain additional advice?	If after reading this Prospectus you have any questions or are unsure of what to do, you should speak to your accountant, stockbroker or other professional advisor.	-
How can Mayur be contacted?	<p>Mayur’s contact details for enquiries regarding the Offer or the Prospectus are as follows:</p> <p>By telephone: +61 7 3157 4400 By email: info@mayurresources.com By post: Level 7, 300 Adelaide Street, Brisbane, Queensland 4000</p> <p>Attention: General Manager</p>	-

6

COMPANY AND BUSINESS
OVERVIEW

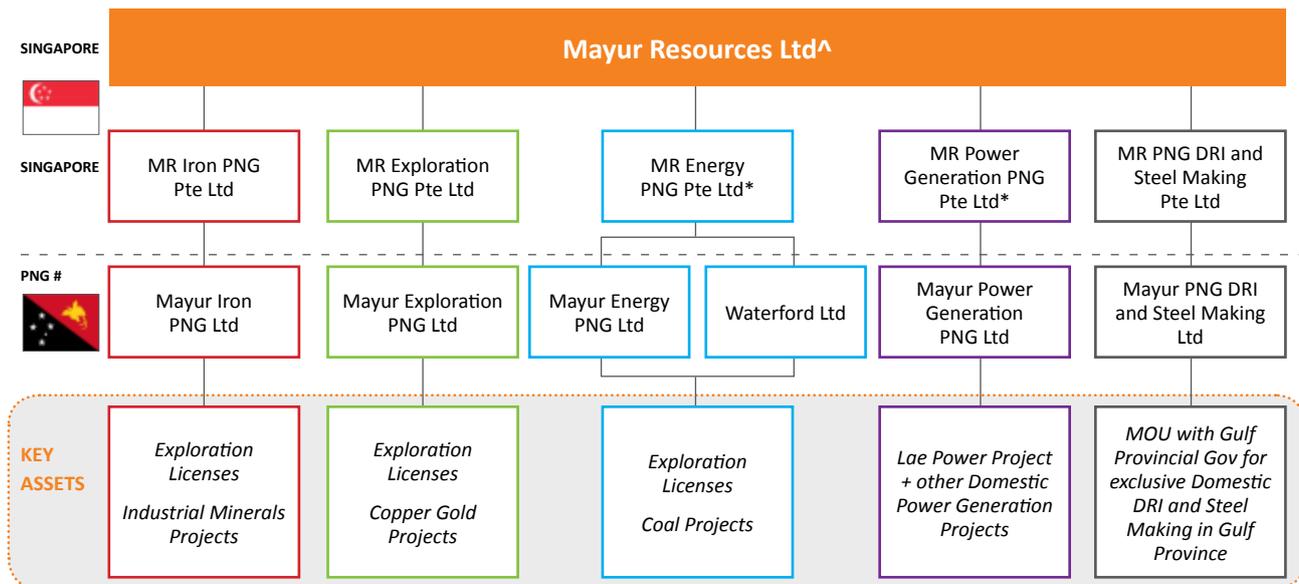


6 COMPANY AND BUSINESS OVERVIEW

6.1 The Company

Mayur is a diversified mineral exploration, development and energy company operating in Papua New Guinea (PNG). Mayur is incorporated in Singapore but registered as a foreign company in Australia and has five subsidiaries that are incorporated in Singapore (these are also registered as foreign companies in Australia), three of which are wholly owned (100%) and two (MR Energy and MR Power Generation) for which it holds 89% of the issued share capital. Those subsidiaries in turn wholly own (100% of) six companies in PNG that have been involved in the development of mineral resources and energy projects in PNG since 2011.

The following figure illustrates the corporate structure of the Mayur Group at the date of this Offer document and pre-IPO.



^Share ownership of Mayur Resources Ltd (Pre IPO)		%
DTJ Co Pty Ltd (Paul Mulder Family Trust)		52.64
QMP Nominees Pty Ltd		16.08
MAYPNG Pty Ltd		16.08
Charlton Family Trust (CFT)		5.85
Employee Share Trust (EST)		9.36
		100.0

* all Singapore subsidiaries are 100% owned by Mayur Resources Ltd except for MR Energy and MR Power Generation that are 89% owned by Mayur Resources Ltd following the completion of the transaction detailed in Section 14.2.

all PNG entities are 100% by their respective Singapore parent.

Figure 1 – Mayur group corporate structure pre-IPO

As Mayur is not established in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act 2001 of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are regulated by the Companies Act (Chapter 50) Singapore and the Accounting and Corporate Regulatory Authority, which is the corporate regulator that administers that legislation.

6.2 Business Model and Objectives

Mayur aims to continue to construct and develop a portfolio of assets in Papua New Guinea and neighbouring jurisdictions. This comprises a natural resources, construction materials and energy platform across three divisions:

- **Industrial Minerals** (including industrial sands and limestone)
- **Copper and Gold**
- **Power Generation** (being coal and vertically integrated power stations).

In addition, the Company has a long-term vision of an introduction of DRI (Direct Reduced Iron) and steel facilities into PNG given its access to the key raw materials required (i.e. coal and iron). All key projects are located on coastal regions or islands, near to river systems, or served by existing roads, thus easing access and limiting the need for major fixed transportation infrastructure.

Mayur's main objectives on completion of the Offer are to:

- deliver a Definitive Feasibility Study (DFS) to enable a Final Investment Decision (FID) for the Orokolo Bay Project and, if fully subscribed, also construct a pilot plant at the site to potentially enable the export of up to 200,000 tonnes of product;
- deliver a JORC resource/reserve and DFS in conjunction with a potential third-party investor for the commercialisation of the Port Moresby Limestone Project;
- continue exploration activities on identified exploration targets within the Basilaki/Sideia tenement;
- secure the PPA for the Lae Power Project, continue to work with Era Resources in the provision of a power plant with a nameplate rating of about 200MW and associated transmission infrastructure and continue to seek in-country power development opportunities in PNG;
- maintain the portfolio of tenements in good standing; and
- seek new joint venture exploration and development opportunities for the highly prospective Feni and Sitipu copper/gold tenements.

The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

6.3 Board and Management Team

TEAM MEMBER	POSITION	BACKGROUND
Rob Neale	Chairman and Independent Director	Mr Neale has extensive experience as a director and executive, including being the former MD and CEO of New Hope Corporation (NHC), Chairman and Non-Executive Director of WestSide Corporation Limited, Director of Northern Energy Corporation Limited, Independent Non-Executive Director of Planet Gas Limited, Non-Executive Director of Bridgeport Energy Limited, and Director of Arkdale Pty Ltd. Rob is also a Former President of the Queensland Resources Council and is Chairman of the Australian Coal Association Research Program. Rob has over 45 years of operations and development experience in the resources sector.
Paul Mulder	Managing Director	Mr Mulder has 23 years of successful executive management experience across operations, project development and commercial. Paul has been the Managing Director of Mayur Resources since March 2014. Prior to this, Paul spent six years working for Gina Rinehart's Hancock Prospecting Pty Ltd and its coal and infrastructure development projects. Paul was Project Director and Managing Director in leading a \$15bn mine port and rail development in Queensland, Australia. Prior to this Paul worked for BHP Billiton for 13 years in steel, coal and iron ore divisions in various senior management capacities. Paul is a Materials Engineer with an MBA, and is a former Director of the Queensland Resources Council.

TEAM MEMBER	POSITION	BACKGROUND
Tim Crossley	Executive Director	Mr Crossley has extensive experience as a director and mining executive, having operated some of Australia's largest mining businesses including roles as Deputy CEO of ASX-listed Gloucester Coal, and President and Chief Operating Officer (COO) at BHP Billiton's West Australian Iron Ore business. Tim also held the position of Executive General Manager of carbon steel materials for Gina Rinehart's Hancock Prospecting Pty Ltd's Roy Hill project. Tim has also held senior roles in BHP's manganese business and metallurgical coal business and was a Director in ASX-listed VDM Group. Tim is also a former President of the Northern Territory Minerals Council and Executive Chairman of Trans-Tasman Resources.
Paul McTaggart	Independent Director	Mr McTaggart has over 35 years' experience in the metals and mining sector, principally in corporate finance, advisory and equity research. Former roles include Managing Director, Head of Global Metals and Commodities and Co-Head of Research with Credit Suisse, Managing Director roles with both HSBC and Morgan Stanley, Director, Head of Natural Resources with Ord Minnett, Senior Manager Corporate Advisory with Rothschild Australia and Manager, Corporate Advisory with Deloitte. Paul holds masters' degrees in business administration and applied finance and was ranked top Australian metals analyst for stock calls through Thomson Reuters Analyst Awards in 2016.
Frank Terranova	Independent Director	Mr Terranova is a Chartered Accountant with extensive experience as a director and executive for a wide range of Australian and international publicly listed companies, including Normandy Mining and Queensland Cotton Limited. He later became Chief Financial Officer and ultimately Managing Director of Allied Gold PLC, which was subsequently acquired by St Barbara Limited in 2012. He was Managing Director of Polymetals Mining Limited and led its transformation through a merger with Southern Cross Goldfields Limited in 2013 and oversaw the combined group's recapitalisation program. He is currently an Executive Director of AUSA Resources Limited.
Lee Wei Hsiung	Non-executive director	Mr Lee Wei Hsiung is an employee in an executive position of Tricor Singapore Pte Ltd and has been appointed as a director of the Company for the purposes of satisfying requirements under the Companies Act that require a company incorporated in Singapore to have a minimum of one director who is ordinarily resident in Singapore.
Praveen Mahto	Executive – Power Generation	Mr Mahto is a Mechanical Engineer and power expert with over 30 years of project development experience in the industry. He is the Founder and Director of Power Gen Developers Pty Ltd. Former roles include Head of Development for Babcock and Brown NP JV, Head of Development at ERM Power, Senior Executive and Country Head for Kaltimex Energy, Indonesia, and lead energy-supply projects (all integrated steel mills) for Steel Authority of India Ltd (SAIL), India. Mr Mahto also holds an MBA.
Darren Lockyer	Head of Business Affairs	Mr Lockyer is a high-profile retired sports star and former Australian Rugby League captain, PNG's most popular sport. He has experience working with communities, businesses and government in various capacities and enjoys an extremely large following in PNG following his achievements as a player and respected leader.

TEAM MEMBER	POSITION	BACKGROUND
Tom Charlton	Head of Exploration	Mr Charlton is a geologist with over 25 years of mineral exploration experience. He has worked in PNG since 1997, working at the Department of Mines for 4 years on a World Bank project compiling PNG's geological database. Mr Charlton has worked for various private and publicly listed exploration companies. Mr Charlton has worked with the Company since its inception in 2011.
Jonathan Rees	General Manager	Mr Rees is a Chartered Surveyor with over 16 years of broad commercial, project/programme and business management experience. This has been gained via senior advisory, study management and operational roles across a variety of industries (natural resources, energy, infrastructure, construction, and commercial real estate) working in various international locations (the UK, China, Asia-Pacific and Australia). Mr Rees has worked with the Company since its inception in 2011.

Table 1 – Board, Directors and Key Personnel

6.4 Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with:

- the formation or promotion of the Company; or
- the Offer of the Shares.

(a) Remuneration of Independent Directors

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non- executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive Directors has currently been set at an amount of \$250,000 per annum, hence this provides opportunity to appoint another independent director in the future. The Directors have resolved that appointed Independent non-executive directors' fees will be as follows:

- \$90,000 per annum for Rob Neale as Chairman
- \$40,000 per annum for Frank Terranova as Director
- \$50,000 per annum for Paul McTaggart as Director

There are currently no other independent non-executive Directors.

In relation to Lee Wei Hsiung's position as a director, the Company is liable to pay an annual fee of S\$3,000 to Tricor Singapore Pte Ltd (see section 14.14 for further details).

(b) Director Interests in Contracts

The direct and indirect interests of the Directors in the contracts of the Company as at the date of this Prospectus are as follows:

DIRECTOR(S)	CONTRACT	BENEFIT	SECTION
Paul Mulder and Tim Crossley	Development Services Agreement	Paul Mulder and Tim Crossley are indirect shareholders of Siecap Pty Ltd and have a material interest in any fees paid by the Group to Siecap Pty Ltd under the Development Services Agreement	Section 14.5
Paul Mulder and Tim Crossley	Siecap Pty Ltd Loan	Paul Mulder and Tim Crossley are indirect shareholders of Siecap Pty Ltd and have a material interest in the repayment of the loan provided to the Company under the Siecap Pty Ltd Loan	Section 14.7
Tim Crossley	Development Agreements with TESC Pty Ltd	Tim Crossley is a shareholder of TESC Pty Ltd and has a material interest in the fees paid by the Company to TESC Pty Ltd	Section 14.1
Lee Wei Hsiung	Tricor Services Agreement	Lee Wei Hsiung is an employee in an executive position of Tricor Singapore Pte Ltd and has an indirect interest in the fees paid to Tricor Singapore Pte Ltd through his Executive Incentive Share Plan with Tricor Group.	Section 14.14

Table 2 – Directors interests in Contracts

For further details of the benefits provided to the relevant Directors please refer to the sections outlined in the table.

(c) Directors' Interests in the Company's Securities

The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

DIRECTOR	PRE-IPO SHARES	POST IPO SHARES (MAXIMUM SUBSCRIPTION)	EMPLOYEE INCENTIVE PLAN
Rob Neale	nil	nil	No participation
Paul McTaggart	nil	nil	No participation
Lee Wei Hsiung	nil	nil	No participation
Frank Terranova	nil	nil	Yes - refer to Section 15.7
Paul Mulder	52.64%	39.24%* [^]	Yes - refer to Section 15.7
Tim Crossley	0.47%	1.40% [^]	Yes - refer to Section 15.7

Table 3 – Directors interests

[^] Assumes full subscriptions by Mr Mulder (\$1m) and Mr Crossley (\$0.5m) in the Offer and does not account for any potential scaling back if an oversubscription eventuates as detailed in Section 7.4

* 39.24% via DTJ Co Pty Ltd plus, in addition to this Mr Mulder has an additional 6.6% indirect interest through voting arrangements with some holders of awards under the EIP.

(d) Shareholding Qualifications

The Directors are not required to hold any Shares under the Constitution of the Company.

(e) Indemnity, Insurance and Access

The Company has entered into an Indemnity, Insurance and Access Deed with each of the Directors.

(f) Insurance

The Company maintains Directors' and Officers' Liability Insurance on behalf of the Directors and Officers of the Company.

6.5 Projects Summary

The Company is developing a portfolio of projects in PNG. The Company is structured between three divisions, namely: Industrial Minerals (industrial sands and limestone); Copper and Gold; and Power Generation (including coal exploration).

Mayur's focus, and the main purpose of the IPO, is to advance the Orokolo Bay Industrial Sands Project. Other important projects include the Port Moresby Lime Project and the Lae Power Generation Project. Mayur's tenement portfolio in PNG encompasses 16 Exploration Licenses that cover the three divisions as shown in the following map.

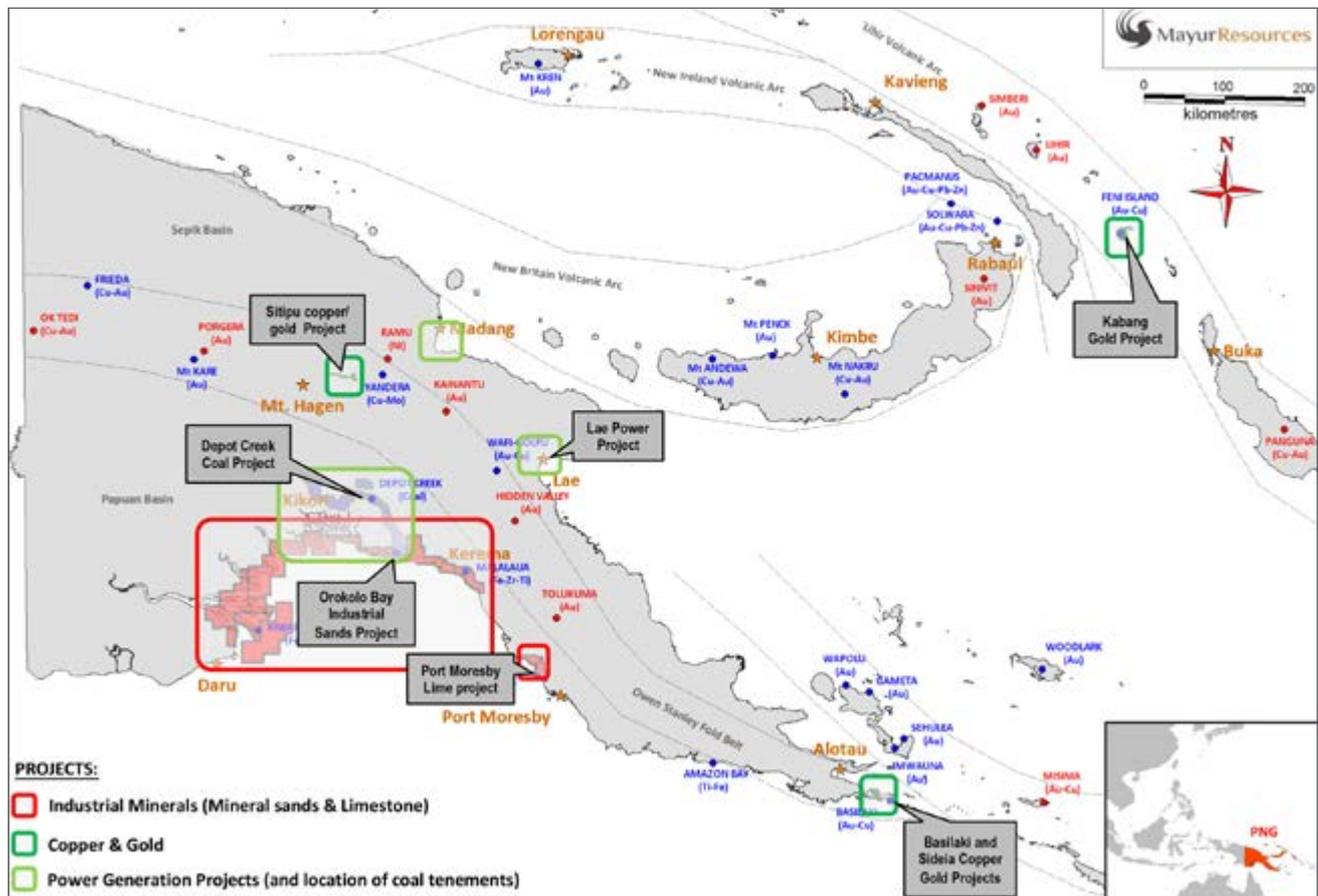


Figure 2 – The Company's tenement and project portfolio in PNG

6.5.1 Mineral Sands Projects

6.5.1.1 Orokolo Bay Industrial Sands Project

The Orokolo Bay project is located along the coast in southern PNG. Over recent years the Company has conducted various exploration programmes in relation to the Orokolo Bay project which have included geophysics (aeromagnetic and ground magnetic surveys), surface/grab sampling, drilling programmes, and bulk pit sampling, together with all associated assaying and metallurgical test works. This has been complemented by extensive community awareness programmes and stakeholder engagement.

The Company delineated a JORC Resource and completed a PFS in mid-2016. The PFS included a JORC Indicated and Inferred Resource of 173 million tonnes at 9.2% iron, 86 million tonnes of construction sand and 107,000 tonnes of zircon. This was used to develop a mine planning schedule based on the extraction of 5 Mtpa of Run of Mine ore to produce a range of products via the prioritisation of a smaller tonnage level with materially higher and/or refined grade fractions within this resource that produces a product specification deemed at this point to be acceptable to the end user market(s). Such product range encompasses 1 Mtpa of industrial sands, 500,000 tpa of titanomagnetite (iron sands and magnetite dense medium separation) and a valuable heavy mineral concentrate containing crude zircon and other heavy minerals. These products are to be achieved via the utilization of magnetic and gravity separation of naturally fine grained material. The PFS also included a forecast Net Present Value (NPV) of USD106m (post tax, using a 10% discount rate). **This is further detailed in Section 10.**

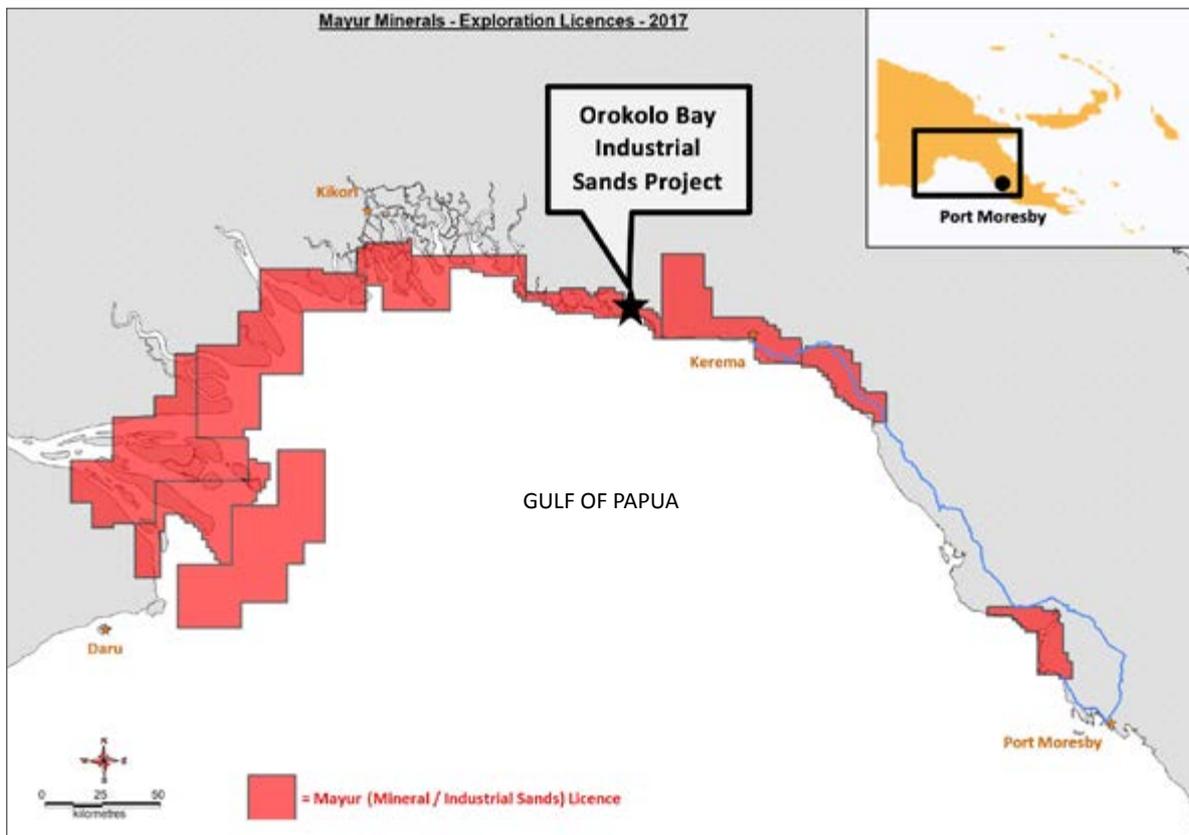


Figure 3 – The Company’s industrial minerals Exploration Licences and location of the Orokolo Bay Project

The Company plans to use part of the funds raised from the Offer to deliver a Definitive Feasibility Study (DFS) to enable a Final Investment Decision (FID) for the Orokolo Bay Industrial Sands Project and, if fully subscribed, also construct a pilot plant at the site, where it intends to be ready to conduct commercial-grade shipments within circa 14 months of the IPO.

6.5.1.2 Other Projects

In addition to the Orokolo Bay project, the Company has a pipeline of other mineral sands projects across the portfolio that offers future options to replicate the development works at Orokolo Bay. **These are further detailed in Section 10.**

The Company plans to use a portion of the funds raised to advance the above projects with the aim to ensure the tenement portfolio is kept in good standing and meet the minimum spend on these other tenements.

6.5.2 Port Moresby Limestone Project

The Company has identified limestone deposits within 25 km of Port Moresby and has undertaken an initial drilling programme at a hole spacing that is intended to delineate JORC Reserve status. Initial lab test analysis and assaying of 63 surface samples has returned high-grade CaCO_3 results averaging 97% CaCO_3 .

The Company plans to complete a Definitive Feasibility Study with the funds raised and plans to seek asset level investment to progress a strategy of limestone extraction and production of quicklime for domestic and potentially international markets. Currently PNG imports a large portion of its quicklime from South East Asia, hence any potential production from the proposed Port Moresby Limestone Project would have a significant freight distance advantage over this supply source.

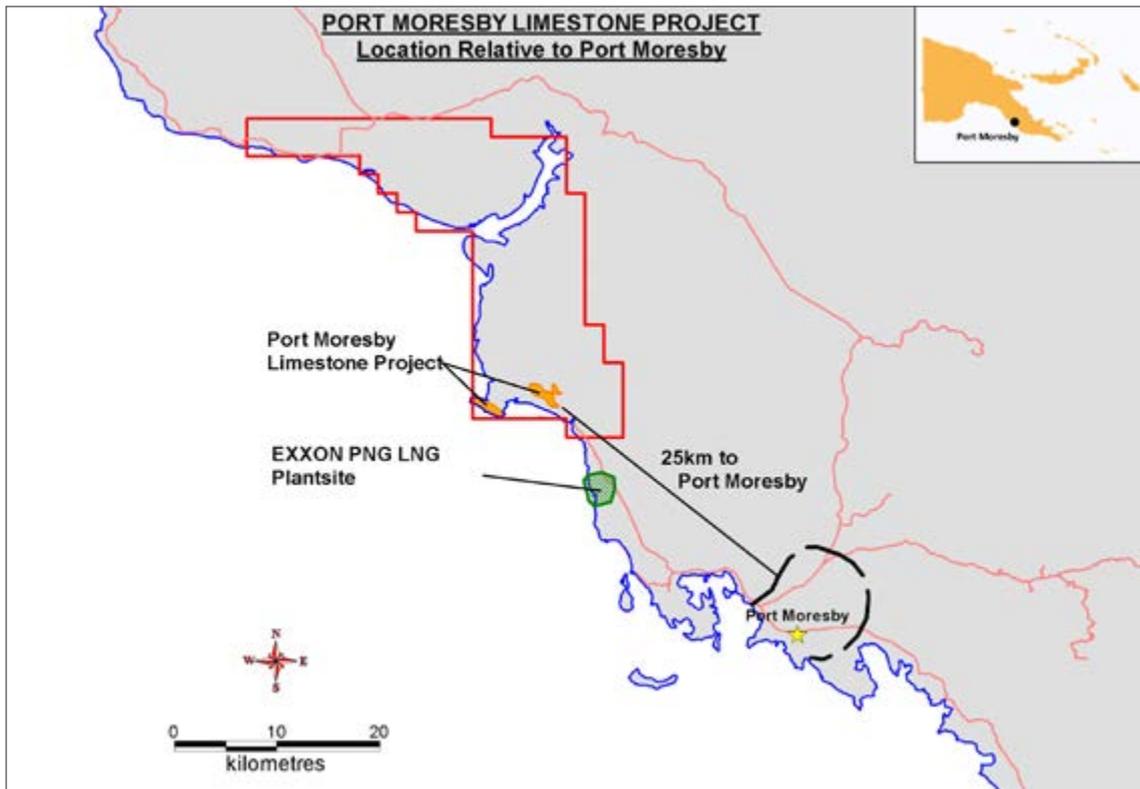


Figure 4 – Location of Port Moresby Limestone Project in EL2303

6.5.3 Copper Gold Projects

The Company holds three copper gold Exploration Licences and has collated and analysed a vast amount of historic exploration data in addition to undertaking various exploration and reconnaissance trips to verify and augment this geological database.

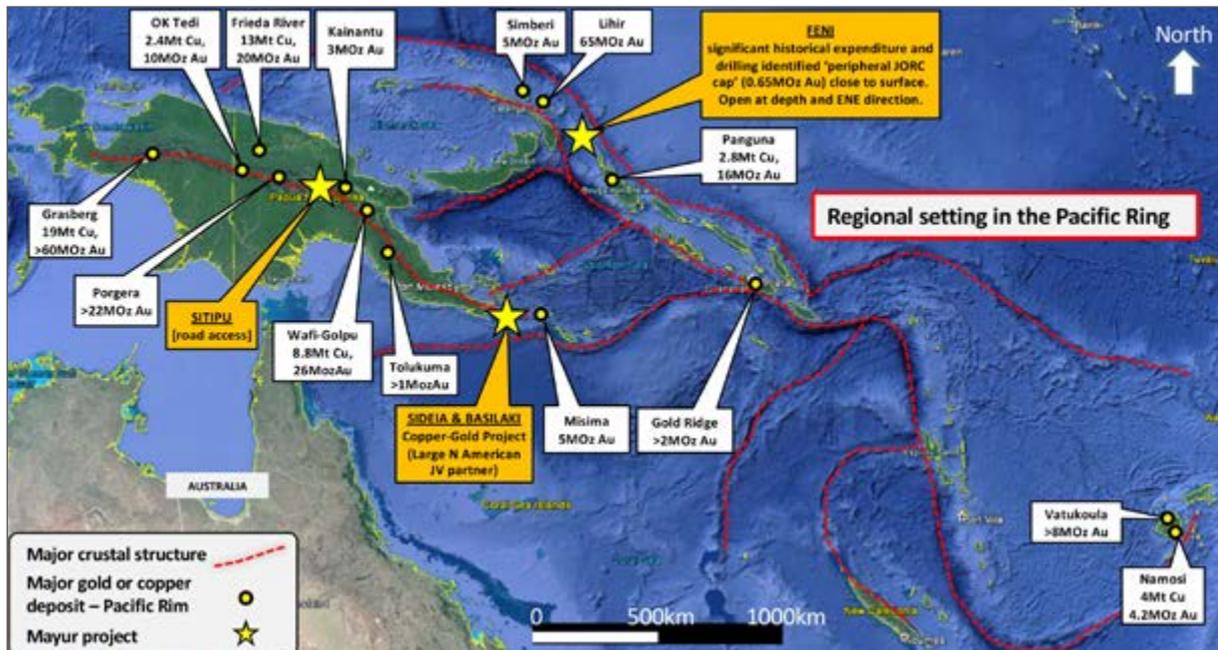


Figure 5 – The Company's Copper Gold Projects (refer orange boxes) and other prominent projects in the region

6.5.3.1 Feni Island Project

The Company's Feni Island project is strategically located along the Lihir volcanic arc that is home to the Simberi and Lihir operating gold mines to the northwest and the massive Bougainville copper deposit (historically mined by Rio Tinto) to the southeast.

The Company has delineated a shallow Inferred JORC Resource cap (650,000 Oz of gold) from collation and analysis of the large amount of historical drilling that has taken place on the island since the 1980s. This historic work has identified widespread gold and copper mineralisation, the main feeder system at depth however remains undiscovered. As a result, it is felt that this prospect could be "one drill programme away" from discovering another large-scale deposit akin to Lihir, thus the Company's strategy is to seek a large mining Joint Venture partner to undertake a modest deep hole drilling programme targeted to identify if and where the feeder system exists.

The Company has allocated some funds to undertake further field work activities. Notwithstanding this, a new drilling campaign has already been designed to identify the potential feeder source of the mineralisation at depth. This programme forms part of a strategic plan to further develop a greater understanding of the geological source of this copper gold deposit, particularly the shallow copper intersections which differs from Lihir.

6.5.3.2 Sideia and Basilaki Project

The Sideia and Basilaki projects are two separate projects currently located within the same Exploration License. Sideia Island hosts a 10km-long zone of high-grade narrow-vein mineralised structure. The Company has returned rock chips with up to 27.5% Cu and 3.92 g/t Au and there have been historical results of 239 g/t Au and 40% Cu. The narrow vein was mined by artisan miners in the late 1800s for copper. Basilaki Island has been subject to historic exploration, with highly prospective copper and gold anomalies with geological structures implying greater possibility for economic mineralisation, and offers potential for porphyry at depth.

The Company's subsidiary (MR Exploration PNG Pte Ltd) is a party to a binding letter agreement with a large scale North American copper gold developer/operator (investor) in relation to the Basilaki/Sideia Copper Gold Project (see Section 14.8.1) and exploration works are currently being conducted under this agreement.

6.5.3.3 Sitipu Project

Sitipu is a greenfield porphyry project which is located on the mainland along the highly prospective Owen Stanley Fold Belt, a highly mineralised corridor that is home to some world-class copper and gold deposits. Sitipu is along strike from world-class projects such as Yandera, Wafi-Golpu and Hidden Valley. Per the Use of Funds Section, the Company has allocated funds to undertake field work activities and, importantly, in accord with the Company's strategy of low-cost access projects, the Sitipu project, whilst in the highlands, is accessible by road from Mt Hagen.

6.5.4 Coal and Power Projects

6.5.4.1 Depot Creek Coal

The Depot Creek Project site is in the Gulf Province, approximately 280km northwest of PNG's capital city, Port Moresby, as shown in Figure 6. There has been a long history of coal prospecting and exploration in the Gulf Province although coalmining has never been developed in PNG. The Company has a portfolio of contiguous tenements that cover the main coal-bearing geology in the region, with the most advanced deposit being Depot Creek. A drilling programme was undertaken in late 2014, drilling a total of six holes across 1.2km of the Depot Creek deposit. A maiden JORC Inferred Resource estimate of 11.4 million tonnes was then declared.

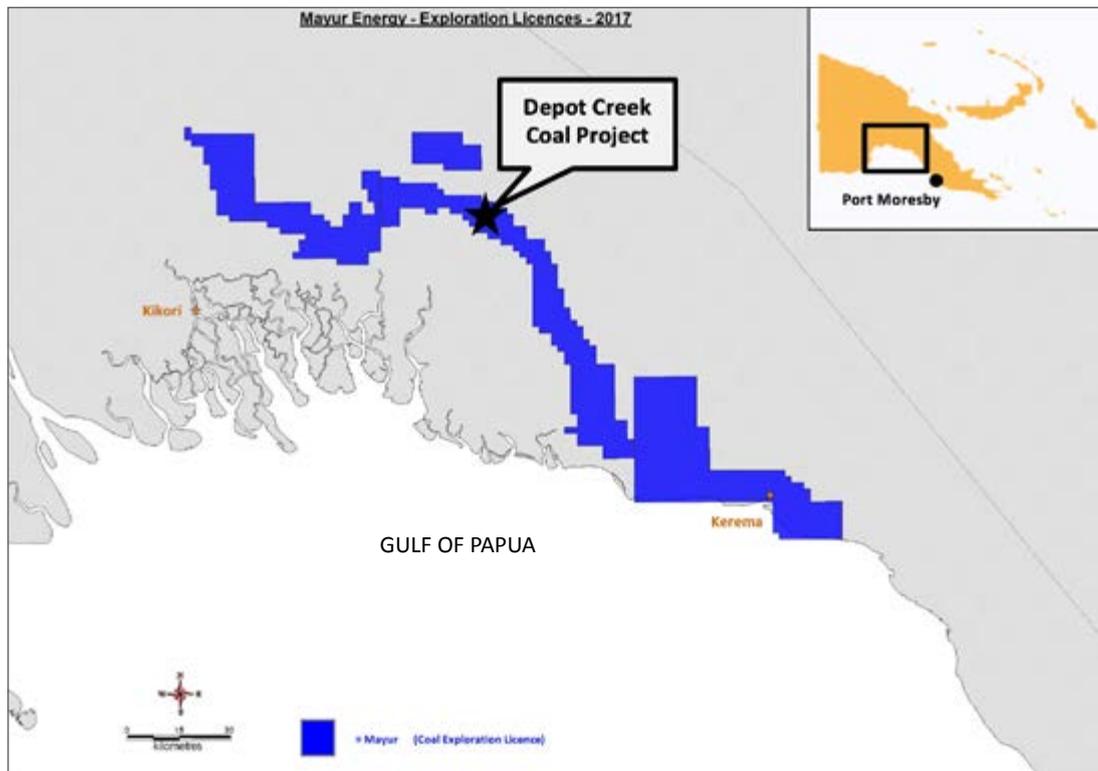


Figure 6 – Depot Creek Project Location within Mayur's coal tenements portfolio in PNG

In addition to the above JORC, the independent geological study also identified a regional Exploration Target of 210 Mt along a total strike length of over 120km to the southeast and northwest of the Depot Creek deposit across the adjoining tenements, thus offering significant potential to expand the future JORC inventory. This region is generally low lying and home to some of PNG's major river systems including the Purari, Vialala and Kikori offering potential for transport and access options. The Depot Creek JORC Resource is located approximately 20km from the Purari River.

The Company plans to use a portion of the funds raised to advance the Depot Creek Project and the regional Exploration Target via more exploration activities, at the same time ensuring the tenement portfolio is kept in good standing and meet the minimum spend on these other tenements.

6.5.4.2 Power Generation in PNG

The power generation industry in PNG is characterised by a lack of access to electricity for the vast majority of the population, and the electricity that is available is not only expensive but also unreliable*. As a result of these factors, industries including mining and resources are often forced to assess and / or implement off grid power solutions.

PNG Power (PPL), a wholly owned government entity, has responsibility to generate, transmit, distribute and retail electricity in PNG. PPL owns most grid-connected generation plants directly, and some through PPAs with Independent Power Producers (IPPs). The generation mix of the two major grids (Ramu and Port Moresby) owned by PPL are split between hydro and thermal. The majority of the thermal generation capacity owned by PPL is liquid-fuel based.

The hydro units are typically characterised by lower availability, in part due to unpredictable water supply, and other maintenance challenges. Therefore, many thermal generation plants, which normally act as backup to hydro generation, are used to provide base load power, thus resulting in a higher effective cost of electricity.

*PNGs current electrification rate is circa 13% (one of the lowest in the world) and the PNG Government is targeting 70% electrification by 2030, this will also mean tripling PNG's current installed electricity capacity to meet this target (source <https://bluenotes.anz.com/posts/2015/08/how-png-can-power-into-the-asian-century>).

Acknowledging the limitations of the electricity supply and its direct impact in constraining the country's growth, the Government of Papua New Guinea (GoPNG) has adopted an Electricity Industry Policy that encourages competition and private sector investment in power generation. Through this policy, the goal is to encourage private sector investors to accept reasonable risks that they are capable of managing in terms of efficient financing, construction and operation of power plants that maximise generation availability, cost and flexibility. There is large hydro potential in PNG, however at the current stage, large-scale hydro projects are commercially constrained due to the cost of harnessing and the scale of demand required to justify the large investment. Accordingly, Mayur's approach has been to develop smaller-scale power projects, backed by its own domestic coal supply, in sizes and locations that have an immediate fit in the PNG market.

6.5.4.3 Lae Power project

Following the delineation of domestic coal at Depot Creek, and the fact that PNG continues to suffer from acute power supply issues, the Company reviewed options to monetise its coal resources. The Company decided to pursue a downstream vertical integration power generation strategy to improve the reliability and cost of domestic power supply. Noting that PNG continues to import (at a large cost) huge quantities of diesel and heavy fuel oil to generate nearly 50% of its electricity, this strategy involves providing power with an input fuel cost (i.e. domestic coal) that is decoupled from the international energy market. This then provides hedged optionality to produce power with the cheapest available fuel input cost at all times.

The Company's first proposed power generation project is being developed in Lae - PNG's industrial capital and second largest city (refer Figure 7). The Lae project comprises a proposed 52.5MW (net) power generation facility being developed as an 'Enviro Energy Park' (EEP) for which a Definitive Feasibility Study has been completed together with indicative Engineering, Procurement and Construction (EPC) bids. This was in response to a written request from PNG Power in 2016 to submit a 25-year Power Purchase Agreement (PPA) proposal. At the time of writing the PPA proposal is currently under assessment by PNG Power, having already been reviewed by independent consultants.

The Lae EEP is designed to employ proven, state-of-the-art, low emission Circulating Fluidized Bed Combustion (CFBC) technology for power generation. This will enable the use of multi-fuel sources in the form of renewables (biomass) and conventional high quality, low ash, low sulphur coal to be sourced domestically via the development of the Company's captive coal resources (proposed to be transported by ship from Gulf Province to Lae), or alternatively from international seaborne markets as back up supply. The Depot Creek JORC Resource of 11.2 Mt was deemed sufficient (based upon coal tonnage quantity and analysed energy values) for a 52.5MW power station for at least 25 years. The Company plans to further assess the opportunity to integrate other renewable energy sources (including solar) into the engineering design of the Lae EEP. This is aligned with the terms of reference it has entered into with the Lae University of Technology (UNITECH) to establish a sustainable energy research institute.

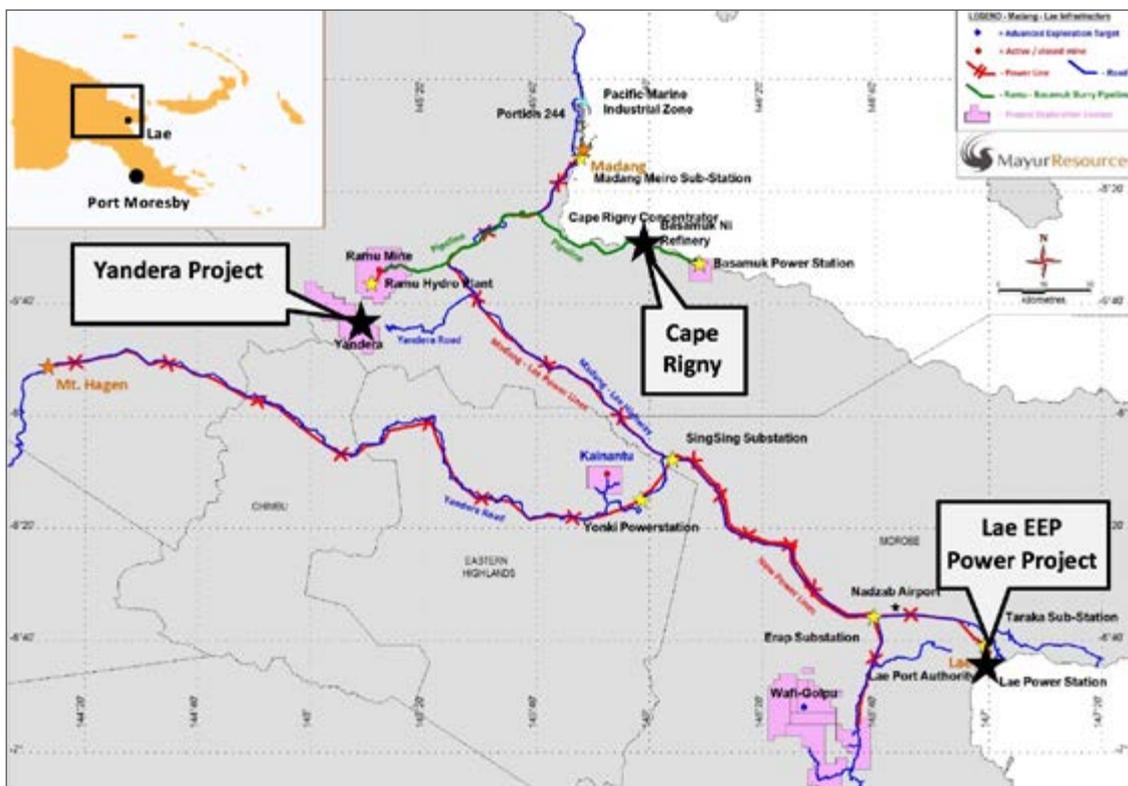


Figure 7 – Mayur's Lae Power Project Location and the Ramu Grid network

As a result of Lae’s growing industrial sector, the Lae EEP also plans to provide co-generation capability via the production of electricity and steam for industrial use. This co-generation facility should not only provide far more affordable and reliable base load power and steam supply for Lae and its surrounding industries, but also a superior environmental outcome via reduced sulphur dioxide and nitrogen dioxide emissions. The use of biomass, solar and co- generation (steam) has been designed to offset the greenhouse gas footprint compared to the current situation in Lae that is reliant upon the use of diesel / liquid fuel. Further to this Mayur has, in conjunction with PNG Ports, secured the requisite approvals from the Conservation and Environmental Protection Authority for the power station at the Lae Tidal Basin site. The site has sufficient land allocation to enable expansion from the initial 52.5MW to 200MW, this would provide further economies of scale in the event of greater demand in the future.

A portion of the funds raised will be used to secure the PPA for the Lae EEP project. Once the PPA is signed, a range of funding options will be considered including inviting participation from strategic investors who may fund the future capital requirements. This stage will also include commencement of financial investment decision activities (i.e. achieving all bankable contacts and independent review of agreements).

6.5.4.4 Other Power Project opportunities

In addition to the Lae Power Project, the Company is also in discussions with several major international resource companies with a view to providing long- term low-cost energy solutions for their projects in PNG. Recent success in this regard was the signing of a Memorandum of Understanding (MOU) in late 2016 with ERA Resources (TSE-ERX) to study the development a low-cost coal fired energy solution for their proposed Yandera Copper Gold Project – with a potential power station site at Cape Rigny (refer to Figure 7).

6.6 Company Vision and Values

The Company’s strategy is driven by a vision that is underpinned by specific values. The Company vision is to create resources and energy-sector business opportunities in emerging markets that embrace a disruptive model which will increase value to shareholders while delivering enhanced living standards and sustainable benefits to the communities in which the Company operates, in a responsible, safe and efficient manner.

The Company’s approach is built on a culture of respect, innovation, accountability and integrity, with an objective of delivering positive outcomes for all our stakeholders. These values provide the foundation that will allow the Company to mutually succeed with its people, the partners with whom the Company collaborates, and the communities in which it operates.

RESPECT	We value all relationships, work together and strive to understand and serve our stakeholders with respect.
INNOVATION	We are resourceful. We solve problems, adapt, develop and continually improve.
ACCOUNTABILITY	We initiate. We constantly look to create value, are sustainable, take responsibility, and are open and accountable.
INTEGRITY	We commit. We keep our word, deliver results, and are professional and ethical.

Table 4 – Company Values

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7

DETAILS OF THE OFFER



7 DETAILS OF THE OFFER

7.1 Introduction

The Company invites applications for up to 38,808,290 ordinary Shares at an issue price of A\$0.40 cents each to raise up to \$15,523,316 with a minimum subscription of \$10,443,446. The Shares offered under this Prospectus will rank equally with the existing Shares on issue. The key information relating to the Offer and references to further details are set out below.

7.2 Indicative Timetable

ACTIVITY	DATE*
Lodgment of Prospectus with ASIC	Friday, 21 July 2017
Opening Date of Offer	Monday, 31 July 2017
Expected Closing Date of Offer	Friday, 18 August 2017
Dispatch of Holding Statement	Tuesday, 29 August 2017
Expected date for Shares to commence trading on ASX	Friday, 1 September 2017

Table 5 – IPO Timetable

**The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.*

7.3 Purpose of the Prospectus

The purpose of this Prospectus is to facilitate an application by the Company for admission of the Company to the Official List of ASX and also position the Company to achieve its objectives outlined in Section 6.2 above.

7.4 Source of Funds

SOURCE OF FUNDS*	Minimum Subscription	% of Total funds	Maximum Subscription	% of Total funds
Existing financial shareholders*	\$1,000,000	10%	\$1,000,000	6%
Management and board*	\$1,500,000	14%	\$1,500,000	10%
External market investors	\$7,943,446	76%	\$13,023,316	84%
Total raised in the Offer	\$10,443,446	100%	\$15,523,316	100%

Table 6 – Source of funds

** Depending on the strategic nature of final subscriptions received, existing financial shareholders (i.e. QMP & MAYPNG) / management and board (i.e. Mr Mulder and Mr Crossley) may consider scaling back their IPO participation to make room for such strategic subscriptions (only if The Company ends up being in an oversubscribed position).*

7.5 Use of funds

The Company intends to apply funds raised from the Offer, over the first two years following admission of the Company to the official list of ASX as follows:

USE OF FUNDS	Minimum Subscription	% of Total funds	Maximum Subscription	% of Total funds
Total raised in the Offer	\$10,443,446	100%	\$15,523,316	100%
Total funds available	\$10,443,446	100%	\$15,523,316	100%
Projects				
Industrial Sands projects:				
• Orokolo Bay Project	\$3,717,250	35.6%	\$6,416,129 [^]	41.3%
• Other EL s	\$1,512,930	14.5%	\$1,512,930	9.7%
Limestone	\$325,000	3.1%	\$325,000	2.1%
Coal	\$865,622	8.3%	\$865,622	5.6%
Power	\$400,000	3.8%	\$400,000	2.6%
Copper/Gold	\$325,000	3.1%	\$325,000	2.1%
DRI / Steel	\$10,000	0.1%	\$10,000	0.1%
Projects subtotal	\$7,155,802	68.5%	\$9,854,681	63.5%
Working Capital (Group)	\$1,621,970	15.5%	\$1,621,970	10.4%
Expenses of the Offer	\$1,140,833	10.9%	\$1,521,824	9.8%
Development Mgmt Agmt Payment	\$350,000	3.4%	\$350,000	2.3%
Middle Management Payment	\$174,840	1.7%	\$174,840	1.1%
IPO Bridging loan repayment*	0	0.0%	\$2,000,000	12.9%
Total funds applied	\$10,443,446	100.0%	\$15,523,316	100%

Table 7 – Uses of funds

*To pay back Shareholders Loan and Siecap loan (provided since 18 May 2016), (payable in full if funds received exceed \$2m over the minimum subscription i.e. \$12,443,446m).

[^] includes development of a pilot plant, potentially enabling up to 200,000 tonnes of commercial shipments being undertaken in 14 months from IPO.

7.6 Capital Structure

The shareholdings at the date of this Prospectus and on the completion of this Offer are set out in the tables below.

SHAREHOLDER	Shares	%	Shares	%	Shares	%
	(pre-issue)	(undiluted)	(post issue – minimum subscription)	(fully diluted – minimum subscription)	(post issue – maximum subscription)	(fully diluted – maximum subscription)
DTJ Co Pty Ltd	50,000,000	52.64%	50,000,000	41.3%	50,000,000	37.4%
QMP Nominees Pty Ltd	15,268,036	16.08%	15,268,036	12.6%	15,268,036	11.4%
MAYPNG Pty Ltd	15,268,036	16.08%	15,268,036	12.6%	15,268,036	11.4%
Charlton Family Trust (CFT)	5,555,556	5.85%	5,555,556	4.6%	5,555,556	4.2%
Employee Share Trust (EST)	8,885,714	9.36%	8,885,714	7.3%	8,885,714	6.6%
New Shares Issued IPO	-	-	26,108,615	21.6%	38,808,290	29.0%
Total	94,977,342	100%	121,085,958	100%	133,785,632	100%

Table 8 – Capital Structure

In addition the following Options will be provided as part of the Offer:

OPTIONS	Number of shares	Number of shares	Details
	Minimum subscription	Maximum subscription	
IPO Subscriber – Loyalty Options (1 for 2 loyalty shares)	13,054,308	19,404,145	Refer to Section 15.4
Bell Potter – Advisor Options (1% of number of shares on listing)	1,210,860	1,337,856	Refer to Section 15.5
Total	14,265,168	20,742,001	

Table 9 – Loyalty and Advisor Options

Upon completion of the Offer, Mayur will announce to the ASX the details of its top 20 shareholders prior to the shares' commencement of trading on the ASX.

7.7 Restricted Securities

ASX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. Directors, other related parties and promoters may be required to escrow securities held by them for up to 24 months from the date of quotation of the Company's Shares on ASX.

None of the Shares offered under this Prospectus will be treated as restricted securities and will be freely transferable from their date of allotment.

The Company has escrow arrangements in respect of 94,977,342 Shares. The following parties will, on or before Quotation Date, enter into restriction agreements under which they are restricted from dealing in any Share held by them from the date of Quotation. The number of Shares that will be subject to escrow arrangements and the period for which they are to be escrowed are set out below.

SHAREHOLDER	No. of Shares	No. of Shares escrowed	Period Escrowed from date of Quotation
DTJ Co Pty Ltd	50,000,000	50,000,000	24 months
MAYPNG Pty Ltd	15,268,036	15,268,036	12 months
QMP Nominees Pty Ltd	15,268,036	15,268,036	12 months
Charlton Family Trust	5,555,556	5,555,556	24 months
Employee Share Trust (EST)	8,885,714	8,885,714	24 months
Total	94,977,342	94,977,342	

Table 10 – Restricted securities shares under escrow (current shareholders)

7.8 Rights and Liabilities attached to Shares

The rights and liabilities attached to the Shares are:

- (a) detailed in the Company’s Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours;
- (b) regulated by Singapore law (the Companies Act of Singapore), the Listing Rules and the general law; and
- (c) in the case of CDIs, regulated by the rules of ASX Settlement.

The following is a summary of the more significant rights and liabilities attached to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per share on a poll. Voting may be in person or by proxy, attorney or representative.

The ASX Settlement Rules require the Company to give notices to CDI holders of general meetings of the Shareholders. The notice of meeting must include a form permitting the CDI holder to direct CDN to cast proxy votes in accordance with the CDI holder’s written instructions. A holder of CDIs can attend, but cannot directly vote in person at a general meeting.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Directors resolve to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. On close of the Offer, all Shares currently on issue and the Shares issued under this Prospectus are fully paid Shares.

(c) Future Issues of Securities

Subject to the Companies Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

Subject to the Constitution, a shareholder may transfer Shares:

- (i) in the form of CDIs, by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules for the purpose of facilitating transfers in CDIs; or
- (ii) as an instrument in writing in any usual or common form or in any other form approved by the Directors or in any other usual or common form.

(e) Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Companies Act or the Listing Rules. CDI holders are also entitled to receive notice of any general meeting in accordance with the ASX Settlement Rules.

Shareholders may requisition meetings in accordance with the Companies Act.

The Company intends to hold its annual general meeting in Brisbane every year following Quotation.

(f) Election of Directors

There must be a minimum of one Director. At every annual general meeting one third of the Directors (rounded down if necessary, to the nearest whole number) must retire from office. Any other Director who, if he or she does not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more annual general meetings since he or she was last elected to office must also retire. These retirement rules do not apply to certain appointments including that of the managing director.

(g) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and Company Secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) determine how the division is to be carried out as between the members or different classes of members.

(i) Shareholder Liability

As the Shares offered under the Prospectus (and the other shares that are already issued as outlined in Section 7.6) are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three-quarters of shareholders present and voting at a general meeting. At least 14 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(k) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.9 CHES

The Company will apply to participate in the Clearing House Electronic Subregister System (CHES), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. On admission to CHES, the Company will operate an electronic issuer-sponsored subregister and an electronic CHES subregister. These two subregisters together will make up the Company's principal register of securities.

Under CHES, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive holding statements that set out the number of Shares each Shareholder owns. If a Shareholder is broker-sponsored, ASX Settlement will send him a CHES statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHES subregister or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored subregister.

A CHESSE statement or issuer-sponsored statement will routinely be sent to Shareholders at the end of every calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time; however a charge may be imposed for additional statements.

Singapore law does not recognise the electronic CHESSE subregister, and beneficial ownership of Shares held on the CHESSE subregister will be held in the form of CDIs.

7.10 CDIs

(a) What are CDIs?

CHESSE Depository Interests, or CDIs, are a form of beneficial interest in Shares (sometimes called a depository receipt), rather than a holding of the Shares themselves. This means that a depository nominee (in this case, CHESSE Depository Nominees Pty Ltd. ("CDN")) holds the Shares on behalf of the CDI holder as trustee, and passes through all benefits accruing to the underlying Shares such as dividends, capital returns, bonus issues, and rights to take up new Shares in entitlement issues.

One CDI represents an interest in one underlying Share.

(b) Why issue CDIs?

The issue of CDIs instead of Shares is necessary because under Singapore law, Singaporean companies cannot participate in uncertificated electronic share trading systems such as ASX's CHESSE system. Accordingly, Shares will instead be issued directly to CDN, which is a special purpose subsidiary of ASX that has been set up to act as depository nominee and trustee for CDI holders. Successful applicants will receive CDIs which represent an interest in the Shares held by CDN.

The Company will issue holding statements for CDIs in exactly the same way that holding statements are issued for uncertificated shares that are traded on ASX.

(c) What are the main differences between Shares and CDIs?

The main difference is that a CDI holder is not the registered holder of Shares. The Shares are held in the name of CDN, which issues CDIs representing those Shares. However, as the beneficial owner of the same number of Shares which are represented by a number of CDIs, a CDI holder effectively has all the benefits of share ownership with the exception of the direct right to vote in person at a general meeting. The ASX Settlement Rules require the Company to give notices to CDI holders of general meetings of the Shareholders. The notice of meeting must include a form permitting the CDI holder to direct CDN to cast proxy votes in accordance with the CDI holder's written instructions.

Other aspects of direct Share ownership are, in effect, enjoyed by CDI holders including direct payment of dividends and other distributions, direct receipt of notices of meeting, annual reports and other information from the Company, and rights to take up new shares in entitlement issues. The Company's Share Registry will maintain a register of CDI holders to facilitate direct communication and dealing in this way.

In some cases, marginal differences may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Singaporean legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).

(d) Can CDIs be converted into Shares?

Holders of CDIs can elect to convert their CDIs into the underlying Shares. This will result in the cancellation of the CDIs and the transfer of the Shares from CDN to the former holder of the CDIs. However, any such Shares cannot be traded on ASX unless they are first converted back into CDIs by reversing the above procedure. CDI holders should contact their sponsoring participant (this will usually be the stockbroker who bought the CDIs for them) or the Share Registry for more information on the procedure.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

7.11 Overseas Applicants

This document does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted below.

China

The information in this document does not constitute a public offer of the CDIs, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The CDIs may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Papua New Guinea

WARNING: This document has not been, and will not be, authorised by or registered with the Securities Commission of Papua New Guinea ("PNG") pursuant to the Securities Act 1997 of the Independent State of PNG. No action has been taken in PNG to authorise this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the CDIs have not been, and will not be, offered or sold in PNG other than to persons whose principal business, or persons for whom a substantial part of the business conducted by them, is the investment of money or who in the course of and for the purposes of their business, habitually invest money.

No advertisement, invitation or document relating to the CDIs has been or will be issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the Securities Act 1997 of PNG and the regulations made under that Act). The contents of this document have not been reviewed by any PNG regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an “institutional investor” (as defined in the SFA) or (iii) a “relevant person” (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the CDIs.

This document is issued on a confidential basis to “qualified investors” (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the CDIs may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

7.12 Taxation

The acquisition and disposal of Shares will potentially have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

The Company has commissioned PwC to produce a taxation report as detailed in their letter in Section 9. PwC’s taxation report is limited to advising on Australian income tax implications arising to certain classes of Australian tax resident shareholders who acquire interests in the Company through participating in the IPO.

7.13 Dividend Policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's projects. These activities, together with the possible acquisition of interests in other projects, and possible entering joint venture arrangements are expected to dominate the two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.14 Expenses of the Offer

The expenses related to the Offer are expected to be distributed across the following:

CATEGORY	Expenses Based on minimum subscription (\$)	Expenses Based on maximum subscription (\$)
Amount raised	\$10,443,446	\$15,523,316
Investigating Accountant	\$90,000	\$90,000
Tax	\$35,000	\$35,000
Legal	\$150,000	\$150,000
Independent Technical Expert	\$55,000	\$55,000
Corporate Advisor Fees	\$558,258	\$939,249
ASX Initial Listing Fee	\$112,575	\$112,575
Share Registry	\$5,000	\$5,000
Other advice on pre-IPO	\$75,000	\$75,000
Misc. Costs	\$60,000	\$60,000
TOTAL EXPENSES	\$1,140,833	\$1,521,824

Table 11 – Expenses of the Offer

7.15 Free Float

Mayur will ensure that its free float at the time of listing will not be less than 20% of its issued capital.

8

FINANCIAL INFORMATION
AND INVESTIGATING
ACCOUNTANT'S REPORT



8 FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

8.1 Introduction

The financial information for Mayur Resources Limited and controlled entities (**Mayur** or the **Group**) set out in this Section 8 includes the summary historical:

- (a) audited consolidated statements of profit or loss and other comprehensive income for the years ended 30 June 2016 and 30 June 2015 and reviewed consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2016;
- (b) audited consolidated statements of cash flow for the years ended 30 June 2015 and 30 June 2015 and reviewed consolidated statement of cash flow for the period ended 31 December 2016;
- (c) reviewed consolidated statement of financial position as at 31 December 2016; and
- (d) reviewed pro-forma consolidated statement of financial position as at 31 December 2016,

collectively referred to as the Historical Financial Information.

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- the risk factors described in Section 12;
- the description of the use of the Proceeds of the Offer described in Section 7.6;
- the Investigating Accountant's Report, set out in the Annexure to this Section 8; and
- the indicative capital structure described in Section 7.4.

Mayur Resources Limited (formerly Mayur Resources Pte Ltd) became a registered foreign company with the Australian Securities and Investments Commission (ASIC) on 16 June 2017. Mayur was incorporated in Singapore as a private company under the Companies Act (Chapter 50) and pursuant to shareholder resolutions, adopted a new constitution, changed its name to Mayur Resources Limited and converted to a public company limited by shares on 11 July 2017.

8.2 Basis of preparation of the Historical Financial Information Background

The Historical Financial Information included in this Section 8 has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by IFRS applicable to interim and annual financial reports. Significant accounting policies applied to the Historical Financial Information are noted at the end of this section under the heading 'Significant accounting policies'.

The Historical Financial Information has been reviewed and reported on by Pitcher Partners Corporate Finance Ltd as set out in the Investigating Accountant's Report in the Annexure to this Section 8. Investors should note the scope and limitations of the Investigating Accountant's Report. The Historical Financial Information has been prepared for the purpose of the Offer. The Historical Financial Information of the Group has been extracted from the reviewed and audited financial statements for the financial periods ended 31 December 2016, 30 June 2016 and 30 June 2015 which were reviewed and audited by Pitcher Partners. An unmodified audit opinion including an emphasis of matter in relation to going concern was issued for the three periods noted above.

The information set out in this Section and Mayur's selected financial information should be read together with:

- (a) the company and business overview set out in Section 6;
- (b) the risk factors described in Section 12;
- (c) the use of proceeds of the offers described in Section 7.5;
- (d) the indicative capital structure described in Section 7.6;
- (e) the Investigating Accountant's Report set out in the Annexure to this Section 8; and
- (f) the other information contained in this Prospectus.

Investors should note that historical results are not a guarantee of future performance.

The Group will continue to apply consistent accounting policies in accordance with the recognition and measurement principles of IFRS in future financial periods.

Pitcher Partners and its component auditors will apply Australian Auditing and Assurance Standards as issued by the Auditing and Assurance Standards Board (AUASB) with respect to future audit / review requirements of the Group. The AUASB pronouncements are generally consistent with those prepared by the International Auditing and Assurance Standards Board (IAASB).

8.3 General factors affecting the operating results of the Group

Below is a discussion of the main factors which affected the Group's operations and relative financial performance for the period ended 31 December 2016 which the Group expects may continue to affect it in the future.

The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Group's historical operating and financial performance, nor everything which may affect the Group's operations and financial performance in the future.

8.3.1 Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income.

The table below presents the Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2016 and years ended 30 June 2016 and 30 June 2015.

\$	31-Dec-16 (6 months) (reviewed)	30-Jun-16 (12 months) (audited)	30-Jun-15 (12 months) (audited)
Revenue	25,306	1,358	121,645
Corporate and admin expenses	(17,043)	(16,876)	(90,279)
Exploration expenses written off	-	(1,730,784)	(804,988)
Income tax expense	-	-	-
Profit/(Loss) for the period	8,263	(1,746,302)	(773,622)

Notes to the Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

During the period to 31 December 2016, there was minimal activity through the profit and loss as exploration and evaluation expenditure is initially capitalised by area of interest and thereafter, assessed for impairment. Exploration costs that have been expensed in the 30 June 2016 and 30 June 2015 financial years, were mostly incurred in previous financial periods, and were written off when the tenements were relinquished.

8.4 Historical Consolidated Statements of Cash Flow

The table below presents the Historical Consolidated Statements of Cash Flows for the periods ended 31 December 2016, 30 June 2016 and 30 June 2015.

\$	31-Dec-16 (6 months) (reviewed)	30-Jun-16 (12 months) (audited)	30-Jun-15 (12 months) (audited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts	-	1,358	7,017
Payments to suppliers + employees	(16,974)	(5,879)	(11,825)
Net cash used in operating activities	(16,974)	(4,521)	(4,808)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets	(2,170,152)	(2,332,333)	(4,631,453)
Purchase of property, plant + equip	(196,687)	(208,093)	-
(Loan to)/repayment of loan to shareholder	-	40,912	(4,441)
Net cash used in investing activities	(2,366,839)	(2,499,514)	(4,635,894)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares – Mayur Resources	-	686,457	1,350,641
Proceeds from issue of shares - NCI	-	1,716,490	3,377,087
Proceeds from borrowings - Siecap	2,292,868	533,589	306,742
Proceeds from/ (repayment of) borrowings – Shareholders	1,256,619	-	(858,324)
Share redemption payments	-	(1,162,318)	-
Net cash from investing activities	3,549,487	1,774,218	4,176,146
Net increase/(decrease) in cash held	1,165,674	(729,817)	(464,556)
Cash at Beginning of Period	174,852	915,666	1,344,048
Foreign currency differences	25,237	(10,997)	36,174
Cash at End of Year	1,365,763	174,852	915,666

Notes to the Historical Consolidated Statements of Cash Flow

The above Statements of Cash Flow over the past two and a half years demonstrate Mayur's activities over this period. At a high level, Mayur has undertaken various exploration works to develop its portfolio of industrial, mineral and energy projects in regions of PNG. These activities have mostly been funded over recent periods by Siecap (who provided a majority of the services) and the recent investors who became shareholders in both Mayur and its Singapore subsidiaries.

The share redemption payment related to the redemption of 10 preference shares that formed part of Mayur's initial capital structure.

8.5 Historical and Pro-forma Consolidated Statements of Financial Position

The table below sets out the summary historical consolidated statements of financial position as at 31 December 2016 and the pro-forma adjustments that have been made to the consolidated statement of financial position as at 31 December 2016. The pro-forma consolidated statement of financial position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Group's view of its future financial position.

8.5.1 Historical and Pro-forma Historical Consolidated Statements of Financial Position

\$	31-Dec-16 Actual (reviewed)	Subsequent Events (reviewed)	IPO Adjustments Minimum (reviewed)	IPO Adjustments Maximum (reviewed)	Pro-forma Minimum (reviewed)	Pro-forma Maximum (reviewed)
CURRENT ASSETS						
Cash and cash equivalents	1,365,763	(555,613)	8,777,773	11,476,651	9,587,923	12,286,802
Total Current Assets	1,365,763	(555,613)	8,777,773	11,476,651	9,587,923	12,286,802
NON-CURRENT ASSETS						
Exploration and evaluation assets	12,653,682	2,656,986	174,840	174,840	15,485,508	15,485,508
Plant and equipment	404,780	-	350,000	350,000	754,780	754,780
Total Non-Current Assets	13,058,462	2,656,986	524,840	524,840	16,240,288	16,240,288
TOTAL ASSETS	14,424,225	2,101,373	9,302,613	12,001,491	25,828,211	28,527,090
CURRENT LIABILITIES						
Payables - Shareholders	1,256,619	-	-	(1,000,000)	1,256,619	256,619
Payables - Siecap	8,376,183	(5,438,468)	-	(1,000,000)	2,937,715	1,937,715
Total Current Liabilities	9,632,802	(5,438,468)	-	(2,000,000)	4,194,334	2,194,334
TOTAL LIABILITIES	9,632,802	(5,438,468)	-	(2,000,000)	4,194,334	2,194,334
NET ASSETS	4,791,423	7,539,841	9,302,613	14,001,491	21,633,877	26,332,756

8.5.2 Historical and Pro-forma Historical Consolidated Statements of Financial Position (con't)

\$	31-Dec-16 Actual (reviewed)	Subsequent Events (reviewed)	IPO Adjustments Minimum (reviewed)	IPO Adjustments Maximum (reviewed)	Pro-forma Minimum (reviewed)	Pro-forma Maximum (reviewed)
EQUITY						
Issued capital	2,038,237	12,851,398	9,525,188	14,224,067	24,414,823	29,113,702
Reserves	1,563,801	(5,207,834)	-	-	(3,644,033)	(3,644,033)
Retained profits / (Accumulated losses)	(5,935,413)	6,252,348	(222,575)	(222,575)	94,360	94,360
Equity attributable to owners of the parent entity	2,333,375	13,895,912	9,302,613	14,001,492	20,865,150	25,564,029
Non-controlling interests	7,124,798	(6,356,071)	-	-	768,727	768,727
TOTAL EQUITY	4,791,423	7,539,841	9,302,613	14,001,492	21,633,877	26,332,756

The following sets out the main elements of the statement of financial position as at 31 December 2016.

8.5.3 Description of Pro-forma Adjustments

The Pro-forma Historical Statement of Financial Position comprises:

- Material transactions undertaken that have occurred since 31 December 2016 as if they had occurred as at 31 December 2016 (Subsequent Events); and
- Transactions that will be undertaken on completion of the Group's Initial Public Offering (IPO Adjustments).

8.5.4 Subsequent Events

Set out below are the material transactions that have occurred since 31 December 2016 and the impact on the Statement of Financial Position as if they had occurred as at 31 December 2016.

- Additional exploration and evaluation costs incurred of \$1,888,259 funded by way of an additional loan from Siecap of \$1,094,528, service provider share based payments of \$518,766 and existing cash of \$274,965.
- Payment of holding rent on land in Port Botany of \$75,000 from existing cash.
- Unrealised foreign exchange losses on cash held in Papua New Guinea Kina and US dollars of \$205,648.
- Partial loan forgiveness of \$6,532,996 under a Commercial Deed of Forgiveness entered into between Siecap and Mayur.
- Establishment of an incentive plan via an Employee Share Trust, resulting in a transfer of \$2,082,567 from share based payments reserve to issued capital.
- Acquisition of the non-controlling interests in Singapore subsidiaries for shares in parent entity (with a fair value of \$10,768,831) with a resulting non-controlling interest reserve (\$3,644,033 debit).
- Issuance of 621,542 shares in Mayur Resources Limited to QMP Nominees Pty Ltd (310,771 shares) and MAYPNG Pty Ltd (310,771) for \$nil consideration as antidilutive shares resulting from the establishment of the Employee Share Trust noted above in (e).
- Acquisition of 100% of the share capital of Waterford Limited, the owner of certain Coal tenements in PNG by issuance of 11% of the share capital of MR Power Generation PNG Pte Ltd and 11% of the share capital of MR Energy PNG Pte Ltd.

8.5.5 IPO Adjustments

Set out below are the transactions that will be undertaken on completion of the Group's Initial Public Offering as if they had occurred as at 31 December 2016.

- (i) A capital raising of 26,108,615 Shares (at \$0.40 each) to raise \$10,443,446 cash before costs (minimum subscription) with the provision to accept oversubscriptions up to a maximum of \$5,079,869 resulting in issuing up to 38,808,290 Shares (at \$0.40 each) to raise \$15,523,316 cash before costs (Maximum Subscription), in accordance with this Prospectus.
- (j) Costs of the capital raising and listing, comprising cash fees in the range of \$1,140,833 (minimum subscription) to \$1,521,824 (maximum subscription). Depending on the nature of the cost, the capital raising fees were split between expenses through the Profit and Loss (\$222,575) and charged to Issued Capital (minimum \$918,258 and maximum \$1,299,249).
- (k) Payment of a development management fee in respect of PNG Power to P Mahto for \$350,000 – further details refer to Section 14.1.
- (l) Per the loan agreements entered into between the company and Shareholders / Siecap, the company has agreed to a partial repayment (capped at \$2,000,000) if an amount greater than the minimum pro-forma subscription is achieved by the company.
- (m) Payment of cash bonuses to two Siecap consultants totaling \$174,840 in recognition of pre-IPO work at reduced rates for Mayur.

8.5.6 Effect of Pro-forma Adjustments on Statement of Financial Position line items:

Cash and cash equivalents

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		1,365,763	1,365,763
<i>Subsequent Events:</i>			
Loan from Siecap	(a)	1,094,528	1,094,528
Operating expenses (corporate and admin)	(b)	(75,000)	(75,000)
Foreign exchange loss	(c)	(205,648)	(205,648)
Exploration expenditure	(a)	(1,369,493)	(1,369,493)
<i>IPO Adjustments:</i>			
Proceeds from shares issued under this Prospectus	(i)	10,443,446	15,523,316
Costs of the Offer	(j)	(1,140,833)	(1,521,824)
Development management fees to PNG partner	(k)	(350,000)	(350,000)
Partial repayment of shareholder and Siecap loans	(l)	-	(2,000,000)
Payment of cash bonus to Siecap consultants	(m)	(174,840)	(174,840)
Pro-forma balance		9,587,923	12,286,802

Exploration and evaluation assets

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2015		12,653,682	12,653,682
<i>Subsequent Events:</i>			
Exploration expenditure	(a)	1,369,493	1,369,493
Capitalised share based payment arrangements with service providers	(a)	518,766	518,766
Acquisition of Waterford Limited	(h)	768,727	768,727
<i>IPO Adjustments:</i>			
Payment of cash bonus to Siecap consultants	(m)	174,840	174,840
Pro-forma balance		15,485,508	15,485,508

Plant and equipment

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		404,780	404,780
<i>IPO Adjustments:</i>			
Development management fees to PNG partner	(k)	350,000	350,000
Pro-forma balance		754,780	754,780

Payables – Siecap

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		8,376,183	8,376,183
<i>Subsequent Events:</i>			
Additional loan funds advanced by Siecap	(a)	1,094,528	1,094,528
Partial loan forgiveness	(d)	(6,532,996)	(6,532,996)
<i>IPO Adjustments:</i>			
Partial loan repayment	(l)	-	(1,000,000)
Pro-forma balance		2,937,715	1,937,715

Payables – Shareholders

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		1,256,619	1,256,619
<i>IPO Adjustments:</i>			
Partial loan repayment	(l)	-	(1,000,000)
		1,256,619	256,619

Issued capital

\$	Note	Pro-forma Minimum Subscription Number	Pro-forma Maximum Subscription Number	Pro-forma Minimum Subscription \$	Pro-forma Maximum Subscription \$
Balance at 31 December 2016		58,548,009	58,548,009	2,038,237	2,038,237
<i>Subsequent Events:</i>					
Shares issued to employee share trust	(e)	8,885,714	8,885,714	2,082,567	2,082,567
Acquisition of non-controlling interests	(f)	26,922,077	26,922,077	10,768,831	10,768,831
Antidilutive shares issued to shareholders	(g)	621,542	621,542	-	-
<i>IPO Adjustments:</i>					
Shares issued under this Prospectus	(i)	26,108,615	38,808,290	10,443,446	15,523,316
Costs of the Offer	(j)	-	-	(918,258)	(1,299,249)
Pro-forma balance		121,085,957	133,785,632	24,414,823	29,113,702

In addition to the above, the company will issue and allot for no further consideration 1 free Loyalty Option to security holders for every 2 Offer Securities issued under the IPO exercisable at a 40% premium to the price of the Offer Security vesting in 4 equal instalments over a 12-month period, and exercisable on or before the second anniversary of the IPO to security holders who hold at least the same number of securities they were issued under the Offer on the relevant vesting date. Refer to Section 15.4 for more information on Loyalty Options.

Further, the company will issue Advisor Options to Bell Potter Securities Limited equal to 1% of the number of Offer Securities on issue at listing date, exercisable at a 40% premium to the price of the Offer Security, vesting in 4 equal instalments over a 12 month period, exercisable on or before the second anniversary of the IPO (Advisor Options). A fair value of \$nil has been ascribed to the Advisor Options for the purposes of presenting the pro-forma financial information. Refer to Section 15.5 for more information on Advisor Options.

Share based payment reserve

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		1,563,801	1,563,801
<i>Subsequent Events:</i>			
Share based payment arrangements with service providers	(a)	518,766	518,766
Transfer to issued capital on establishment of Employee Share Trust	(e)	(2,082,567)	(2,082,567)
Pro-forma balance		-	-

Non-controlling interest reserve

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		-	-
<i>Subsequent Events:</i>			
Acquisition of non-controlling interests	(f)	(3,644,033)	(3,644,033)
Pro-forma balance		(3,644,033)	(3,644,033)

Retained Profits / (Accumulated losses)

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		(5,935,413)	(5,935,413)
<i>Subsequent Events:</i>			
Gain on commercial debt forgiveness - Siecap	(d)	6,532,996	6,532,996
Corporate and administration expenses	(b)(c)	(280,648)	(280,648)
<i>IPO Adjustments:</i>			
Listing expenses	(j)	(222,575)	(222,575)
Pro-forma balance		94,360	94,360

Non-controlling interests

\$	Note	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Balance at 31 December 2016		7,124,798	7,124,798
<i>Subsequent Events:</i>			
Acquisition of non-controlling interests	(f)	(7,124,798)	(7,124,798)
Acquisition of share capital of Waterford Ltd	(h)	768,727	768,727
Pro-forma balance		768,727	768,727

8.5.7 Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the Historical and Pro-forma Financial Information contained in this section. The accounting policies have been consistently applied unless otherwise stated.

The Historical and Pro-forma Financial Information has been prepared for the consolidated entity consisting of Mayur and its Controlled Entities. The Historical and Pro-forma Financial Information has been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(a) Going concern

The Historical and Pro-Forma Financial Information have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

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

- the ongoing support from its shareholders and shareholder related entities;
- the ability of the Group to successfully raise capital, as and when necessary;
- the ability to complete successful exploration and subsequent exploitation of the areas of interest; and
- the ability of the Group to sell non core assets.

These conditions gave rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern as at 31 December 2016. This should be read in conjunction with the below paragraphs and commitments from existing shareholders.

The directors believe that the going concern basis of preparation is appropriate due to the planned IPO during which was planned to raise approximately a minimum of \$10,443,446 and a maximum of \$15,523,316 before costs (with the ability to accept oversubscriptions).

In addition to the above the Directors have been advised by the current shareholders that they will continue to support the Group and fund the ongoing operation of the Group in the event that the planned IPO does not proceed for whatever reason.

It is further recognised that \$6,532,996 will be forgiven by a related party, Siecap, as part of the IPO. Further, up to a maximum of \$2m from IPO proceeds will be utilised to partially repay the loan from shareholders and the related party (Siecap). Any further loan repayments will be subject to shareholders / board approval at a future capital raise event.

Notwithstanding the above, 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 these financial statements. These financial statements do 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.

8.5.7 Significant Accounting Policies (continued)

(b) Principles of consolidation

The Historical and Pro-Forma Financial Information are those of the consolidated entity (“the group”), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter Group balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de recognised from the date that control ceases.

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non controlling interests. Non controlling interests in the result of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position respectively.

(c) Foreign currency translations and balances

Functional and presentation currency

The Historical and Pro-Forma Financial Information of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The Historical and Pro-Forma Financial Information are presented in Australian dollars which is the consolidated entity’s functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

Subsidiaries that have a functional currency different from the presentation currency of the group are translated as follows:

- Assets and liabilities are translated at the closing rate on reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(d) Revenue

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

All revenue is measured net of the amount of goods and services tax (GST).

(e) Income tax

Current income tax expense or revenue is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

8.5.7 Significant Accounting Policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(g) Financial instruments

Classification

The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Loans and receivables

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

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter Group balances and loans from or other amounts due to director related entities.

Non derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

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

Impairment of financial assets

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

(h) Exploration and evaluation expenditure

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

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

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

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

8.5.7 Significant Accounting Policies (continued)

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

(i) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on a cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

(j) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Share Based Payments

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

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

(l) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the economic entity.

- Key Judgements:

Exploration and Evaluation Assets

The economic entity performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of exploration and drilling results performed to reporting date.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

8.6 Contingent Liabilities and Commitments

(a) Contingent liabilities

Under the Development Services Agreement between Mayur and Siecap Pty Ltd (Siecap), Siecap has appointed various agents (Appointees) to act in Mayur's best interests for the purposes summarised below. The purposes predominantly relate to the development of the Lae Power Project.

Third party 1– Power Gen Developers

In September 2015 the Group entered into a Development Management Deed with Power Gen Developers. Under this deed and its subsequent addendums, Power Gen Developers is to provide services relating to the Lae power project and any subsequent power projects undertaken by the Group. In addition to the amounts paid to Power Gen Developers for their services, they are entitled to the following compensation –

- 5% undiluted free carried equity in the first project (anticipated to be the Lae Power Project) undertaken by MR Power Generation PNG Pte Ltd payable on financial close of the Lae power project and/or upon investment from potential investors as contemplated in the agreement, and up to 12% undiluted free carried equity in any other subsequent projects developed by MR Power Generation PNG Pte Ltd.; and
- An accrued portion of compensation up to \$980,000 payable upon investor coming in to the Lae power project (and likewise for any other subsequent projects) or \$1,470,000 payable upon financial close as contemplated in the agreement (and likewise for any other subsequent projects).

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

Third party 2– Chelsea International

- \$50,000 fee upon signing of the Lae Power Purchasing Agreement;
- \$700,000 fee upon financial close of the Lae power project;
- 8% equity in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd upon operation commencing and approval of first shareholder dividend payment; and
- Introduction fee of 3% of proceeds for any investors introduced which result in funds being received for any power project undertaken by the Group.

Third party 3 – Walleroo

- Upon achievement of the signing of the Lae Power Purchase Agreement and subsequent government guarantees by a defined date to be determined, 5% equity in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd; and
- Introduction fee of 3% of proceeds for any investors introduced which result in funds being received for any power project undertaken by the Group.

These amounts have not been recognised in the financial statements due to their payment being contingent upon future events not wholly within the control of the Group. Refer to **Section 14.1** for further information on the abovementioned deeds / agreements.

(b) Commitments

In order to maintain current rights of tenure to exploration tenements, the group is required to perform exploration work to meet the minimum requirements as specified by the Papua New Guinea Mineral Resources Authority.

MINIMUM EXPENDITURE COMMITMENTS	KINA	AUD
Payable		
- Not later than one year	4,062,000	1,706,040
- Later than one year and not later than five years	4,037,000	1,695,540
	8,099,000	3,401,580

8.7 Investigating Accountant's Report



PITCHER PARTNERS
CORPORATE FINANCE LIMITED

14 July 2017
The Directors
Mayur Resources Limited
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Amara Corporate Tower
Singapore 079027

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Pitcher Partners is an association of independent firms
Brisbane | Melbourne | Sydney | Perth | Adelaide | Newcastle

Dear Sirs

Independent Limited Assurance Report on Mayur Resources Limited Consolidated Historical and Pro-forma Historical Financial Information

We have been engaged by Mayur Resources Limited (company or Mayur) to report on the consolidated historical financial information and pro-forma historical financial information of Mayur as at 31 December 2016 for inclusion in the public document dated on or about 14 July 2017 and relating to the issue of a minimum of 26,108,615 to a maximum of 38,808,290 shares (Chess Depository Instruments) at \$0.40 each in Mayur ("the document").

Mayur Resources Limited (formerly Mayur Resources Pte Ltd) became a registered foreign company with the Australian Securities and Investments Commission (ASIC) on 16 June 2017. Mayur was incorporated in Singapore as a private company under the Companies Act (Chapter 50) and pursuant to shareholder resolutions, converted to a public company limited by shares, adopted a new constitution and changed its name to Mayur Resources Limited on 11 July 2017.

Expressions and terms defined in the document have the same meaning in this report.

Scope

Historical Financial Information

You have requested Pitcher Partners Corporate Finance Limited to review the following consolidated historical financial information of Mayur included in the public document:

- the Statements of Financial Performance for the period ended 31 December 2016, and years ended 30 June 2016 and 30 June 2015;
- the Statement of Financial Position as at 31 December 2016; and
- the Statements of Cash Flow for the period ended 31 December 2016, and years ended 30 June 2016 and 30 June 2015

collectively referred to as the Historical Financial Information.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards ("IFRS") and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of Mayur for the period ended 31 December 2016 and years ended 30 June 2016 and 30 June 2015, which were reviewed and audited by Pitcher Partners in accordance with the Australian Auditing Standards. Pitcher Partners issued unmodified review and audit opinions with emphasis of matter in relation to going concern on the financial reports. The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro-Forma historical financial information

You have requested Pitcher Partners Corporate Finance Limited to review the pro-forma historical Consolidated Statement of Financial Position as at 31 December 2016 referred to as the pro-forma historical financial information.

The pro-forma historical financial information has been derived from the historical financial information of Mayur, after adjusting for the effects of pro-forma adjustments described in Section 8 of the public document. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Section 8 of the public document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

Directors' responsibility

The directors of Mayur are responsible for the preparation of the historical financial information and pro-forma historical financial information, including the selection and determination of pro-forma adjustments made to the historical financial information and included in the pro-forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro-forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, 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 Australian Auditing Standards and consequently does not enable us to obtain reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Section 8 of the public document, and comprising:

- the Statements of Financial Performance of Mayur for the period ended 31 December 2016, and years ended 30 June 2016 and 30 June 2015;
- the Statement of Financial Position as at 31 December 2016; and
- the Statements of Cash flows for the period ended 31 December 2016, and years ended 30 June 2016 and 30 June 2015;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 8 of the document.

Pro-Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro-forma historical financial information being the Statement of Financial Position as at 31 December 2016 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 8 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 8 of the public document, which describes the purpose of the financial information, being for inclusion in the public document. As a result, the financial information may not be suitable for use for another purpose.

Consent Pitcher Partners Corporate Finance Limited has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of Pitcher Partners Corporate Finance Limited is limited to the inclusion of this report in the public document. Pitcher Partners Corporate Finance Limited makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the public document.

Declaration of Interest

Pitcher Partners Corporate Finance Limited does not have any interest in the outcome of this transaction other than in our capacity as investigating accountants for which normal professional fees will be received.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

PITCHER PARTNERS CORPORATE FINANCE LIMITED



Jason Evans
Director

APPENDIX A

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided by Pitcher Partners Corporate Finance Ltd. The use of "we", "us" or "our" is a reference to Pitcher Partners Corporate Finance Ltd as the holder of Australian Financial Services Licence ("AFSL") No. 255516. The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

Information about us

We have been engaged by Mayur Resources Limited to give general financial product advice in the form of a report to be provided to you in connection with a financial product to be issued by another party. You are not the party or parties who engaged us to prepare this report. We are not acting for any person other than the party or parties who engaged us. We are required to give you an FSG by law because our report is being provided to you. We are only responsible for the financial product advice provided in our report and for the contents of this FSG. You may contact us by writing to GPO Box 1144, BRISBANE QLD 4001, or by telephone on +61 (0) 7 3222 8444.

Pitcher Partners Corporate Finance Ltd is ultimately owned by the Brisbane partnership of Pitcher Partners, a provider of audit and assurance, accounting, tax, corporate advisory, insolvency, superannuation, investment advisory and consulting services. Directors of Pitcher Partners Corporate Finance Ltd are partners of Pitcher Partners.

The Brisbane partnership of Pitcher Partners is an independent partnership of Pitcher Partners. As such, neither it nor any of the other independent partnerships has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the name "Pitcher Partners", or other related names.

The financial product advice in our report is provided by Pitcher Partners Corporate Finance Ltd and not by the Brisbane partnership of Pitcher Partners or its related entities.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, we and the Brisbane partnership of Pitcher Partners (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

- to provide general financial product advice only in respect of securities, derivatives, debentures, stocks or bonds issued or proposed to be issued by a government and interests in managed investment schemes including investor directed portfolio services and deposit and payment products limited to basic deposit products and deposit products other than basic deposit products.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant Product Disclosure Statement ("PDS") or offer document provided by the issuer of the financial product. The purpose of the PDS or offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the PDS or offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out of pocket expenses incurred in providing the services.

We will receive a fee in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the proposed capital raising.

Neither Pitcher Partners Corporate Finance Ltd nor its directors and officers, nor any related bodies corporate or associates and their directors and officers, receives any commissions or other benefits, except for the fees for services rendered to the party or parties who actually engage us. Our fees for such services are based on time spent at our professional hourly rates.

All of our employees receive a salary with partners also having an equity interest in the partnership. We do not receive any commissions or other benefits arising directly from services provided to you. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

What should you do if you have a complaint?

If you have any concerns regarding our report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Managing Partner
Pitcher Partners
GPO Box 1144
BRISBANE QLD 4001

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service Limited ("FOSL"). FOSL provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry.

Complaints may be submitted to FOSL at:

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1300 780 808
Fax: +61 3 9613 6399
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1300 300 630
Email: info@asic.gov.au
Internet: <http://www.asic.gov.au/asic/asic.nsf>

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TAXATION ADVICE





Private & Confidential

The Directors
Mayur Resources Ltd
300 Adelaide Street
BRISBANE QLD 4000

21 July 2017

**Mayur Resources Ltd – proposed listing on the Australian Stock Exchange
Taxation implications for CDI holders**

Dear Directors

We have been engaged by Mayur Resources Ltd (**Mayur** or the **Company**) to provide a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications for Australian tax resident investors who participate in the initial public offering of shares in the Company on the Australian Stock Exchange (**ASX**). We understand that the shares will be issued in the form of CHESS Depository Interests (**CDIs**) which are a form of beneficial interest in the shares held by a depository nominee. This summary has been prepared for inclusion in the Prospectus dated on or about 21 July 2017 to be issued by the Company in respect of the initial public offering.

The advice within this report is necessarily general in nature and does not purport to be a complete analysis of the potential tax consequences of the proposed initial public offering. Potential investors should obtain, and rely upon, their own independent taxation advice about the consequences of acquiring or disposing of the CDIs and receiving distributions from the CDIs having regard to their own specific circumstances.

The categories of CDI holder considered in this summary are limited to Australian tax resident individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their CDIs on capital account.

This summary does not consider the tax consequences for CDI holders who:

- are not Australian tax residents;
- are banks;
- are insurance companies;
- hold their CDIs on revenue account or as trading stock;
- carry on a business of trading in shares or CDIs;
- are exempt from Australian tax;
- acquire or hold their CDIs as part of an employee incentive agreement; or
- are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or “TOFA” regime) and have made fair value or reliance on financial reports elections.

These CDI holders should seek independent professional advice.

PricewaterhouseCoopers, ABN 52 780 433 757
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Liability limited by a scheme approved under Professional Standards Legislation.



The comments contained in this summary have been prepared based on the assumption that the Company is a resident of Australia for tax purposes. PricewaterhouseCoopers has not performed a tax residency analysis and, in this regard, has relied upon written confirmation of key representations received from the Company pertaining to the tax residency of the Company.

Our comments are based on the Australian tax law and our understanding of the practice of the tax authorities as at the date of this document. The laws are complex and subject to change periodically as is the interpretation by the courts and the tax authorities. We have not sought to have our opinion ruled upon by the Australian Taxation Office (ATO) and therefore there is a risk that the ATO may not agree with our opinion or aspects of it.

This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. It does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal will depend upon each CDI holder's specific circumstances.

The taxation summary is not a substitute for obtaining advice from an appropriate professional adviser having regard to the CDI holder's individual circumstances. All CDI holders are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

1 Dividends

Individuals and complying superannuation entities

Where dividends on a share are distributed by the Company, those dividends will constitute assessable income of an Australian tax resident CDI holder. Australian tax resident CDI holders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid and in the case of a franked dividend, also include in assessable income any franking credit attached to that dividend.

These CDI holders should be entitled to a tax offset equal to the franking credit attached to any franked dividend subject to being a 'qualified person' (refer further comments below). The tax offset is applied to reduce the tax payable on the CDI holder's taxable income. Where the tax offset exceeds the tax payable on the CDI holder's taxable income, such CDI holders should be entitled to a tax refund.

To the extent that the dividend paid by the Company is unfranked, the CDI holder will generally be taxed at their prevailing marginal rate on the dividend with no tax offset.

Based on the understanding that the Company's income will be predominately not taxable in Australia, it is likely that the Company will ultimately pay a significant portion of any future dividends as unfranked dividends.

Corporate CDI holders

Corporate CDI holders are also required to include both the dividend and associated franking credit in their assessable income. A tax offset is then allowed up to the amount of the franking credit on the dividend, subject to the corporate CDI holder being a qualified person (refer further comments below).

A corporate CDI holder should be entitled to a credit in its own franking account to the extent of the franking credit on the dividend received. Corporate CDI holders can then pass on the benefit of the franking credits to its own shareholder(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.



As stated above, on the understanding that the Company's income will be predominately not taxable in Australia, it is likely that the Company will ultimately pay a significant portion of any future dividends as unfranked dividends.

Trusts and partnerships

CDI holders who are trustees (other than trustees of complying superannuation entities) or partnerships should include both the dividend and the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to their share of the franking credit included in the net income of the trust or partnership, subject to the qualified person rules being satisfied (refer further comments below).

As stated above, on the understanding that the Company's income will be predominately not taxable in Australia, it is likely that the Company will ultimately pay a significant portion of any future dividends as unfranked dividends.

CDIs held at risk / qualified person

The benefit of franking credits can be denied where a CDI holder is not a 'qualified person' in which case the CDI holder will not include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, a CDI holder must satisfy the holding period rule and, if necessary, the related payment rule.

The holding period rule requires a CDI holder to hold the CDIs "at risk" for more than 45 days continuously, measured as the period commencing the day after the CDI holder acquires the CDIs and ending on the 45th day after the CDIs become ex-dividend. The date the CDIs are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which a CDI holder has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over CDIs or entering into a contract to sell the CDIs) will not be counted as a day on which the CDI holder held the CDIs "at risk". This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000. Furthermore, special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the CDI holder has made, or is under an obligation to make, a related payment in relation to a dividend. The related payment rule requires the CDI holder to have held the CDIs at risk for a period commencing on the 45th day before, and ending on the 45th day after the day the CDIs become ex-dividend. In addition, a CDI holder must not be obliged to make a "related payment" in respect of any dividend, unless they hold their CDIs at risk for the required holding period around all dividend dates. Practically, this should not impact CDI holders who continue to hold CDIs and also do not pass the benefit of the dividend to another person. CDI holders should obtain their own tax advice to determine if these requirements have been satisfied.

Distribution washing

Any franked distributions which a taxpayer receives as a result of "distribution washing" will not entitle the taxpayer to a tax offset or require the taxpayer to include the amount of the franking credit in their assessable income. A distribution will be considered to be one received as a result of distribution washing where the taxpayer has also received a corresponding distribution in respect of a substantially identical interest that the taxpayer sold before acquiring the current interest.

2 Disposal of CDIs

Individuals, trusts and complying superannuation entities

The disposal of a CDI by a CDI holder will be a capital gains tax (CGT) event.

A capital gain will arise where the capital proceeds on disposal exceed the cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction / incidental costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale.

A capital loss will arise where the reduced cost base of the CDI (essentially the cost base of the CDI excluding costs related to ownership) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the CDI holder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

A net capital gain arises where a taxpayer's capital gains for a year exceed their capital losses for that year, plus any unused capital losses from prior years. Any net capital gain will be included in assessable income.

A CGT discount may be applied against the net capital gain where the CDI holder is an individual, complying superannuation entity or trustee, the CDIs have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been met. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half. For a complying superannuation entity, any net capital gain may be reduced by one-third.

Corporate CDI holders

The disposal of a CDI by a CDI holder will be a capital gains tax (CGT) event.

A capital gain will arise where the capital proceeds on disposal exceed the cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction / incidental costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale.

A capital loss will arise where the reduced cost base of the CDI (essentially the cost base of the CDI excluding costs related to ownership) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the CDI holder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

A net capital gain arises where a taxpayer's capital gains for a year exceed their capital losses for that year, plus any unused capital losses from prior years. Any net capital gain will be included in assessable income.

A company is not entitled to a CGT discount.

Partnerships

The disposal of a CDI by a CDI holder will be a capital gains tax (CGT) event.

A capital gain will arise where the capital proceeds on disposal exceed the cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction / incidental costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale. Where the CDI holder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal (in their proportionate shares).

A capital loss will arise where the reduced cost base of the CDI (essentially the cost base of the CDI excluding costs related to ownership) exceeds the capital proceeds from disposal. Capital

losses may only be offset against capital gains realised by the CDI holder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the CDI holder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (in their proportionate shares).

A net capital gain arises where a taxpayer's capital gains for a year exceed their capital losses for that year, plus any unused capital losses from prior years. Any net capital gain will be included in assessable income.

A CGT discount may be applied against the net capital gain where the CDI holder is a partnership and a partner of that partnership is an individual, complying superannuation entity or trustee, the CDIs have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been met. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half. For a complying superannuation entity, any net capital gain may be reduced by one-third.

3 Goods and Services Tax

CDI holders should not be liable for GST in respect of their investment in the CDIs. CDI holders may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition or disposal of the CDIs. Separate GST advice should be sought by CDI holders in this respect.

No GST should be payable in respect of dividends paid to investors.

4 Stamp Duty

CDI holders should not be liable for stamp duty in respect of their investment in the CDIs. Under current stamp duty legislation, no stamp duty would ordinarily be payable by CDI holders on any subsequent transfer of CDIs whilst the Company remains listed.

5 Provision of investor details

Australian tax resident CDI holders may, if they choose, notify the Company of their Tax File Number (TFN), Australian Business Number (ABN) or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not so notified, withholding tax should automatically be deducted from unfranked dividends and/or distributions at the highest marginal rate, including where relevant, the Medicare levy and Temporary Budget Repair Levy.

The Company is required to withhold and remit to the ATO such tax until such time as the relevant TFN, ABN or exemption notification is given to it. Australian tax resident CDI holders will be able to claim a tax credit in respect of any tax withheld on dividends in their income tax returns.



Consent

PricewaterhouseCoopers has consented to the inclusion of this tax summary in the Prospectus in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers is limited to the inclusion of this tax summary in the Prospectus. PricewaterhouseCoopers makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Disclaimer

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Yours faithfully

A handwritten signature in black ink, appearing to read "Glenn Russell", is written over a light blue horizontal line.

Glenn Russell
Partner
PricewaterhouseCoopers

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10

INDEPENDENT TECHNICAL
ASSESSMENT REPORT



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Independent Technical Assessment of the Mayur Resources Pte Ltd Diversified Commodity Portfolio

Prepared for:
Mayur Resources Pte Ltd



Date:
5th July 2017

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Statement

I, Rod Huntley, confirm that I am the Competent Person for the Independent Technical Assessment used for the Initial Public Offering of Mayur Resources Pte Ltd, and confirm that:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having more than five years' experience that is relevant to the style of mineralisation and types of deposit described in the Report, and to the activities for which I am accepting responsibility. My qualifications include a Master of Applied Science in Geology and a Master of Engineering (Geotechnical). I have 24 years' experience in mining and exploration work both locally and internationally. Direct experience which relates to the competent person role includes the Granites and Tennant Creek Operations of Normandy Mining, Newmont Pajingo and Normandy Mt Leyshon, along with Tolukuma, Emperor and Afrika Mashariki Gold Mines for the Gold and Copper assets, Rio Tinto's Pacific Coal and Coal and Allied assets for Depot Creek, and Cement Australia, Green Island Cement, Uawithya Machinery and Adelaide Brighton for Limestone and Cement Projects. Regarding Industrial Sands I have completed more than 40 resource reports for sand projects which contain various forms of mineralisation.
- After auditing, validating and reviewing the information and assumptions provided to me, I consider they are appropriate and as accurate as is practicably achievable.
- I am a member of the Australian Institute of Geoscientists (Membership Number: 3369).
- I have not visited the sites, however I have worked extensively in Papua New Guinea.
- I have reviewed all relevant Reports to which this Consent Statement applies.
- I am a consultant working for Groundwork Plus and have been engaged by Mayur Resources to prepare the documentation for the Independent Technical Assessment, which is based on information provided to me up to and including 5 July 2017.
- I have summarised relevant issues of materiality.
- I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest. Neither the Competent Person or Groundwork Plus Pty Ltd have any financial connection or conflict of interest with any aspect of Mayur Resources projects or staff.
- The Report is based on, and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results and Mineral Resources.
- I consent to the release of the Report and this Consent Statement by Mayur Resources Pte Ltd.

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and Clause 9 of the JORC Code 2012 Edition
(Written Consent Statement)

Report name

Independent Technical Assessment of the Mayur Resources Pte Ltd Diversified Commodity Portfolio

Mayur Resources Pte Ltd

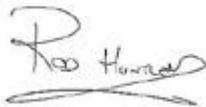
For the Orokolo Bay Industrial Sands, Kabang Gold, Depot Creek Coal, and Moresby Lime and Aggregate Projects

5 July 2017

Consent

I, Rod Huntley, consent to the release of the Report and this Consent Statement by the directors of:

Mayur Resources Pte Ltd



Rod Huntley

Signature of Competent Person

Date: 5 July 2017

Professional Membership: Australian Institute of
Geoscientists

Membership Number: 3368



Luke Ryan
Paddington, Qld

Signature of Witness

Additional deposits covered by the Report for which the Competent Persons signing this form is accepting responsibility:

Orokelo Bay Industrial Sands Project

Moresby Limestone and Aggregate Project

Kabang Gold Project

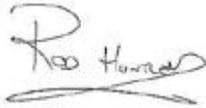
Depot Creek Coal Project

Additional Reports related to the deposits for which the Competent Person signing this form is accepting responsibility:

Updated Resource Estimation of the Orokelo Bay Iron and Mineral Sands Deposit, PNG, 13 June 2016, H&SC Consultants

Mineral Resource Estimation of the Kabang Gold Deposit, Ambitle Island, PNG, 31 May 2015, H&SC Consultants

EL1875 Depot Creek JORC Resource Estimate, 16 April 2016, Resolve Geological



Signature of Competent Person

Rod Huntley

Date: 5 July 2017

Professional Membership: Australian Institute of Geoscientists

Membership Number: 3368



Signature of Witness

Luke Ryan

Paddington, Qld

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APPENDICES

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Appendix 2	Kabang JORC 2012 Table 1 Checklist of Reporting and Assessment Criteria
Appendix 3	Depot Creek JORC 2012 Table 1 Checklist of Reporting and Assessment Criteria

Executive Summary

Groundwork Plus was commissioned by Mayur Resources Pte Ltd (Mayur) to prepare an Independent Technical Assessment¹, (ITA), on the diversified portfolio of industrial sands, (iron sands (magnetite), construction sands and mineral sands), limestone and aggregates, precious metals, and thermal coal projects that Mayur controls in Papua New Guinea. The ITA report is a technical audit, review, and summary document which will be used as documentation in the Prospectus to support the Initial Public Offering (IPO) of shares. The intention of the IPO is to offer 38,808,290 fully paid ordinary shares at an issue price of 40 cents per share, to raise \$15,523,316 for development and exploration work. Given the range of commodities included in the portfolio, several Competent Persons have been involved, although ultimate responsibility relies with the author.

Project Portfolio Background

Mayur has assembled a diversified portfolio of projects in Papua New Guinea, refer **FIGURE 1**. The commodities range in deposit style, from construction sand produced as a by-product of processing the magnetite-rich iron sands of Orokolo Bay, through to limestone, coal, precious metals and copper. JORC compliant resource statements have been completed on three of the projects – the Orokolo Bay Industrial Sands Project, the Kabang Gold Project and the Depot Creek Coal Project, while the Port Moresby Lime and Aggregate project is considered an exploration target. Results from the drilling have confirmed the presence of a significant resource of high-grade limestone, and while this area is still being assessed the preliminary test work completed demonstrates suitability for use in the production of lime and aglime products, along with use as high-strength construction materials.² The gold/copper projects of Basilaki/Sidea, and Sitipu are also considered highly prospective green field exploration targets.

Regarding the Independent Technical Assessment, the projects considered are:

- **Orokolo Industrial Sands Project; JORC Compliant**

Initial mining will commence on the currently defined high-grade core of material, which includes 60 million tonnes of material at an approximate DTR grade of 10.13%, while the total resource is defined below.

- **Titanomagnetite (iron sands)³:**
 - *Indicated Mineral Resource* Western Orokolo Bay, **23.8 million tonnes at 6.8% DTR⁴** for a total of **1.6 million tonnes DTR**, using a 5.25% Fe cut off.
 - *Indicated Mineral Resource* Eastern Orokolo Bay, **7 million tonnes at 5.7% DTR** for a total of **0.4 million tonnes DTR**, using a 7% Fe cut off.

¹ It is a mandatory professional requirement that both the Valmin and JORC codes are complied with. At all times transparency and materiality are of paramountcy.

² It is expected that drilling on the site will be finished in the next quarter and following a period of testing and assessment, a JORC compliant resource statement should be able to be finalised.

³ Resources and grades on this page have been rounded to the nearest significant figure.

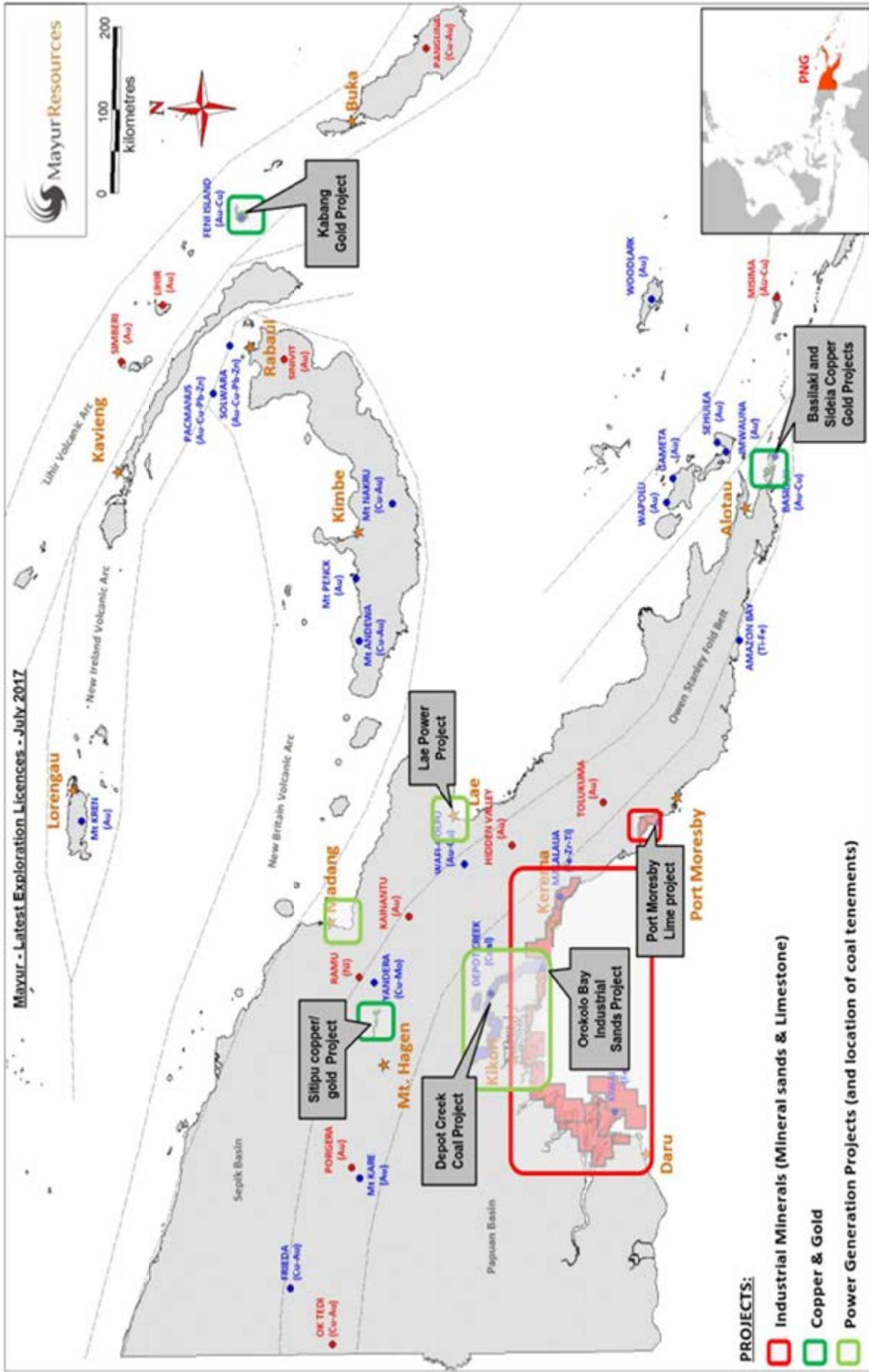
⁴ Values are reported as a % recovered magnetic fraction using the Davis Tube Recovery process.

- Approximate *Inferred Mineral Resource*⁵ Western Orokolo Bay **115 million tonnes at 5.3% DTR** for a total of **6.14 million tonnes DTR**, using a 5.25% Fe cut off.
- Approximate *Inferred Mineral Resource* Eastern Orokolo Bay **26.5 million tonnes at 5.2% DTR** for a total of **1.38 million tonnes DTR**, using a 7% Fe cut off.
- **Zircon**
 - 107,000 tonnes
- **Construction Sands**⁶
 - 86 million tonnes
- **Moresby Lime and Aggregate Project**; Currently being drilled.
- **Kabang Gold Project; JORC 2012 Compliant**
 - Approximate *Inferred Mineral Resource*, **19.9 million tonnes at 1.0⁷g/t** for a total of **0.65 million ounces Au** using a 0.8 g/t Au cut off.
- **Depot Creek Coal Project; JORC 2012 Compliant**
 - Approximate *Inferred Mineral Resource* of **11.5 million tonnes** of thermal coal which on average contains RD g/cc 1.4%, 1.37%, IM 20.77%, Ash 8.02%, VM 37.75%, FC% 33.46%, TS 0.54%, CV kcal/kg (gar) 4720. Reported using an Air Dried Basis.

⁵ All Inferred Resources are by their very nature approximate only.

⁶ Construction materials are not specifically covered by JORC or Valmin. That said, the same philosophy has been used when reporting on construction materials for transparency.

⁷ Rounded down from 1.01 g/t Au pursuant to JORC 2012.



Orokolo Bay Industrial Sands Project, Gulf Province

The Orokolo Bay Industrial Sands project area consists of iron-rich, unconsolidated beach sands which are located between 1km and 5km inland from the current shoreline in the Gulf Province of southern Papua New Guinea, refer **FIGURE 2**. Geologically, the project comprises a complex series of strand lines of Holocene age, which outcrop in part, or otherwise occur under a thin, sandy and organic rich soil profile, refer **PLATE 1**.

The mineralised strand lines generally range between 20 and 80 metres in width and can be several kilometres long, while a maximum mineralised strand line thickness encountered to date is six metres. The mineralogy of the recovered magnetic fraction (DTR)⁸ indicates a significant presence of titano-magnetite, with lesser amounts of titanium oxide phases, including ilmenite, along with the iron oxide (hematite⁹) also reporting to the magnetic fraction. Gangue minerals include iron-rich silicates which include diopside, hornblende and garnet. The majority of iron mineralisation encountered is generally confined to the upper two to three metres of the profile, with iron levels decreasing with depth. An average thickness of the mineralised sand is approximately 2.25 metres. The lateral boundaries to the higher-grade portions of the strandlines are diffuse and irregular, and are associated with a drop in grade, with these lower grades generally increasing toward the next mineralised strandline. The longest mineralised strand line encountered to date is approximately 20km in length.



Plate 1: A typical mineralised profile at Orokolo Bay with the thickness of the strand line in this image continuing below the base of the bank. Approximately 1.4 metres of iron enriched sand is visible in this image.

⁸ As many iron ores contain magnetite, the use of Davis Tube Recovery (DTR) is considered industry standard for the quantitative analysis of the magnetic minerals in the sample. DTR is used to determine the magnetic content of iron ore. Sample material is placed in a glass tube at a 45 degree angle between two powerful electromagnets. A slurry sample is poured through the tube slowly and then the tube is rinsed with water so that only a clean concentrate of magnetic material remains. Other geochemical analyses can then be used to further quantify the nonmagnetic content of the ore. It is important to note that the DTR method differs from what is commonly practised in Australia for hard rock magnetite. Hard rock is pulverised to $-75\text{ }\mu\text{m}$ whilst in iron sands it is unpulverised sands with a top size of 800 μm .

⁹ It is recognised that hematite is not magnetic however, as commonly occurs, the hematite can be intimately associated with the magnetite and they are essentially lattice locked.

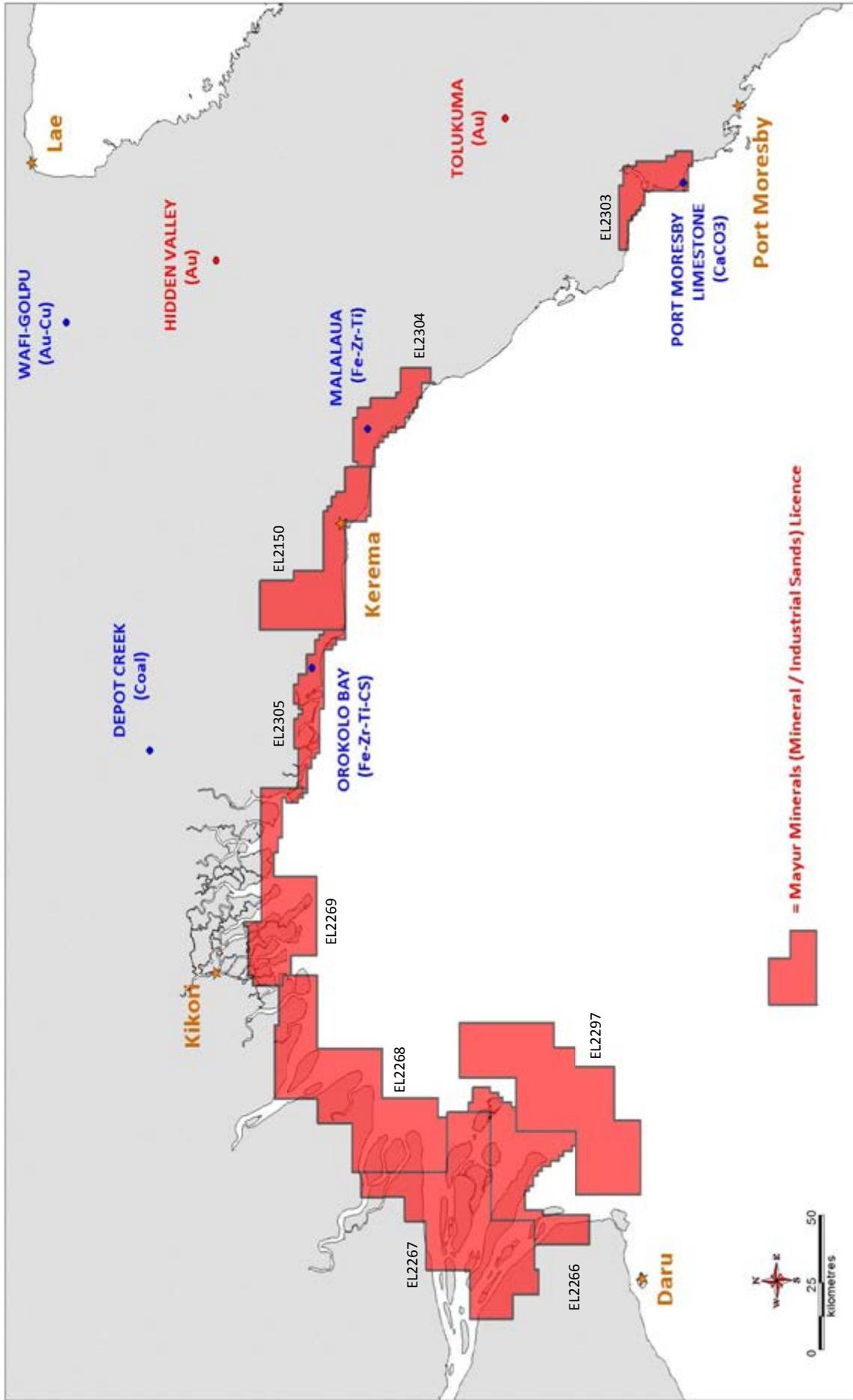


Figure 2: The Orokolo Bay Project Area with the exploration licences held by Mayur shown in red. The locations of the Port Moresby Lime and Aggregate and Depot Creek Coal Projects are also visible on this image. Current as of 5th July 2017.

Based on the results of test pitting, auger and auger sludge drilling, and which, when integrated into the airborne and ground magnetic surveys, suggests the site can be broken into two broad zones of mineralisation (western and eastern separated by the Vailala River), with the currently delineated resource summarised in **TABLE 1**.

Table 1: Orokolo Bay Total Resource Summary¹⁰

Western		Fe cut off 5.25%	
Category	Million Tonnes	DTR%	DTR Million Tonnes*
Indicated	23.8	6.7	1.6
Inferred	115.4	5.3	6.1
Total	139.2	5.57	7.7
Eastern		Fe cut off 7%	
Category	Million Tonnes	DTR%	DTR Million Tonnes*
Indicated	7.0	5.7	0.40
Inferred	26.5	5.2	1.0
Total	33.5	5.32	1.4

* For consistency, the data has been honoured as provided, however JORC reporting would generally round to the nearest significant figure.

Importantly, mining will commence on the currently defined high-grade core of material, which includes 60 million tonnes of material at an approximate DTR grade of 10.1%. Further test work was completed on an additional 266 samples, with the average concentrate grade of the recovered magnetic fraction provided in **TABLE 2**.

Table 2: Orokolo Bay Average DTR Concentrate Grade¹¹

Concentrate Grade*						
Fe%	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	P%	S%	MgO%
53.6	12.7	4.9	2.8	0.07	0.02	2.0

*DTR grades are not optimised grades and the optimised grade of material has been demonstrated to range between 57 and 61% Fe.

While the average concentrate grade is shown in **TABLE 2**, further refining and metallurgical test work completed by IHC Robbins on the concentrate has upgraded these averages significantly and is expected to be achievable over the life of project using the IHC Robbins process. In summary, the metallurgical test work demonstrated the below recoveries are achievable, accurate and repeatable:

- 57% to 61% Fe, 9% to 12% TiO₂ titano-magnetite product can be achieved using Davis Tube Recovery;
- Al₂O₃ and SiO₂ in the range of 1.5% to 3%, which is considered very low;
- Low phosphorus of 0.05%; and
- Low sulphur.

The metallurgical test work further concluded that a simple flow sheet combining spirals with magnetic separation would enable beneficiation without a grinding circuit to achieve the following product specifications.

Titanomagnetite:

¹⁰ After H&SC Consultants 13 June 2016 Updated Resource Estimation of the Orokolo Bay Iron Mineral Sands Deposit, PNG.

¹¹ Ibid.

- Fe – 57%
- SiO₂ – 1.8%
- Al₂O₃ – 2.01%
- TiO₂ – 10-12%
- P – 0.05%
- V₂O₅ – 0.48%
- Zircon rich concentrate: ZrO₂ – 40%

Other grades of metal associated with the recovered magnetic fraction are provided in **TABLE 3**.

Table 3: Total Tonnes¹²

Western		Mt = Million Tonnes, ppm = Parts Per Million, t = tonnes					Fe cut off 5.25%	
Category	Mt	Fe%	Ti%	Zircon ppm	Fe Mt	Ti Mt	Zircon t	Density t/m³
Indicated	23.8	10.12	1.38	622	2.41	0.33	14,800	2.00
Inferred	115.4	9.08	1.19	538	10.47	1.37	62,000	1.96
Total	139.2	9.26	1.22	552	12.89	1.70	76,800	1.97
Eastern		Mt = Million Tonnes, ppm = Parts Per Million, t = tonnes					Fe cut off 7%	
Category	Mt	Fe%	Ti%	Zircon ppm	Fe Mt	Ti Mt	Zircon t	Density t/m³
Indicated	7.0	9.33	1.44	923	0.65	0.10	6,500	1.98
Inferred	26.5	9.00	1.39	921	2.39	0.37	24,400	1.97
Total	33.5	9.07	1.40	921	3.04	0.47	30,900	1.97

Fe = Iron, Ti =Titanium,

The quantities (tonnes) of the elements encountered in the sand, such as iron and titanium, presented in **TABLE 3** include Fe and Ti in forms other than titano-magnetite. Some of this contained metal will not be recoverable as it occurs in minerals that are not economically viable to process, ie hornblende. The volume of non-recoverable material is still being assessed, although the test work suggests that this volume will be between 4 and 4.5% of the total available material. Added to this is the 107,000 tonnes of Zircon and 85 million tonnes of construction sands.

Based on the resource estimate prepared by H&SC Consultants and an internal Pre-Feasibility Study, (PFS), completed by Mayur, (where the initial NPV value was supported by Calibre Engenium), a Net Present Value, (NPV), was estimated for the project, which calculates a post-tax NPV of USD 106 million real and ungeared. This NPV estimate uses a discount rate of 10%. Other key assumptions, (modifying factors), within the NPV estimate are:

- Minimal stripping ratio with low mining costs i.e. two excavators;
- A fixed five million tonne per annum forecast mining rate, with full production commencing in 2019;
- Simple low-cost river barging and transshipping or alternatively using an option of offshore pumping;
- A minimum project life of 12 years;
- An average run of mine (ROM) magnetite grade of 10.13% over life of mine;
- An average product grade of 57% Fe used for the magnetite;

¹² Ibid.

- Production of 500,000 tonnes of titanomagnetite per annum, with 400ktpa for export to Asia and 100ktpa to Australia for uses as DMS¹³;
- Pricing of titanomagnetite based on a long-term spot iron ore price of USD59 per tonne (62% Fe Fines) subject to a DTMU adjustment for a 57% Fe product and a further 15% discount for titanium content;
- An average zircon grade of 0.1% producing 5,000 tonnes per annum of crude zircon concentrate;
- Crude zircon price of USD480 per tonne of concentrate, based on 40% Zr (crude concentrate) at USD12 per 1% Zr = USD480;
- Other valuable heavy mineral credits available;
- Production of 1,000,000 tonnes per annum of fine sand by-product to Australia for use as construction sand with an average sale price of USD 28 per tonne (delivered basis);
- CAPEX (Post FID) requirement of circa USD 22 million, OPEX per year of circa USD 40 million; and
- Estimated operating gross margin per year USD 24 million and IRR greater than 80%.

Similar to most economic models, several versions were assessed, which examined either including or excluding various inputs, ie various recovery levels of ore, or various CAPEX options, etc. Each NPV routine that was completed is useful in that it becomes readily apparent which critical inputs or issues drive viability. The assumptions settled on are provided in **TABLE 4**, with the magnetite, zircon and construction sand inputs used in the stated NPV assessment.

Table 4: NPV Inputs and Assumptions

NPV Input Prices		USD
Iron Ore Reference Price	USD/t Iron Ore	59
Iron Ore Reference Grade	% Fe	62.00%
Mayur Iron Discounts / Penalties	%	15.00%
Mayur Iron sands Price	USD/t	46
DMS Price	USD/t	125
Zircon Price	USD per % Zr	12
Construction Sands Price	USD/t	28

¹³ DMS or Dense Media Separator is used in the coal washing process. The most widely used process for beneficiating coarse coal is by dense media cyclone or sometimes with jigs. Fine magnetite is introduced into the coal water slurry and alters the apparent specific gravity of the water and provides superior cut points for the removal of gangue material and waste coal.

Moresby Lime and Aggregate Project, Central Province (Exploration Target)

The Moresby Lime and Aggregate project is located 28km in a direct line northwest of Port Moresby and is also 7km northwest of the Exxon Mobil LNG Plant, refer **FIGURE 2**. During reconnaissance field mapping, several large limestone hills were recognised in close proximity to Kido Village, refer **PLATE 2**. Given the potential of the area to host a high-grade limestone, a decision was made to further investigate the two deposit areas of Kido and Lae Lae. Resultantly the area has received a significant amount of exploration works with field mapping, significant surface rock chip sampling and multi-element geochemical testing having helped to delineate the size and extent of the limestone. Given the encouraging geochemical results returned from this preliminary phase of exploration, more detailed work in the form of core drilling was commenced in the second quarter of 2017. At the date of writing, drilling was ongoing, with six core holes having been completed at Kido. The aim of the core drilling is to further evaluate the site for the potential to produce lime, aglime, lime sands and a range of construction materials which could be suitable for use as aggregates for road construction and in concrete. Given the current paucity of this type of material in the area, this project represents an interesting and potentially low-cost entry point for Mayur into the industrial and construction materials market.



Plate 2: Aerial view of Mayur's EL2303 licence showing the Lae Lae deposit visible in the mid distance. Work to date suggests that the entire hill is composed of limestone, which geologically is considered feasible and realistic. While accurate volumes have not yet been estimated, the results of the geological mapping and drilling suggest that the entire hill is made of biomicritic limestone. Another potential deposit of similar size occurs in the far distance (headland in the background), which is known locally as Kido as has been subject to drilling by Mayur (refer **PLATE 3**).



Plate 3: Drilling rig on Kido deposit, where to date up to 100 metres of limestone has been intersected.

While the resource is not yet considered JORC compliant, mainly due to the lack of data and drill coverage, the geological continuity visible on site is high, and in contrast to most JORC reported styles of mineralisation, the geology of this deposit is comparatively straightforward. The geochemical data is also relatively consistent with an average CaO content of 54.2% returned from 64 rock chip samples, while associated CaCO₃ levels average 97.7%. The range of grades encountered is between 91% to 99% CaCO₃. Trace to minor amounts of silica, iron and magnesium along with other trace elements occur throughout the rock, however none of these elements are at levels, when considered against relevant standards, that would preclude using the material for production of a wide range of lime and lime-associated products.

TABLE 5 summarises the average content of the assays collected from surface to date. Hand-held XRF analysis has been completed on the drill samples, and while the results of this work are still being assessed, it is readily apparent that there will be a high degree of correlation between lab analysis and XRF field samples. No detailed NATA certified geochemical analysis has yet been completed on the drill core, as the material is still being processed. At the time of

writing a 16-hole drilling programme is underway, which is aimed at determining tonnages available. As an exploration target, a tonnage range for the project is considered to be between 200 and 300 million tonnes.

Table 5: Rock Chip Assay Summary

Al ₂ O ₃ %	CaO%	CaCO ₃ %	Fe ₂ O ₃ %	MgO%	MnO%	SiO ₂ %	LOI%	NV%
0.39	54.22	96.77	0.23	0.42	0.02	1.1	3.44	96.92

Preliminary test work has been completed on the limestone by Sibelco to determine the suitability for use of this material as quick lime. Based on the results of this testing, the material has been demonstrated to be suitable to produce quick lime, aglime and other lime products.

Regarding suitability of the material for use as a construction material, no engineering test work has yet been completed, however this work is planned to be completed in the third quarter of 2017.



Plate 4: Core hole MRDD005 (Kido) with this material encountered at a vertical depth of 17 to 21.5 metres downhole. The start of the tray is at the top left hand corner.

Kabang Gold Project, Ambitle Island, New Ireland Province

The Kabang project on Ambitle Island (EL2096) is located 920km in a direct line northeast of Port Moresby. The Lihir Gold Mine (operated by Newcrest) is located 150km to the northwest of the Kabang Project, while the Panguna Copper Mine is located several hundred kilometres to the south. Both occur along the same volcanic arc island system, refer **FIGURE 3**.

The Kabang deposit consists of a truncated Plio-Pleistocene stratovolcano built on a basement of early Tertiary sediments. Mineralisation is associated with the Matangakaka Intrusive Complex which lies at the southern margin of the crater associated with an eroded volcanic cone. Gold (and copper) mineralisation appears flat lying and is associated with volcanic extrusives, syenites and hydrothermal brecciation in conjunction with an argillic/phyllitic alteration overprint across a potassic alteration boundary. Subsequent volcanic activity has included trachyte lava flows and ash coverings (tephra) which in part obscure the gold mineralisation. A total of 212 drill holes have been drilled on Feni Islands. At Kabang a total of 45 holes for 5,289m and 2,590 gold assays, completed by others and reassessed by Mayur, have been used in the resource estimate, comprising predominantly drill core with some RC

and aircore drilling (1,460m). The sampling length varies between approximately 0.1 and 15 metres, due to various phases of drilling completed by different companies. Drill spacing is irregular, with a nominal spacing of 100m in the central part of the deposit increasing to 150-200m in more remote areas. Reporting of the resource estimates used a 0.8 g/t gold cut off for material beneath the tephra cover. A default density value for the mineralised bedrock of 2.6t/m³ was used as no density data is available. All resources at Kabang identified to date are considered *Inferred Resources*, refer **TABLE 6**.

Table 6: Kabang Inferred Resource Estimate¹⁴

Mineral Zone	Mt	Au g/t*	Au Mozs
Domain 2	19.9	1.0	0.65

*Actual number is 1.01 g/t Au however has been rounded pursuant to JORC 2012.

Significant widths of low-grade copper mineralisation are spatially associated with the main gold resources and appear open to the south. The last item represents possible porphyry copper style mineralisation. The exploration potential of this site is considered very high.

¹⁴ H&SC Consultants Mineral Resource Estimation of the Kabang Gold Deposit, Ambitle Island, PNG.

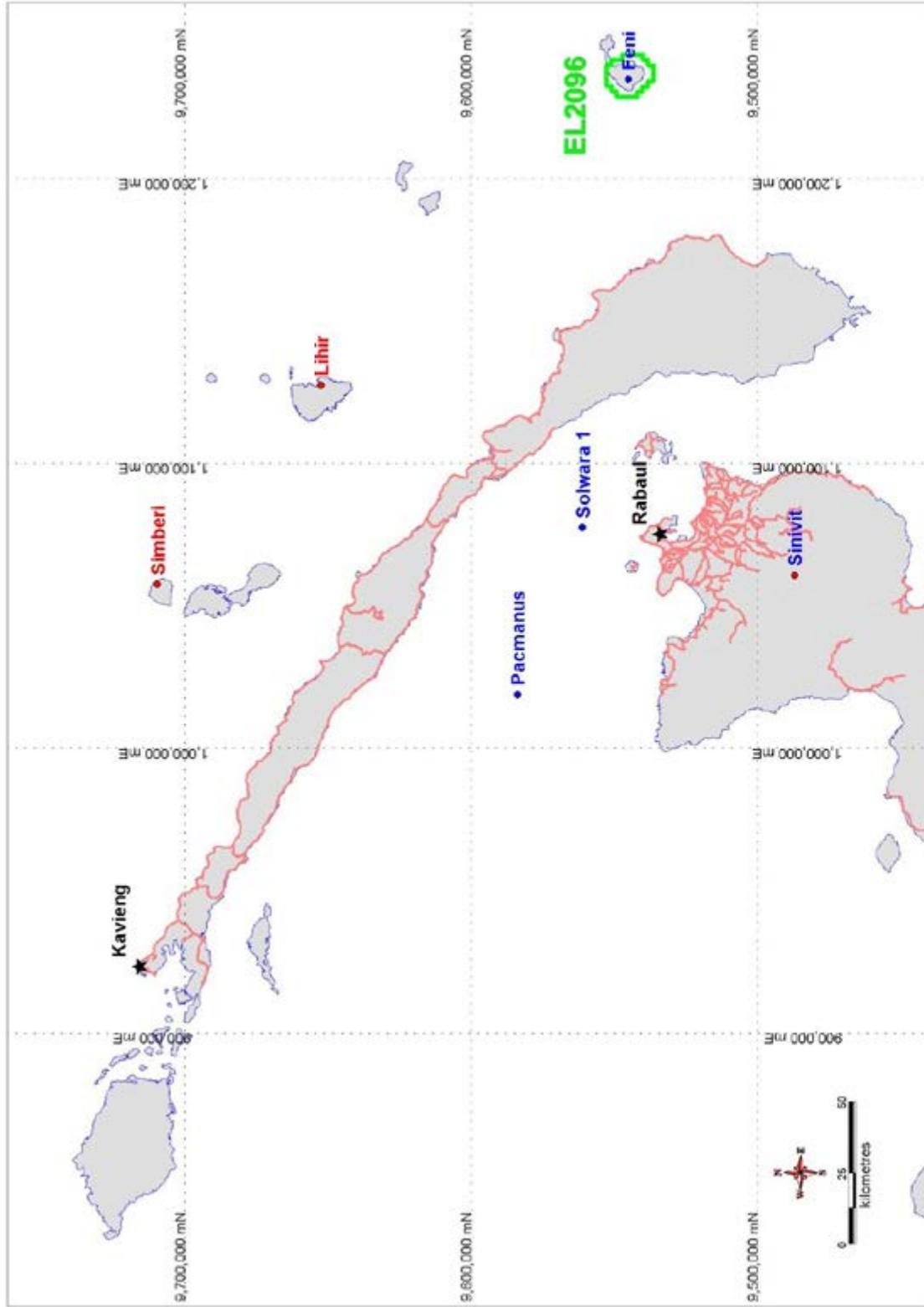


Figure 3: The Kabang Project Area is located on the Feni Islands. The exploration licences held by Mayur as of 5th July 2017 are shown in green.

Depot Creek Coal Project, Gulf Province

The Depot Creek coal project consists of low ash, low sulphur, sub-bituminous thermal coals located in the Gulf Province of Papua New Guinea, refer **FIGURE 4**. This coal is similar to the typical low-ash, low-sulphur coals currently mined in Kalimantan. Geologically, the potential of the Pliocene-age Era Beds Formation to host economically viable resources of coal has been explored and documented since the 1890s, initially by Australian Government surveys, and then by CRA Exploration Pty Ltd in 1975, where a significant coal endowment was recognised. Despite this, an economic coal deposit was never identified within the Era Beds Formation due to limited access and lack of mining techniques for these types of coal deposits. Since then, low-cost 'truck and barge' methods have been successfully devised to economically extract similar specification coal deposits in jurisdictions such as Kalimantan Indonesia, thereby renewing interest in these types of deposits. Occurrences of coal seams stretching over a strike length of 200km are known to occur across the five licences controlled by Mayur.

To date, six cored holes have been completed over a 1km strike length within the resource area, which, when coupled with a suite of points of outcrop mapping, form the basis of the resource estimate completed by Resolve Geological (Resolve) in April 2016. Resolve estimated that an *Inferred Resource* of 11.5 million tonnes of low-rank, low-ash, low-sulphur, sub-bituminous thermal coal occurs in the project area. This was the first coal JORC Resource to be delineated in PNG by any exploration company. Resolve, in their work, derived this quantum and quality from the cored holes drilled by Mayur, however and importantly, this drill data is supported by large sections of mapped outcrops of the coal seams and associated sampling. Much of this mapped outcrop that was sampled is from partial seam intersections (due to surface exposure and partial erosion) and as such does not contribute to grade estimates. An example of the outcrop mapped by Mayur is provided in **PLATE 5**.



Plate 5: An example of coal outcrop which helps confirm geological continuity of the coal seams in the Depot Creek area.

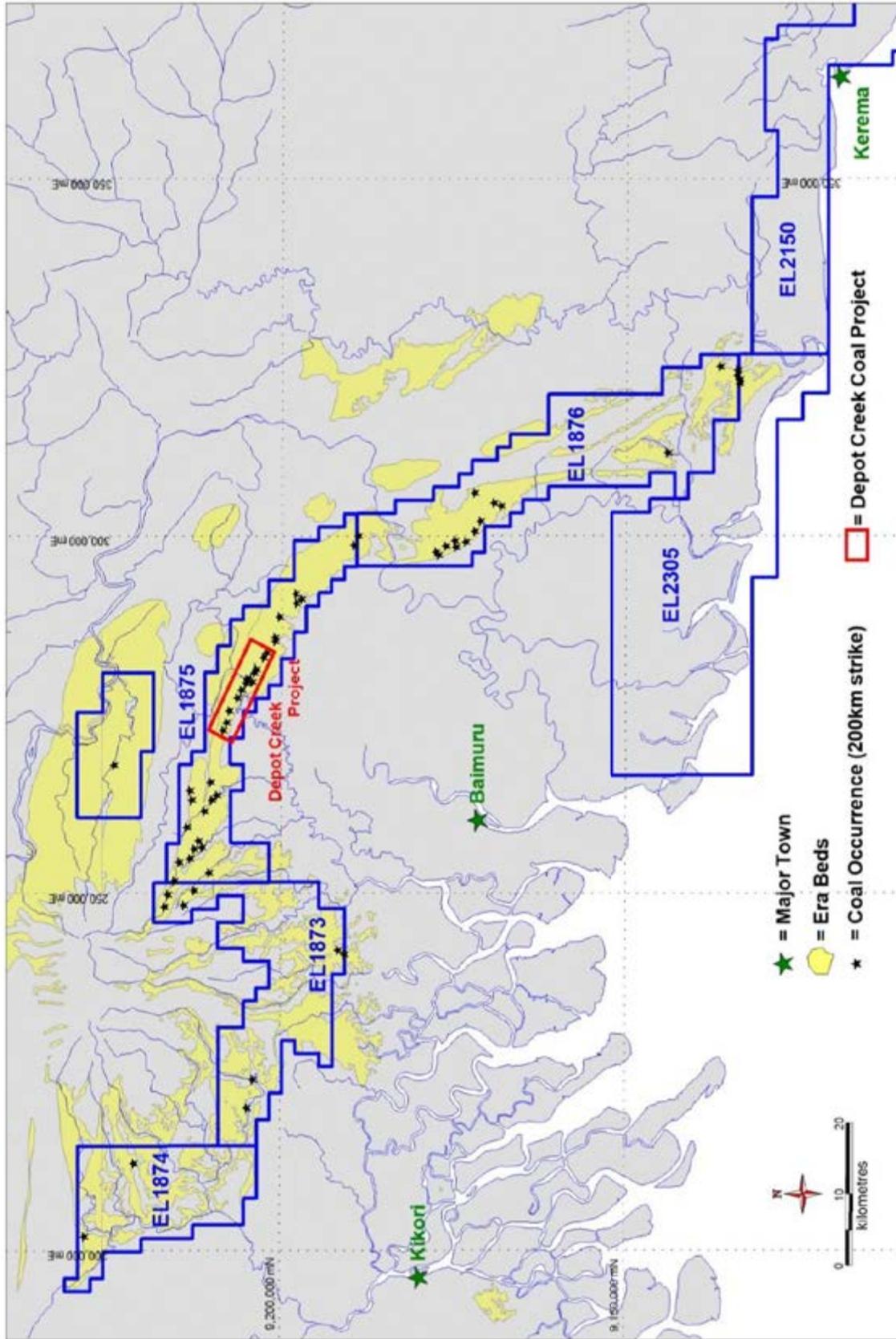


Figure 4: The Depot Creek Project Area within the Gulf Province of PNG with the exploration licences held by Mayur shown in blue. The mapped coal seams are shown as black stars. The Orokolo Bay EIs (EL 2305 and 2150) are also visible in the south of the area.

Coal quality has been estimated on a ply basis and attributed to the respective plies in the block model. The intermediate partings have then been assigned default stone values, and where applicable based on a parent seam amalgamation. The thin (<30cm) stone partings are included within the quality and tonnage estimate. The approximate *Inferred Resources* estimated by Resolve, by depth and seam, is provided in **TABLES 7** and **8**.

Table 7: Inferred Resources Expressed By Depth

Depth	Mt (in-situ)	RD % (g/cc) adb	RD (g/cc) in-situ	IM% (adb)	Ash% (adb)	VM% (adb)	FC% (adb)	TS% (adb)	CV kcal/ kg (gar)
0_50	6.2	1.39	1.37	20.74	7.92	37.96	33.38	0.50	4720
50_100	3.6	1.40	1.38	20.40	9.44	37.28	32.88	0.61	4656
100_150	1.6	1.39	1.37	21.05	7.89	37.15	33.90	0.58	4729
150_200	0.01	1.36	1.35	22.48	4.53	37.46	35.53	0.39	4845
Total	11.5	1.40	1.37	20.77	8.02	37.75	33.46	0.54	4720

Table 8: Inferred Resources Expressed By Seam Group

Seam	Mt (in-situ)	RD% (g/cc) adb	RD (g/cc) in-situ	IM% (adb)	Ash% (adb)	VM% (adb)	FC% (adb)	TS% (adb)	CV kcal/ kg (gar)
A2	4.2	1.36	1.34	21.41	4.24	39.76	34.58	0.31	4893
A1	0.2	1.45	1.40	19.18	15.47	35.89	29.47	1.63	4362
C	2.4	1.52	1.47	16.59	20.38	35.02	28.02	1.09	4219
D	4.59	1.36	1.35	22.48	4.53	37.46	35.53	0.39	4845
Total	11.5	1.40	1.37	20.77	8.02	37.75	33.46	0.54	4720

Reproduced courtesy of Resolve Geological. Independently verified by Groundwork Plus.



Plate 6: A further example of coal outcrop in the Depot Creek area. Photo supplied courtesy of Mayur.

1 Introduction

1.1 Context, Scope and Terms of Reference

Groundwork Plus was requested by Mayur Resources Pte Ltd ("Mayur" or "the Company") to prepare an Independent Technical Assessment (ITA) report for use in a prospectus to support an Initial Public Offering (IPO) of shares. The intention of the IPO is to offer up to 38,808,290 fully paid ordinary shares at an issue price of 40 cents per share, to raise up to \$15,523,316 for development and exploration work. The IPO will enable Mayur to list on the Australian Securities Exchange (ASX). The funds raised will be used primarily for mine development and further evaluation of the Orokolo Bay Industrial Sands Project. Funding will also be used to advance exploration targets at the Moresby Limestone and Aggregate Project, the Depot Creek Coal Project along with the cadre of Gold projects located in the Feni Islands, and elsewhere in PNG. The location of the projects is shown on **FIGURE 1**.

This ITA is an independent technical assessment which has been drafted in compliance with, and pursuant to:

- The Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral and Petroleum Assets otherwise known as (Valmin Code) 2015.
- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves otherwise known as (JORC Code) 2012.

In preparing the Independent Technical Assessment, Groundwork Plus has:

- Adhered to the JORC and VALMIN Codes in so far as is practicable;
- Completed relevant enquiries to ensure that Mayur provided all materially relevant information;
- Relied on the accuracy and completeness of the data provided to it by Mayur Resources and other independent technical consultants;
- Relied on Mayur's representation that it will maintain adequate security of tenure for all exploration and mining projects;
- Required that Mayur provide an indemnity to the effect that Mayur will compensate Groundwork Plus in respect of preparing this report, against any and all losses, claims, damages and liabilities which Groundwork Plus may become subject to, under any applicable law or otherwise, arising from preparation of the report to the extent that such loss, claim, damage or liability is a direct result of Mayur, or any of its directors or officers, knowingly providing Groundwork Plus with false or misleading information.

1.2 Effective date and no material change

The effective date of this report is July 5, 2017, this being the date at which no further information was supplied to the author by Mayur. The author is not aware of any material change in the status of the projects in the period between receipt of data and completion of the report.

1.3 Principal Sources of Information and Reliance on other Experts

Groundwork Plus has based its review of the projects on information made available to the principal author by Mayur, along with technical reports prepared by independent, external consultants, foreign government agencies and previous tenements holders, along with other relevant published and unpublished data. Groundwork Plus has relied upon discussions with Mayur's management as well as recent technical documents and reports for information contained within this assessment.

Groundwork Plus has not visited the project sites reported on in the IPO, however the author is familiar with the project areas, types of mineralisation and commodities being assessed for each specific project area.

This report has been based upon information available up to and including July 5, 2017. Groundwork Plus has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by Mayur in the form of relevant reports, resource estimates, drill hole and geochemical databases, technical information and internal memorandums.

Mayur was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement. Descriptions of the mineral tenure, tenure agreements, encumbrances and environmental liabilities were provided to Groundwork Plus by Mayur, or its technical consultants. Mayur has warranted to Groundwork Plus that the information provided for preparation of this report correctly represents all material information relevant to each project.

1.4 Author of the Independent Technical Report

Groundwork Plus is a privately-owned consultancy based in Brisbane, Australia. Groundwork Plus provides geotechnical, geological, survey, planning and environmental consultancy services to both the Australian and international resources sector. This Independent Technical Assessment has been prepared by a team of consultants sourced principally from the Brisbane office, with external support provided by associated technical experts when required. The individuals who have provided input to the ITA have extensive experience in mining and extractive industry and are members in good standing of appropriate professional institutions. The Principal Consultant preparing the Independent Technical Assessment is a specialist in the fields of geotechnical and geological engineering, exploration, and resource estimation for a wide range of commodities.

The principal author, by virtue of education, experience and professional association, is considered a Competent Person (CP) as defined in the JORC Code (2012) for this report. The CP's individual areas of responsibility are provided below:

- **Principal Author:** Rodney Hall Huntley, Principal Consultant Geologist with Groundwork Plus in Brisbane, responsible for auditing and validating all technical information provided, along with being custodian of the report for the entire report.
- **Data Auditing and Peer Review:** Troy Lowien Independent Consultant Geologist.
- **Peer Review:** Luke Ryan Geologist / Petrologist for Groundwork Plus in Brisbane.
- **Operational and Technical Consultant:** James Rowe (Orokolo Bay Industrial Sands Project only).

1.5 Independence

Neither Groundwork Plus, nor the author of this report, has or has held previously, any material interest in Mayur or the mineral properties in which Mayur has an interest. The Groundwork Plus relationship with Mayur is solely one of professional association between client and independent consultant. Groundwork Plus is an independent consultancy. Fees are being charged to Mayur at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. No member or employee of Groundwork Plus is, or is intended to be, a director, officer or other direct employee of Mayur. No member or employee of Groundwork Plus has, or has had, any shareholding in Mayur. There is no formal agreement between Groundwork Plus and Mayur as to Mayur providing further work to Groundwork Plus, apart from completing resource estimation work on the Port Moresby Lime and Aggregate project.

1.6 Declarations

This report has been prepared by Groundwork Plus at the request of, and for the sole benefit of Mayur. Its purpose is to provide an Independent Technical Assessment of the four listed projects. The report is to be included in its entirety or in summary form within a prospectus to be prepared by Mayur, in connection with an initial public offering. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose. The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of July 5, 2017, and could alter over time depending on exploration results, mineral prices and other relevant market factors. Groundwork Plus will receive payment for time and expenses incurred in drafting the ITA, which is in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the IPO and Groundwork Plus will receive no other benefit for the preparation of this report.

1.7 About this Report

This report summarises the mineralisation and resource types which have been defined to date within the various project areas, and also provides an overview of each area and specific commodity or type of mineralisation. The exploration work, geology and mineralisation for each project area is discussed, with a cut-off date of July 5, 2017 used for the ITA. A significant body of data exists for the work completed on the respective project areas and this information has formed the basis of the ITA, which has been summarised for readability purposes. Net Present Value model has

been reviewed in relation to the Orokolo Bay Industrial Sands Project. No valuation or NPV models have been reviewed apart from Orokolo Bay.

1.8 Reliance on other Experts

In preparing this report, Groundwork Plus has been reliant on information provided by Mayur and its experts, along with publicly available information regarding geology, mineralisation and operational considerations in the relevant project areas. These reports have been collated by Rod Huntley, who is an appropriately qualified and experienced geologist/engineer and can be considered a Competent Person pursuant to JORC 2012.

2 Independent Technical Assessment

2.1 Background to the Independent Technical Assessment

In contrast to most Independent Technical Assessments which have been completed for the purposes of an Initial Public Offering on one commodity by one consultant, this ITA has involved a process of significant data review and auditing of the primary sources of data for several commodities using two competent persons. Resultantly, this ITA has considered the information provided by Mayur along with the technical documentation and JORC 2012 Competent Persons Reports for three projects, namely the Orokolo Bay Industrial Sands Project, Kabang Gold and Copper Project and the Depot Creek Coal Project. An independent technical audit, review and assessment of salient documentation has also been completed on each project.

Supplementing the JORC review work completed for the IPO is information provided in this report on Basilaki/Sidea, and Sitipu copper/gold tenements and the Port Moresby Lime and Aggregate Project. The Port Moresby Lime and Aggregate project data, while provided by Mayur, has been collated, compiled and interpreted by Groundwork Plus. In reporting on this exploration target, it is clear that while this project has significant potential to host a very sizable resource of high-quality limestone, the exact quantum and quality of the material remains at a non-JORC reporting level of compliance. That said, every project starts as a non-JORC compliant resource. Additionally, and not uncommonly, limestones can be much more consistent and homogenous, as the geological resources can often be entire topographic features or units.

2.2 Data Review

In reviewing this data and the relevant reports, it is considered that in all material aspects the three resource reports provided to Groundwork Plus are in general compliance with the JORC Code. In the three reports reviewed, these minor deviations are clearly personal report-writing preferences, and they are not considered material to this ITA.

In completing the JORC compliant resource estimates for the three JORC reported areas, the following reports were prepared by H&SC Consultants or Resolve Geological.

- H&SC Consultants: Updated Resource Estimation of the Orokolo Bay Industrial Sands Project, PNG 13 June 2016. Simon Tear signed off as the Competent Person.
- H&SC Consultants: Mineral Resource Estimation of the Kabang Gold Deposit, Ambitle Island, PNG, 30 May 2015. Simon Tear signed off as the Competent Person.
- Resolve Geological: EL1875 Depot Creek JORC Resource Estimate 16 April 2015. Neil Biggs signed off as the Competent Person.

In reviewing the data provided and the related reports, it is my professional opinion that the authors have:

- Completed a level of investigation commensurate to the task and in cognisance of the data sets available;
- Correctly classified the resources pursuant to JORC 2012;

- Generally adhered to the reporting requirements of JORC, with no material deviations from this reporting code considered worthy of detailed discussion. As an example of a minor deviation, rounding to the nearest significant figure is considered good practice by JORC, to effectively convey the level of accuracy attached to any reported numbers. This has happened in a few instances although we consider this issue a minor technical issue, which has no material implication to any of the reports' resource estimates or conclusions. Several other minor deviations are noted from the JORC 2012 code, however they are mentioned for completeness of the audit, and are minor technical report-writing issues which are dismissed as personal grammatical style. The reports used to produce this independent technical assessment have:
 - Adequately discussed QA/QC and other data quality limitations such as topography and survey accuracy;
 - Adequately discussed the deposit type geological setting and degree of mineralisation;
 - Adequately discussed sampling procedures and protocols;
 - Adequately discussed drill data by providing relevant maps and plans;
 - Adequately discussed the results;
 - Suitably modelled the resources based on the available information;
 - Suitably discussed data aggregation methods, geostatistics and modelling procedures;
 - Suitably addressed all required issues pursuant to the standard JORC checklist; and
 - Adequately discussed all material issues, maintained independency and been transparent in assessing the projects based on the data provided.

Accordingly, it is considered both Mr Tear and Mr Biggs have fulfilled their obligation as Competent Persons.

Additionally, as part of the technical review, the three JORC compliant resources were validated with the following work completed by Groundwork Plus:

- Relevant geology files, drill logs, and geological summary documents were reviewed;
- Databases were audited including survey, collar, assay and geological files;
- Sampling procedures and methodology along with QA/QC protocols were assessed;
- The supplied block models were re-run and re-constrained, albeit with new constraint files, to assess the accuracy and validity of any quantum stated;
- The interpretation and validation of data were assessed, along with the assumptions that necessarily have to be made in completing this type of work;
- The tenure status for the various projects was reviewed; and
- Geostatistical assumptions, while reviewed, were not changed, as modification was not warranted and doing so would potentially change the resource classification and quantum in any instance.

2.3 Currency of Tenure

As part of reviewing each project, relevant tenure was assessed for each site with details provided in **TABLE 9**.

Table 9: Mayur Resources Tenure

Name	Province(s)	Commodity focus	Lease	Owner	Status	Grant	Expiry	Sub blocks	km2
Sitipu	W Highlands	Copper / Gold	2040	Mayur Exp PNG Ltd	Granted	27/09/2016	26/09/2018	36	123
Sidieia	Milne Bay	Copper / Gold	2095	Mayur Exp PNG Ltd	Granted	27/09/2016	26/09/2018	44	150
Feni*	New Ireland	Copper / Gold	2096	Mayur Exp PNG Ltd	Renewal Submitted	04/08/2016	04/08/2018	56	191
Gulf South*	Gulf	Iron / Mineral Sands	2150	Mayur Iron PNG Ltd	Renewal Submitted	18/12/2016	18/12/2018	180	614
Umunda	Gulf	Iron / Mineral Sands	2266	Mayur Iron PNG Ltd	Granted	14/05/2016	13/05/2018	372	1,269
Kiwai	Gulf	Iron / Mineral Sands	2267	Mayur Iron PNG Ltd	Granted	21/12/2016	11/12/2018	750	2,558
Turama River	Gulf	Iron / Mineral Sands	2268	Mayur Iron PNG Ltd	Granted	21/12/2016	11/12/2018	750	2,558
Deception Bay	Western	Iron / Mineral Sands	2269	Mayur Iron PNG Ltd	Granted	14/05/2016	13/05/2018	375	1,279
Fly River	Gulf	Iron / Mineral Sands	2297	Mayur Iron PNG Ltd	Granted	21/12/2016	11/12/2018	750	2,558
The Roadhouse	Central	Limestone	2303	Mayur Iron PNG Ltd	Granted	14/05/2016	13/05/2018	141	481
Malialua	Gulf	Iron / Mineral Sands	2304	Mayur Iron PNG Ltd	Granted	14/05/2016	13/05/2018	158	539
Orokolo Bay	Gulf	Iron / Mineral Sands	2305	Mayur Iron PNG Ltd	Granted	14/05/2016	13/05/2018	152	518
Kabarau	Gulf	Coal	1873	Waterford	Granted	14/05/2016	13/05/2018	142	484
Kare 1	Gulf	Coal	1874	Waterford	Granted	14/05/2016	13/05/2018	102	348
Wabo	Gulf	Coal	1875	Waterford	Granted	14/05/2016	13/05/2018	185	631
Kare2	Gulf	Coal	1876	Waterford	Granted	14/05/2016	13/05/2018	187	638
Notes: 1 sub block (SB) = 3.41 km2								4,380	14,939

*As of the 5th of July renewal dates have not yet been received for Feni, and Gulf South.

3 Industrial Minerals Projects

3.1 Orokolo Bay Industrial Sands Project

3.1.1 Project Background

In early 2016 Mayur engaged H&SC Consultants to complete an updated resource estimate of the Orokolo Bay Industrial Sands Deposit in the Gulf Province of Southern PNG. H&SC classified the resource estimate pursuant to the 2012 JORC Code and Guidelines. Mineralisation in the sands at Orokolo Bay is predominantly iron in the form of titanomagnetite, which is currently intended to be recovered by magnetic separation and processing of the mined sand. Additional credits may be realised for ilmenite, zircon, hematite and construction sand, however the recovery of ilmenite and hematite requires further assessment and has not been included in the resource model or associated project valuations. The majority of the ITA regarding Orokolo Bay has been of a review and assessment nature as the relevant work has already been completed by Mayur and H&SC Consultants. Resultantly much of this work is paraphrased in Section 3 by Groundwork Plus. That said, a detailed audit and validation of all data and assumptions has been completed.

3.1.2 Site Location and Access

Access to the area is via a combination of dirt and bitumen roads leading northwest from Port Moresby to Kerema, which is the capital of the Gulf Province. Access to the Orokolo Bay project from Kerema is currently by boat as there is no road. The area is generally sparsely populated, variably forested, topographically featureless and is cut by several major drainage and river systems, refer **PLATE 7**. The elevation of the majority of the project area is a few metres above sea level, with the site commonly being between two and five metres above datum.



Plate 7: The mouth of Purari Rive in the Orokolo Bay area with the image showing contemporary drainage patterns which provide access to the mineralised areas.

3.1.3 Tenure Details

The Orokolo Bay deposit is hosted primarily on Exploration Licence EL2305 and the adjoining EL2150. Mayur holds significant tenure in the area, the majority of which is targeting a similar type of iron sands mineralisation. Relevant tenure details are provided in **TABLE 9**.

3.1.4 Relevant Documentation

Relevant documentation reviewed as part of the ITA includes:

- Updated Resource Estimation of the Orokolo Bay Iron Mineral Sands Deposit, PNG 13 June 2016, prepared by H & S Consultants.
- Microsoft Access drill hole database; Orokolo-2016. mdb, prepared by H & S Consultants.
- Surpac Block Model; Orokolo_working_ew_fix5A_120416.mdl, prepared by H & S Consultants.
- Relevant Surpac string files;.str, prepared by H & S Consultants.
- Initial Report on Mayur Sand Tails Building in Concrete and Construction Products, prepared by Building & Construction Research & Consulting Pty Ltd, 30th August 2016.
- Macka's Sand and Soil Supplies Test Results on Mayur Sand.
- Groundwork Plus Test Results and Specification Limits.
- Groundwork Plus Petrology Report.
- Institute of Quarrying Technical Committee Briefing Paper Number 5, Where are Sydney's Construction Aggregates.
- Ibis World Industry Report Number BO911 Gravel and Sand Quarrying in Australia.
- Port Botany Cost Analysis Mayur Resources.
- Orokolo Bay Mineral Sands Project, Papua New Guinea Pre-Feasibility Study, Mayur Resources Q2 2017.
- Results of Ilmenite refining by Magsort, May 2017.
- Quantitative X-Ray Diffraction Analysis of Four Samples, Report No: N7271xd16, 6 September 2016 Bureau Veritas Minerals Pty Ltd.
- Laboratory Scanning Electron Microscope, (SEM), on Heavy Mineral Concentrate, September 2016 Townend Mineralogy.
- IHC Robbins Mini Bulk Processing Trial.
- Bureau Veritas Minerals Pty Ltd Analysis of Mineral Samples.

Much of this work has been included in preparation of the Orokolo Bay Industrial Sands Project, Papua New Guinea Pre-Feasibility Study, completed by Mayur Resources. Similarly, amounts of ilmenite, hematite and other minerals may be economically viable to extract, however they are not currently considered within any JORC statements.

While construction materials are not specifically covered by JORC 2012, they do provide suitable guidelines for assessing levels of risk and technical merit. Accordingly, all reporting on construction sands has been completed in cognisance of these guidelines.

3.1.5 Regional Geology

Papua New Guinea comprises the eastern half of the island of New Guinea and to the east several nearby islands including New Britain, New Ireland and Bougainville. New Guinea and the surrounding islands lie on the convergent margin of the Australian, Pacific and Caroline plates. Geologically, Papua New Guinea can be divided into the Fly Platform, which is the north-eastern edge of the Australian craton, the mountainous cordilleran or mobile belt, and the island arc belt, which includes New Britain, New Ireland and Bougainville Islands.

The Papua New Guinea cordilleran is host to significant mineralisation. To the west is the world-class Grasberg Copper Deposit in Indonesia. Within PNG, many of the highly prospective areas and mines fall within this belt, including the Ok Tedi copper-gold porphyry in Western Province, the Frieda River copper-gold porphyry district in West Sepik, the Wau-Bulolo epithermal gold district in Morobe Province, Ramu nickel laterite in Madang, the Kainantu Gold Mine in the Eastern Highlands, Tolukuma in the Central Province and Misima Gold Mine in the Milne Bay Province.

Subduction-related processes, the result of the northward-moving Australian plate colliding with the Indonesian Archipelago, has generated substantial uplift in conjunction with obduction of mafic and ultramafic tectonic slices associated with calc-alkaline intrusive activity. The high rainfall and topographic relief has helped to generate substantial river systems with significant erosional capacity and transportation of river sediment.

The current area under investigation by Mayur comprises a geologically stable coastal marine regime associated with a large arcuate bay. Multiple river systems draining the PNG mainland, including the Highlands, have dumped billions of tonnes of river sediments containing a range of heavy minerals into this coastal marine setting.

The Quaternary geology is composed of extensive coastal lowlands, beach strandlines, coastal aeolian dunes/plains, and marine and fossil strandlines from high stand sea levels. These units are mostly derived from the weathering of shoshonitic and calc-alkaline volcanics (mostly from the Highlands regions of PNG), and river and wave reworking has winnowed the lighter sands and concentrated heavy minerals.

3.1.5.1 Site Geology

The Orokolo Bay prospect comprises a series of preserved SE-NW striking beach strands of recent age, around 20-80m wide and several kilometres long, with thicknesses up to six metres. Primary mineralisation is generally confined to the upper few metres of the profile. The mineralised strands are not always identifiable as topographic highs, since swamp areas have returned significant results. The prospective sequence comprises grey, fine to fine-medium sands overlying a thin bed of coarse grit on top of grey, sandy clay to clay. A downward coarsening sequence has been observed along with the upper two metres of the mineralised sequence showing evidence of cross bedding. Samples tend to be medium-well to well sorted with clasts of an angular to sub-round classification. This downward coarsening sequence, in conjunction with the larger grain size and the occurrence of oversize in the lower grit unit, indicates deposition occurring close to the source. Significant coarsening towards the base of the unit with the addition of mica

has been interpreted as a transition from near shore marine (fine-medium to very-coarse with mica) to beach and dune deposits (very-fine to fine medium). An image of processed data from the airborne magnetic survey acts as a pseudo geology map of the Orokolo area and indicates the linear nature of the magnetite-bearing sand dunes, refer **FIGURE 5**, while **PLATE 8** shows the distribution of the mineralised strand lines. Geological sections of the drilling indicate that there is some complexity to the arrangement of the clastic material, with lateral and vertical interfingering of sand units occurring with more clay-rich sands and silts.

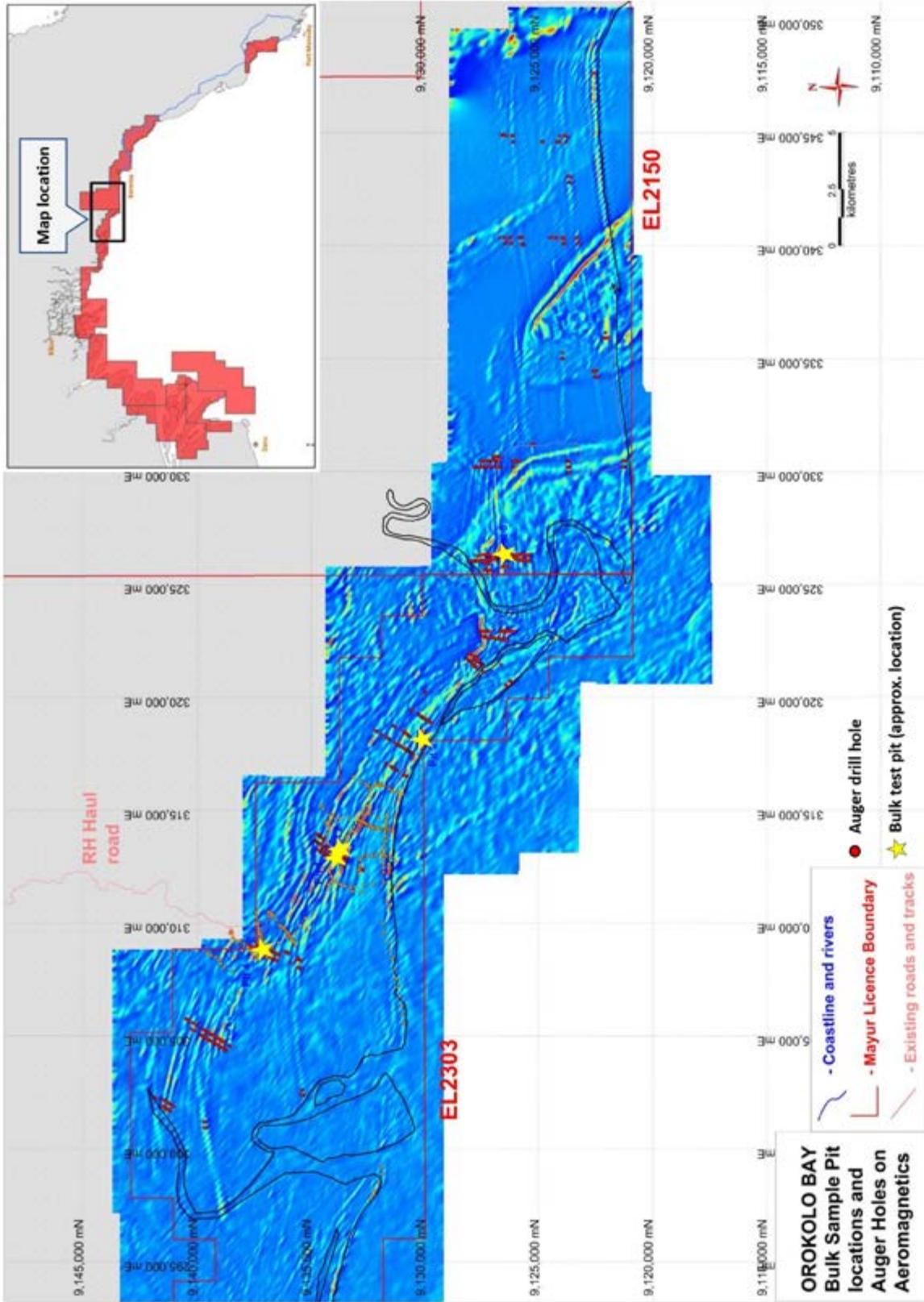


Figure 5: The magnetics of the airborne magnetic survey from the Orokolo Bay Area which indicates the linear nature of the magnetite-bearing dunes. North is to top of page. Current as of July 2017.

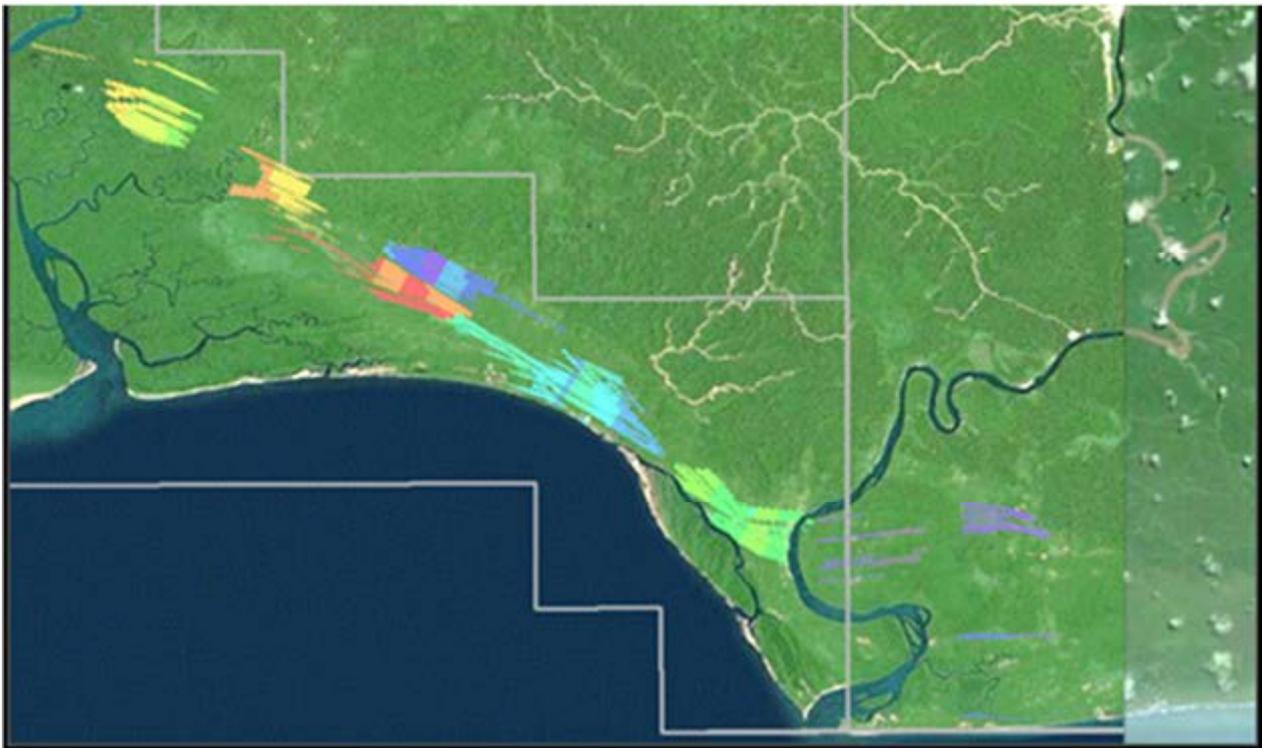


Plate 8: The grades as derived from the block model over the aerial imagery of the site. The grade in the strand lines is shown with lower grades as the cool colours with higher grades shown as the hotter colours. North is to top of page.

3.1.5.2 Mineralisation

Mineralisation is generally confined to the upper 2-2.5 metres of the soil/sand profile as loose sand grains but significant mineralisation can occur in swamp areas beneath the swamp itself and on the dune ridges. QEMSCAN analysis has been completed on several samples from Orokolo Bay and the surrounding areas. Sand size is generally <1mm with a combination of fully liberated and interlocked mineral grains. The mineralisation of economic interest from the recovered magnetic fraction occurs primarily as titanomagnetite with ilmenite, Ti-oxide phases and Fe oxides, including hematite and alteration products.

The liberation data shows that the TiO₂ minerals and Fe Oxides are poorly liberated (or intergrown) from each other in contrast to the good liberation associated with the other silicates. Significant zircon is contained in the non-magnetic fraction of the heavy mineral concentrate. Previous work has indicated that significant variations in mineral content and grain size distribution occur. These variations warrant further inspection.

3.1.5.3 Geophysics Data Collection and Interpretation

The original airborne magnetic survey data, 13,478 line kilometres, was acquired by Mayur and extended to cover additional areas held under licence, (a further 2,284 line kilometres). The survey comprised 15,762 line kilometres at a 50m flight height with 125m to 250m spaced lines. Resource Potentials reprocessed the data and generated a new set of magnetic images. The interpretation shows the linear nature of the mineral strandlines, albeit rather coarsely in the light of subsequent drilling. It does indicate the maximum areal extent of the strandlines and allows for the interpretation of an overall mineral domain. Follow-up geophysics consisted of ground surveys for approximately 285

line kilometres with variable line spacing, nominally 200m, and with continuous sampling along the lines. The results from these ground magnetic surveys were able to guide the location of subsequent drill holes and enable the generation of optimal drill hole spacing and efficiencies. Processing of the ground magnetic profiles in combination with the regional airborne magnetic images was used for the generation of individual strandline interpretations. The high amplitude peaks on the profile are linked to form a strandline axis. Whilst the upper strandline shows correlation between high amplitude ground magnetic peaks and airborne-derived magnetic anomalism, the drill holes could be considered as too widely spaced to define the width of the magnetic anomaly i.e. there is only one hole within the pink-outlined strongly magnetic zone. Holes at 10m (and even at 5m) spacing may be needed to better define the magnetic mineral extents.

The ground magnetic interpretation provides a high level of resolution for the strandlines that can only partially be matched by the drill hole spacing – the main implication being that the higher-grade zones of the strandline may be much narrower than the 20m drill hole spacing. This creates uncertainty as to how representative of the mineralisation the drill hole is, and also illustrates possible complexities associated with the mineralisation. The resulting interpretation has delineated a substantial number of strandline axes.

Review of the geophysics of the eastern two thirds of the eastern section has a simpler mineralisation arrangement and is very different from the remaining western third and the whole of the western section. The risk for resource modelling is the possibility of smearing of drill hole grades from a single narrow high-grade strandline, as evidenced by the strandline axes interpretation, into a broader zone of apparent mineralisation. Conversely it is possible that accurate representation of the narrow higher-grade strandlines has not been picked up in the drilling.

3.1.6 Previous Work Completed

Previous and historical work completed relevant to as reported on by H&SC includes:

- Aeromagnetic survey from historical exploration archives;
- Auger/case sludged drilling from historical exploration archives;
- February and September 2013 exploration drilling completed by Mayur at Uamai/Aivau (Aivau is 20km east of Orokolo Bay);
- Mineralogy study and QEMSCAN mineral analysis of drill samples by Mayur; and
- Submission of six tonne mini-bulk sample processed using 2013 drilling samples by Mayur.

3.1.7 Work Completed by Mayur

Work completed by Mayur as part of updating the 2016 resource estimate has included:

- Extensions to the airborne magnetic survey including geophysical re-interpretation;
- Case sludged drilling of 1,177 holes for 4,082 metres of drilling; and
- Further testing of the high-grade bulk sample for metallurgical purposes;

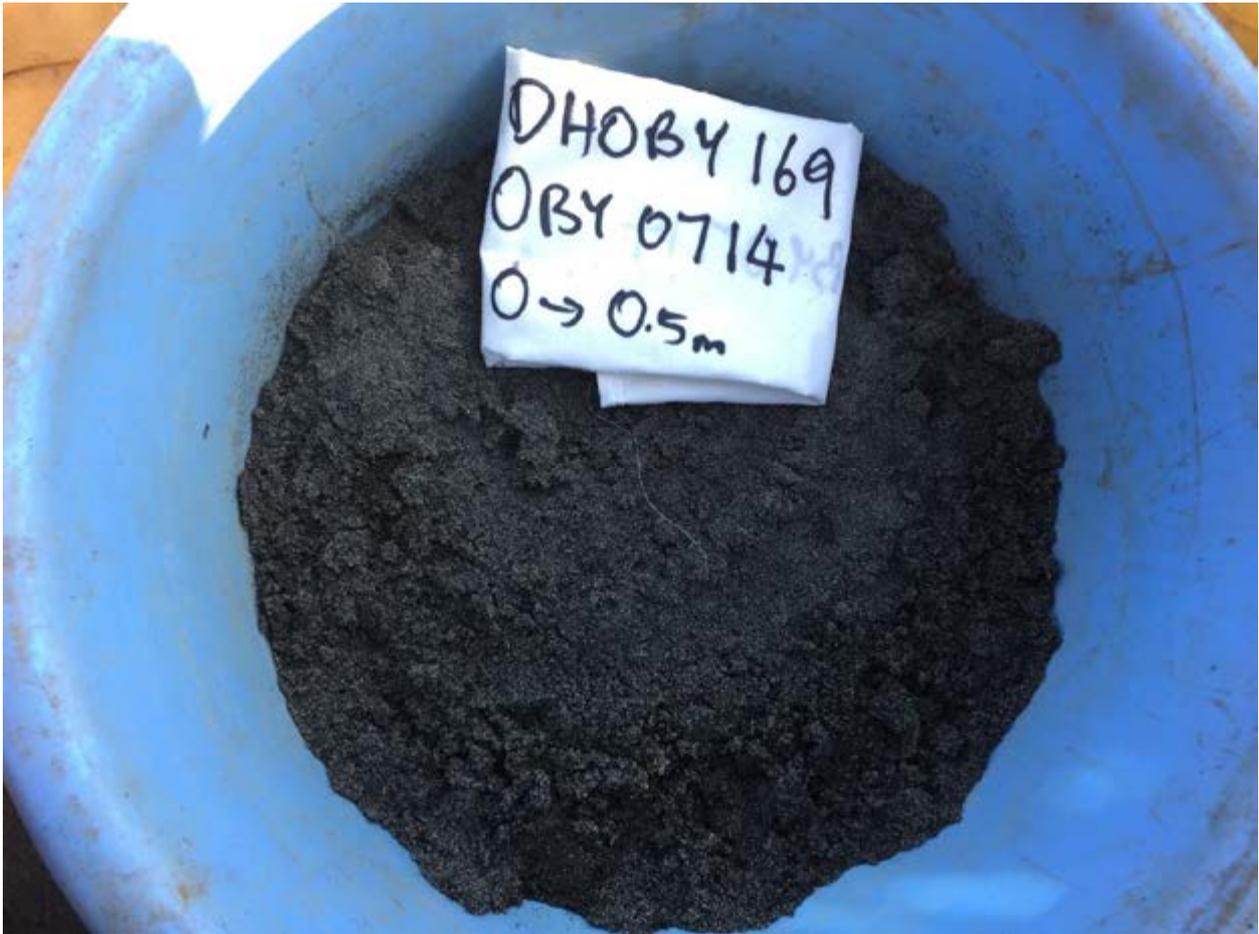


Plate 9: Raw auger drill ore sample from Orokolo Bay (0.5m interval)



Plate 10: The method of bulk test pitting, which provides for significantly larger samples and geological understanding in contrast to typical small-diameter drill holes.

3.1.8 Previous Resource Estimates

H&SC completed a maiden resource estimate for the Orokolo Bay Industrial Sands Project in 2014. While very early in the genesis of the project an *Inferred Resource* of 64 million tonnes at 8% Fe, using an XRF 5% cutoff for iron, was estimated. Minor credits of Cr 0.02%, and K 0.7%, were noted.

A series of aspects were itemised by H&SC that would likely have a negative impact on the resource quality and its classification and which have subsequently been addressed to contemporary standards and aligned with JORC reporting requirements.

H&SC also noted that it was important to reiterate that not all the iron is present as magnetite/titanomagnetite. The correlation equation for the iron assays and recovered magnetic fraction for Kerema suggested that between 4-4.5% of the iron assay is not due to magnetite and is resultant of the presence of other mafic minerals such as amphiboles, and garnets etc.

There are no other resource estimates reported for the site, apart from the H&SC work that we are aware of.

3.1.9 Previous Mining

There has been no documented previous mining at Orokolo Bay.

3.1.10 Data Validation

Because of the very detailed and technical nature of this section of the report prepared by H&SC, the information has been paraphrased for this section of the ITA., although the data is discussed in detail in Table 1 of the JORC report, refer **APPENDIX 1**. The exploration data for Orokolo Bay is made up of two components. The first is the recent drilling, geophysical interpretation and bulk sampling completed by Mayur in 2015, with the second being historical information.

- The Mayur drilling for both the western and eastern sections comprised 1,177 auger-case sludged drill holes for 4,082m.
- Historical exploration comprising 636.8 metres.

Mayur also completed some drilling and metallurgical sampling in 2013 on relatively adjacent properties at Uamai and Aivau, on the understanding that the geology, ground conditions and material is very similar to the mineralisation at Orokolo Bay.

3.1.11 Data Interpretation

From validating the data, several issues were identified from the standards with the raw portable XRF assay data for iron and particularly for titanium and zirconium. To provide controls for the portable XRF assays, Mayur submitted a batch of 422 samples to commercial laboratories for heavy mineral analysis, chemical XRF assays and recovered

magnetic fraction measurements. Because two portable XRF instruments that behave differently have been used, each instrument has been reviewed independently.

Chemical XRF assays for the 422 samples were compared with the portable XRF results, 209 for the Reflex instrument and 213 for the Mayur instrument. Mayur generated, for the most part, quadratic equations to create correction factors for the portable XRF element data. The risk with this is that there is a tendency for the curves to over- or under-state the impact of high grades depending on the curvature of the regression equation. H&SC's preferred approach is to level the portable XRF dataset with the chemical XRF dataset. This was undertaken for iron, titanium and zirconium.

The formulas for the levelling are based on the mean and standard deviation of both datasets (lab chemical XRF and portable XRF) applied to the portable XRF assay data.

Previous work by Mayur for the Kerema area had identified a linear relationship between XRF iron grade and recovered magnetic fraction using the Davis Tube Recovery method. For Orokolo a sub-set of the 262 samples were subject to DTR testing, with the results equated to the chemical XRF assays. The number of samples for the Reflex instrument was 149 and for the Mayur instrument the number of samples amounted to 113. The data allowed for the generation of linear regression equations to link chemical XRF iron assay with DTR grades, refer **PLATES 11** and **12** which have been reproduced courtesy of H&SC consultants.

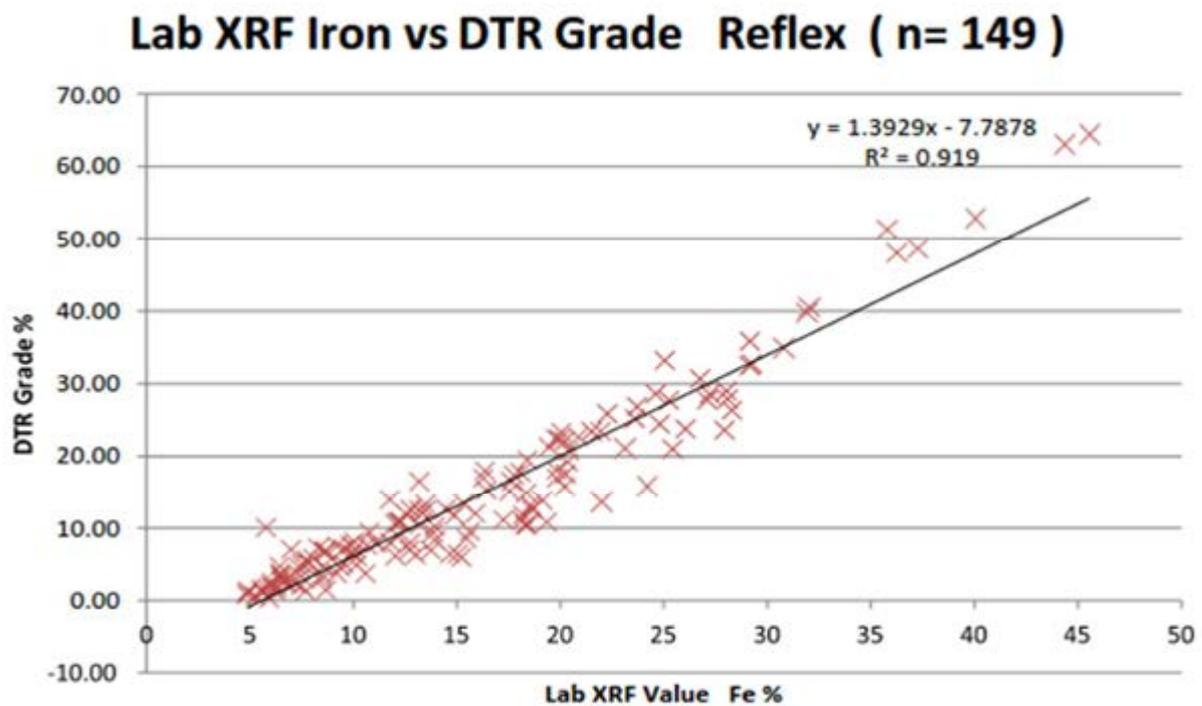


Plate 11: Chemical XRF Grade versus DTR Grade Reflex Instrument.

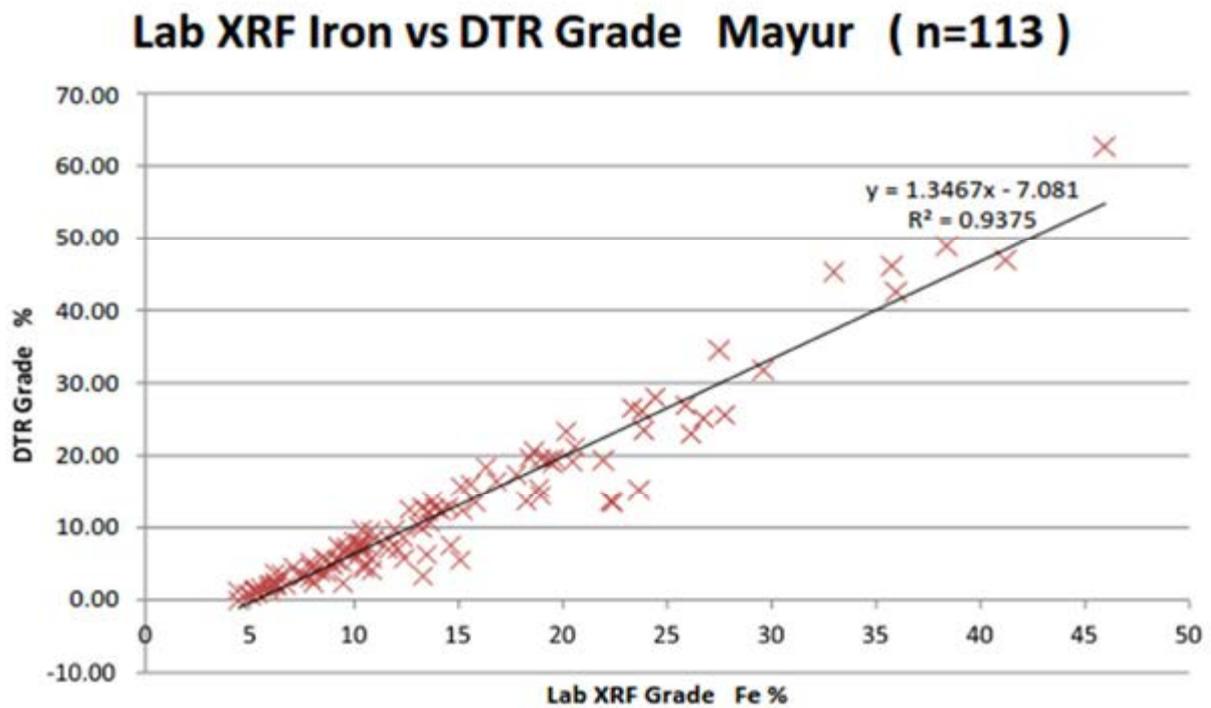


Plate 12: Chemical XRF Grade versus DTR Grade Mayur Instrument.

As the portable XRF assays had been levelled with respect to the chemical XRF assays, H&SC used the levelled data to derive linear equations relating the portable XRF data and the DTR data, refer **PLATE 13** for the Reflex instrument and **PLATE 14** for the Mayur instrument.

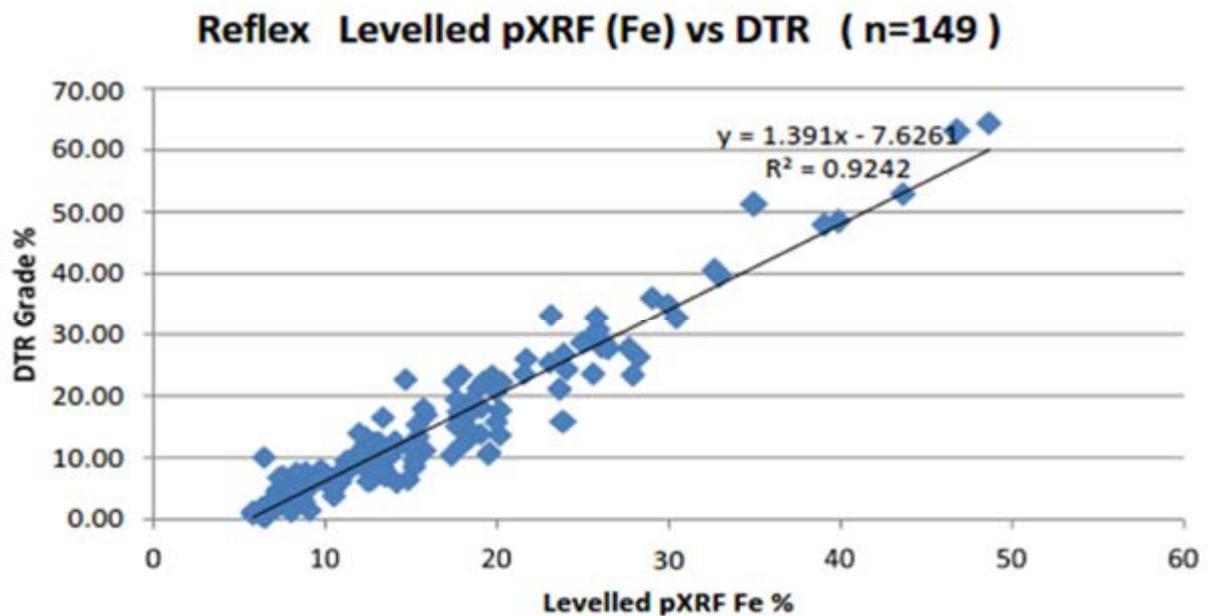


Plate 13: Relationship between pXRF Fe Data and Recovered Magnetic Fraction Reflex Instrument.

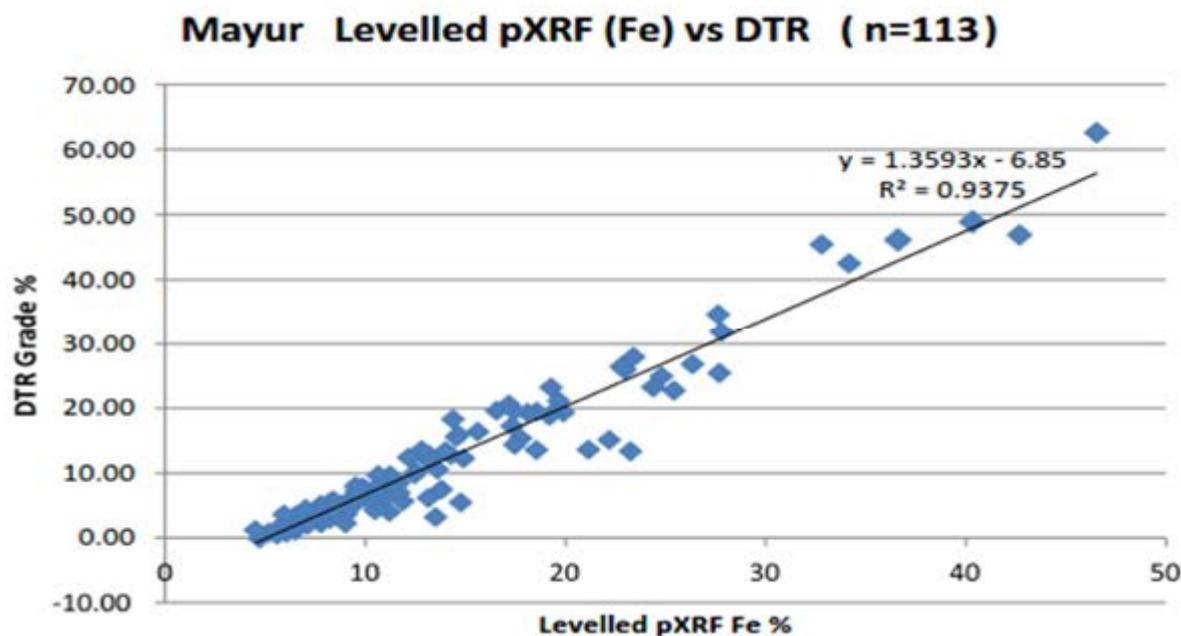


Plate 14: Relationship Between pXRF Fe Data and Recovered Magnetic Fraction Mayur Instrument.

Previous work by H&SC for the 2014 estimates indicated that there was very limited justification for hard boundaries between logged lithologies, as all geological boundaries were quite often gradational. Additionally, and as commonly occurs in most long-term projects, possible issues exist with the consistency of logging. The lower iron, titanium and zirconium grades for the deeper, more clay-rich material will have a natural controlling effect on the grade interpolation.

The Mayur drilling used a pattern that was based on paired fencelines 250m apart oriented either NE-SW (western section) or N-S (eastern section) with these line pairs spaced every 4-5km. In part of the western section the drilling reverted to single lines 1km to 2km apart. Drillhole spacing along the lines generally ranged between 20m and 50m over mineralised zones with their immediate periphery extending to greater intervals across magnetically barren areas.

Downhole sampling by Mayur has been predominantly on 0.5m intervals. Drillhole spacing for the historical drilling is variable, with some across strike hole spacing of 50m increasing to 200m. The cross section spacing is between 300m and 800m. Several fence lines of holes with roughly 200m spacing have been drilled along strike over the main mineralised strandline. Historical downhole sampling was generally on one-metre intervals unless limited by drill refusal/limitations. Histogram plots of the Mayur DTR composite data for the eastern section indicates a lognormal distribution with a moderate positive skew, refer **PLATE 15**, while sample interval length is shown on **PLATE 16**.

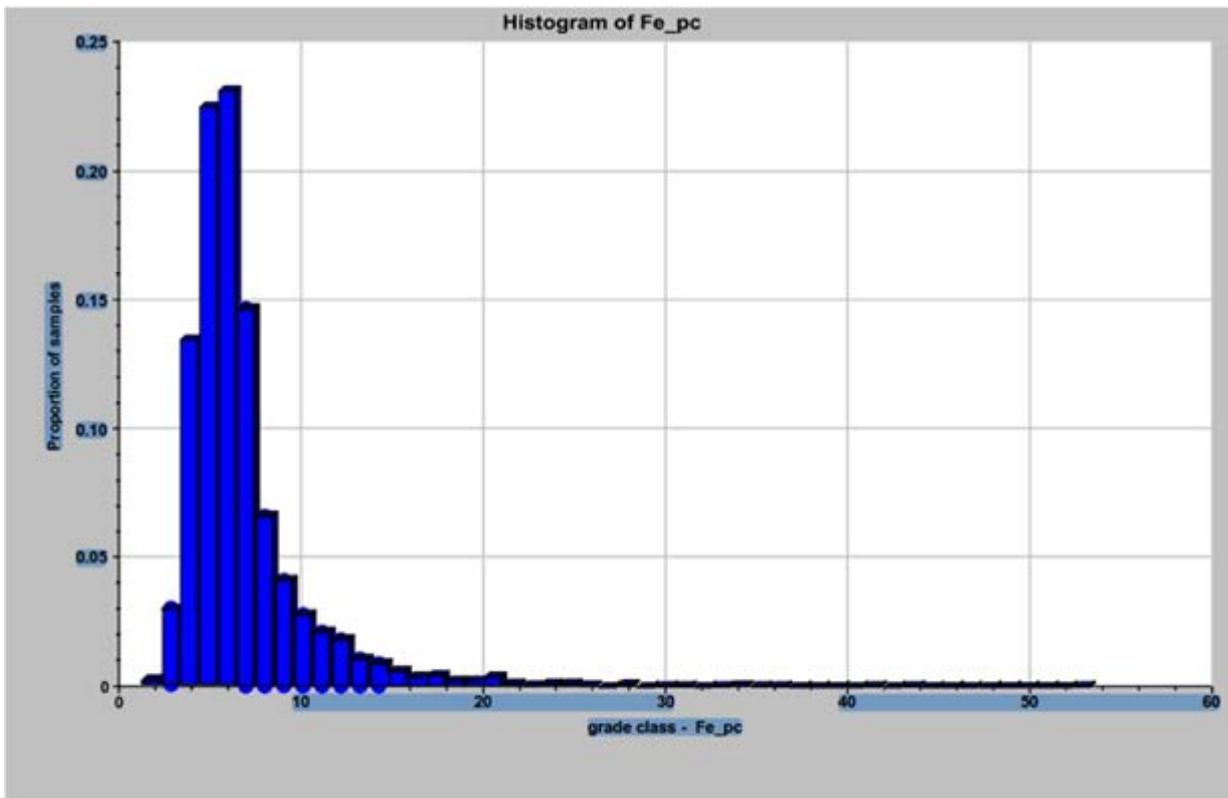


Plate 15: The histogram plot of the sample intervals from Orokolo Bay, indicating a log normal distribution where moderate positive skewness exists.

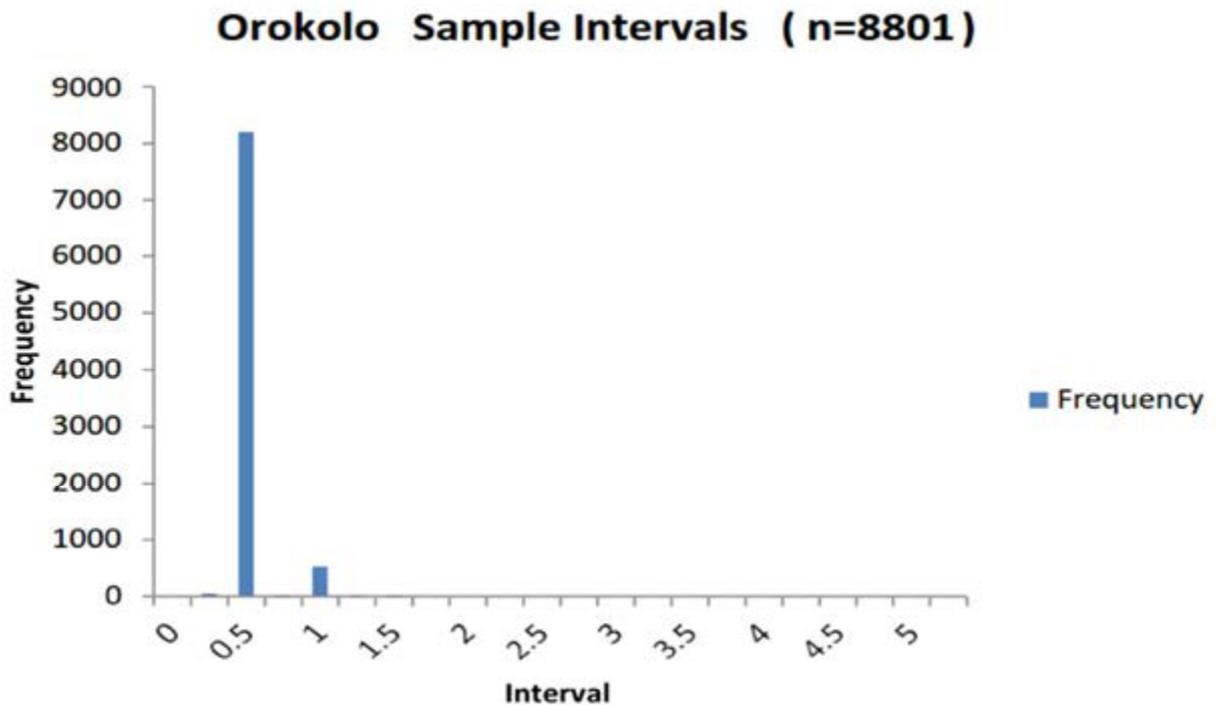


Plate 16: A histogram plot of the sample intervals from Orokolo Bay.

H&SC does not consider top cutting necessary at this stage. In review of the data, we support this assessment.

3.1.12 Quality Control and Quality Assessment

Quality control and assessment is one of the main issues affecting conversion of the resource to JORC 2012 compliance. This is due to a number of factors, however is mainly attributed to:

- The changing and evolving nature of infield testing methods, i.e. hand-held XRF machines and the differences in accuracy, precision and power between the various commercial models available;
- The testing methodology and degree of training provided to the operator/s of the handheld XRF machine;
- The inherited and evolving nature of portions of the data set; and
- The greenfields exploration focus given to the project in contrast to a more typical detailed evaluation.

Regarding the testing completed by the XRF devices, and the standards used to level them, the standards indicate distinct biases associated with the two different portable XRF instruments that were used. For iron this difference is minor, however for titanium and zirconium it is significant. Within the elemental datasets for each instrument there are reasonable levels of precision despite the poor accuracy for titanium and zirconium. The different levels of accuracy for each machine are due to different power ratings. There appears to be no bias associated with time. Calibration corrections were generated for the portable XRF readings from the chemical XRF assays completed by the commercial laboratories. In all cases H&SC considered levelling of the data as an appropriate technique, as opposed to methods like quadratic equations. In review of the data, Groundwork Plus agrees with this statement.

The blank data indicated no issues with the portable XRF analysis. The replicate data for iron showed good precision, however the replicates for titanium and zirconium demonstrated a modest lack of precision, more so with the zirconium data. The field duplicates show no issues with the sampling. The hole twinning demonstrates issues with a lack of short scale grade continuity. Possible reasons for this need to be investigated. It may be a lack of sample preparation prior to the portable XRF analysis.

Importantly, since the initial release of the first 2014 JORC Report on Orokolo Bay all work completed by Mayur has recognised these shortcomings, and works now completed by Mayur are of an accepted contemporary and industry standard, with blanks, duplicates, repeats and blinds now routinely used. More detailed calibration and clearly defined work methodologies are also now used for the XRF testing. Being fixed in time, JORC will always struggle to adapt quickly to new technologies, which in this instance is portable XRF testing. In agreeance with H&SC and provided the sampling methodology remains robust and the XRF results are levelled and calibrated, XRF sampling will continue to provide a useful source of analysis in field assessment of the mineral sands.

In summary, QA/QC should be a focus of any future works completed, as it will help build value in the project, provide for more a robust outcome, help optimise mining of the resource, and aid in identifying future inconsistencies in the resource.

3.1.13 Resource Estimate

The summary statistics for the composite data, in particular the relative low coefficients of variation for all elements, indicates that Inverse Distance Squared would be an appropriate estimation method. Grade estimation was undertaken using Surpac software, with the results loaded into a Surpac block model using search domain constraints derived from the spatial arrangement and distribution of the mineral strandlines interpreted from the airborne magnetic data. H&SC uses expanding search passes to progressively interpolate block grades. Density data was allocated to blocks based on a regression equation derived from the interpolated iron block grade. The 2014 resource estimates covered part of the newly defined western section of the deposit. The new resources for this area represent a 117% increase in tonnes and a 17% increase in iron grade. The increase in grade is due to detailed drilling targeting high amplitude magnetic anomalies indicative of higher grade mineralisation. The larger tonnage simply represents a bigger area drilled, generally to the NW and SE of the 2014 resource estimates, and the increase in the density by 10%. The titanium assay grade has increased by 50% but the ratio of titanium to iron is relatively constant. Combining the original 2014 resource estimate for the western section with the midpoint of the Exploration Target range for a 5% Fe cut-off would indicate a total tonnage figure of around 135Mt i.e. within 3% of the current estimate.

3.1.14 Resource Classification

The resource estimates were classified by H&SC Consultants as either *Indicated* or *Inferred Resources*. The classification of the resource is based on the drill hole spacing and the variography, sampling and assaying techniques, QAQC outcomes, density data, the geological and grade continuity and drilling recoveries. The classification could be upgraded with a significant amount of infill drilling and the collection of direct bulk density measurements. In review of the data we concur with the H&SC Consultants' resource classification. That said, for projects like this which have had limited work completed to date and while considered at Prefeasibility, this lack of data, as required by JORC 2012, does in reality strip out significant value from the economic assessment of the project.

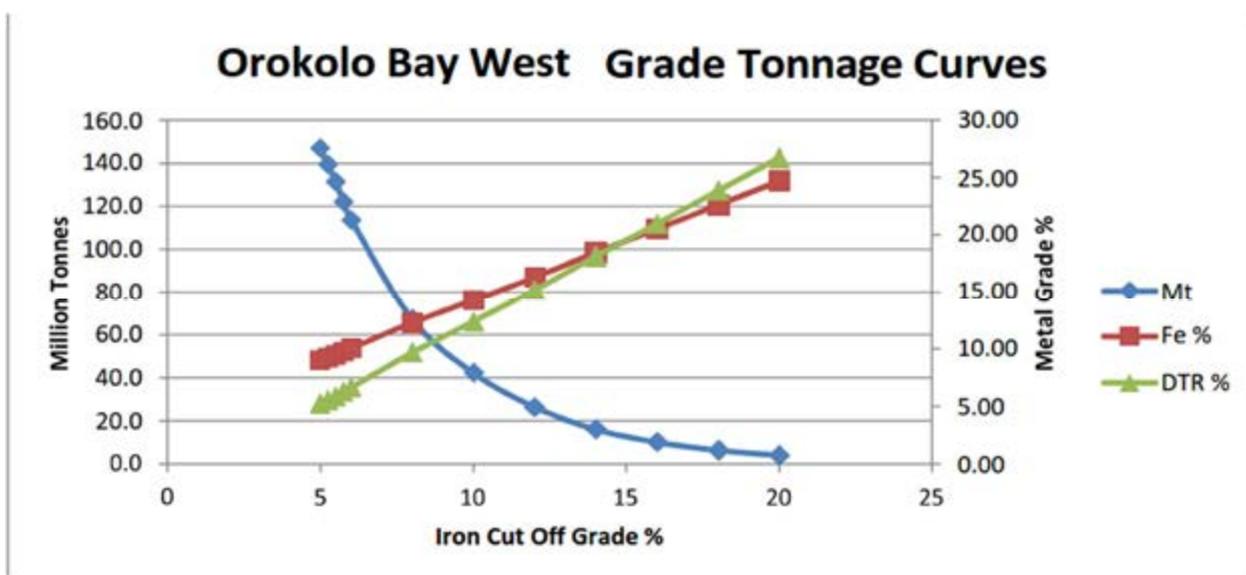


Plate 17: The grade tonnage curve for Orokolo Bay West.

3.1.15 Mineral Processing Flow Chart

The processing methodology for the project is based on an excavator feeding sand material into a feed hopper which then pumps slurry to a relocatable concentrator, refer **PLATE 18**. The product from the concentrator would be trucked to a land-based stockpiling and transshipping facility and the tailings returned to previously mined or barren areas for deposition and rehabilitation.

The processing circuit is non-complex to beneficiate this style of resource and consists of pumping of run of mine (ROM) slurry to a trommel screen to remove +3mm organic and oversize material, followed by two-stage ore upgrading. The first stage would be a gravity circuit to remove lower density gangue material to produce a heavy mineral (HM) concentrate which would then be treated by wet LIMS to make an iron rich product. The rougher LIMS tailings stream would be treated by spirals to make a zircon-rich concentrate that also contains other valuable heavy minerals. Product dewatering would take place before the concentrate is stockpiled for load out.

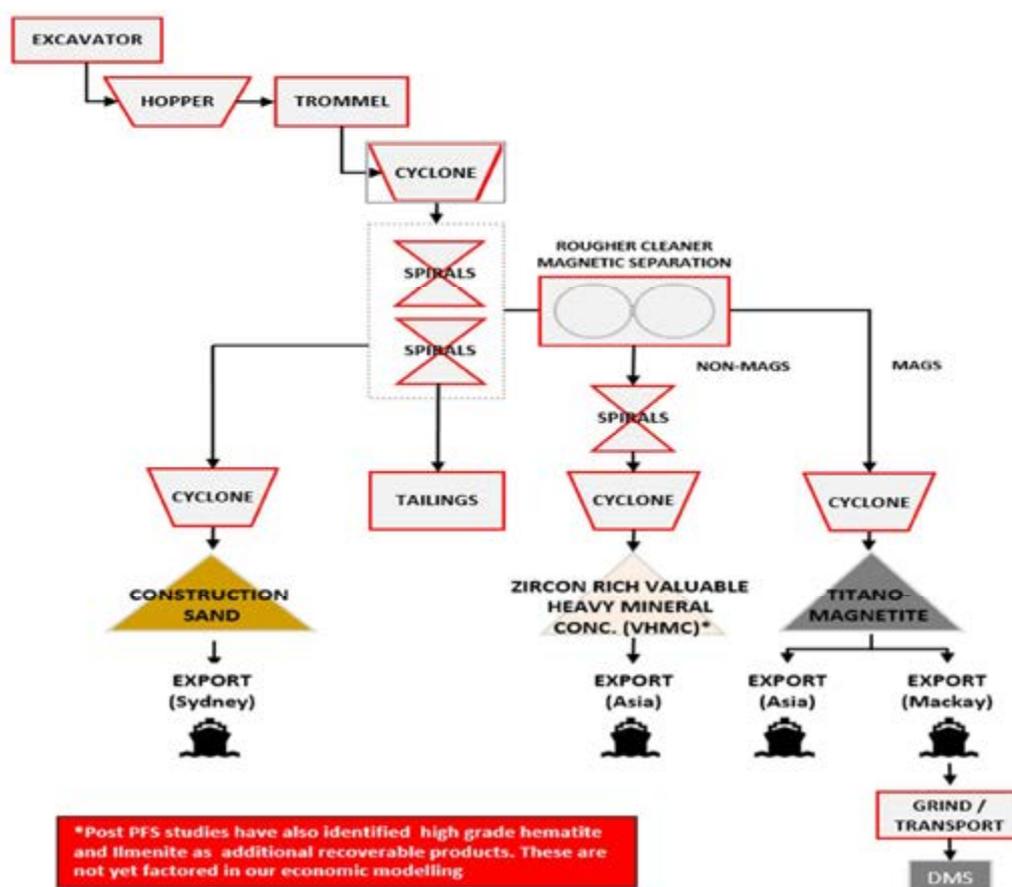


Plate 18: The flow chart of the proposed process used to recover the various phases of mineral from the industrial sands.

XRD test work was completed on this bulk sample and identified recoverable quantities of ilmenite and hematite, refer **PLATE 19**, which were identified in the head feed and extracted in the bulk metallurgical process. That said, more work will be completed on optimising recovery of this material and to then progress these to saleable products to further bolster the project's economics.

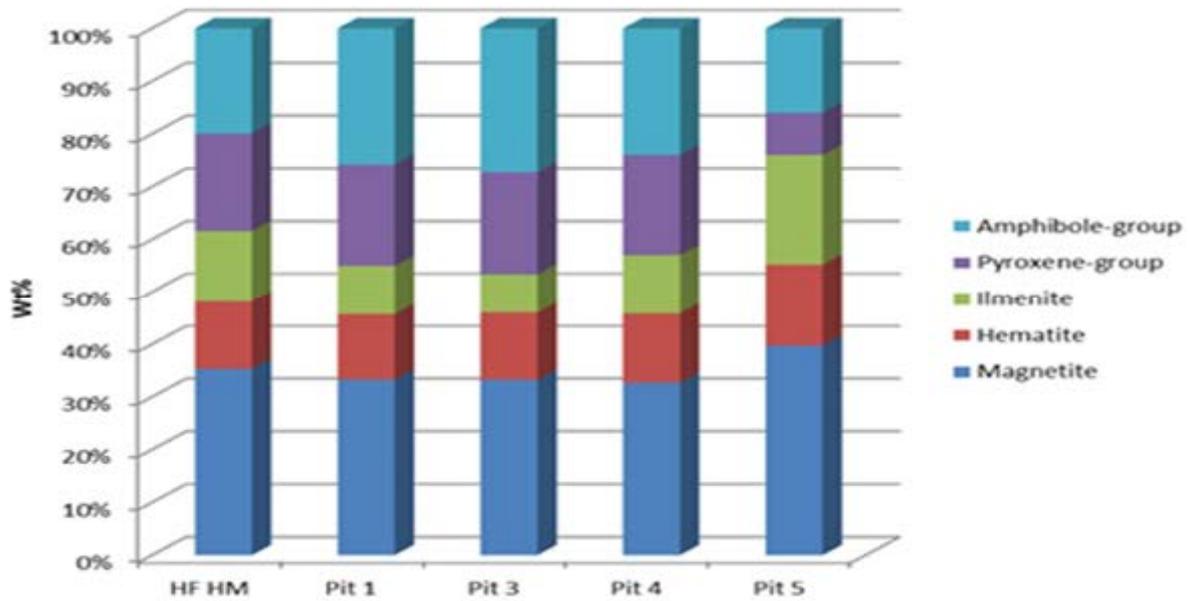


Plate 19: Quantitative XRD analysis was completed on four concentrate samples provided by Mayur, and indicated a significant presence of Ilmenite and Hematite.



Plate 20: Mineral recovered from the magnetic separation process.

3.1.16 Mineral Processing Results

Evaluation of the Orokolo Bay bulk sample demonstrated the following yields and product grades of several products were achievable once the product was screened at 2mm, deslimed, and then the heavy mineral extracted using a multi-stage spiral circuit.

In summary, the yields returned were:

- 96.0% primary magnetite recovery to product with a mass yield of 28% and grade of [57%] which appears with some additional grinding to also be acceptable for Dense Media Separation;
- 72% zircon recovery was achieved into a crude non-magnetite concentrate;
- Secondary titanomagnetite concentrate produced from main magnet circuit contained hematite, ilmenites, secondary magnetite; and
- A roasting trial was completed to convert hematite to magnetite and upgrade ilmenites. Roasting could add another 5% magnetite yield to magnetite product at a grade of 54.3% Fe and 15.2% TiO₂.

In conclusion, it was found that the primary magnetite was appropriate for DMS use. It was also determined that the proposed on-site plant would produce primary magnetite (including DMS) and non-magnetic heavy mineral concentrate containing gold, ilmenite, secondary titanomagnetites and construction sands

3.1.17 Industrial / Construction Sand

As part of deriving full value from the Orokolo Bay project, the suitability of the residual sands which remain after removal of the recovered magnetic fraction and heavy mineral was assessed for use as construction sand. This work involved despatching the residue sand for preliminary test work, initially with Groundwork Plus, who advised that based on the material provided, the sand has suitability for use as fine aggregate in concrete.

3.1.17.1 Groundwork Plus Preliminary Testing

This test work involved:

- Particle Size Distribution works;
- Chemical composition of the sand tails;
- Particle density, water absorption and organic impurities;
- Material finer than 2 micron and light particles;
- Chloride and sulphate content;
- Sodium sulphate soundness; and
- Petrographic examination.

The assessment of the abovementioned test results concluded that:

- The dark grey lithic sand is very fine and well sorted, with high density, being (in general) clean, showing good durability and having a low concentration of chloride and sulphate;
- The XRF assay of the raw sand does not show anything of concern from a chemistry point of view; and
- There is no organic matter present in the sand and the percentage of material finer than 2 microns is well within current specification limits for fine aggregate in concrete.

Resultant of this work it was recommended that an additional suite of testing be completed to further confirm the mechanical properties of the sand. Notably, it was concluded that two issues required further examination: the water

absorption level, which was slightly above the AS 2758.1:2014 *Aggregates and rock for engineering purpose Part 1 Concrete aggregates*, although was compliant with the Queensland Department of Transport and Main Roads Standard, MRTS70; and the potential risk of alkali silica reactivity.

3.1.17.2 BCRC Detailed Testing

Subsequent to this test work and based on the observations and advice provided, more detailed testing was completed by Building & Construction Research & Consulting Pty Ltd (BCRC). This work involved a detailed phase of testing and concrete strength test trialling of the material in various strength concrete mix designs.

Work completed in this phase of testing included:

- Chemical testing;
- Methylene Blue Adsorption (MBV);
- ASR assessment on mortar bar test as per RMST 363 procedure;
- Voids content;
- Micro Deval Abrasion; and
- Concrete Trial Mixes.

Based on the results of the additional testing BCRC concluded that:

- The eight priority metals concentration is within the Health Investigation Levels for soil contaminants (Guidelines on Investigation Levels for Soils and Groundwater). There are no issues with the concentration levels for soil-specific added contaminants limits from environmental point of view.
- The MBV is very low, a clear sign of the fact that no expansive clays, with potential detrimental effect on concrete mixes, are present in the sand tails.
- The ASR assessment as per RMS T363 procedure shows a low expansion at both 10 and 21 days. Therefore, the sand could be classified as non-reactive from an alkali silica reaction point of view.
- The Micro Deval Abrasion test is mainly recommended for fine aggregates to be used in concrete pavements. The loss of 9.4% shows that the sand has a good durability, with the result well within the current specification requirements of max. 15%.
- The voids content is also required for fine aggregates to be used in concrete pavements. As expected, the sand is very fine with a high percentage of voids, and may require high water content in concrete. However, it is important to note that the fine sand is recommended to be used as a blend with coarse natural or manufactured sand in concrete mixes.

3.1.17.3 BCRC Concrete Trials

To further confirm the use of the sand as fine aggregate in concrete, BCRC completed concrete trial mixes using typical proportions of a commonly used 32 MPa strength grade concrete. The scope of the concrete trials was to assess some plastic and hardened concrete properties and, in particular, compressive strength and drying shrinkage. The concrete

mix using Mayur sand tails was compared with a control mix using commercial fine sand used in Sydney's concrete market. The trials were carried out in a NATA registered laboratory under BCRC supervision and the trial mix results are paraphrased below.

- As expected, due to the Mayur sand tails' fineness and high water absorption, the water demand for the 32 MPa mix was higher than control. Therefore, the water/cement ratio for the mix using Mayur sand was higher (0.595 against 0.569 for the control mix).
- There are no issues with air content for Mayur sand (1.3%) and control mix at 1.6%.
- The compressive strength for Mayur sand tails mix was lower at 3, 7 and 28 days. The average compressive strength at 28 days for Mayur sand mix is 2.8MPa lower than control. However, it is important to note that the mix using Mayur sand has achieved the design (32MPa) strength grade.
- Due to higher water demand, the drying shrinkage of the mix using Mayur sand is significantly higher than that of the control concrete at 7,14 and 21 days. It is expected that this trend will continue at 28 and 56 days. As previously noted, the higher drying shrinkage may prevent the use of Mayur sand in some concrete applications such as concrete pavements, major buildings and high-performance concrete where low drying shrinkage requirements are commonly specified.
- On the other hand, higher water absorption of the fine aggregates may be of benefit in specific concrete applications such as shotcrete or in the manufacture of masonry products where low free water contents are required due to the method of placement and where it is difficult to ensure good curing. The additional absorbed water present in the sand assists with continued curing in these applications.

In summary, BCRC concluded:

- The Mayur sand tails are very finely graded, have high density, low chloride and sulphate content and good durability.
- The issue regarding potential for Alkali Silica Reactive (ASR) as highlighted in the petrographic report has been addressed. At BCRC's request, an ASR mortar bar test has been carried out as per RMS T363 specification requirements. Considering the expansion results, the Mayur sand can be classified as non-reactive from an ASR point of view.
- The results of additional tests proposed by BCRC have concluded that the Mayur sand does not contain expansive clays (low MBV) and the sand is durable (Micro Deval). Furthermore, the sand conforms with the current requirements for environment and health investigation level criteria.
- As previously noted, the Mayur sand is very fine, with high water absorption due to its porous nature. In concrete mixes, the water demand is expected to be higher due to these factors. Due to its PSD, it is expected that the Mayur sand be used in blends with coarser fine aggregates in concrete mixes.
- Concrete trial mixes using a 32 MPa strength grade, have concluded that the water demand of Mayur sand mix is higher than control. Due to higher water demand, the compressive strength is slightly lower and the drying shrinkage is higher. The higher water absorption results in higher drying shrinkage and it is expected

that the usage of Mayur sand may be restricted in specific concrete applications. This will restrict its use in concrete mixes for concrete pavements, major buildings and high-performance concrete, where a low drying shrinkage is required. However, the sand's higher water absorption may be of benefit in some concrete applications such as shotcrete and masonry. The fine Mayur sand could be blended with coarser fine aggregates and used in N class (normal) concrete.

While the BCRC statement is technically correct, if the fine sand is blended at more appropriate and optimised levels, as commonly occurs in concrete mix design trials, this issue is not expected to be applicable. As typically occurs in the production of concrete, natural fine sand is blended with coarser manufactured sand to produce a well graded fine aggregate suitable for use in concrete. When blended with manufactured sand and when used in the production of normal strength concrete the sand will be suitable for this purpose.

3.1.17.4 Fine Aggregate Market Assessment

To determine the viability of shipping sand to Sydney for use as fine aggregate in concrete, Mayur completed significant commercial investigations into the sand market in New South Wales. This involved understanding typical sales prices, shipping, unloading and transport costs, and other salient factors which would impact upon the viability of importing the residue material from Orokolo Bay. Resultantly, a comprehensive cost model was prepared by Mayur to understand project viability. This model, which has been accurately costed and tested against the market, demonstrates that clearly importation of fine sand is commercially viable.

To further understand the market dynamics the Institute of Quarrying and IBIS Research were approached. Information was received from both parties on the nature and market conditions extant in the Sydney fine aggregate market. In assessing this information, it is clear that a current and, more importantly, a significant future supply issue exists in the Sydney metropolitan market for fine sand. Resultantly, using the current pricing structure and market conditions, Mayur could effectively supply into the region and maintain a significant commercial advantage.

To benchmark the Mayur pricing model for viability, the proposed sale price and market dynamics were price checked against an independent wholesale supplier, Macka's Sand and Soil Supplies. The key findings of this work were that, while the cost of production ex bin was lower for local suppliers, the costs of transport were significantly higher. This is where the commercial advantage for Mayur lies. Additionally, when the major suppliers of manufactured sand are assessed, including Holcim, Hanson and Boral, it is clear that they have similar cartage distances and costs to Macka's. Anecdotally, it is noted that the major recent quarries developed to service the Sydney metropolitan market are located between 150km and 180km west or southwest of Sydney, with Boral at Peppertree, Holcim at Marulan and Adelaide Brighton at Hartley. Accordingly, under the current and likely future market conditions, the Mayur price model will remain robust. In summary, this work demonstrates viability of importing the fine sand residue into Sydney for use as fine aggregate material.

To advance this portion of the project Mayur has agreed a Heads of Agreement (HOA) with NSW Ports for a site at Port Botany for the import of construction sands – this includes use of the bulk port pumping system and stockpiling facilities. The term is sufficient to operate for the life of the mine. The HOA provides for an exclusive option arrangement until 31 December 2017 to enter into a lease with NSW Ports where all relevant and material monetary and commercial terms have already been agreed in the HOA.

3.1.18 Net Present Value Review

In reviewing the Net Present Value models for Orokolo Bay, both models were interrogated and the assumptions tested to determine the impacts that changing the various parameters has on viability. Clearly, changing variable inputs can have massive impacts on any NPV value, i.e. the spot price of iron ore. That said, some useful frame of reference and commonly used valuation methodology is needed to determine project viability and a potential rate of return based on the currently available information. NPV valuations are commonly accepted as providing a useful insight into the potential value of a project. For this, and , any project, an NPV is not an exact answer; it is a guide to project value, and when production commences the NPV value will have changed. That said, the NPV reviewed for Orokolo Bay is robust and this project will be strongly cash-flow positive provided the general current market conditions and expectations remain extant. In review of the NPV models, and like any NPV model which is forward-looking, neither is “absolutely” correct, although based on the inputs and assumptions used in the assessment of Orokolo Bay it is considered suitably accurate given the limitations of any forward-looking statement.

The study used to generate the NPV has been undertaken to determine project viability and other project metrics. Pursuant to the required guidelines and reporting codes it is considered a preliminary technical and economic study on the potential viability of the Orokolo Bay Industrial Sands Project. Importantly, an internal Pre-Feasibility Study has been completed by Mayur which further demonstrates project viability. To benchmark the project and to confirm project viability along with data input veracity, an independent NPV was also completed by MEC Mining consultants. This study showed project metrics, of a slightly lesser tenor at USD 99.2 million, with this value being non-JORC compliant. The MEC Mining Consultants’ JORC compliant NPV was estimated to be approximately USD 81.4 million, using two excavators. All the NPV values, while technically correct, are considered for practical purposes neither right nor wrong. They simply reflect different input values of the NPV model.

Critically, both the MEC and Mayur NPV estimates are based on low-level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further exploration and evaluation work and appropriate studies are required before Mayur will be able to estimate any ore reserves or to provide any assurance of an economic development case remaining operative. The Scoping Study or NPV value in this instance is based on the material assumptions provided in **TABLE 4**. These include assumptions about the availability of funding. While Mayur and I, in my role as Competent Person, consider all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the NPV estimates will be achieved. To achieve the range of outcomes indicated in the NPV, an as yet undetermined amount of funding will be

required. Investors should note that there is no certainty that Mayur will be able to raise that amount of funding when needed. It is also possible that Mayur could pursue other 'value realisation' strategies such as a sale, partial sale or joint venture of the project. If it does, this could materially reduce Mayur's proportionate ownership of the project. Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the NPV range of values.

In providing this NPV summary it is noted that, because of the reporting requirements of JORC and the ASX, a conservative position is correctly needed. That said, and in this instance given the size of the Orokolo Bay project and the large volume of material in the *Inferred Resource* Category, it is considered that the reporting requirements do deleteriously impact and obfuscate the true value of the project. While the author, as CP, is bound by the relevant Codes, it does not necessarily mean that they should be inflexibly applied without cognisance of the practical issues which ultimately do have a deleterious and material impact upon this project. Accordingly, for materiality and transparency of reporting, it must be considered that, on the balance of probabilities, the reporting codes do negatively and deleteriously impact the most likely true value of this project. This is partially because of the status of the project and the lack of work completed, which has been recognised as an internal issue, and partially, because the likely true value of this project does not conveniently fit into the prescriptive, multi-tiered, risk-averse reporting framework. Clearly by completing more work, which is a good thing and is strongly recommended, the resource status could be upgraded. This work might add value, however it may also deny both the layperson and the sophisticated investor a chance to understand the true value of the project prior to actioning this work.

As required by ASX interim guidance: Reporting scoping studies, the following issues are summarised and reiterated below.

- 1 The forecast amount of extraction is fixed at 5,000,000 tonnes per annum, for a minimum of ten years.
- 2 All provided NPV and IRR estimates are based on this rate of extraction over this minimum time frame.
- 3 All material assumptions are reiterated in **TABLE 4**.
- 4 All *Indicated* and *Inferred Resources* are supported and have been prepared by competent person/s in accordance with the requirements of JORC 2012.
- 5 The volume and category of each resource and other salient information is provided in **TABLES 1 to 3** of this report.
- 6 16.5 million tonnes of material in the Mayur NPV model is currently an *Inferred Resource*. This resource category is of a low level of geological confidence and similarly there is no certainty that further exploration work will result in the determination of an *Indicated Mineral Resources* or that the production target itself will be realised.
- 7 The factors which lead Mayur to believe that it has a reasonable basis for reporting a forecast production target based solely on *Inferred Resources*, are comparatively simple to understand. They are:
 - Comparative geological consistency and homogeneity which is consistent with the geophysical mapping of this large depositional system;

- The Indicated Resource nature of a portion of the resource allows for completion of the first six years of mining while the more peripheral areas are upgraded in confidence levels. The Indicated Resource for commencement of mining helps to confirm that a reasonable basis for a production target exists;
- The broad scale simplicity of the geological model and mineralised system is in contrast to most mineralised systems which are reported on pursuant to JORC;
- The degree of mineralisation in the sands is more akin to an industrial mineral proportion, i.e. 10% and is not parts per million;
- The demonstrated success of these types of projects around the world;
- The value and use of the by-product as construction sand;
- The generally favourable topography;
- The very low stripping ratio;
- The low-risk nature at an operational mining level, i.e. lack of significant (known) constraints, the simple nature of the extraction and the shallow nature of the pits;
- The lack of known or likely significant geotechnical issues;
- Grade control in the bulk of the areas will be visually obvious and highly apparent to the spotter. This will limit dilution and dilution could be used as product in most instances anyway;
- Culturally and environmentally no significant impediments to development are currently recognised, while the area is sparsely populated;
- The project will be viable at significantly reduced values for all commodities in the production chain;
- A JORC compliant resource statement has been prepared by a suitably qualified CP and includes all information as required under Listing Rules 5.22(b) and (c);²⁹ refer **APPENDIX 1 to 3**;
- The stated production target is based on the entity's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met;
- The NPV referred to in this report is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the NPV will be realised; and
- The JORC Table 1 for this report is included as **APPENDIX 1**.

3.1.19 Bulk Mineral Sands Testing

Exploration Licences (EL) do not permit mining but do allow exploration and bulk sampling. That said, Mayur has successfully secured the requisite approval to implement a bulk sampling early operations facility at Orokolo Bay for a

quantity of 100,000 tonnes p.a. (to enable commercial scale customer product testing). This work is scheduled to commence in 2018. This pre-mining assessment plans to extract up to 200,000 tonnes (ie 100ktpa over 2 years) under this exploration license and will be completed as part of the Pilot Plant works.

3.1.20 Mining Lease Application Process

The two most important pieces of legislation in PNG regulating the environmental and socio-economic aspects of the project are the Mining Act 1992 (Mining Act) and the Environment Act 2000 (Environment Act). The Orokolo Bay Project has been determined to be a Level 2B Activity under the Environment Act, specifically, Category 7.2, Mechanised mining on a Mining Lease involving non-chemical processing of more than 50,000 tonnes per annum. This was determined by the Papua New Guinea Conservation Environment Protection Authority (CEPA) in November 2015. Practically this means the project will be required to undertake a less rigorous permitting procedure than most other mining projects in PNG. This is because the Project will not use chemicals in its processing and will also progressively rehabilitate as mining advances. Resultantly this project is considered to have less potential to cause environmental harm than most mining operations. The primary information requirement for assessment of a Level 2B activity is an Environment Assessment Report (EAR) and an Environment Management Plan (EMP).

The environmental assessment would record the baseline environmental conditions and assess the project impacts based on the proposed design and operating plans. This would enable appropriate mitigation and management measures to avoid or minimise the risk. This approach would form the basis of the environmental management plan (EMP). After the process is complete and CEPA is satisfied that the project meets its requirements, an Environment Permit is granted, which is estimated to be around a 4- to 6-month process. Post finalisation of the DFS, the Mining Lease will be granted by the Minister for Mining.

As part of the Mining Lease submission Mayur would negotiate a right to occupy land on commercial terms from underlying-land owners in the same manner as any other individual or entity would in accord with the applicable mining legislation. Most land in PNG is customary, and not subject to legal title, hence these agreements would be with the legitimate land owners and are intended to be finalised during the feasibility study.

3.1.21 Conclusions

In concluding on this project, it is critical that accurate topography of the site is captured. It will also help in identifying practical and physical constraints to the development. Given the proximity to the shoreline and potential impacts of groundwater and surface water inflow, any survey completed should have a maximum average error of 50mm so that the impacts of tidal surge, groundwater inflow and potential surface water ingress can all be appropriately managed, and in cognisance of the geomorphological review.

3.1.22 Reasonable Prospects Test

In assessing this project and the potential for economic extraction to occur, the NPV model developed by Mayur and also MEC, along with the pre-feasibility study, confirm that the project is viable, even making allowance for a significant lowering of respective commodity values. That said, the project does not have a valid mining lease and has not completed the necessary environmental studies to allow granting of the mining lease. Accordingly, we recommend that preliminary studies are commenced at a high level in the immediate future to ascertain what impacts and issues, if any, the project area will face about attaining a Mining Lease over the planned extraction areas. This work should be completed in conjunction with detailed survey and additional drilling to upgrade all confidence levels of the resource, with the ultimate aim of a high level of conversion of the resource to reserve.

3.1.23 Exploration Targets at Orokolo Bay

As part of the work H&SC provided some general commentary on the exploration potential of the Orokolo Bay area. In reviewing the data, we consider this area to be highly prospective for delineating similar sized resources, once the region is further explored using modern exploration techniques. That said, these projects and the projects mentioned in Section 3.17 are exploration targets, and the potential quantity and grade is conceptual in nature. Additionally, there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

Of note, the exploration potential within the Orokolo Bay area is believed to mainly exist in the western section as:

- Infill within the iron sands mineral domain where there are no interpolated block grades.
- Mainly along strike between the paired drill hole fence lines where there is support from the magnetic signatures of the strandlines.
- Where the base of drilling surface potentially over-curtails the resource due to the wide drill hole spacing.
- Replacement of the old holes with new drilling, potentially resulting in an increase in grades.
- In peripheral areas with very limited drilling and/or as follow-up to the holes previously completed.
- Drill currently undefined magnetic anomalies with a view to defining the grade and extent. Better definition may lead to an increase in the resource overall grade and provide a differentiation from low-grade/sub-grade areas.

An Exploration Target for the western section at a 5.25% Fe cut off is considered to consist of 15 to 25 Million Tonnes at 8 to 10% Fe and 5 to 7% DTR. The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource. Exploration potential for the eastern section is considered limited because the narrow nature of the strandlines and the generally much lower grade associated with the mineralisation.

In several instances, the interpreted strandline is terminated, yet the block model is more continuous. H&SC is not sure if this is a function of the interpretation or a real phenomenon, perhaps attributable to erosion of the strandline by an old river. In other instances, the interpreted strandline is continuous but the drill hole spacing only allows for part of the strandline to have interpolated block grades. In several instances, the block grades are likely to be low, possibly below cut off, and therefore could not be called exploration potential. H&SC considers at this stage that the above two items, to a large extent, balance each other out and thus there is very little exploration potential associated with the narrow strandlines. There is some evidence from the magnetic data that these strandlines contain higher levels of magnetite and that further drilling may allow for the inclusion of this material into the resource estimates, although consideration of proximity to the shoreline may rule out any mining option.

3.2 Other Exploration Projects – Industrial / Mineral Sands

Mayur holds a wider portfolio of Exploration Licences in addition to the Orokolo Bay Project. Each exploration licence that Mayur holds is listed in the **TABLE 10 MAYUR EXPLORATION LICENCES**. These exploration licences are targeting similar iron and heavy mineral strandlines. Mayur has conducted various exploration programmes across these prospects including aero magnetics, ground magnetics and drilling programmes while a regional geomorphology study of the Gulf of Papua has also been completed to identify the areas of favoured depositional settings and further targets. The most advanced prospects in the pipeline are at Malalaua, Aivau and Kiwai, all of which have been subject to drilling and assaying. The capital raised will allocate some funds to develop these and other projects across the rest of the portfolio. **FIGURE 6** shows the location of the licence areas and pipeline of project. Similar to the Depot Creek Coal deposit area, Mayur does not consider the Orokolo Bay to be an isolated occurrence of mineralisation but rather part of a mineralised province, with a recent, albeit slightly different example of this being the eastern coastline of Australia, which was comprehensively mined for heavy minerals in the 1950s-70s.

Table 10: Mayur Exploration Licences

Exploration Licence	Holder	Status	Interest	Grant	Expiry
2150	Mayur Iron PNG Ltd	Renewal Submitted	100%	18/12/2016	18/12/2018?
2266	Mayur Iron PNG Ltd	Granted	100%	14/05/2016	13/05/2018
2267	Mayur Iron PNG Ltd	Granted	100%	2/12/2016	1/12/2018
Exploration Licence	Holder	Status	Interest	Grant	Expiry
2268	Mayur Iron PNG Ltd	Granted	100%	2/12/2016	1/12/2018
2269	Mayur Iron PNG Ltd	Granted	100%	14/05/2016	13/05/2018
2297	Mayur Iron PNG Ltd	Granted	100%	2/12/2016	1/12/2018
2303	Mayur Iron PNG Ltd	Granted	100%	14/05/2016	13/05/2018
2304	Mayur Iron PNG Ltd	Granted	100%	14/05/2016	13/05/2018
2305	Mayur Iron PNG Ltd	Granted	100%	14/05/2016	13/05/2018

3.2.1 Gulf of Papua Geomorphology Review

To determine the extent of potential mineralisation in the Gulf Province area, Dr Geoff Pickup was engaged to complete a geomorphological review of the current and paleo depositional systems operating in the Gulf Province. This study

was designed to vector in on favourable depositional sources for industrial sands, similar to Orokolo Bay. In summary, this study demonstrated that the mineral sands are largely derived from the eastern half of the Gulf of Papua and are then moved west by coastal processes. While the larger drainage basins such as the Kikori and Purari no doubt add substantial amounts of potential mineralised material, medium-sized basins, notably the Vailala, Lakekamu, Dilava and Angabanga, are also likely to be sources, as are the smaller basins of Galley Reach in the east. Based on this information and when considered against the work completed by a variety of previous explorers, Mayur pegged the western projects area, principal of which are the Kiwai Island and Deception Bay project areas.

3.2.2 Malalaua Industrial Sands Exploration Target

Malalaua is one of the more advanced Industrial Sands projects in the Mayur Portfolio which has received significant work to date. This area is located to the east of Kerema, refer **FIGURE 6**, and is 250km by road from Port Moresby. The resource size being targeted in this area is of a similar size to that which occurs at Orokolo Bay, i.e. 150-200 million tonnes. Strandlines in this area trend up to 10km inland.

Work completed on the Malalaua site has included:

- An aeromagnetic survey which highlighted 40km of strandlines potentially containing magnetic strandlines (interpreted to be coincident with magnetite and heavy minerals concentrations), refer **FIGURE 7**.
- 67 gridded drill holes completed at Maporo and 13 holes at Malalaua township.
- 500kg sample prepared (compositing 650 drill samples from 80 drill holes).
- Detailed metallurgical testing completed at Robbins Metallurgical laboratory.
- Drilling and sampling has been completed at Aivau Area B and Hisiu Area C, and the samples are currently being prepared for bulk metallurgical test work.

Results from the bulk sample work indicate that the sand contains 31% Heavy Mineral, 9.5% slimes, 0% oversize and 28% magnetite by DTR (800 Gauss), along with 0.18% zircon. These results suggest that this project is comparable with Orokolo Bay if not better. The results also indicated that there is a strong correlation between Fe in ore and % magnetics determined by DTR. In contrast to Orokolo Bay, early test work from Malalaua suggests that this project has 20% of the ore as Ilmenite, zircon and rutile. Fe levels recorded from the magnetite were 57.3% without grinding. Clearly this area with additional drilling has potential to be upgraded in resource status to an *Inferred*, and *Indicated* resource in the near future.

3.2.3 Western Region Industrial Sands Exploration Target

Two main exploration targets have been identified by Mayur in the western region of the Gulf province being the Kiwai Island and Deception Bay project areas. While work is still at an early stage in these areas, as exploration targets they

have exceptional pedigree. Work completed in these areas has consisted of an aeromagnetic survey, refer **FIGURE 7**, drilling, sampling and several scoping studies.

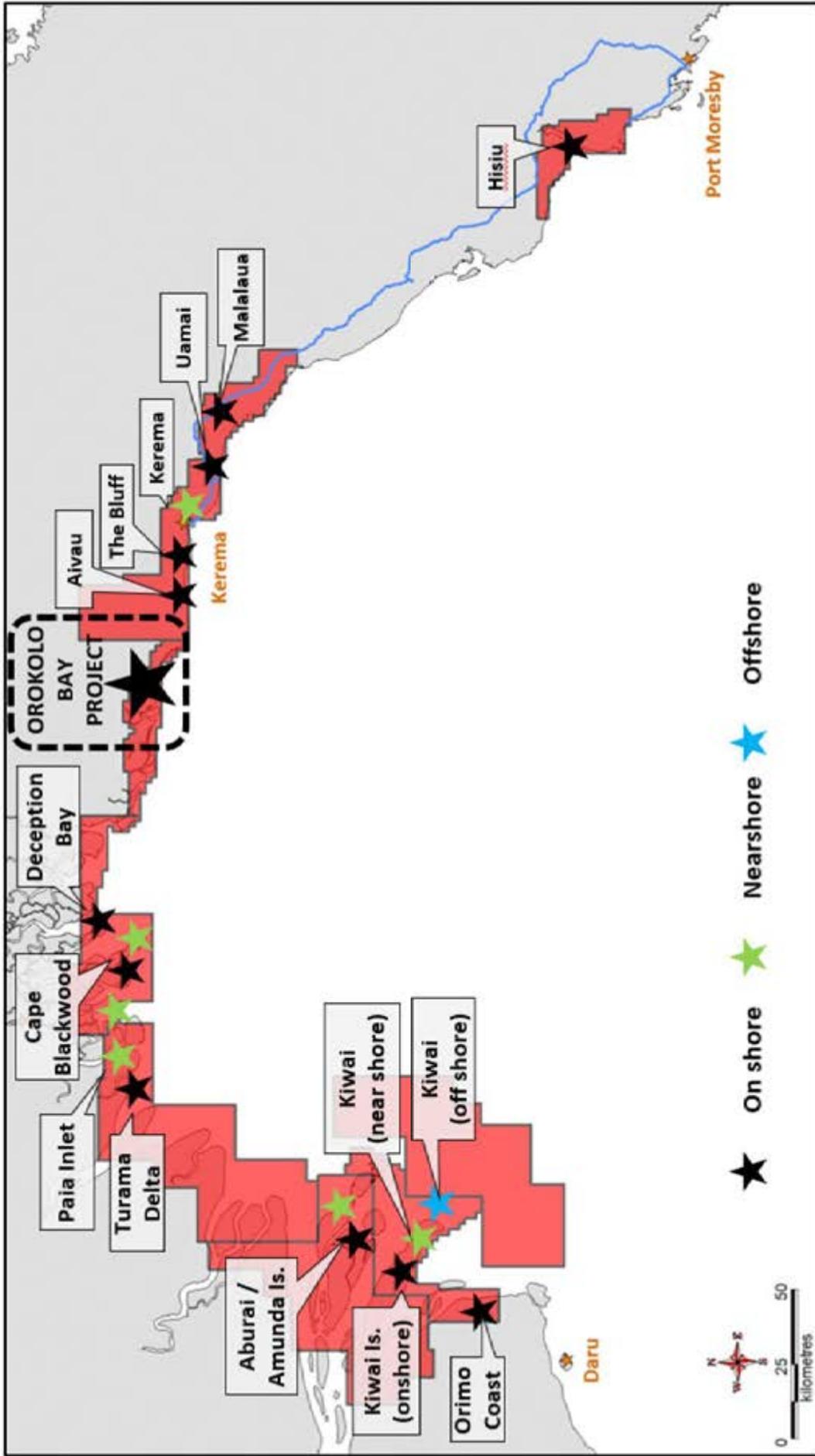


Figure 6: Mayur Exploration Licences in the Gulf Province and other prospective targets as of 5th of July 2017.

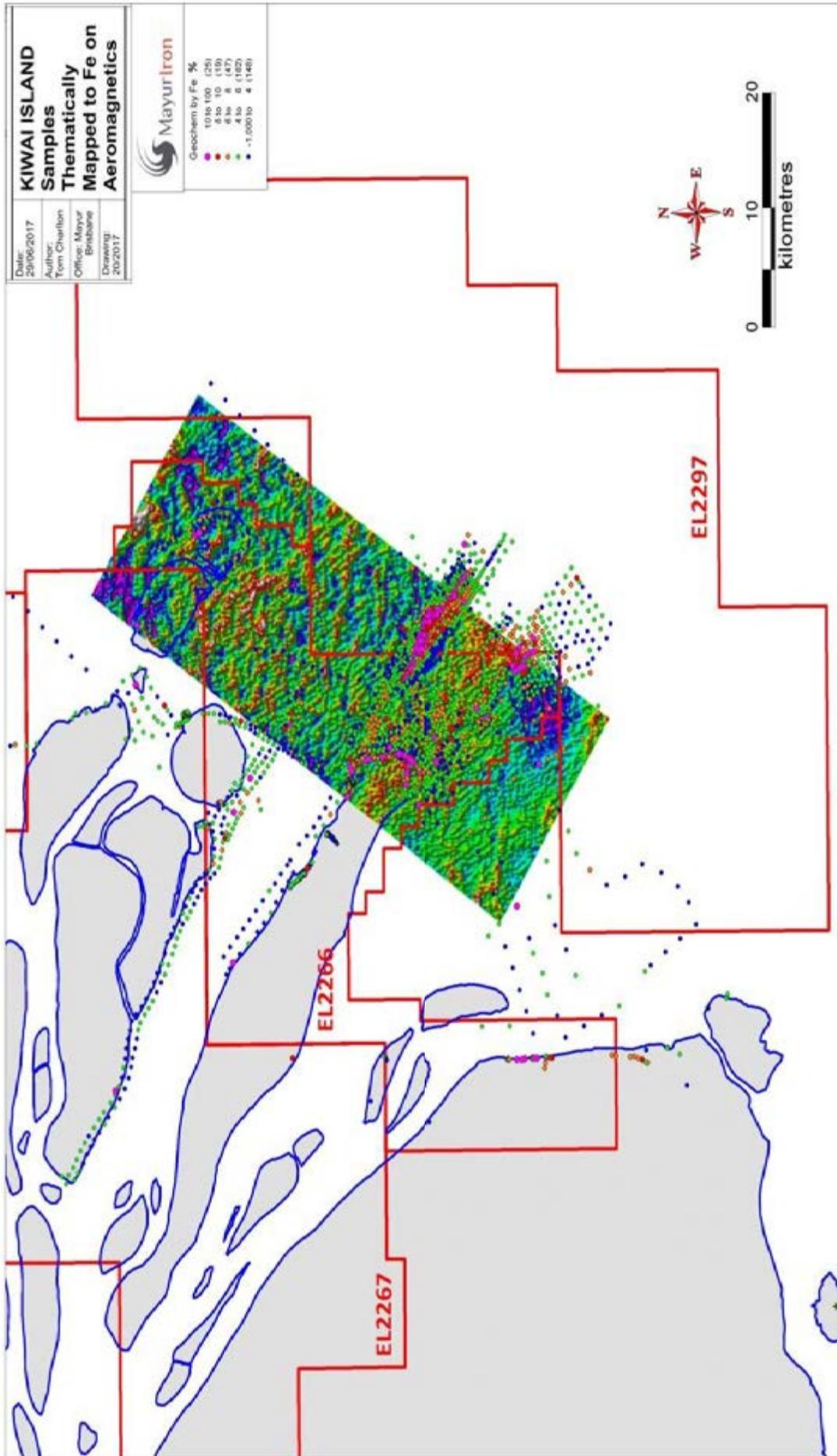


Figure 7: The aeromagnetics draped over the coastline of the Kiwai Island project areas. The long-elongated anomaly at the tail of Kiwai Island has been subject to extensive sampling. This area is open to the NW and the SE. The red colours are the magnetic highs in the aerial survey image.

The resource target based on grab sampling is very large. Previously a high level non-JORC compliant total resource of 280 million tonnes was estimated for this area. This estimate provides an idea on the potential size and scale of this area however it has not been validated and, to reiterate, is non-JORC compliant.

3.3 Moresby Limestone and Aggregate Project

3.3.1 Project Background

The Moresby Lime and Aggregate Project is considered an exploration target pursuant to JORC 2012, and it is not yet classified as a mineral resource. The site is located approximately 27km northwest of Port Moresby, refer **PLATE 21**. This project is in its relative infancy and is not yet a mineral resource or ore reserve as there has been insufficient exploration to estimate a Mineral Resource. Additionally, it is considered uncertain if further exploration will result in the estimation of a Mineral Resource, while all quantity and grade regarding the limestone project at this stage is conceptual in nature. That said, encouraging results have been returned from the recent and ongoing drilling, which demonstrate geological continuity over much of the project area in that every hole has commenced in limestone, beneath a thin skeletal soil profile, and has terminated in limestone at depths up to 100 metres vertical below the current ground level.

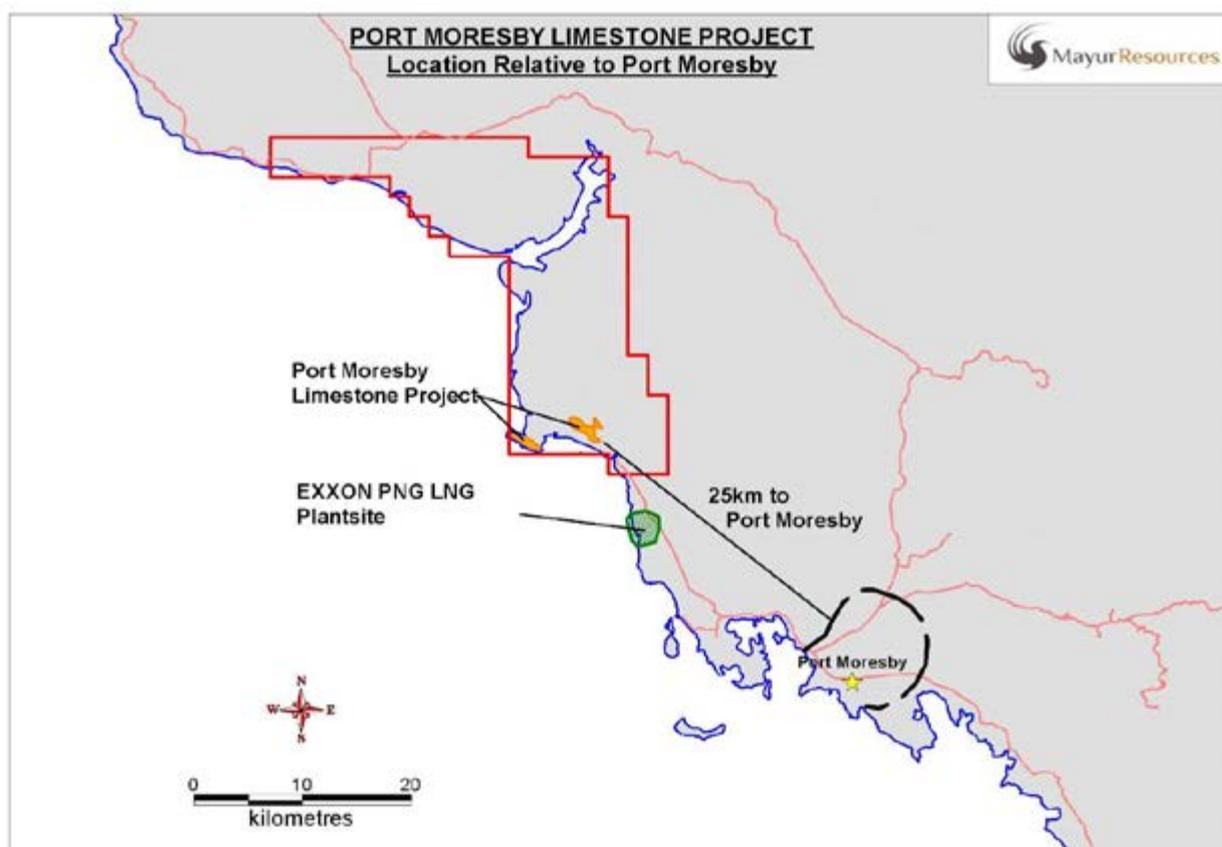


Plate 21: The location of the Port Moresby Lime and Aggregate project in relation to Port Moresby and the nearby PNG LNG plant as of 5th July 2017.

3.3.2 Status of Exploration Work

At the date of writing, drilling was ongoing, with three core holes having been completed. The aim of the core drilling is to further evaluate the site for the potential to produce lime, aglime, lime sands and a range of construction materials which could be suitable for use as aggregates for road making and in concrete. Given the current paucity of this type of material in the area, this project represents an interesting and potentially low-cost entry point for Mayur into the industrial minerals and construction materials market. Additional work to be completed in the next few months involves continuation of the core drilling, along with detailed geochemical testing and engineering test work to be completed on the drill core. Survey work, trenching and further field mapping will also be completed to further understand the nature and distribution of limestone material on site.

TABLE 5 summarises the average content of the assays collected from surface to date and is based on a total of 61 surface rock chips collected on a 400-metre spaced grid. Hand-held XRF analysis has been completed on the rock chips, and while the results of this work are still being assessed, it is readily apparent that there will be a high degree of correlation between lab analysis and XRF field samples once the samples have been levelled. No detailed NATA certified geochemical analysis has yet been completed on the drill core, as the material at the time of writing is still being processed. While a detailed survey is yet to be completed which would help determine tonnages available, a conceptual tonnage range for the project is considered between 200 to 300 million tonnes. Grades cannot be accurately assessed at this stage of the project. This conceptual grade and tonnage range is approximate in nature and simply involves taking the surface area of the project looking at the currently understood thickness of the limestone based on the early drill results and then considering the currently available geochemical data. All grades and tonnes reported for this project are approximate only and are still considered conceptual in nature.

Table 5: Rock Chip Assay Summary

Al ₂ O ₃ %	CaO%	CaCO ₃ %	Fe ₂ O ₃ %	MgO%	MnO%	SiO ₂ %	LOI%	NV%
0.39	54.22	96.77	0.23	0.42	0.02	1.1	43.44	96.92

No engineering test work has been completed to date to determine the suitability of the limestone for use as a construction material, however this work is planned to be completed in the third quarter of 2017. It is salient to note that the largest quarry in Port Moresby focuses on the extraction of limestone material, and the Kido/Lae Lae project area could provide an alternative source of construction materials to the capital, when access is established.



Plate 22: Drilling on the Kido hill area.

3.3.3 Conclusions

While the resource is not yet considered JORC compliant, mainly due to the lack of data and currently incomplete drilling programme (a JORC Resource shall be completed by late 2017). The geological continuity visible on site is high, and in contrast to most JORC reported styles of mineralisation, the geology of these types of deposit, in this area, is comparatively straightforward. The geochemical data is also relatively consistent with an average CaO content of 54.4% returned from 64 rock chip samples, while associated CaCO₃ levels >97%. The range of grades encountered is between 91 and 99% CaCO₃. Trace to minor amounts of silica, iron and magnesium along with other trace elements occur throughout the rock, however none of these elements are at levels, when considered against relevant standards, which would preclude using the material for production of a wide range of lime and lime associated products.

4 Copper and Gold Projects

4.1 Kabang (Feni Islands) Gold Project

In mid-2015 Mayur engaged H&SC Consultants to complete an initial resource estimate on the Kabang Gold Deposit which is located on Ambitle Island in the New Ireland Province of PNG, refer **PLATE 23**. H&SC classified the resource pursuant to the 2012 JORC Code & Guidelines, with a total *Inferred Resource* of 19.9 million tonnes at 1.01 grams/tonne Au, estimated to occur in the main mineralised zone of Kabang. Additionally, a low tenor of copper mineralisation has been recorded in several of the drill holes completed in the southern area of the project. The majority of this ITA regarding Kabang has been a review and assessment of the data provided by H&SC as the relevant work has already been completed. Accordingly, where relevant and for brevity, relevant information is paraphrased by Groundwork Plus. That said, a detailed audit and validation of all data and assumptions has been completed.

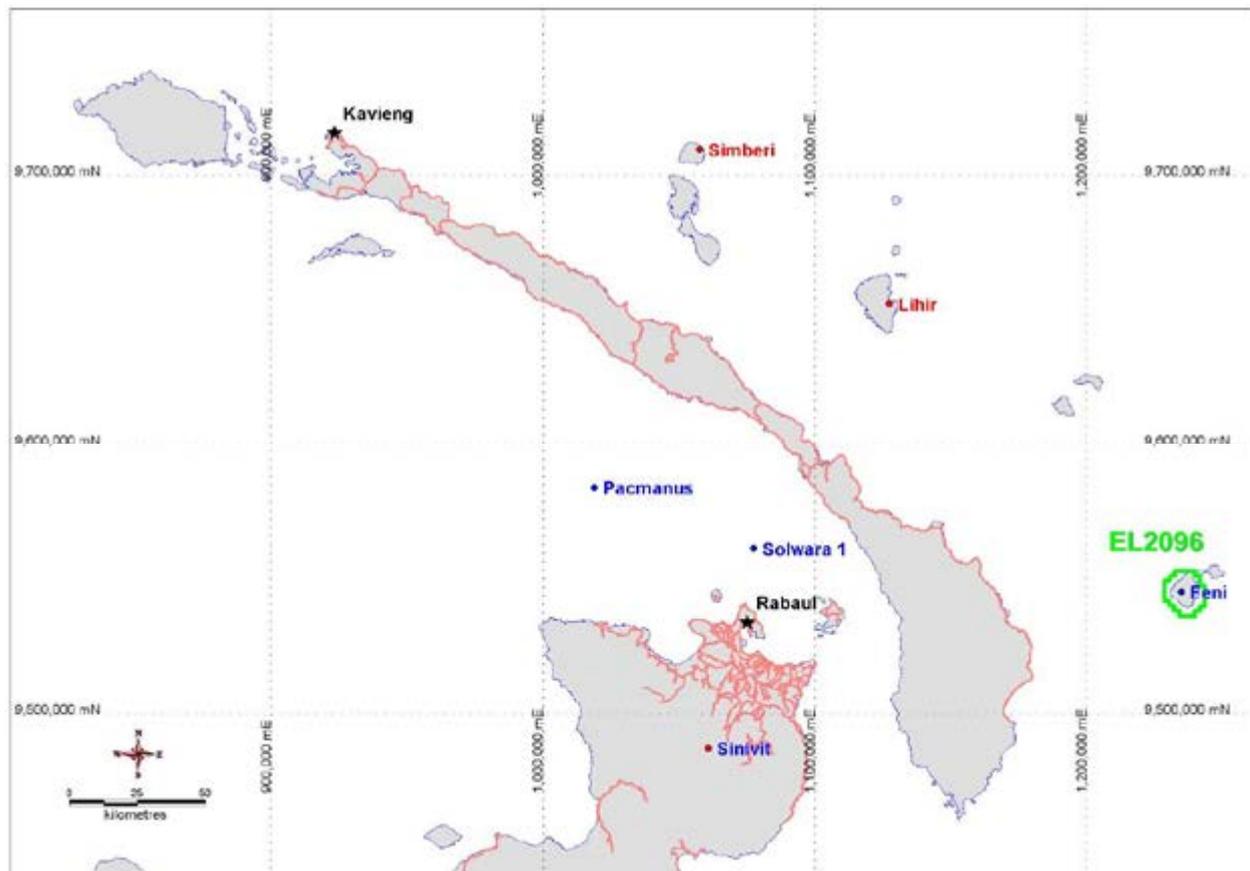


Plate 23: The location of the Feni Islands in within New Ireland Province.

While this project does have a valid JORC compliant *Inferred Resource* extant, this work was completed to determine at a high level what quantum of mineralisation has been identified to date by all previous drilling. This project represents a moderately advanced and what is considered to be a highly prospective exploration play. It is not coincidence that this project has a high degree of exploration pedigree with Bougainville, Simberi and Lihir, all of which occur in the same island arc system. Importantly, this project has not been seriously targeted since the last work was completed

in the late 1990s and since that time the understanding of these systems has increased, while advances in exploration technology makes exploration of these types of systems more targeted and effective.

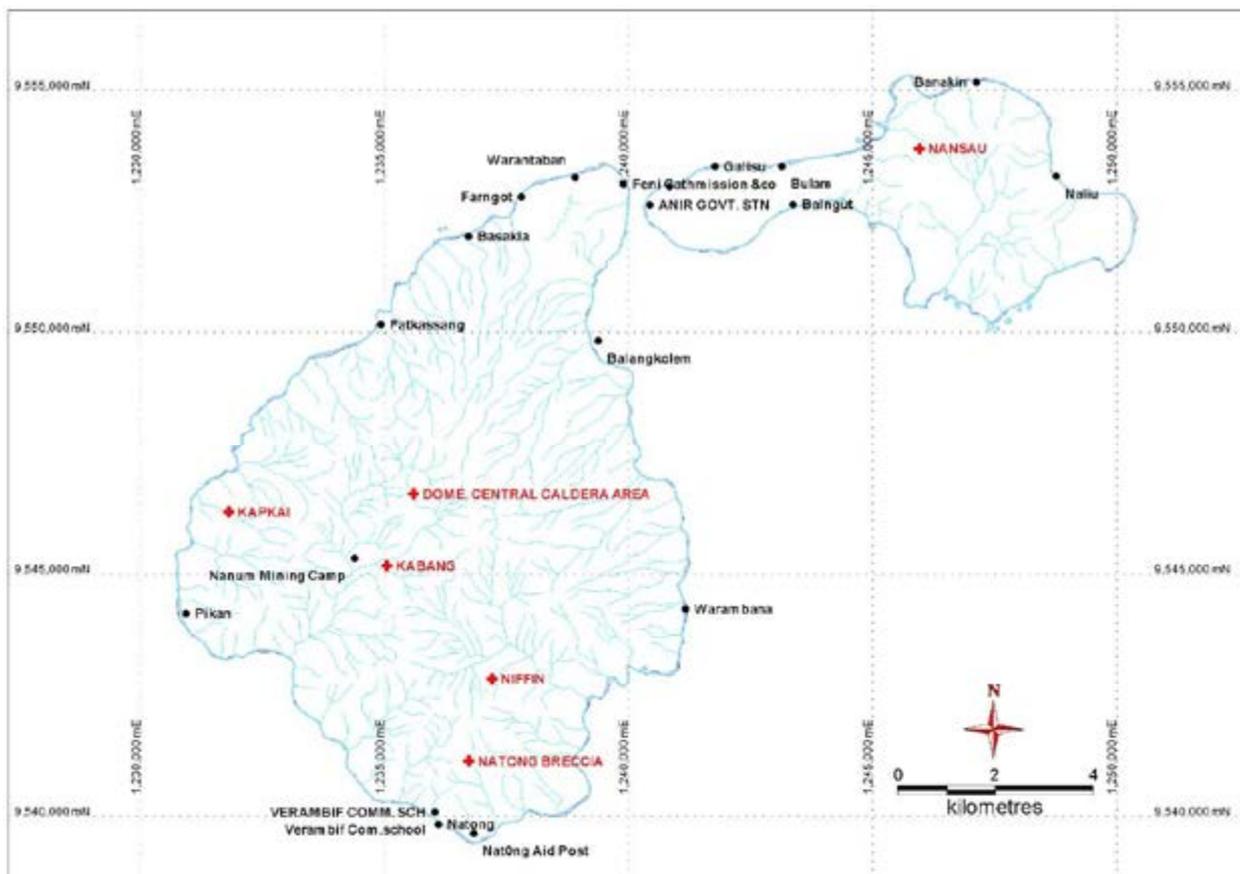


Plate 24: The location of the project areas of Kabang and Dome on Ambitle Island. Babase Islands is the smaller island to the northeast.

4.1.1 Project Background

The Feni Islands comprise two islands, Ambitle and Babase, which are situated northeast of the Papua New Guinea mainland. They are part of the arcuate chain of volcanic islands known as the Tabar-Feni-Bougainville chain. Lihir Island, with its associated large-scale epithermal gold deposit, is one of the islands in this chain. The arc is an evolving island arc first active in the early Tertiary and still active today. Mayur has an Exploration Licence (EL 2096) which covers the entire islands of Ambitle and Babase.

The exploration history of the property begins with basic exploration work completed by ESSO in the early 1970s. This included RC drilling of up to 17 holes over Ambitle Island but unfortunately all assay and geological information has been lost. Further ESSO work was undertaken in the 1980s and comprised a substantial amount of diamond, RC and aircore drilling over a range of prospects and included the discovery of the Kabang gold deposit. More drilling, mainly RC and diamond, was completed by Ingold and City Resources in the early 1990s. Further drilling was completed by Macmin in the late 1990s and with joint venture partners (New Guinea Gold as Vangold).

tephra over the middle part of the island, forming a mantle up to 50m thick. Numerous active thermal areas occur on Ambitle mostly aligned along young faults or on caldera (crater) ring fracture zones. Older counterparts of these thermal areas are considered the main exploration targets.

Gold mineralisation is associated with the Matangakaka Intrusive Complex which lies at the southern margin of the volcanic crater. The intrusive phases consist of syenite and monzonite in association with hydrothermal brecciation possibly the result of a diatreme breccia.

The later trachyte units are interpreted as flat-lying lavas and are thought to mask the gold-hosting volcanic and intrusive units. Lindley has presented reasonable evidence that the volcano is not a collapsed caldera but rather a crater the result of an eroded volcanic cone.

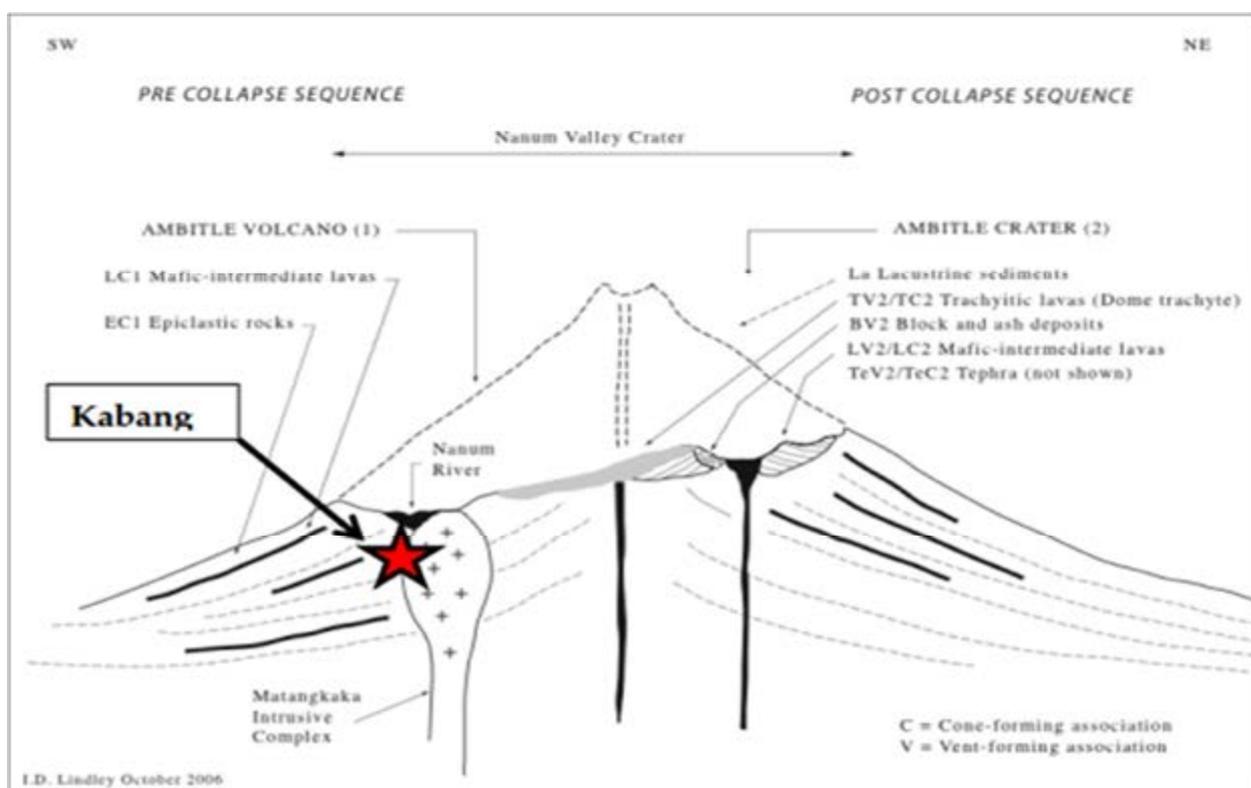


Plate 26: The interpreted geology of Ambitle Island in cross section provided courtesy of Mayur Resources, after Lindley.

4.1.3.1 Leach Geological Review

As part of compiling and collating all the available data on Ambitle, Mayur identified work from esteemed geologist Terry Leach, who visited the site when working for Macmin, and from which the below few paragraphs are taken.

“The geological evolution of the Kabang mineralisation revolves around the formation of a stratovolcano built of alkalic volcanics and intruded by high level alkalic intrusions such as monzonites and syenites. This resulted in the formation of a zoned alteration – with a mineralisation system around one phase of the magmatic cycle. This included widespread potassic alteration, and with cooling the overprint of phyllic assemblages. In the absence of

dating, but based on analogy with Lihir, there could have been the emplacement of a later intrusion possibly controlled by the regional graben-like structures. This may have introduced a second alteration and mineralisation and could account for much of the adularia as opposed to orthoclase in the rocks. It is proposed that this second event triggered the eruption of the diatreme breccias and introduced sulphide mineralisation in response to the mixing of cool surficial with deep hot hydrothermal fluids. This is the main sulphide depositional phase and introduced the pervasive low order gold into the system. In cooler parts of this second system, drawdown telescoped CO₂ rich fluids down from shallow condensate reservoirs into the hot reservoir, depositing zoned carbonates and possibly gold and base metals. Later alteration with cooling saw the deposition of interlayered clays including chlorites and illites. A stage of chalcedonic quartz accompanies this stage, and the acid cap alteration at Kabang is probably a recent past product of this system.

From petrology undertaken in this study, and from the data presented for this report, it is clear that on Feni Island there are several distinct styles of mineralisation that need to be identified spatially, and tested in accordance with the target type. In structures on the margins of intrusions, or at depth in the carapaces of stocks, there is the potential for porphyry Cu-Au deposits, especially where the phyllic event descends to the environment close to the intrusion itself. Secondly there are significant base metal intercepts, and several varieties of possibly zoned carbonates have been recognised; this suggests there may be potential for carbonate- gold base metal styles of mineralisation on Feni. Lastly, it is clear that there is a well-developed epithermal overprint on Feni; this suggests that there may be high grade gold zones perhaps associated with late stage chalcedonic quartz veining.”

This information has been included because it provides an independent and technical insight into the prospectivity and potential of the island from a highly reputed and seasoned professional.

4.1.4 Previous Work

A total of 45 holes for 5,289m and 2,590 gold assays were used in the resource estimate comprising predominantly diamond coring with some RC and Aircore drilling (1,460m). The sampling length varies between approximately 0.1 and 15 meters, due to various phases of drilling by different companies. Drill spacing is irregular with a nominal spacing of 100m in the central part of the deposit increasing to 150-200m further out.

H&SC constructed a topographic surface from 2.5m and 5m contour LIDAR data which was provided by Mayur. A total of 2,355 two-metre drill hole gold composites (unconstrained data selection) were used to estimate the mineralised bedrock (Domain 2) and 555 composites were used to estimate the tephra unit (Domain 1) for the area of the intended block model. Comparison of copper and gold sample grades indicated no correlation.

Drilling for the general Kabang deposit area comprises a mixture of Aircore, RC and diamond drilling completed by various companies since the 1970s. A total of 45 holes for 5,289m and 2,590 gold assays have been used in the resource estimate, comprising predominantly diamond coring with some RC and Aircore drilling (1,460m).

The drilling information was supplied in the AGD66 Zone 56 grid coordinate system for the easting and northings. The location method is unknown but appears to be at least from hand held GPS. H&SC did not verify or validate the hole positions. The Kabang deposit has been drilled on an irregular basis, at a nominal spacing of 100m in the central part of the deposit increasing to 150-200m further out. Twelve of the holes are inclined at 50 degrees to 60 degrees with the remainder, 33 holes, drilled vertically.

4.1.5 Data Validation

The data was loaded into an Access database with H&SC performing only very limited validation of the data and did not detect any obvious problems likely to impact significantly on the resource estimates. Minor edits to the database were fixed as necessary. The quality control procedures for assay and sampling were not investigated by H&SC, so responsibility for quality control resides solely with Mayur. H&SC noted that sample recovery, density measurements and sample QAQC (standards, blanks, duplicates) were not provided.

Mayur has supplied the drill hole database for the deposit, which H&SC has accepted in good faith as an accurate, reliable and complete representation of the available data. H&SC created an Access database from the supplied Excel spreadsheets. H&SC performed only very limited validation of the data and did not detect any obvious problems likely to impact significantly on the resource estimates. The quality control procedures for assay and sampling used for the drilling were not investigated by H&SC, so responsibility for quality control resides solely with Mayur. In review of this database Groundwork Plus found no material issues.

4.1.6 Data Interpretation

An assay sampling table for the Feni Islands was provided by Mayur that contained 8,701 intervals. 4,356 samples have gold and copper assays, 3,772 samples have gold only assays, 231 samples have copper only assays, 265 samples have an allocated sample number but no assays and 77 intervals have no sample numbers or assays. A majority of the missing assays are outside the Kabang area, although a substantial number of copper assays are missing for MAD holes 2 and 9. For the holes used in the gold resource estimates for Kabang, the sampling length varies between approximately 0.1 and 15 metres. A histogram of the sample lengths indicates a dominant sample length of 2m. The varying sample lengths are the result of various stages of drilling by different companies.

A total of 2,359 two-metre drill hole composites, minimum composite length 1m, were used to estimate the mineralised bedrock (Domain 2) and 551 composites were used to estimate the tephra unit (Domain 1) for the area of the intended block model. Composites were subdivided to the above and below tephra domains with no compositing across the tephra boundary.

A review of the coefficients of variation (CV) for both domains indicates single populations. No top cutting was applied to the data. The relatively low CV for gold is cited by H&SC to indicate that Ordinary Kriging (OK) can be used as the

appropriate modelling method. At a practical level, completing additional geostatistics on an *Inferred Resource* is considered to be of limited use, and monies would be better directed to testing the resource potential.

4.1.7 Quality Control and Quality Assessment

One sample in drill hole MAD006 from 42 to 44m has a suspect gold grade of 16.3g/t Au and H&SC removed this sample as it would have a substantial impact on the block grade interpolation. Groundwork agrees with removal of this outlier however we suggest that, as a priority, additional exploration works work should confirm the validity or otherwise of this sample, as it may represent higher grade epithermal mineralisation.

H&SC also noted that:

- No density data was supplied;
- No digital sample recovery data was supplied;
- No QAQC data was supplied; and
- Mayur is taking responsibility for the collar locations, downhole surveys and sampling and assay values.

Similar to Orokolo Bay, and given the relative infancy of this project, these issues, while not ideal, are commonplace for projects early in the development cycle and are to be expected, given the historical nature of the data.

4.1.8 Resource Estimate

In regard to the Inferred Resource Estimate completed on the site, Ordinary Kriging was used by H&SC to interpolate block grades for gold with a block size 25m by 25m by 10m (X, Y & Z) with no sub-blocking. The mineralisation was modelled horizontally using a three pass search strategy. The initial search ellipse was 100m by 50m by 25m (X, Y & Z) increasing to 200m by 100m by 50m with the initial minimum number of data being 17 decreasing to 8, and the minimum hole count being 3 decreasing to 1. The base of tephra was used as a hard boundary. Reporting of the resource estimates used a 0.8g/t gold cut off for material beneath the tephra cover. A default density value for the mineralised bedrock of 2.6t/m³ was used as no data was supplied. The JORC Table 1 for this report is included as

APPENDIX 2.

All resources are classified as Inferred based on the wide and irregular drill hole spacing, no QAQC data and no density data. Model validation consisted of comparing block grades with composite grades. This was done on both a visual and statistical basis.

The Kabang gold deposit was estimated on the assumption that the material will be mined by open pit methods. The block model is in the AGD66 Zone 56 grid. The east and north dimensions were chosen on a nominally quarter of the distance between drill hole intersections. The vertical dimension is based on a possible bench height for mining.

4.1.9 Conclusions and Recommendations

In conclusion, this project when revisited should be targeted with contemporary exploration techniques, using contemporary standards, sampling protocols and procedures to upscale the resource classification for the project. Additionally, the set of recommendations provided by H&SC are generally concurred with, although the majority of these comments revolve around QA/QC and are not issues with the project potential per se. That said, the key recommendations generated by H&SC are provided below.

Any new drilling and sampling needs to incorporate the following:

- QA/QC program;
- Regular and frequent density sample measurements of core samples from all zones for each hole;
- Record sample recoveries for each hole;
- Record rudimentary geotechnical information i.e. RQD rock quality fault zones etc;
- Definition of oxidation zones; and
- Confirmation of historic hole collar coordinates.

4.1.10 Reasonable Prospects Test

Given the state of this project, i.e. it is considered to be a highly prospective exploration project, and provided all reasonable efforts are made to upgrade the resource, then it is considered this project passes the reasonable prospects test, because of the tenor of mineralisation encountered to date and the pedigree of the terrain in which it is hosted. That said, and like any exploration project, it remains an exploration project because economically recoverable levels of mineralisation have not yet been identified. Benchmarking this project versus the myriad of other exploration projects which occur across the globe would suggest that this project is within the upper percentiles of prospectivity and, in reality, this is all that can be said in regard to the reasonable prospects test, in that it is considered reasonably prospective.

4.1.11 Exploration Targets

The exploration potential of this area is high – very high. It is considered that as a pure exploration play this project does have features similar to many of the giant deposits discovered in the same island chain. Superlatives aside, on-ground work needs to be completed to ascertain viability. Given the on-ground skills of Mayur and based on the modelling data provided by H&SC, we agree that many of the targets warrant additional work. We also suggest that time on ground is needed to develop this project, and desktop assessment and review will generate little if any future value. Additionally, this project and the projects mentioned in Section 4.10 are exploration targets, and the potential quantity and grade is conceptual in nature. Additionally, there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

Future works to be completed should target the possible shallow extensions of gold mineralisation north, northeast and south of the newly defined resource. Significant widths of low-grade copper mineralisation are spatially associated

with the main gold resources and appear open to the south. The last item represents possible porphyry copper-style mineralisation. A key feature for consideration in gold exploration at and around Kabang is the option for blind, flat-lying mineralisation lying beneath the later tephra cover and trachyte flows. A key feature for copper mineralisation is the recognition of typical porphyry copper alteration zones, which remain open in most directions, refer **PLATE 27**.

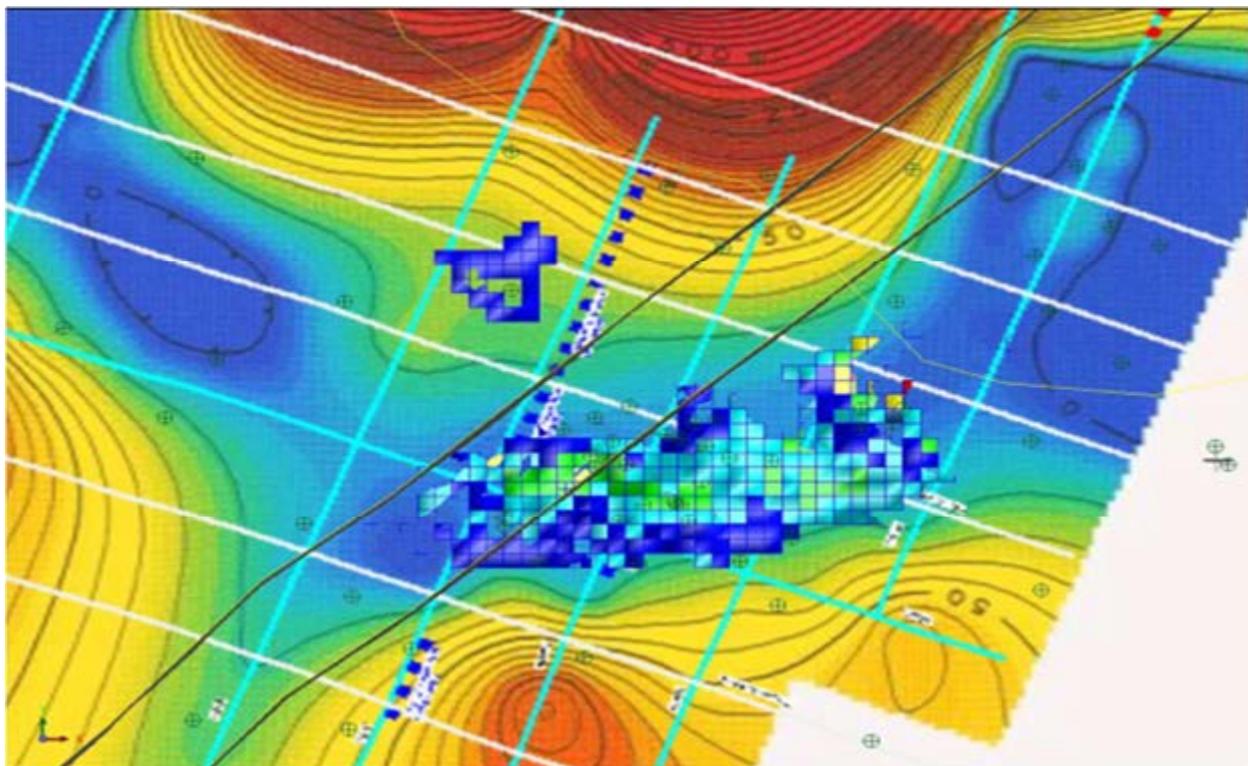


Plate 27: Gold Resource (0.1g/t Au), Kabang Fault Zone and Resistivity Data (plan view). Within the block model or blocks the warmer colours denote higher grade.

4.1.11.1 Kabang Exploration Model and Review (Dr Lindley)

Additionally, review of the exploration analysis and exploration planning completed by Dr Lindley was assessed with the exploration focus and targets generated by Dr Lindley summarised in **PLATE 28**. This evolution on the understanding of the deposit will be targeted by deep drilling aimed at the deeper feeder sections of the system.

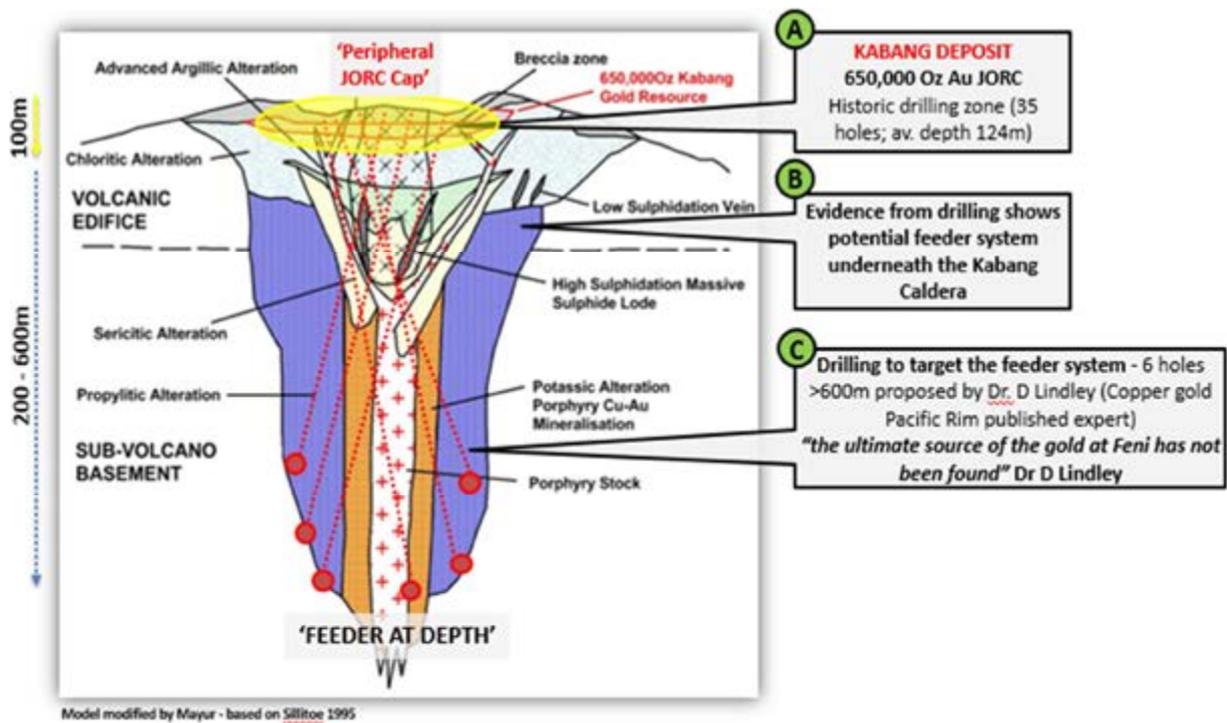


Plate 28: The exploration rationale developed by Dr Lindley.

4.2 Other Exploration Projects – Copper / Gold

Mayur has developed a portfolio of high-quality copper/gold exploration licenses in PNG with the locations of these project areas shown on **PLATE 29**.

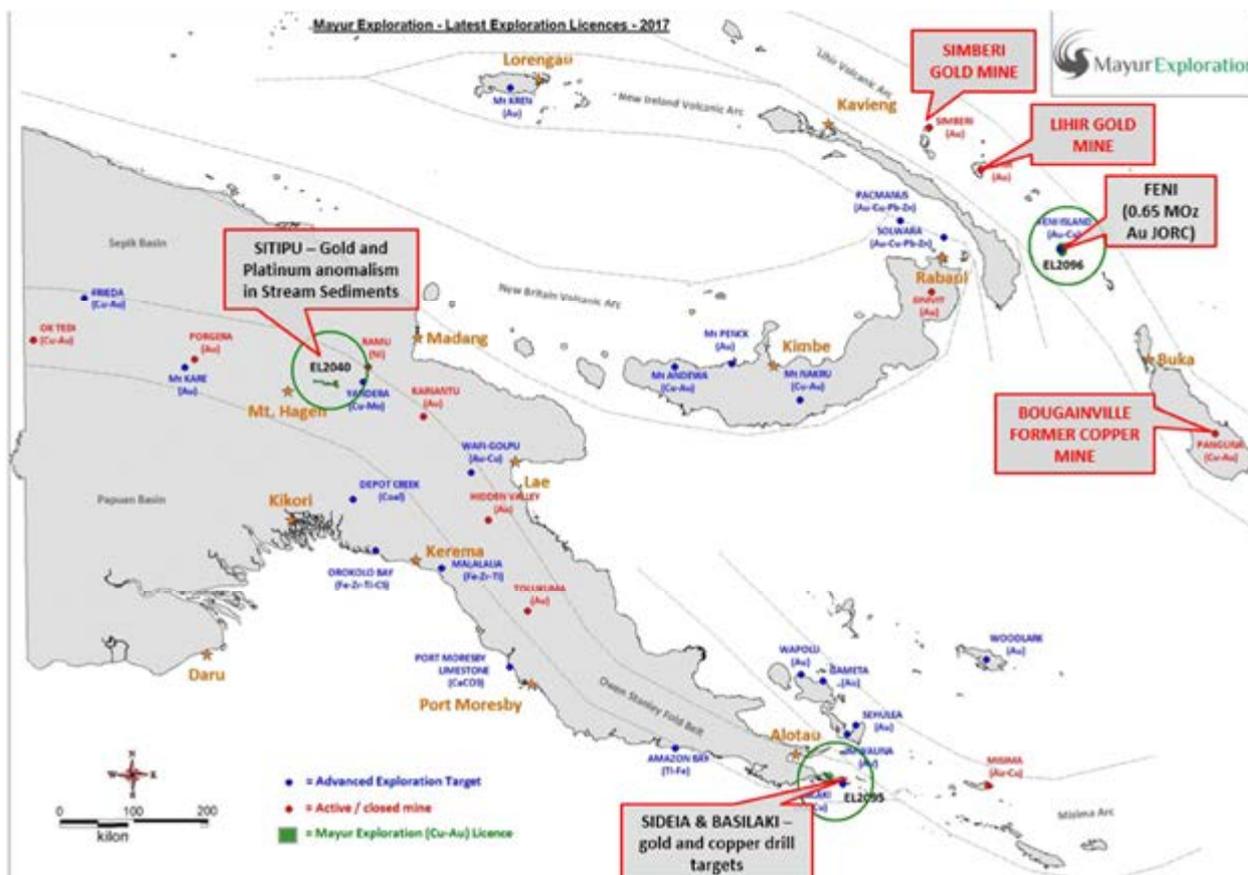


Plate 29: Location of the Gold Copper Exploration Licences as of 5th July 2017.

All projects are easy to access, with island projects all accessible by banana boats, refer TABLE 11.

Table 11: Mayur Exploration Licenses

Project Name	EL Number	Status	Area Km ²	Mineralization Style
Feni Island	2096	Under renewal*	191	Volcanic Arcs, Calderas & porphyries
Sideia	2095	Granted	150	High grade hydrothermal vein system
Basilaki	2095			Porphyry System
Sitipu	2040	Granted	123	Porphyry System

* ELs are currently at the final stage of the renewal process with the PNG Mines Minister. Mayur has no reason to doubt that these ELs will not be renewed, as the renewal applications have been accepted by the authorities in PNG and the hearings conducted.

4.2.1 Sideia and Basilaki Islands Exploration Targets

Basilaki and Sideia are two separate projects on adjacent islands in Milne Bay Province under the same EL2095, refer PLATE 30. Mayur has entered into an agreement with a large north American operator on the Basilaki/Sideia Copper Gold project. This commits the developer to a minimum level of due diligence and exploration expenditure and then (subject to certain conditions) entry into a Joint Venture development agreement with the north American developer for the Basilaki /Sideia Copper Gold Project.

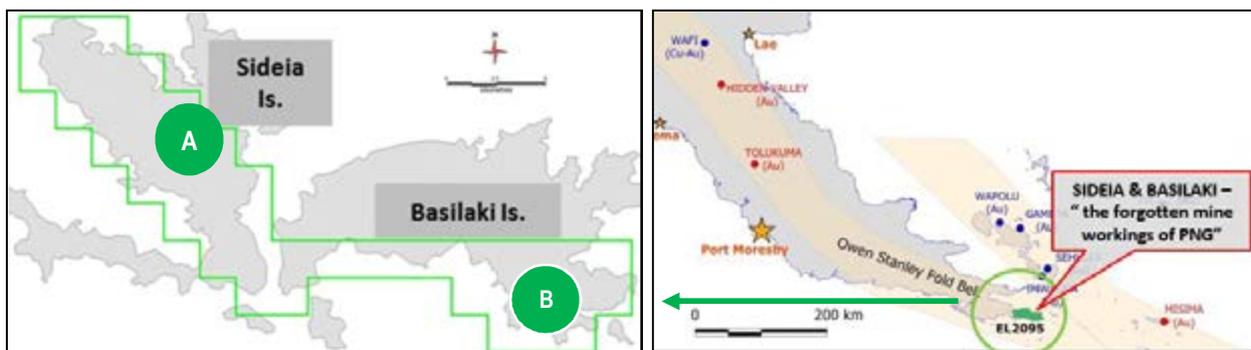


Plate 30: Sideia and Basilaki Island project prospects as of 5th July 2017.

4.2.2 Sideia Project Exploration Target

The Sideia copper gold project comprises a 10km-long zone of high-grade, narrow vein mineralised structures, refer **PLATE 31**. There has been high-grade (>10%) copper samples collected at Yamaloi and Magipota prospects with rock chips up to 27.5% Cu, 3.92 g/t Au, 397ppm Mo. Sideia Island was subject to narrow vein copper mining activities in the late 1800s, with the shafts and adits located by The Company. The project has the potential to be porphyry at depth as indicated by anomalous Molybdenum assays in multiple samples and presence of black magnetite in some veins. All exploration works currently being undertaken are funded through the proposed joint venture arrangement.

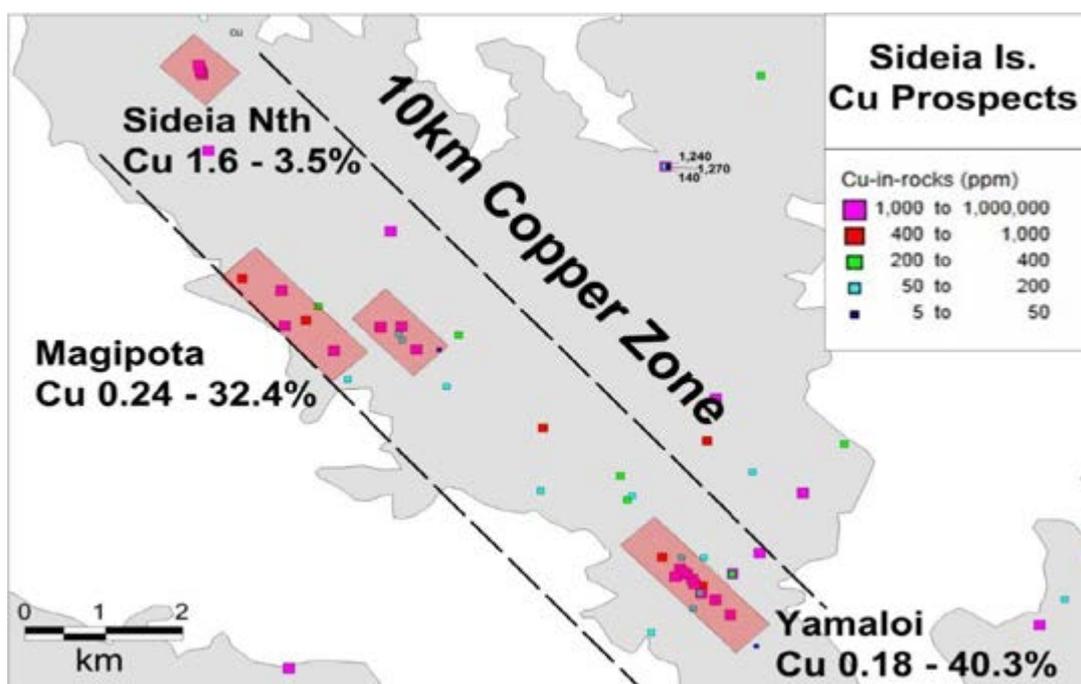


Plate 31: Sideia Island – previous copper grades and 10km structural zone.



Plate 32: Copper staining on rocks near Yamaloi; old copper workings portal (circa 1890s) at Yamaloi.

4.2.3 Basilaki Project Exploration Target

Basilaki Island is home to the Tunawada copper gold project whereby historic exploration has demonstrated highly prospective copper and gold anomalies. The system can be described as a multi-phase porphyry system, with copper and gold defined in two separate zones. There has been extensive chlorite-sericite-pyrite-silica alteration system confirmed, implying greater possibility for potential economic mineralisation. **PLATE 33** shows the thematic maps for the historic copper and gold sampling works – also note that they are open to the south and west.

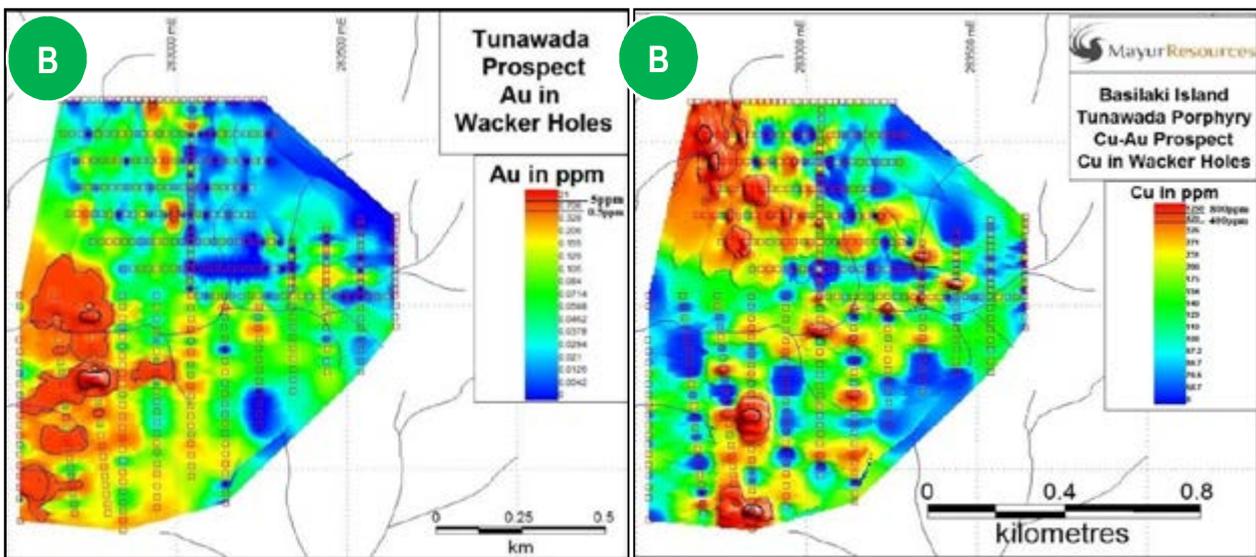


Plate 33: Thematic heat maps for gold and copper on the Tunawada prospect. The blue squares represent the location of the Wacker Holes.

The Company also undertook rock dating and petrology studies. The Tunawada rocks came back as being 12.9ma (million years old) putting them in the same date range as some other world-class deposits in PNG such as Wamum 11Ma, Wafi-Golpu 13-14Ma, Frieda 11-14Ma. Petrology Studies concluded the presence of visible chalcopyrite – a copper mineral and associated ‘potassic’ alteration and good indicator for porphyries. This type of potassic alteration is usually needed as background alteration to host significant copper mineralisation. All exploration works currently being undertaken on the Basilaki project area also being are funded through the proposed joint venture arrangement. At the time of writing the company recently concluded an IP survey at the Tunawada Project with results to be released in the near future.

4.2.4 Sitipu Project Exploration Target

Sitipu Project is located on the prominent Owen Stanley mineralised corridor. The tenement is in close proximity to multiple well-known and established copper-gold prospects. These include:

- The Quartz Diorite 'Maramp' porphyry copper-gold-molybdenum occurrence 2.5km north of the tenement (and associated Maramp alluvial gold deposits downstream).
- The Volcanogenic Massive Sulphide (VMS) style 'Munmul' copper-gold prospect 1.5 km to the north of the tenement. Munmul's best drillhole was DH 33 m averaging 0.66% Cu, 4.8% Pb and 2.5 g/t Ag.
- The Granodiorite copper-gold mineralised porphyry at 'Tsim River', 4.5 km north of the EL.
- A prominent ENE trending structure intersects the eastern area of the tenement – a possible feeder structure to the massive Yandera porphyry copper deposit 30km to the east.
- Presence of Middle Miocene-aged Dioritic intrusives (Kimil Diorite) within the licence, suggests potential for copper and gold mineralisation.

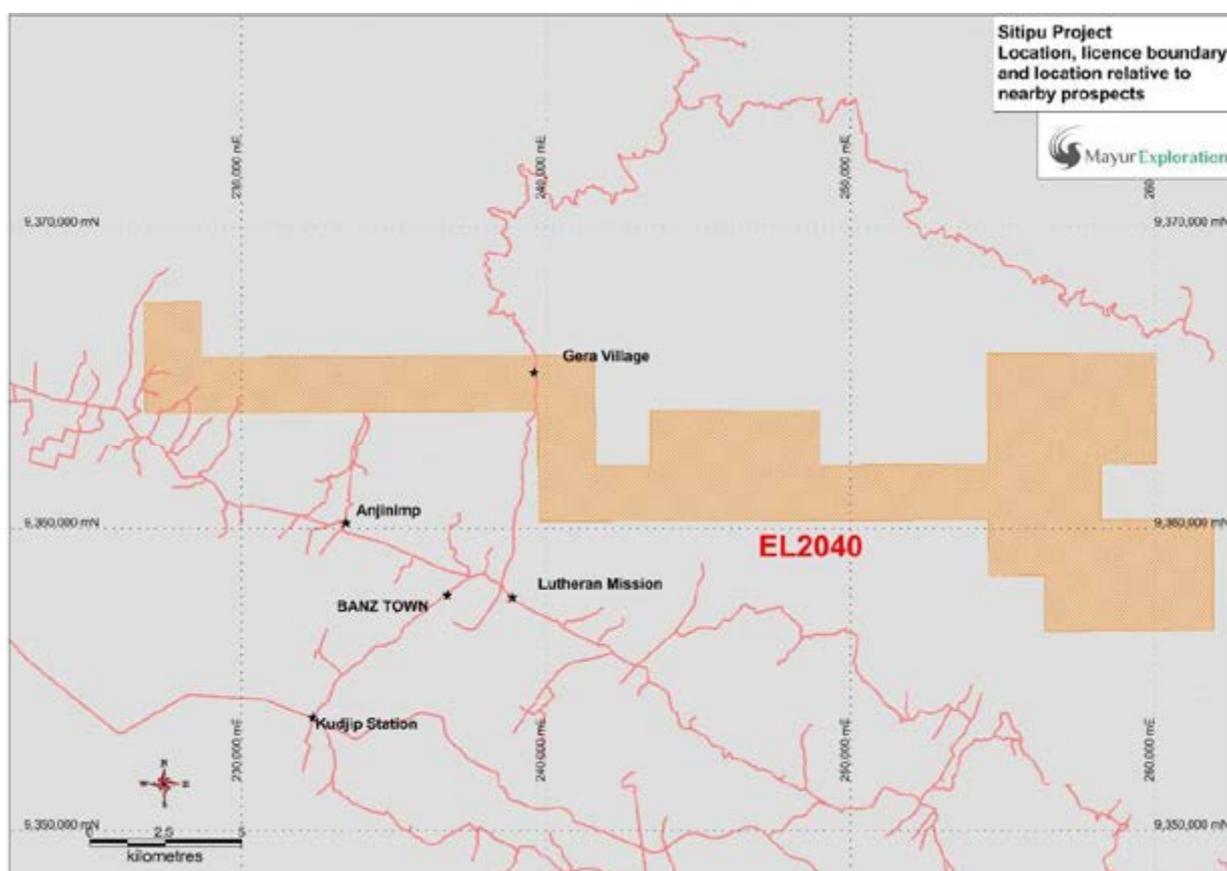


Plate 35: Sitipu tenement outline in relation to local access and infrastructure as of 5th July 2017.

5 Coal Projects

5.1 Depot Creek Coal Project

In April 2016 Mayur engaged Resolve Geological Consultants (Resolve) to complete an initial resource estimate on the Depot Creek Coal Resource area which is located to the north of the Orokolo Bay Industrial Sands Project in the Gulf Province of Papua New Guinea. Resolve classified the resource pursuant to the 2012 JORC Code & Guidelines, and delineated a total *Inferred Resource* of 11.5 million tonnes of low-rank, low-ash, low-sulphur, sub-bituminous thermal coal. Resolve, in their work, derived this quantum and quality from the cored holes drilled by Mayur, however and importantly, this drill data was supported by mapped outcrops of the coal seams and associated sampling. Much of this mapped outcrop that was sampled is from partial seam intersections (due to surface exposure and partial erosion) and as such does not contribute to grade estimates.

Resultantly, the majority of this ITA regarding Depot Creek has been a review and assessment of the data provided by Resolve as the relevant work has already been completed. Accordingly, where relevant and for brevity, relevant information is paraphrased by Groundwork Plus from this report. That said, a detailed audit and validation of all data and assumptions has been completed, however it is strongly recommended that the content of the report is considered in full. It is noted that the Resolve report, while short, is suitable to the nature and degree of the resource being reported on. This is because the confidence level of the resource is an *Inferred Resource* and trying to overly complicate the nature of the project by over-reporting would serve little purpose.

While this project does have a valid JORC compliant *Inferred Resource* extant, this work was completed to determine at a high level what quality and quantum of coal has been identified to date by all previous drilling. This project represents an advanced, ie prefeasibility stage, and what is considered to be a highly prospective exploration play, which is not an isolated occurrence of thermal coal but rather is indicative of an entire basin-wide thermal coal province, similar to those mined in parts of Indonesia and Malaysia. Resolve, in their exploration summary, suggest targets containing up to 210 million tonnes of thermal coal could occur in the area. These numbers, while conceptual, provide an indication on the potential size of the resources that might exist.

5.1.1 Project Background

The project area comprises four exploration licences (EL1873; 1874; 1875; and 1876) held by Waterford Ltd. and two exploration licences (EL2150 and 2305) held by Mayur Exploration PNG Ltd and Mayur Iron PNG Ltd respectively. The tenements are located within the Era Purari area of the Gulf Province. All reported resources within this report are within EL1875.

The geography of the tenements comprises both low undulating coastal estuarine floodplains and steep, structurally controlled hills, which arc in an east-west trend across the northern reaches of the tenements. The Kikori, Era and Purari Rivers are present within the project area. Kerema is the main regional centre for the tenements, however the

regional centres Kikori and Baimuru provide service points for the Kikori, Era and Purari Rivers respectively. All three rivers are navigable and act as the main supply lines and access for local people, petroleum exploration and logging activities.

5.1.2 Tenure Details

The details of the current tenure are provided in **TABLE 9**, while a summary map is provided in **PLATE 36**.

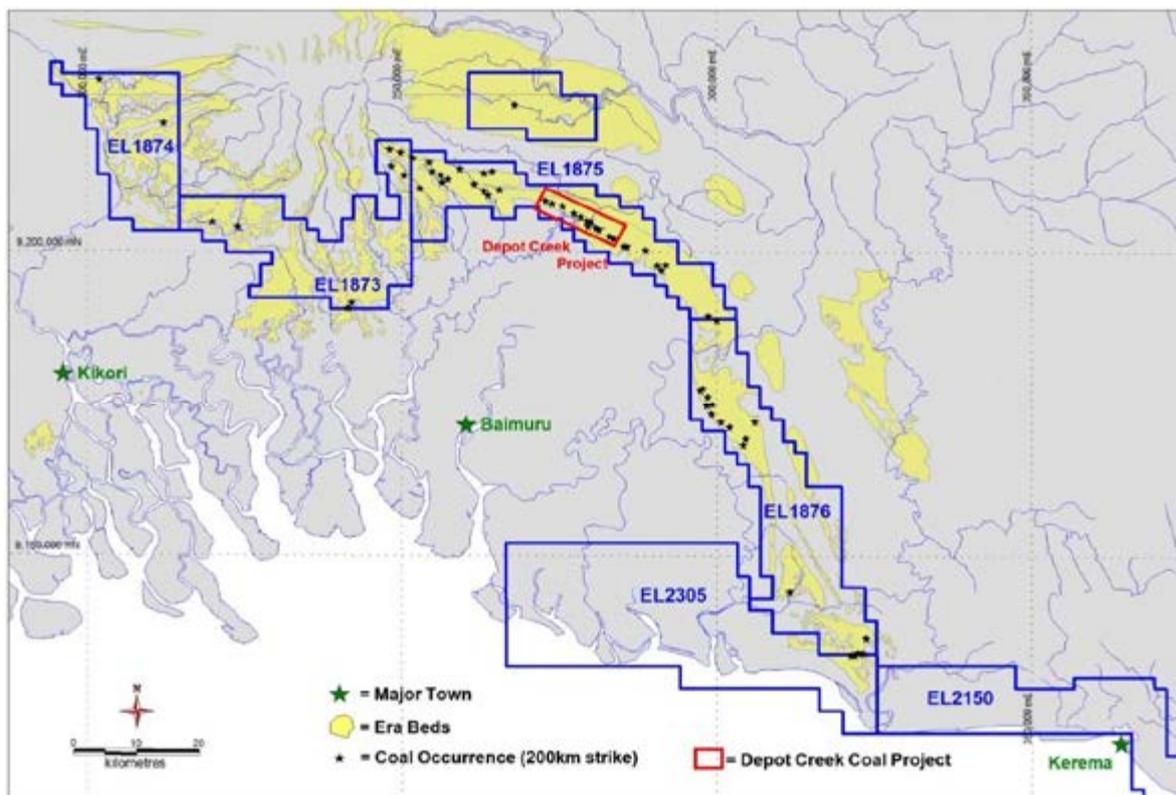


Plate 36: Mayur Tenure in the area with the Depot Creek project area highlighted in red as of 5th July 2017.

5.1.3 Regional Geology

Coal formation and preservation in Papua New Guinea occurred several times during the evolution of the northern Australian continent, from extensional passive margin to continental collision and mountain building (Edwards et al., 2013). Active rifting during the early Jurassic developed along the northern Australian continental margin, leading to the formation of a series of asymmetric half-graben basins that preserved alluvial fans and fringing coal measures (Edwards et al., 2013). Post the active rifting, quiet conditions of a passive margin lasted until the Eocene (Edwards et al., 2013). The vast majority of the PNG land mass was submerged below sea level, which allowed the deposition of deep ocean sediments that now host major oil and gas resources (Edwards et al., 2013). During this time, two periods of low sea levels suggest partial emergence of the Fly River Platform, but no associated coal has been found to date (Hill et al., 2000).

While subduction developed off-shore during the Eocene, PNG was still submerged below sea level until the collision in the north and accretion of several volcanic arcs resulted in the uplift of the major mountain ranges still prominent

today (Edwards et al., 2013). The processes of continental collision are complex. Folding and thrusting, with its associated exhumation of deeper metamorphic rocks, dominated the highlands of PNG. Debris eroded off the highlands into fault controlled basins to the north and south (Edwards et al., 2013). Further off-shore, quiet marine conditions were maintained, resulting in the deposition of the extensive Darai Limestone.

During the height of the collision, large volumes of sediment spread from the eroding mountains across the carbonate platform to the south, and accumulated in the Fly River foreland basin (Edwards et al., 2013). The Strickland and Era Basins are two depocentres within the foreland basin. Both are located immediately to the south of the thrust front on either side of the Bosavi basement high (Edwards et al., 2013). The Pliocene to Recent succession is up to 2800m thick within the depocentres, but thins considerably across the basement high, where it is <300m thick (Edwards et al., 2013).

The basin sediments are generally flat-lying and conformable with modern alluvial sediments, but are caught up by and impacted upon by folding and thrust faulting close to the thrust front. The coal formation that followed marine regression during the Pliocene was widespread yet sporadic, with lignite and coal fragments, bands and thin seams reported from nearly all reviewed petroleum exploration wells, and from a series of outcrops where the Pliocene coal bearing units are exposed, along the northern margin of both basins, where they were uplifted by the frontal thrusts and associated folding (Edwards et al., 2013), refer **PLATE 37**.

Economic Coal potential of the Pliocene age Era Beds Formation has been explored and documented since the 1970s, initially by CRA Exploration Pty Ltd in 1975, where a significant coal endowment was recognised (Bryan 1975). Previously coal had been identified in the Purari River by a British expedition in 1894 and by subsequent expeditions. An economic coal deposit within the Era Beds Formation during the 1970s was never identified largely due to limited access and technology. Since then, low-cost 'truck-and-barge' methods have been successfully devised to economically extract similar specification coal deposits in Kalimantan Indonesia, thereby warranting a renewed interest into investigation of the deposits in the Gulf of Papua, PNG.

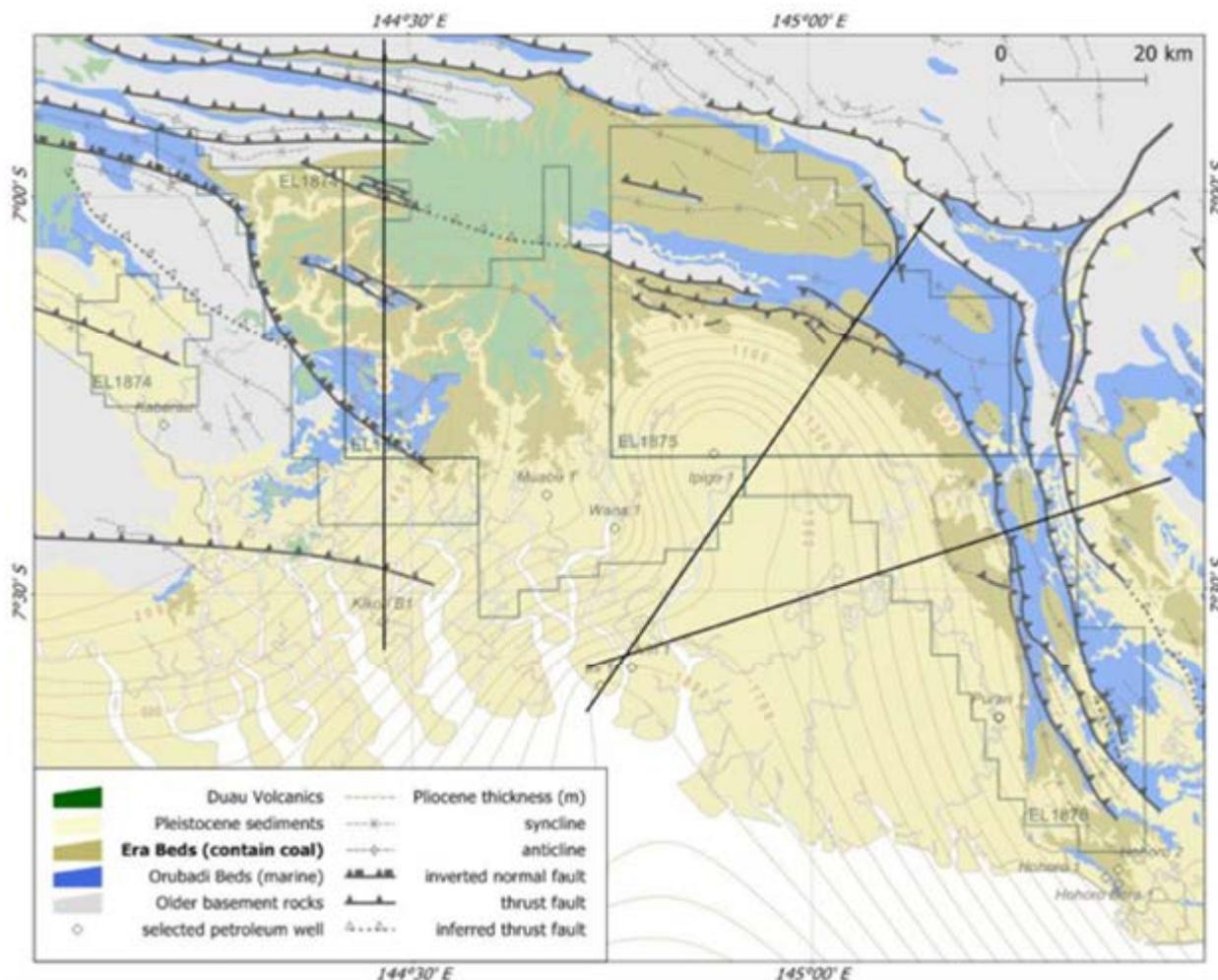


Plate 37: The regional geology of the Gulf Coal region as of 5th July 2017.

5.1.4 Local Geology

5.1.4.1 Era Basin Geology

The Era Basin on-shore component consists of >2000m of Pliocene to Holocene sedimentary rocks (Edwards et al., 2013). The basal sequence consists of marine clastic rocks that grade into marginal marine to deltaic and fluvial coal-bearing rocks. These units are unconformably overlain by poorly consolidated Pleistocene and Holocene sediments (Edwards et al., 2013). The basin fill is flat-lying across the central region of the Era Basin, but becomes progressively tilted and folded toward the frontal thrust of the mobile belt, exposing progressively deeper rocks. To the north and east of the frontal thrust, the lower marine sequence is exhumed (Edwards et al., 2013). The coal-bearing succession is only present as structural remnants within regional synclines.

5.1.4.2 Orubadi Beds

The Orubadi Beds comprise the oldest synorogenic stratigraphic units in the Era Basin, which were deposited under open-marine shelf conditions. The Orubadi Beds consist of calcareous mudstones, siltstones and marls and are conformable with the underlying Miocene Darai and Puri Limestones (Edwards et al., 2013). Minor coal seams have been observed within the Orubadi Beds by Mayur's field mapping on its Gulf Central (EL2151) licence in 2014 and also

Petroleum Well Geologist Mr Steven Putii (Pers. Comm. 2016) noted thicker 2-3m width coal seams at depth within the Orubadi Beds.

5.1.4.3 Era Beds

The Mid-Pliocene Era Beds are conformable with the underlying Orubadi Beds (Edwards et al, 2013). The Era Beds marks the transition from a deep marine to deltaic to marine depositional environment. The Era Beds consist of calcareous lithic sandstones and siltstones with some interbeds of mudstone, limestone and conglomerate (Edwards et al., 2013). Coal seams are abundant in the upper sequence, and are mapped separately as the Shu Coal Measures (CM). The Era Beds including the Shu Coal Measures are 2000-2400m thick (Edwards et al., 2013).

5.1.4.4 Shu Coal Measures

The Shu Coal Measures are 1100-1400m thick and consist of mudstones, claystones, siltstones, sandstones and coal seams (Edwards et al., 2013). The Shu Coal Measures appear to continue subsurface into the centre of the Era Basin where lignite seams have been intersected to depths of <1000m in several petroleum exploration wells (Edwards et al., 2013).

5.1.5 Work Completed

Work completed by Mayur since commencing activities in the region has involved data acquisition, compilation and interpretation of all available data, along with the completion of a significant program of field mapping. This historically acquired information along with the completion of six core holes, coupled with a suite of points of observation derived from detailed field mapping, forms the basis of the initial resource estimate completed by Resolve in 2016.

5.1.5.1 Historical Data

Historical data captured as part of the process includes:

- A historical account of coal in the Purari River from a 1894 British expedition.
- Subsequent coal expeditions from 1911-1914, including maps, samples and reports.
- Appraisal of the Economic Geology of PNG (1927).
- First (1965) coal quality appraisals of the Era/Purari river coals by Australia, demonstrating very low-ash coals from thick seams, consistent with the minimal information on hand at the time.
- Further detailed descriptions and reports of PNG coal and mineral prospectivity (1969-1971) including (in part) the Era/Purari River area.
- In 1974 C.R.A Exploration Pty Ltd requested John Bryan of McElroy & Associates to undertake a four-month mapping and study exercise over the Era Group and the Shu Coal measures of the area. This report included a robust description of the sequence stratigraphy and detailed coal descriptions, with associated sampling, analysis, estimates of continuity, prospect mapping and economic appraisal. This comprehensive document formed the backbone of understanding for Mayur and Waterford to locate initial target areas for drilling and further mapping.

- A number of further appraisals of the coal within the Gulf Province were conducted between 1975 and 1986, demonstrating continued interest and reconnaissance of the Gulf coal occurrences, however no significant further mapping of the Era/Purari Rivers occurred and no exploration drilling was carried out.

5.1.5.2 Recent Data

Waterford completed a further mapping exercise across their tenements, inclusive of the Depot Creek area, in 2012, and formalised their findings in a report on the coal prospectivity of the Era-Purari Region. Waterford did not undertake any drilling work. An exclusive agreement between Waterford and Mayur Energy PNG Ltd to conduct exploration across their tenements with an option to acquire 100% of the tenements was completed in early 2015, and field work was commenced by Mayur. Some field mapping around Depot Creek (verifying the accuracy of Bryan's map from 1975), with sampling plus follow-up drilling of the six Depot Creek holes (on which the Resolve resource estimate is based) was completed shortly afterwards. The thickest coal seam located at Depot Creek was 4.1m thick and it strikes for an unknown distance. At least eight coal seams were noted from this initial field mapping exercise.

To follow-up from this work, Mayur drilled a total of six holes targeting seams primarily along 1600m of strike, but also with an offset line of holes down-dip to determine continuity across and along strike. Following this drilling programme, in early 2016, Mayur Geologists explored a further 5km along strike towards the northwest and field mapped a continuation of these coal seams. The thickest seam located was approximately six metres thick. The same seam was located in a nearby valley and was recoded as being 5.2m thick. This seam is most likely a continuation of the 4.1m thick seam located 4.7km away at Depot Creek. Approximately 5km to the southeast lies the 'D3' Prospect, which also most likely represents a continuation of the coal seams at Depot Creek. The thickest coal seam identified at this locality with limited exploration is 3.2m thick. Drill cross sections for the Depot Creek Coal Project are shown on **PLATES 38 to 41**.

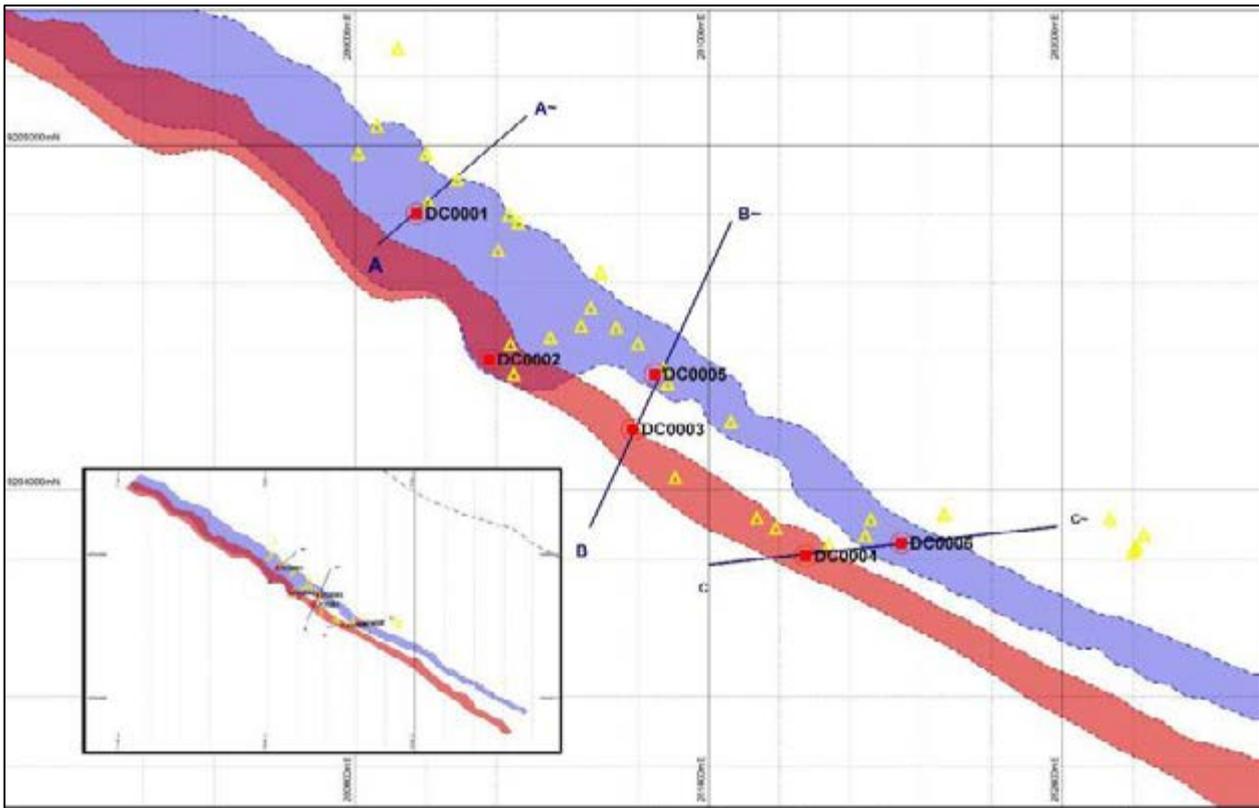


Plate 38 The drill hole location plan and interpreted coal seam extent after Mayur Resources and Resolve geological. The D seam is shown in blue with the A2 seam shown as a peach colour.

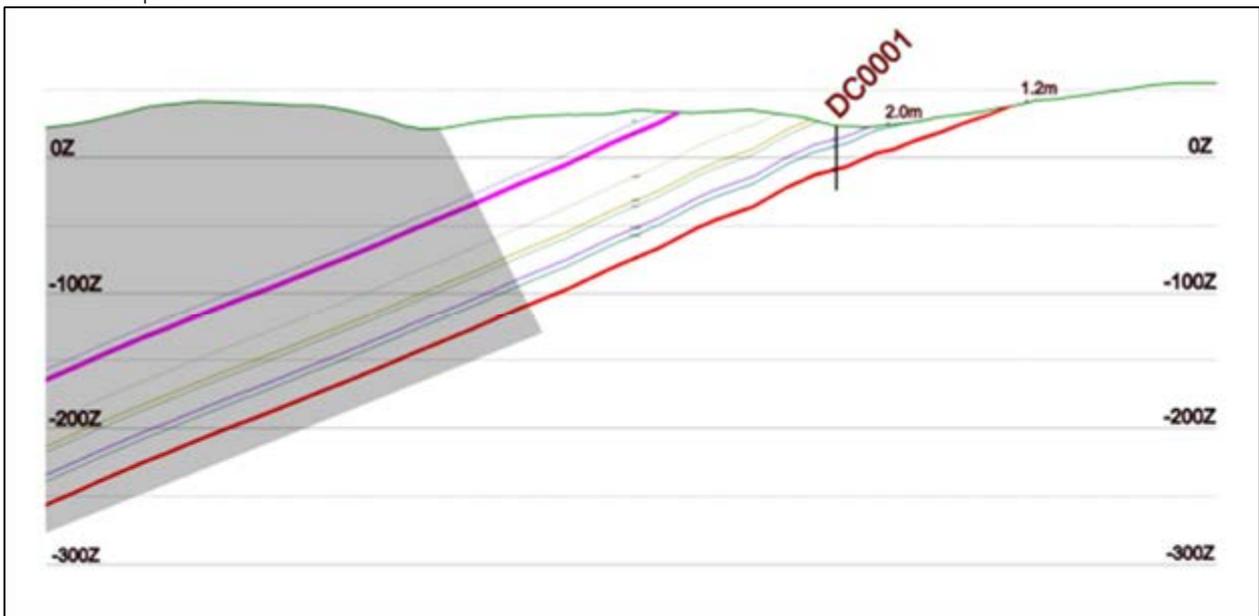


Plate 39: A simple schematic cross section A-A' cut through the seams with the seam section located on PLATE 33.

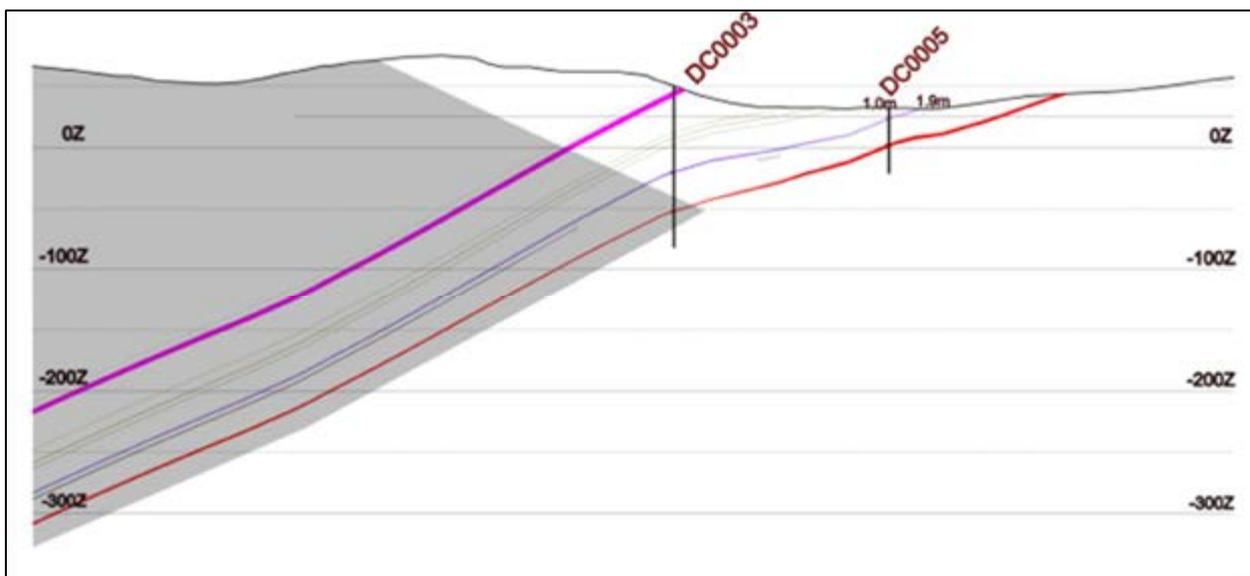


Plate 40: A simple schematic cross section B-B' cut through the seams with the seam section located on PLATE 33.

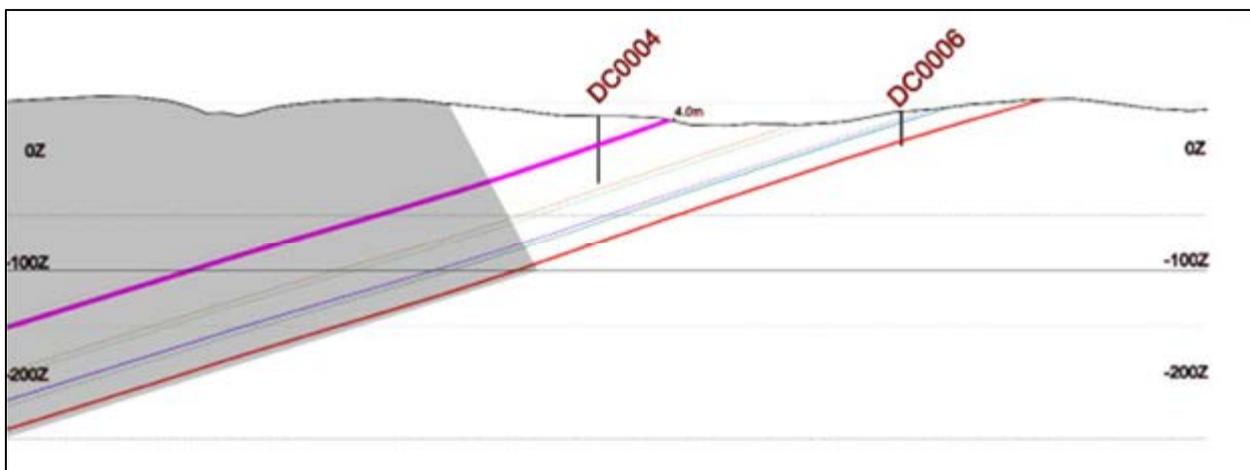


Plate 41: A simple schematic cross section C-C' cut through the seams with the seam section located on PLATE 33.

5.1.6 Data Validation

As part of the process of completing the resource model, Resolve reviewed and commented on sampling and drilling techniques, drill sample recovery, logging procedures along with sample preparation and sub sampling techniques. In summary, given the proportionally small amount of drilling and sampling completed to date, no material issues are described in reporting at the *Inferred Resource* level of confidence. That said, should further work be completed, then a sustained effort is required to ensure that all future work is aligned with contemporary standards used for sample preparation assaying and quality assurance protocols. This will ensure that full value is assigned to the project resultant of data validation and QA/QC measures.

5.1.7 Quality Control and Quality Assessment

The coal quality testing programme was designed by a third-party, expert consultant. The coal testing laboratory used (Bureau Veritas, Brendale, Queensland) is National Association of Testing Authorities, Australia (NATA) accredited and undertakes coal testing according to AS, ASTM or ISO standards. The laboratory has well established procedures

for quality control and verification of acceptable levels of accuracy. The laboratory reports indicate that the analysis reported has been performed according to the appropriate standard, although the exact standards followed are not supplied on an individual basis.

Downhole geophysical logging was undertaken by Borehole Wireline International utilising appropriately tested and calibrated tools. Results and data provided were in accordance with expectations. No independent checks have been conducted into the company's equipment and procedures. Downhole conditions varied and, wherever possible, open hole surveys were completed, but in some instances only in-rod geophysical logging surveys could be completed.

5.1.8 Verification of Sampling and Assaying

All primary field data have been checked and validated by Senior Company Geologists. Identification of seams and sample intervals to be composited for analysis were determined by the Principal Company Geologist. All sample details and other borehole data were provided to the resource modeller in digital spreadsheet format for verification by the Competent Person. Analytical data were progressively entered into standardised spreadsheet templates at the laboratory as and when the results were generated. At the completion of each analysis stage, preliminary copies of the data were sent to an expert coal quality consultant retained by the Company and the Principal Company Geologist for checking and validation prior to testing commencing on the next stage. At the end of testing, a single spreadsheet containing all the validated results was issued for each individual borehole for digital data storage. The coal quality data has been independently checked and validated by Resolve, and also Groundwork Plus. Resultant of this work no material adjustments have been made to the data.

5.1.9 Resource Estimate

The geological models were built using Vulcan and Micromine geological modelling software. A reference surface was built within Vulcan using a triangulated grid surface using a first order trend to simulate a gently undulating seam floor. Seam ply and parting thickness grids were built and stacked into a block model format. Grid models were built using inverse distance to the fourth power, which was selected after a review of second, third and fourth power. The JORC Table 1 for this report is included as **APPENDIX 3**.

5.1.9.1 Data Interpretation

Resolve have extrapolated along strike to a maximum of 2000m from each drill hole. DOWNDIP correlation is limited to a 12:1 overburden ratio cutoff, incorporating a minimum 30cm thickness. There are insufficient data points on which to determine any statistical method of extrapolation. In taking the decision to maintain the maximum distances recommended by the previous coal guidelines (2003), the strong suite of historical mapping and sampling data was used as supporting data points, in particular the mapped observations from D3 Creek, which were used to control the seam thickness, interburden thickness and dip of the coals in the southeastern extents of the model. The D3 creek observation showed a thickened parting between the A and the D seam, however thicknesses and qualities (D3 observations from outcrop samples) are comparable and justify the 2km of extrapolation, which is approximately two

thirds of the distance between Depot Creek and D3 Creek, and extends approximately 800m further than the two identified coal occurrences.

5.1.10 Coal Seam Continuity

Seam continuity within the Depot Creek area appears to be robust. A series of six drillholes have been completed on three lines across strike which demonstrate readily correlatable seams. Seam continuity along strike is robust, with a significant body of mapped data points with supportive coal quality confirming thick seam intersections and numerous smaller and/or partial seam outcrops. Resolve have reported *Inferred Resources* across four main seam groups; from shallowest to deepest these are the A2, A1, C and D seams. Historical mapping data and reports suggest that there are a number of smaller seams within these coal measures which are discontinuous and sporadic in their deposition. These seams are not included in the resource estimates.

5.1.10.1 Coal Seam A2

The A2 seam is intersected only at shallow depths, within drillholes DC002, DC003 and DC004. Continuity of both thickness and quality along strike is good. The A2 seam is not intersected in the other drillholes and as such continuity down dip is not demonstrated well. Ash is consistently low in the three intersections, at between 4% and 6%.

5.1.10.2 Coal Seam A1

The A1 seam is between 20 and 30m below the A2 seam, and splits into three plies: the A1A, A1B and A1C. These three plies demonstrate continuity through holes DC0002 and DC0003, and seams of comparable thickness are noted in the historical mapping work. Plies are between 0.15m and 0.9m thick, with a combined apparent thickness of between 0.57m and 1.4m.

5.1.10.3 Coal Seam B

B seams are referenced within mapping undertaken in 1974 (Bryan 1975). Based on mapping data and cross correlation with Mayur's drilling intersections, these seams appear to be discontinuous. For the purposes of resource estimation within the JORC framework, these seams should be considered an unlikely target for mining and are not included within the JORC Inferred resources within the Depot Creek area.

5.1.10.4 Coal Seam C

The C seam splits into four plies locally across the Depot Creek area. The C2 and C1 plies split into the C2A and C2B, and the C1A and C1B respectively. These seams typically contain more thin bands of higher ash material than the A2 or D seams, with ash values averaging approximately 20%, however with some intervals showing cleaner plies.

5.1.10.5 Coal Seam D

The D seam presents as a single thick seam and represents a key open pit target in the Depot Creek area. A single hole (DC0002) has a small rider seam on the base which has been characterised in the model as separate ply. This lower split has been excluded from the resources as it is both thin (below 30cm) and also very high in ash (>50%). The

D seam is (along with the A2 seam) the key target for further resource definition. The seam is 2-4m in thickness with an ash of approximately 4.5% using an air dried basis.

5.1.11 Coal Quality

Coal quality has been assessed based only upon the analysis of drillholes completed by Mayur. Coal quality from mapped and sampled outcrops is available, and acts as supporting data for the estimate, however it does not contribute to the coal quality values reported, as the seams are commonly only partially excavated at outcrop and cannot be considered representative. Additionally, Resolve suggests that as there are a number of seams present within the deposit, positive correlation between drilled seams and outcrop is not confidently achievable in most cases. Coal quality has been estimated on a ply basis and attributed to the plies in a block model. The intermediate partings have then been assigned default stone values, and where applicable based on a parent seam amalgamation, the thin (<30cm) stone partings are included within the quality and tonnage estimate. **TABLE 12** provides the details for each seam on a ply by ply basis.

Table 12: Coal Quality On A Ply By Ply Basis

Ply	RD (g/cc) adb	RD (g/cc) in situ	MHC	IM % (abd)	ASH % (abd)	VM% (abd)	FC % (abd)	TS % (abd)	CV (kcal/kg) (abd)
A3*3	1.35	1.33	25.53	21.51	3.66	39.99	34.83	0.31	4929
A2A*1	1.35	1.33	25.53	21.51	3.66	39.99	34.83	0.31	4926
A2B*1	1.35	1.33	25.53	21.51	3.66	39.99	34.83	0.31	4926
A1A	1.4	1.36	25.43	19.85	8.23	38.67	33.25	1.16	4808
A1B*2	1.8	1.76	10.46	12.82	50.72	21.91	14.55	2.08	1751
A1C	1.45	1.4	25.32	19.18	15.5	35.88	29.45	1.63	4360
C2A	1.43	1.38	23.87	17	13.29	38.52	31.19	1.23	4706
C2B	1.55	1.48	24.39	16.51	29.68	30.09	23.72	0.77	3459
C1A	1.39	1.34	25.8	18.06	10.1	39.336	32.48	1.13	4848
C1B	1.57	1.45	29.5	17.2	31.5	28.2	23.1	0.91	3299
D2	1.36	1.35	24.87	22.48	4.53	37.46	35.53	0.39	4845
D1*2	1.88	1.72	19.8	11.3	55.5	20	13.2	1.25	1889

*1 Split between plies identified, but plies not sampled separately. *2 Plies > 40% ash are excluded from Reported Resources. *3 Thin seam, single intersection only. Does not contribute to resources. *Reproduced courtesy of Resolve Geological.

5.1.12 Resource Limitations and Extent

In completing the resource estimation work, Resolve Geological applied the following limitations for the *Inferred Resource* estimate.

- A minimum seam thickness (on a parent seam basis as opposed to a modelled ply basis) of 30cm;
- A maximum ash (on a ply average basis) of 40%;
- A maximum overburden ratio of 12:1 (coal to overburden). This has been used in lieu of a depth cut-off; and
- A maximum extrapolation along strike of 2km.

5.1.13 Conclusions and Recommendations

In conclusion, the Depot Creek area is considered to represent a province scale series of coal seams, which have been recognised to occur over a strike extent of 200km. Accordingly, we recommend that more work is completed in delineating economically viable sections of coal before any more detailed planning work is completed, especially if power assets are to be developed in conjunction with the coal resources. Upgrading the understanding on the quality and quantum of the resource at this time is imperative as this information will guide future planning decisions and mine development scenarios. Additionally, given the coal seam vectors which are evident across the 200km of strike length, further delineating this material will add real value to the project by converting these inferred resources to reserves. Given the radical changes which will occur in the structural setting of the seams, delineating the more favourably orientated seams is considered paramount.

5.1.14 Reasonable Prospects Test

In consideration of the reasonable prospects test for Depot Creek we concur with the statement provided by Resolve and suggest that an integrated business model will, insofar as is foreseeable or practical, ensure viability. Tarong, Stanwell the Hunter and Latrobe Valleys' power generators and a host of other projects in Australia and throughout the world demonstrate the validity of this type of vertically integrated model.

Resolve went on to say:

"We understand that preliminary agreements are in place for a take off agreement and provision to supply the Government of PNG with thermal coal generated power from nationally sourced coal within Papua New Guinea. From a technical perspective, there are no current comparable projects in PNG that demonstrate extraction of coal with comparable properties and market value. However, Indonesia provides numerous examples of comparable coal exploitation, with similar climate, landform and river systems providing key infrastructure pathways for product, and serves to address the criteria for reasonable prospects on a technical basis. Seams appear to be of a thickness and continuity over considerable distances that would make open pit extraction feasible.

Seams are reported to a coal/overburden ratio (OBR) of a maximum of 12:1 (on a vertical basis, as opposed to simulated pit volumes). Resolve considers that the potential for an exclusive government off take for power from an integrated coal and power production project is a factor in reporting resources to a 12:1 OBR. Without such a scenario a lower OBR cutoff would be more suitable for a coal of this rank."

5.2 Other Regional Exploration Targets

All coal outside of the Depot Creek area is classified as Exploration Target. There is a significant potential coal seam strike identified and explored with mapping and outcrop sampling to various degrees of detail. The Exploration Targets

identified within this report have been determined and refined using the following data, as provided in **TABLE 13**. That said, the projects mentioned in this section are exploration targets, and the potential quantity and grade is conceptual in nature. Additionally, there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in the estimation of a mineral resource.

Table 13: Exploration Targets

Domain	Strike (m)	Seam Thickness		Economic Depth (m)		Seam Density (g/cc)		Seam Dip (°)		Down Dip extend (m)		Tonnes (Mt)	
		Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Depot Creek North (Tau Creek)	19,500	3	5	47	90	1.3	1.5	17	30	82	295	6	43
Depot Creek Resources Area	5,730	1	3	16	54	1.3	1.5	17	30	26	176	0	5
D3 Creek	9,700	3	5	47	90	1.3	1.5	17	30	82	295	3	21
Purari River	8,000	2	5	31	90	1.3	1.5	17	30	54	295	1	18
Yopu River	14,803	2	5	31	90	1.3	1.5	17	30	54	295	2	33
Yopu River South	25,477	2	5	31	90	1.3	1.5	17	30	54	295	4	56
Coastal Area (Hohoro)	15,402	2	5	31	90	1.3	1.5	17	30	54	295	2	34
												18	210

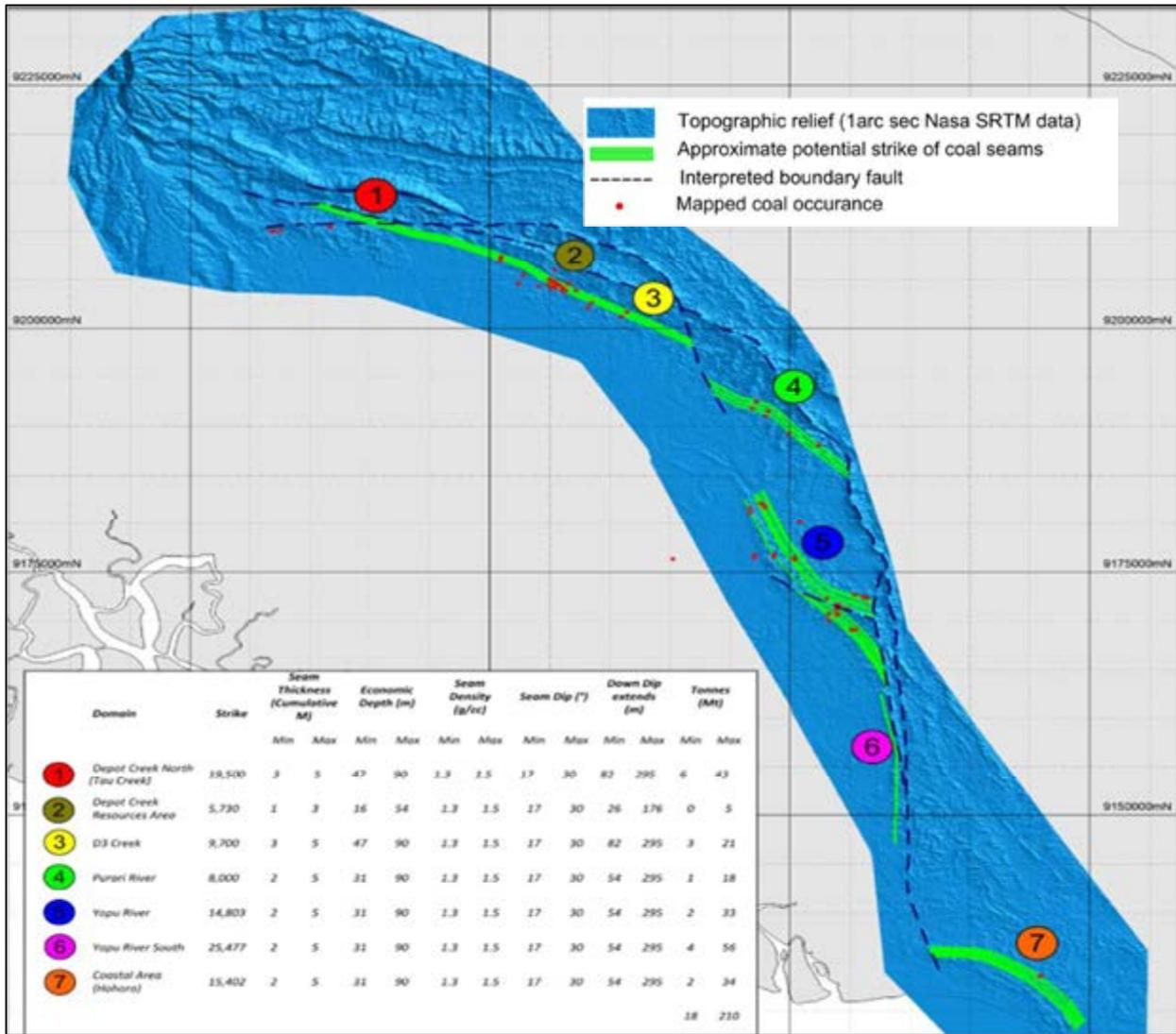


Plate 42: The exploration targets identified by Resolve. We suggest that the thickening around the Yopu river (5) is likely to be the best of these targets.

6 Work Programme and Budget

Depending upon the amount of funds raised, Mayur propose to complete development works on Orokolo Bay with priority. Other projects, notably the exploration licence areas of Orokolo Bay, Malalaua and the Western Iron Sands Project Area, along with Kabang and Depot Creek will also receive significant funding. The breakdown of funding each project area is budgeted to receive is provided in **TABLE 14**.

Table 14: Work Programme and Budget

Use of Funds	Min. Subscription	% of Total funds	Full Subscription	% of Total funds
	26,108,615		38,808,290	
Pre-offer cash	0	0%	0	0
Total raised in the Offer	10,443,446	100%	15,523,316	100%
Total funds available	10,443,446	100%	15,523,316	100%
Projects				
Industrial Sands projects:				
Orokolo Bay Project	3,717,250	35.6%	6,416,130	41.3%
Other EL s	1,512,930	14.5%	1,512,930	9.7%
Limestone	325,000	3.1%	325,000	2.1%
Coal	865,622	8.3%	865,622	5.6%
Power	400,000	3.8%	400,000	2.6%
Copper/Gold	325,000	3.1%	325,000	2.1%
DRI / Steel	10,000	0.1%	10,000	0.1%
Projects subtotal	7,155,802	68.5%	9,854,682	63.5%
Working Capital (Group)	1,621,970	15.5%	1,621,970	10.4%
Expenses of the Offer	1,140,833	10.9%	1,521,824	9.8%
Development Mgmt Agmt Payment	350,000	3.4%	350,000	2.3%
Management Payment	174,840	1.7%	174,840	1.1%
Payback SH bridging loan	0	0.0%	2,000,000	12.9%
Total funds applied	10,443,446	100%	15,523,316	100%

Should the funds raised vary significantly from those expected, then re-partitioning of funds may be needed. In this event, a larger proportion of funds will be directed to Orokolo Bay to develop cash flow.

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8 Glossary of Terms

ADSL	Asymmetric Digital Subscriber Line
Air pollutant	A substance in ambient atmosphere, resulting from the activity of man or from natural processes, causing adverse effects to man and the environment (also called "air contaminant").
Airblast Overpressure	A shock wave form, resulting from the activity of man or from natural processes, causing adverse effects to man and the environment.
Ambient air quality	The quality of the ambient air near ground level, expressed as concentrations or deposition rates of air pollutants (also expressed as existing air quality).
AML	Allied Mineral Laboratory
Annual Exceedance Probability	The likelihood of occurrence of a flood of a given size or larger in any one year, usually expressed as a percentage. For example, if a peak flood discharge of 500 cubic metres per second has an AEP of 5%, it means that there is a 5% risk, that is the probability of 0.05 or a likelihood of 1 in 20, of a peak flood discharge of 500 cubic metres/second or larger occurring in any one year. The AEP of a flood event gives no indication of when a flood of that size will occur next.
APEC	Asia Pacific Economic Cooperation
AS	Australian Standard
AUSIMM	Australian Institute of Mining and Metallurgy
Average Recurrence Interval	The average period between the recurrence of a storm event of a given rainfall intensity. The ARI represents a statistical probability. For example, a 100 year ARI indicates an average of 100 years between exceedance of a given storm magnitude.
Background noise levels	The level of the ambient sound indicated on a sound level meter in the absence of the sound under investigation (e.g. sound from a particular noise source or sound generated for test purposes).
BCM	Bank Cubic Metre
BF	Blast Furnace
Blasting	The operation of breaking rock by means of explosives.
Bund wall	A man-made earth mound.
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
Catchment area	The area determined by topographic features within which rainfall will contribute to runoff at a particular point.
CFR	Cost and Freight
CIF	Cost, Insurance, Freight
CIS	Commonwealth of Independent States
COA	Contract of Affreightment
Concrete products	Products manufactured primarily from Portland Cement concrete. These include bricks, blocks, pavers, pipes and box culverts and other precast concrete sections.

Conveyor	A device fitted with an endless rubber belt used for moving crushed rock within the processing plant.
Crushing	The mechanical process of reducing rock size usually by pressure or impact.
CS	Construction Sands
D&C	Design and Construct
DEC	Department of Environment and Conservation
DFS	Definitive Feasibility Study
DIDO	Drive In Drive Out
DLPP	Department of Land and Physical Planning
DMS	Dense Media Separation
DRI	Direct Reduced Iron
DSO	Direct Shipping Ore
DTM	Digital Terrain Model
DTR	Davis Tube Recovery
Dust	Particles of mostly mineral origin generated by erosion of surfaces and the mining and handling of materials.
DWT	Dead Weight Tonne
EA	Employee Agreement
EBIT	Earnings Before Interest and Tax
ECI	Early Contractor Involvement
Ecosystem	The totality of biological processes and interactions within a specified physical environment.
EIA	Environmental Impact Assessment
EIR	Environmental Inception Report
EIS	Environmental Impact Statement
EITI	Extractive Industries Transparency Initiative
EL	Exploration Licence
ELA	Exploration Licence Application
EMP	Environmental Management Plan
Environmental constraints	Limitations on a project by components of the environment.
EOC	Employer of Choice
EPC	Engineering, Procurement and Construction
EPMC	Engineering, Procurement and Construction Management
ER	Employee Relations
ERMP	Employee Relations Management Plan
ERS	Employee Relations Strategy
Excavator	Item of earth moving equipment either tracked or wheeled, fitted with a bucket on an articulated boom and used for digging material from a face in front of or below the machine.
Fallout	The sedimentation of dust or fine particles in the atmosphere.
FEL	Front End Loader
FFD	Fitness for Duty

FHT	Floating Harbour Transhipper
FIFO	Fly in Fly Out
Fill	Material imported and emplaced to raise the general surface level of a site.
Flyrock	Rock that is propelled into the air by the force of the explosion. Usually comes from pre-broken material on the surface or upper open face.
FOB	Free on Board
Fresh rock	Rock unaffected by weathering processes.
G	Gauss
GDP	Gross Domestic Product
Grader	An item of earthmoving equipment, rubber tyred and fitted with a centrally mounted blade and rippers used to shape and trim the ground surface.
Ground vibration	Oscillatory motion of the ground caused by the passage of seismic waves originating from a blast.
Groundwater	Water contained in voids such as fractures and cavities in rocks and inter-particle spaces in sediments.
GST	Goods and Services Tax
Haul road	Road used in quarry for haulage of rock from the face to the crusher and for general site access.
HBI	Hot Briquetted Iron
HIMS	High Intensity Magnetic Separation
HM	Heavy Mineral
HR	Human Resources
HSEC	Health, Safety, Environment and Community
IP	Internet Protocol
IR	Industrial Relations
IRR	Internal Rate of Return
ISO	International Originations for standardisation
IUCN	International Union for Conservation of nature
JIA	Jetty Infrastructure Area
JORC	Joint Ore Reserves Committee
KPI	Key Performance Indicator
L/I	Leadership/Impact
LIMS	Low Intensity Magnetic Separation
Lithosol	One of a group of azonal soils having no clearly expressed soil morphology and consisting of a freshly and imperfectly weathered mass of rock fragments, largely confined to steep hillsides.
LLG	Local-level Government
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LOM	Life of Mine

LSI	Life Styles Inventory
LTC	Long Term Contracts
MEL	Mechanical Equipment List
Meta-greywacke	Indurated sedimentary rock consisting of unsorted detritus of the grain size of sandstone but containing fragments of feldspars and ferromagnesium minerals.
Metamorphic rock	Any rock which has been altered by heat or pressure.
ML	Mining Lease
MLA	Mining Lease Application
Mobile equipment	Wheeled or tracked self propelled equipment such as trucks and front end loaders.
Monitoring	The regular measurement of characteristics of the environment.
MRA	Mineral Resources Authority
MSP	Mineral Separation Plant
NGO	Non-Government Organisation
NPV	Net Present Value
NZS	New Zealand Standard
OCI	Organisational Culture Inventory
OEI	Organisational Effectiveness Inventory
OGV	Ocean Going Vessel
Operational constraints	Limitations upon a project by equipment or machinery.
OPEX	Operational Expenditure
Particulate matter	Small solid or liquid particles suspended in or falling through the atmosphere.
PDR	Performance and Development Review
Peak particle velocity (ppv)	A measure of ground vibration reported in millimetres per second (mm/sec).
PEP	Project Execution Plan
Percussion drill hole	Drill hole made by equipment using the repetitive impact of a tungsten tipped bit onto rock; rock cuttings are usually returned uphole by flushing with compressed air.
Petrological	Relating to the study of rock mineral composition at hand specimen or microscopic scale.
PFD	Process Flow Diagram
PFS	Pre-Feasibility Study
PIA	Port Infrastructure Area
PLC	Programmable Logic Controller
PNG	Papua New Guinea
Podzol	A zonal soil having a very thin organic mineral layer above a leached layer which rests upon an illuvial dark brown layer.
Podzolic	A duplex soil having a light textured organically stained topsoil, underlain by a pale 'bleached' light textured soil layer and clay subsoil.
Primary crusher	The first crusher through which the rock passes in the processing plant.
Processing plant	A combination of crushers, screens, conveyors and chutes.
QA	Quality Assurance
QAC	Quality Assurance Quality Control

RAN	Royal Australian Navy
Rehabilitation	The preparation of a final landform after quarrying and its stabilisation with grasses, trees and shrubs.
Revegetation	Replacement of vegetation on areas disturbed by quarrying activities.
Rip rap	Armour rock protection for water retention structures.
RL	Reduced Level
Road base	Road pavement usually made up of densely graded crushed rock in varying sizes.
Road grades	The longitudinal slope of a road surface usually defined by a vertical rise or fall over a horizontal distance. Gradient, grade, slope and inclination are synonymous. Thus a fall of 1 unit vertically in 12 units horizontal distance may be stated as a negative gradient (grade, slope and inclination) of 1 in 12 (or 1:12). This slope may also be expressed as a grade of -8.33°, a fall of 83.3 metres per kilometre or slope angle of 4°46'.
SCADA	Supervisory Control and Data Acquisition
Scalping	The removal by screening of fine material from the raw feed prior to presenting it to the crushers. This material is a combination of fine material from the blast and decomposed material.
Screening	A process which separates crushed rock into various sizes. This usually involves a mechanical vibration of the rock over a series of decks fitted with steel mesh, steel plate or polyurethane or rubber mats with fixed sized apertures.
Sealing aggregate	Crushed rock usually of uniform size bonded by bitumen on the surface of the road to form a wear surface.
SEIA	Social Impact Economic Assessment
SG	Specific Gravity
Siltstone	A rock type intermediate in character between shale and sandstone.
SLV	Stem Landing Vessel
SPV	Special Purpose Vehicle
Suspended solids	Analytical term applicable to water samples referring to material recoverable from the sample by filtration.
TC	Time Charter
Temperature Inversion	An increase in air temperature with height in contrast with the usual decrease of temperature with inversion height.
Topsoil	The surface layer of a poorly-developed or well-developed soil profile containing a relatively high percentage of organic material.
UHF	Ultra High Frequency
VC	Voyage Charter
VHF	Very High Frequency
VSAT	Very Small Aperture Terminal
VTM	Vanadium Titanomagnetite
WBS	Work Breakdown Structure
WIWO	Walk In Walk Out

WTO	World Trade Organisation
XRF	X-Ray Florescence
ZHMP	Zircon Heavy Mineral Processors

Appendix 1

Orokolo Bay JORC 2012 Table 1 Checklist of Reporting and Assessment Criteria

JORC Code & Guidelines, 2012 Edition – Table 1 Orokolo Bay

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Each 0.5m sample was emptied into a sample bucket where water was decanted and the sample recovery was measured using a ruler. A photograph was taken of each sample with sample bag and bucket for future reference. Each sample was logged by the rig geologist. The sample within each bucket was thoroughly mixed / homogenized with a wooden spoon, quartered, opposing quarters placed into a calico sample bag, and then hung up to dry. Each sample was tested using a magnetic susceptibility meter whilst within the calico sample bag to get an indication of the magnetite content and this reading was recorded on the logging form. Hole numbers were designated in incremental order as 'DHOB001, DHOB002' etc. Sample numbers were designated in incremental order as 'OBY0001', 'OBY0002' etc.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> A combination of Auger - Bangka drilling was used to collect roughly 2-3kg samples at 0.5m intervals down-hole using NQ diameter core. The first 0.5m to 1m was sampled using a hand auger. After this the casing was inserted into the hole, the casing clamp was attached and the casing and clamp was rotated until it penetrated around 10-15cm. The sludger was lowered into the casing to retrieve the sample. A total of 6 rigs were used during the programme, however they were not always in use at the same time. Each drilling rig required a supervising Geologist to log the hole, a trained drilling foreman to supervise drilling activities and 3-4 field hands to assist with operating the rig.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Each 0.5m sample was poured into a bucket for sample recovery. The water was decanted by tapping the bucket with a wooden spoon (which

<ul style="list-style-type: none"> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and Geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Each drilling rig had its own Geologist. • Each sample was logged by the Geologist supervising that specific rig. • Two logging forms were used – one was the ‘Sample Run Sheet’ and the ‘Lithology Log Sheet’. These forms were filled in by hand, and then later photographed and digitised into an Excel spreadsheet. • The ‘Sample Run Sheet’ was recorded with the date, drillhole number, sample number, from and to depths, the hole co-ordinates, the sample recovery and magnetic susceptibility information. A ‘comments’ column was also provided. • The ‘Lithology Log Sheet’ was recorded with the Drillhole number, the proposed hole number, the date, the co-ordinates in WGS84, the hole depth, the sampler and the Geologist’s name. The columns consisted of the ‘from-to’ depths, the Lith codes, the colour, weathering, clay content, and sand size. A ‘comments’ column was also provided. • A logging and sampling protocols procedure booklet was provided to each geologist with assigned logging codes for them to use.
<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • All samples were collected at 0.5m intervals. • Each sample was thoroughly mixed and homogenised onsite using a wooden spoon. Recoveries done. Samples logged and photographed. Samples were homogenised in the field for more accurate magnetic susceptibility measurements. • Field duplicate samples were collected roughly every 20 samples. Duplicate samples were split and placed into two separate sample bags after the sample was thoroughly homogenised. The sample was marked as a duplicate sample on the sample run sheet. • Twin holes were drilled roughly every 40 holes (where the second twin hole was drilled 1m to the east). • Samples were placed into calico bags and hung up for drying and magnetic 	<ul style="list-style-type: none"> • All samples were collected at 0.5m intervals. • Each sample was thoroughly mixed and homogenised onsite using a wooden spoon. Recoveries done. Samples logged and photographed. Samples were homogenised in the field for more accurate magnetic susceptibility measurements. • Field duplicate samples were collected roughly every 20 samples. Duplicate samples were split and placed into two separate sample bags after the sample was thoroughly homogenised. The sample was marked as a duplicate sample on the sample run sheet. • Twin holes were drilled roughly every 40 holes (where the second twin hole was drilled 1m to the east). • Samples were placed into calico bags and hung up for drying and magnetic

		<p>susceptibility measurements. The hole number, sample number and drill interval was written on each sample bag. Aluminium tags were inserted into each sample bag, with the sample number hand-written on each tag.</p> <ul style="list-style-type: none"> • Samples were then taken back to the campsite and dried in covered drying sheds. • Once dry, the samples were packed into labelled polyweave bags with approximately 10 samples per bag. • All samples were sent via ship freight to Robmet/BV labs in Brisbane and dried / crushed / split and pulverised.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • All samples were sent to either Robmet/BV labs in Brisbane and dried / crushed / split and pulverised. These samples were pulped in the lab for greater XRF accuracy and placed into 50g sample bags. • All samples were split into the following sub-samples:- 1)- 50g sample for pulverizing and in house pXRF assay 2)- 50g reserve split (as a backup) 3)- 500g split for Davis Tube analysis 4)- Leftover residue for backup <ul style="list-style-type: none"> • These samples were then sent back to Mayur Head office in Brisbane in 20kg sample buckets for handheld portable XRF analysis. • A clean laboratory was setup within the Mayur office in Brisbane. A suitable 'in-house' XRF analytical procedure was developed by Mayur prior to the official commencement of sample analysis. • Elemental analysis included all the basic ironsand related elements such as Fe, Ti, Al, Si, V, P, Zr and S. • The pulverised 50g samples were then analysed by Mayur personnel using two portable XRF guns mounted in work stations. The instruments were supplied by Reflex who also supplied the data downloading software. • Two Orokolo Bay standards were created by Mayur (prepared and pulverised by Bureau Veritas Labs). These standards were created to monitor any matrix effects specific to the Orokolo Bay sands and were assayed at both ALS and Ultra-Trace independent certified laboratories. • Certified Stainless Steel disk standard and silica blanks supplied by Reflex together with the two Orokolo Bay standards were tested nominally every 25-30 drill samples to monitor instrument drift or equipment problems. • Over 562 blanks were analysed, 124 low grade standards and 125 higher grade samples were analysed. • The 500g sub group of the drilling samples comprising 266 samples underwent an additional level of analysis that allowed the slimes, oversize,

	<p><i>Verification Of sampling and assaying</i></p> <ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>heavy mineral and magnetics content of the ore to be determined.</p> <ul style="list-style-type: none"> • 422 ore pulps were sent to ALS and Ultratrace for lab XRF analysis. The same set was analysed 'in-house' by Mayur using its two portable XRF guns. • Twinned holes were drilled roughly every 1 in 40 holes. Each twin hole was situated exactly 1m to the east of its partner hole. • A total of 28 holes were twinned during the field programme, with moderate to good correlations. The hand written drillhole logs prepared by the field geologists were input into two Excel files that were proof read by the supervising Geologist for errors in data entry, logic and formatting. • 422 ore pulps were sent to ALS and Ultratrace for lab XRF analysis. The same set was analysed 'in-house' by Mayur using its two portable XRF guns. Correlations were then developed between the major elements, the data analysed by Reflex and regression formulae provided by Reflex. These regressions were then used to adjust the various elemental concentrations determined for each of the drill sample pulps by portable XRF and the corrected figure presented in the file Obay XRF assays as corrected Fe, Zr and Ti. For Fe, the regression (R²) for one pXRF was 0.9554 and for the other pXRF was 0.9832, showing a very good correlation between lab assays and pXRF assays. • A considerable amount of research work was conducted developing and verifying the relationship between iron and magnetite or magnetics content which showed a relatively robust correlation. A selection of 266 low, medium and high grade samples were chosen in a 20:40:40 ratio based on magnetic susceptibility meter readings for use in an 'extended' assay procedure that involved extraction of heavy mineral followed by determination of % magnetics by Davis Tube analysis. • The relationship between %Fe in drill sample and %Magnetics extracted at 800 Gauss for all selected drill samples indicates a very good regression (R²) of 0.94 for the entire data set. The regression formula was then applied to all database drill sample assays that had been corrected using the pXRF-laboratory correlation factor to determine the %DTR Magnetite content.
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resources estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • All holes were originally positioned using a GPS to measure the end of each segment and then holes were measured using tape measure and compass. • All holes were surveyed either during or following drilling using hand-

		<p>held GPS Units.</p> <ul style="list-style-type: none"> The data has been projected to UTM WGS84 55S. The majority of the resource area is situated on very flat ground close to sea level. The company is not in possession of any accurate RL data for the resource area. Hence, for the basis of this resource model, a default RL topographic surface was created at 100mRL. This is considered sufficient for the Mineral Resource estimation procedure.
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distributions is sufficient to established the degree of geological and grade continuity appropriate for the Mineral Resources and Ore Reserve estimation procedure(s) and classification applied. Whether sample compositing has been supplied. 	<ul style="list-style-type: none"> High level drillhole planning and layout was guided by the aeromagnetic patterns that showed the various strandline length and widths. Ground magnetics was then completed along each drill-line prior to drilling. The drill pattern was based on paired lined 250m apart oriented either N-S or NE-SW with these lines pairs spaced every 4-5km. Survey teams went into each area approximately 1-2 weeks prior to drilling to mark and flag the location of all Proposed Holes. The majority of holes were positioned at 20m intervals along each line where ground magnetic anomalies were clearly evident. Where necessary, infill holes were done at 10m intervals. Holes in areas of very low grade or barren ground between strandlines were drilled at 40m intervals. All holes were situated perpendicular to the orientation of the strandlines. It was agreed with the Resource Geologist that each strandline shall be intersected at least 3 times in any sequence; one intersection on the southern edge, one in the middle, and one on the northern edge. If only 2 holes intersected a strandline, then an infill hole was completed at 10m drillhole spacing. The data density in some portions of the resource is sufficient to establish grade and thickness continuity of the mineralised units. In some portions of the resource, the data density is insufficient to establish grade and thickness continuity of the mineralised units. Sample compositing has not been applied
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structure and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> All drillholes were drilled vertically, which is appropriate for the flat lying stratigraphy within the area being explored. All drill lines were drilled perpendicular to the orientation of the mineralized strandlines.
<p>Sample security</p>	<ul style="list-style-type: none"> The measure taken to ensure sample security. 	<ul style="list-style-type: none"> Mayur developed a 'chain of custody' flowsheet prior to the commencement of the programme that was strictly adhered to.

		<ul style="list-style-type: none"> • All drill samples were bagged and dried in supervised drying sheds onsite. • Following this they were repacked into polyweave bags ready for dispatch from site. • The Polybags were then transported to Kerema via banana boat with Mayur staff members on board. • The samples were then trucked to Port Moresby under the supervision of Mayur staff, either stored temporarily in the Mayur Container or taken directly to Mayur's freight forwarder in Port Moresby, Pacific Cargo Services, where a dispatch inventory was prepared and the samples either airfreighted by pallet or sea freighted FCL by container to Port of Brisbane. • The company's Australian freight logistics representative Aussie Freight then cleared the samples through customs and quarantine and transported them to Robbins Metallurgical Laboratory in Brisbane where the consignment was then split into samples that went to Perth for sample preparation or those that stayed at Robbins Metallurgical for sample preparation and assaying.
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • A review of all the exploration plus QA/QC data was conducted by the company Geologist for the purposes of this resource estimate. No chronic or systematic errors were noted. • A minor review and audit of the data was conducted by H&SC upon receipt of the data. • No further audits are considered necessary at this stage of the project development.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<p><i>Mineral tenement and land tenure status</i></p>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The mineral resource reported is situated entirely within two adjoining licences – EL2305 and EL2150. The resource crosses the boundary of the two licences. • These licences are located within the Gulf Province of PNG, at a point along the coastline inclusive of and to the west of the provincial capital Kerema. • EL2150 was granted on 18/12/2012 and is held 100% by 'Mayur Exploration PNG Ltd'. The licence was successfully renewed by the Minister on 13/09/2014. Expiry is 17/12/2016. The company is intending to apply for a renewal of this licence. • EL2305 was granted on 14/05/2014 and is held 100% by 'Mayur Iron PNG Ltd'. Expiry is on 13/05/2016. The renewal application was submitted on 12/02/2016 and the company sees no reason why the renewal should not be granted by the Minister. • There are no known impediments to obtaining a Mining Lease (ML) in future in the area.
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Previous explorers have also noted via various desktop research and 'on ground exploratory techniques' the presence of heavy mineral concentrations of Vanadium Titanomagnetite in the Orokolo Bay vicinity.
<p><i>Geology</i></p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Orokolo Bay Project is situated within the sedimentary Papuan Basin of PNG. • The Orokolo Bay Resource comprises a series of semi-parallel preserved ESE-WNW striking narrow but strike-extensive multiple palaeo-strandline deposits formed by a combination of wave and aeolian action which dumps, then concentrates the heavy minerals (vanadium titanomagnetite and zircon) on the beach fore-dune. Other minerals present in small quantities are rutile, ilmenite, apatite, pyroxene, garnet, and silica sands. • The source of the magnetite is believed to be basaltic and andesitic volcanic rocks, the erosional products from which are transported down drainages to the coast where they are deposited and reworked by coastal wave and wind action. • In summary the 6 main layers identified within the sequence are in the following sequential order: Soil, Fine grained sands, Medium-fine sands,

<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>Coarse gritty sands, Clays, Bedrock.</p> <ul style="list-style-type: none"> Exploration results not being reported
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting average techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregates intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Exploration results not being reported
<p><i>Relationship between mineralisation widths and intercepted lengths</i></p>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The mineralisation is flat lying hence intercept widths can be considered as the 'true thickness'
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Exploration results not being reported
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Exploration results not being reported
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test 	<ul style="list-style-type: none"> Exploration results not being reported

Further work	<p><i>results: bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating</i></p> <ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large- scale step-out drilling.</i> 	<ul style="list-style-type: none"> • Recommendations made for any further work in conclusions of this report. • Work related to upgrading the Orokolo Bay resource is dependent on the outcomes of scoping-level mining studies.
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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> Drilling data supplied by Mayur as a series of Excel spreadsheets Responsibility for the data resides with Mayur All relevant data were entered into an Access database where various validation checks were performed including duplicate entries, sample overlap, unusual assay values and missing data. Visual reviews were conducted to confirm consistency in logging and drill hole trajectories. Assessment of the data confirms that it is suitable for resource estimation. A default collar elevation of 100m RL was used to facilitate the modelling of the flat lying deposit.
<i>Site visits</i>	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> No site visit was completed by H&SC due to time and budgetary constraints Deposit area viewed in Google Earth 3D; confirms its reported flat-lying nature and vegetation cover Mayur supplied digital videos of drilling and sampling Mayur personnel, T Charlton and P Hinner have completed several visits to the property including supervising some of the sampling
<i>Geological Interpretation</i>	<ul style="list-style-type: none"> Confidence in (or conversely, : the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any , of alternative interpretations on Mineral Resources estimation. The factors affecting continuity both of grade and geology assumptions made. 	<ul style="list-style-type: none"> The extents of the magnetite bearing mineralization are reasonable well defined from airborne and ground magnetic data interpretations and drilling information . Ground magnetic data has been used to guide drilling . The interpretation of the ground magnetics has generated a relatively complex pattern of high amplitude linears for the titanomagnetite-bearing strandlines Alternative interpretations are possibly for individual strandlines, but any overall change is likely to be small. The original depositional environment will have a fundamental control on mineral distribution, this can be complicated by the impact of cross bedding which has been reported by Mayur. A small area in the north west of the deposit lies beneath 1-2m of swamp/organic vegetation. This may represent a sub-basin which may be a function of eustatic changes in sea level, tectonic subsidence or erosional processes. This infers a level of complexity to the deposit The strandlines may be broken with mineralisation absent due to localised areas of higher ground and/or due to palaeo-creek channels

		<p>which have eroded the sands within. The mineralised strands often occur as slight topographic highs, however they are not always identifiable as such, as swamps i.e. geographical lows, have returned significant mineralisation in drilling.</p> <ul style="list-style-type: none"> • High grade strandlines pass laterally into lower grade diffuse margins which may coalesce with the margins of the next strandline, giving a broad zone of low grade mineralization hosting narrow bands of higher grade magnetite mineralization.
<p><i>Dimensions</i></p>	<ul style="list-style-type: none"> • <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i> 	<ul style="list-style-type: none"> • Mineralisation is flat-lying • Mineralisation in the western section has a strike length of 25km on a 120o direction with an overall average width of 2.5km • The individual strandlines can vary from 100m to over 20km in strike length. The width of the individual mineralised zones varies from 10 to 80m wide, while the depth varies from 0.5 to 4.5m, averaging 2- 2.5m in thickness, and lying on average 0 to 1m below the current land surface.; often with minimal soil cover • The eastern section comprises relatively isolated narrow strandlines • 25 to 50m wide generally 1-5km apart with strike lengths of approximately 25km on an E-W line. Mineralization averages 2m thick and occurs close to surface beneath minimal soil cover.
<p><i>Estimation and modeling techniques</i></p>	<ul style="list-style-type: none"> • <i>The nature and appropriateness of the estimation techniques(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used</i> • <i>The availability of check estimates , previous estimates and/ or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by products.</i> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. Sulphur for acid mine drainage characterization).</i> • <i>In the case of block model interpolation , the block size in relation to the average sample spacing and the search employed .</i> • <i>Any assumptions about correlation between variables</i> • <i>Description of basis for using or not using grade cutting or capping.</i> 	<ul style="list-style-type: none"> • Inverse distance squared was considered as an appropriate modelling technique based on relatively normal /lognormal distribution of the data and the relatively low coefficients of variation • Grade interpolation was completed using the surpac mining software package • Elements modelled included iron,titanium,zircon assays, calculated DTR values and hand held magnetic susceptibility data .No assumptions were made regarding the recovery of by-products. • A single composite file of 8,423 by 0.5m composites derived from all the drill holes was used for the block grade interpolation. • The summary statistics for the composites for all elements generally show moderately low coefficients of variation on modestly positively skewed data. No domaining of the data was considered necessary. • Correlation between titanium and iron is strong indication presence of titanomagnetite as the main iron-bearing material • Examination of the higher grades show they are generally well structured, i.e. there is a lateral gradation from low to high grades. This combines with low CV's suggest that grade cutting is not considered to

• *The process of validation , the check process used, , the comparison of model data to drill hole data, and use of reconciliation data if available*

- be necessary.
- In the more drilled western section, variography for the iron grade indicated that just under 70% of the variance in the grade for the complete dataset. The strike direction occurs in the first lag i.e. around 250m in distance. The mineralization is interpreted to sill out around the 1200-1300m distance. This is considered by H&SC to be close to maximum search distance for grade interpolation. The across-strike direction indicated the broad nature to the mineralization but also shows, in the “ups and downs “of the data points, the width limit of the individual strandlines to about 50-60m, and less in some places. The downhole variogram shows about 2 to 2.5m as the average thickness for materialization . Both these last two observations are consistent with current geological understanding.
- Domains consisted of search orientation domains derived as wireframes based on the strike direction of the strandlines as interpreted from high amplitude axes in the ground magnetic data. All domain boundaries were treated as soft boundaries
- No constraints were applied to the composites in the modeling save for the orientations domains.
- Two block models were created one for the western section with 31 anticlockwise rotation about the z-axis. This block model measures 25km by 2.5km with a maximum depth of 10m. The eastern section is orientated east west with a strike length of 24km by 7km with a maximum depth of 10m.
- Both block models have the same block size of 200m by 20m by 1m. Sample spacing is a combination of 250m between the paired sample lines and 4 to 5km between sample line pairs. Hole spacing along fence lines varies between 25 and 100m. Downhole sampling is generally 0.5m for the Mayur drilling and 1m for the previous explorer drilling.
- Modelling consisted of 4 search passes with Pass 1 being 500m by 25m by 1m with a minimum of 6 data and. Pass 2 is 1000m by 37.5m by 1m, Pass 3 is 1500m by 40m by 1m and Pass 4 is 1500m by 40 by 1m. Minimum number of data for Pass2 is with 4 and 2 for Passes 3 and 4. A maximum of 15 data was applied in all cases.
- The maximum extrapolation is 1500m in the strike direction and 40m across strike, unless constrained by the magnetic domain. The maximum vertical extrapolation is zero due to the base of drilling surface.
- Model validation consisted of comparing block grades with composite

		<p>grades. This was reported on both a visual basis and summary statistical comparison for composites and block grades. Grade-tonnage curves were also used to validate the model. Validation confirmed the modelling strategy as acceptable with no significant issues.</p> <ul style="list-style-type: none"> • No production has taken place so no reconciliation data is available. • Tonnages are estimated on dry weight basis: moisture not determined.
Moisture	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> • <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> • Mayur is taking responsibility for the cut off grades. These are based on their mining studies. • The resource estimates are reported at an iron cut-off grade of 5.25% for the western section and 7% for the eastern section • The base of drilling surface designed by H&SC and the 100mRL surface are used to provide vertical constraints to the mineralization. • A magnetic domain was designed by H&SC based on the ground magnetic interpretation to provide lateral constraints to the resource estimates
Mining factors or assumptions	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> 	<ul style="list-style-type: none"> • The intended mining method will be shallow cutter suction dredge with floating processing plant. Any shallow satellite mineralisation near to the primary mining area will be pushed by bulldozer onto the mining path. • Processing of mined material is expected to use typical and conventional mineral sands equipment and circuitry beginning with the extraction of heavy mineral, recovery of magnetite using wet drum magnets and upgrading of the non-magnetic by-product to produce a crude concentrate for export that will contain zircon, ilmenite, hematite and free gold. A component of the waste gravity tailings will be removed prior to deposition in the tailings area and sold for use as construction and concrete sands • Exported products will be a magnetite concentrate and a non-magnetic heavy mineral concentrate containing zircon and other accessory minerals. Products will be loaded onto river barges at site, barged 5km offshore and transhipped onto ships for export to China.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> • <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.</i> • <i>Where this is the case, this should be reported with an</i> 	<ul style="list-style-type: none"> • A 3 tonne bulk sample was produced by compositing material from 4 test pits spread evenly across the east-west breadth of the project area. A metallurgical process was developed to a pre-feasibility level resulting in a detailed process flowsheet to demonstrate the production of several products including magnetite, zircon, ilmenite, rutile, free gold and also sands suitable for construction. The flowsheet was essentially similar to typical mineral sands flowsheets and all test work carried out at an

	<i>explanation of the basis of the metallurgical</i>	<p>internationally recognized metallurgical laboratory.</p> <ul style="list-style-type: none"> • The primary products of magnetite and zircon produced from the test work all meet typical international market qualities and grades of >57% Fe and 66% ZrO2 respectively • A robust correlation was developed between the iron grade as measured by XRF and recoverable magnetite and whilst Fe grades are in situ, magnetite grades (%DTR) are recovered grades. Zircon recovery in an exported non-magnetic concentrate based on the 3 tonne bulk sample work was 72% and magnetite recovery was 96.0%. • Two other regional drill composite samples were also processed and provided very similar recoveries and products grades as the larger bulk sample.
<i>Environmental Factors or assumptions</i>	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i> 	<ul style="list-style-type: none"> • The area comprises low-lying beach sand covered with relatively dense vegetation with a typical high rainfall tropical climate. • The water table is generally 0.6m below surface; some areas have the water table at surface. • Human habitation is limited. • Vehicular access is generally quite limited
<i>Bulk density</i>	<ul style="list-style-type: none"> • <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> • <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> • <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i> 	<ul style="list-style-type: none"> • Initial dry bulk density values were completed for 4 dried samples packed into a container of known volume and weighed. Each sample then had water added and was allowed to settle to give a 'wet' volume. A density value was developed using the dry weight and the wet volume. Mayur concluded that this too conservative a method as it yielded results that appeared to understate the likely true density value. • Mayur calculated bulk density values from heavy mineral analysis and slimes data using an industry standard formula of $BD = 0.623 / (100 - \%HM) * (100 - \%HM)^2 + 0.65 + (\%HM * 4.2) + 1.6 * \%slimes / 100$. • The bulk density data was then plotted against levelled iron data from the portable XRF assaying. A straight-line relationship was established: $BD = (0.0369 * \%Fe) + 1.64$; and thus bulk density block grades were calculated from iron block grades. • The average density for the deposit increases slightly with increasing iron cut-off grade • Density values are considered reasonable. H&SC suspect calculated bulk density block grades may be slightly conservative.

<p><i>Classification</i></p>	<ul style="list-style-type: none"> • <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> • <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> • <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	<ul style="list-style-type: none"> • The deposit consists of Indicated and Inferred Resources. The classification is based on the grade continuity exhibited in the variography and the search passes used in the grade interpolation subject to assessment of other impacting factors such as core handling and sampling procedures, QAQC outcomes, density measurements and the geological model • Search Pass 1 is used to classify Indicated Resources which is essentially confined to the area between the paired fence lines and the immediate periphery. • Passes 2, 3 & 4 are classed as Inferred • The classification appropriately reflects the Competent Person's view of the deposit.
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> • No audits or reviews of the resource estimates have been completed
<p><i>Discussion of relative accuracy /</i></p>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in Mineral Resource estimate using an approach or procedure deemed appropriate by the competent person. For example: the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local state the relevant tonnages which should be relevant to technical and economic evaluation Documentation should include assumptions made and the procedures used.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • The Mineral Resources have been classified using a qualitative assessment of a number of factors including the data quality and the distribution, complexity of mineralization/geology, the drillhole spacing, QAQC data, historical data and sampling methods. • The Mineral Resource estimates are considered to be accurate globally, but there is some uncertainty to the local estimates due to the wide along strike drill spacing, the complexity of the coalescing strandlines and possible sub-basin development. • The geological nature of the deposit, composite/block grade comparison and the modest coefficients of variation lend themselves to reasonable level of confidence in the resource estimates • A previous resource estimate for iron was completed by H&SC in 2014 using the previous explorer data. The new resource estimates are comparable considering the slighting higher average grades associated with the mayur drilling, the different drill spacing and the bigger area covered by mayur. • No production data is available

Appendix 2

Kabang JORC 2012 Table 1 Checklist of Reporting and Assessment Criteria

JORC Code & Guidelines, 2012 Edition – Table 1 Kabang Gold Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random clips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Resource based on drilling information comprising diamond, RC and aircore drill samples Diamond drilling HQ Core with sampling under geological control RC drilling using a 5 ¼" face sampling bit; reports of wet samples but difficult to know how much. Aircore drilling using a Wallis RC Drillrig (aircore was a proprietary name at time of drilling) Holes generally drilled vertically to very steep with a couple of moderately steep angled holes at various directions. Sampling consisted of sawn half core, 1m riffle split RC and aircore samples. Sampling techniques are considered appropriate for deposit type Very limited documentation for core handling and sampling procedures available Sampling generated approx 3kg samples that were sent to a commercial lab for analysis. Fire assay was the analytical technique using a 50g charge and AAS finish Assaying used appropriate techniques for the period at commercial laboratories.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> For the Kabang deposit diamond drilling 22 holes for 3,824m; total RC 10 holes for 1,093m and total RC(Aircore) 13 holes for 372m Phase 1 1986-87 ESSO 7 HQ diamond drillholes for 1,169m; rig type not known; 13 RC/aircore holes for 372m; Wallis Drilling RC rig Phase 2 1989 City Resources/Ingold 6 HQ/NQ diamond drillholes for 703m, 10 RC holes for 1,093m; Pioneer 550 rig Phase 3 1998 to 1999 Macmin 2 PQ/HQ triple tube diamond drillholes for 241m

Criteria	JORC Code explanation	Commentary
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Phase 4 2004 Macmin/Vangold 6 diamond drillholes for 1,472m • Drilling techniques are considered appropriate for deposit type • No oriented core • No digital recovery data supplied • Recovery data for some of the diamond drilling as hard copy in some logs • Some zones of bad recoveries, particularly the barren tephra zones • Recovery is reported as good; no evidence of grade bias with Drill recoveries are considered adequate • No assessment of gold grade with recovery completed due to lack of recovery data.
<i>Logging</i>	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Detailed hard-copy lithological logging of all holes transcribed by H&SC into Excel spreadsheets and then loaded into an Access Database with a set of quantitative logging codes for alteration, mineralisation and veining. • No core photographs available. • All relevant intersections were logged
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Sawn half core on site under geological control for variable sample lengths. • Core samples dried, crushed and pulverised to -150mesh at ALS, a commercial laboratory in Lae. No indication of sub sample size. • 1m RC samples riffle split (25mm) on site with a 1:3 split basis; The 1m quarter fraction combined with a consecutive 1m sample to produce 2m composite samples • Sampling procedures were in line with industry standards of the day (as documented in historic reports); • All sampling methods and samples sizes (where information exists) are deemed appropriate
<i>Quality of</i>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory 	<ul style="list-style-type: none"> • 50g charge used with a fire assay method and AAS finish for gold for

Criteria	JORC Code explanation	Commentary
<p>assay data and laboratory tests</p> <ul style="list-style-type: none"> procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> all drilling methods. For Esso Gold was analysed by the 'FA50' (50 gm fire assay) method at PNG Analytical Labs. Gold assays also done by 'FA50' at Pilbara Labs. Copper and other elements analysed at Pilbara Labs by 'AAS' (Atomic Absorption Spectrometry). As and Sb done by 'HYD' analytical method, Hg done by C/V analytical method. For the Macmin work, assaying was carried out by ALS, an accredited laboratory. No mention of digest AAS for copper for Phases 2-3 whilst Phase 4 used ICP-OES with high copper grades having an AA finish No digital QAQC data available for any of the work phases All sampling and assay methods and samples sizes are deemed appropriate. 	
<p>Verification of sampling and assaying</p> <ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No actual verification of drill intercepts has been made by independent personnel No documentation of core handling, sample preparation or data entry procedures have been supplied No checks have been completed between original assay sheets and entered data. A 2002 NI-43-101 report mentions "viewed a number of analytical results that indicate regular re-runs by the lab and checks of high or unusual results." Simple error checking of the drillhole database has been completed by H&SC including duplicate entries, incorrect hole depth and overlapping sample. Adjustments to data confined to below detection assays being converted to half detection limit 	
<p>Location of data points</p> <ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. 	<ul style="list-style-type: none"> Hand held GPS in AGD66 Zone 56 grid projection; no indication on personnel used. Accuracy to 10m The supplied downhole survey data consisted of a top of hole reading and an end of hole reading that matched the top of hole 	

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • value. There was no evidence for any actual downhole surveys. • 2.5m contours from a LIDAR survey used to create a topographic surface onto which drill collars were draped for accurate elevation; accuracy +/-1m. No information on accuracy of LIDAR survey with ground data points • The location methods used to determine accuracy of drillhole collars are considered appropriate
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Drillhole spacing is of the order of 50 to 100m or even greater. • Most holes are vertical to sub-vertical. Angled holes have a variety of directions • Many holes are shallow holes which often failed to penetrate the tephra • Downhole sampling interval is generally 1m but can range from 0.2 to 5m (an outlier of 15m is recorded) • 50 to 100m drillhole spacing is appropriate for assessment of geological and grade continuity for this type of deposit. • Drilling depth is generally to -150mRL with starting elevations ranging from 60 to 190mRL. Max depth of drilling is generally 250m • Sample compositing to 2m completed for RC drilling.
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drilling is approximately at right angles to a broad, flat-lying zone of gold mineralisation • Extents to mineralisation have not been properly established • Drilling orientations are appropriate with no bias.
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • No documentation supplied; industry standard assumed
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Peter Christopher of Peter Christopher & Associates completed a review of the Feni Islands property and compiled a report in compliance with NI43-101 rules for New Guinea Gold (Vangold) in October 2002. Report stated “previously generated data [prior to

Criteria	JORC Code explanation	Commentary
		2000] is of excellent quality”

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • Feni Island property comprises the Ambitle and Babase Islands in the Feni-Tabar chain of islands in the New Ireland Province of Papua New Guinea • Exploration Licence EL2096 held by Mayur Resources was granted by the Minister for Mining on 5th August 2014 for a period of 2 years. This licence is currently under renewal. The is no reason to suggest why the renewal for this licence will not be re-granted. • The licence is held 100% by ‘Mayur Exploration PNG Limited’. • There are no known or experienced impediments to obtaining a licence to operate in the area. • The island is remote with poor land access
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 4 phases of work have been completed for the Kabang area • Phase 1 ESSO completed a series of holes in the 1970’s no record of drillhole information or assays is available • Phase 2 ESSO/City Resources 1983 to 1986: diamond and short hole percussion drilling; extensive mineral petrology completed on core samples • Phase 3 City Resources/Ingold: 1987 to 1991: diamond & RC drilling • Phase 4 Macmin/NGG: 1998-1999: diamond drilling • Phase 5 Macmin/Vangold: 2001 2005: diamond drilling • Variety of surface geochemistry techniques and ground/airborne geophysical surveys; surface mapping; geological studies • Previous exploration has been completed to industry standard

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • Ambitle Island is a truncated Plio-Pleistocene age stratovolcano and is part of a chain of undersaturated intermediate composition volcanic/magmatic complexes that stretches from Tabar-Lihir – Tanga-Feni to the Solomon Island to the south east. • The deposit type is complex with epithermal gold type features seemingly overprinting prior porphyry copper characteristics • The poorly exposed basement rocks are of Tertiary sediments dominated by marine limestones and built upon that basement is a volcanic and plutonic sequence of intermediate to basic rocks. Porphyritic syenite intrusions are associated with the stratovolcano. • A young crater-like feature on the northeast side of the central cone is a reactivation of the volcanic cycle near the cone wall where it is crossed by WNW structures. Here an interpreted maar (800m in diameter) is also recognised and it is proposed that ejecta from this body has generated the tephra which covers much of the island and effectively masks potential mineralisation. • Locally the area is still in its cooling cycle as there are numerous active surficial geothermal manifestations, as is the case at Lihir to the west. • Petrographic studies suggest the formation of a stratovolcano built of alkalic volcanics and intruded by high level alkalic intrusions such as monzonites and syenites. Formation of a zoned alteration – mineralisation system around one phase of the magmatic cycle. This included widespread potassic alteration, and with cooling the overprint of phyllic assemblages. Based on analogy with Lihir, there could have been the emplacement of a later intrusion possibly controlled by the regional graben-like structures. This may have introduced a second alteration and mineralisation and could account for much of the adularia as opposed to orthoclase in the rocks. It is proposed that this second event triggered the eruption of the diatreme breccias and introduced sulphide mineralisation in response to the mixing of cool surficial with deep hot hydrothermal fluids. This is the main sulphide depositional phase and introduced

Criteria	JORC Code explanation	Commentary
	<p>the pervasive low order gold into the system. In cooler parts of this second system, drawdown telescoped CO₂ rich fluids down from shallow condensate reservoirs into the hot reservoir, depositing zoned carbonates and possibly gold and base metals. Later alteration with cooling saw the deposition of interlayered clays including chlorites and illites. A stage of chalcadonic quartz accompanies this stage, and the acid cap alteration at Kabang is probably a recent past product of this system.</p> <ul style="list-style-type: none"> • The overprinting alteration is of a typical porphyry system with mineralisation associated with the potassic and phyllic alteration phases. Mineralisation is also associated with a later argillic alteration overprint and there is evidence for even later advanced argillic alteration. • There is a pronounced NW-SE structural control (arc parallel) and a subordinate arc normal NE-SW grain on Ambittle Island; the arc parallel structures have been interpreted as having created a graben-like feature through the central cone area. • Mineralisation comprises pyrite disseminations, fracture fill and veinlets; minor disseminated chalcopyrite • The controls to mineralisation are interpreted to be related to the alteration overprints in particular the late argillic alteration in proximity to the upper boundary of the potassic alteration. The tephra surface provides an upper constraint to mineral distribution. Mineralisation remains open in all horizontal directions and at depth due to a lack of drilling. • Limited weathering has been interpreted from the geological logs but generally is more pronounced in the tephra. There is no evidence of any supergene enrichment of either copper or gold. 	
<p>Drill Information</p>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of</i> 	<ul style="list-style-type: none"> • Exploration results not being reported

Criteria	JORC Code explanation	Commentary
	<p>the drill hole collar</p> <ul style="list-style-type: none"> ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. ● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> ● Exploration results not being reported
Data aggregation methods	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. ● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> ● Exploration results not being reported ● Drilling has generally been vertical or steeply dipping and appears to cut across sub-horizontal boundaries typical of porphyry-style alteration. ● No preferred orientation has been noted with the gold mineralisation
Diagrams	<ul style="list-style-type: none"> ● Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> ● Exploration results not being reported
Balanced reporting	<ul style="list-style-type: none"> ● Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> ● Exploration results not being reported
Other substantive	<ul style="list-style-type: none"> ● Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey 	<ul style="list-style-type: none"> ● Exploration results not being reported

Criteria	JORC Code explanation	Commentary
exploration data	<i>results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Exploration results not being reported

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> <i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i> <i>Data validation procedures used.</i> 	<ul style="list-style-type: none"> Data collated by Mayur and H&SC from digital hardcopy reports and appendices Digital geological logging information was compiled by H&SC from hard copy logs for all available holes. No core photographs were available. Checks completed by H&SC include: <ul style="list-style-type: none"> Data was imported into an HS&C Access database with indexed fields, including checks for duplicate entries, sample overlap, unusual assay values and missing data. Additional error checking using the Surpac database audit option for incorrect hole depth, sample/logging overlaps and missing downhole surveys. Manual checking of logging codes for consistency, plausibility of drill hole trajectories and assay grades. Assessment of the data confirms that it is suitable for resource estimation.

Criteria	JORC Code explanation	Commentary
Site visits	<ul style="list-style-type: none"> • Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> • The number of assays for gold was greater than those for copper and therefore the copper was not modelled as two holes with missing copper data were in strongly influential positions • No site visit to the Feni Islands was completed by H&SC due to time and budgetary constraints.
Geological interpretation	<ul style="list-style-type: none"> • Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> • A simple zone of gold mineralisation, an epithermal overprint?, with a spatial relationship to poorly-defined, low grade copper mineralisation in proximity to the margin of the potassic alteration zone associated with a porphyry copper system, constrained near surface by tephra deposits. • Geological modelling has used Surpac 3D software to generate solids and surfaces from 50m spaced N-S sections which have then been incorporated in to a block model. • A lack of drilling indicates the mineralisation is laterally open in horizontal directions and at depth. Some drillholes have terminated in significant gold (and copper) mineralisation • The barren tephra lithology and the potassic and argillic/phyllitic alteration zones have been interpreted from the core logging. • Oxidation due to weathering is difficult to ascertain due to a lack of drillhole information • Geological understanding appears to be good and appropriate for resource estimation • Alternative interpretations are possible for the alteration definition but are unlikely to affect the estimates. • The style of mineralisation and the orebody type means there are very few factors controlling the grade and geological continuity. There is no obvious structural control to mineralisation mainly due to a lack of drilling. The deposit lies in proximity to the interpreted Kabang Fault structure.
Dimensions	<ul style="list-style-type: none"> • The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper 	<ul style="list-style-type: none"> • The resources at a cut-off of 0.5g/t Au form a reasonably coherent zone with a strike length of around 880m in an ENE direction that is 275m wide. The upper limit of the mineralisation occurs at surface

Criteria	JORC Code explanation	Commentary
<p><i>and lower limits of the Mineral Resource.</i></p>		<p>and the reported resources reach a maximum depth of 320m below surface.</p>
<p><i>Estimation and modelling techniques</i></p>	<ul style="list-style-type: none"> • <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by-products.</i> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> • <i>Any assumptions behind modelling of selective mining units.</i> • <i>Any assumptions about correlation between variables.</i> • <i>Description of how the geological interpretation was used to control the resource estimates.</i> • <i>Discussion of basis for using or not using grade capping or capping.</i> • <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<ul style="list-style-type: none"> • The gold block grade was estimated using Ordinary Kriging using the Micromine software. H&SC considers Ordinary Kriging to be an appropriate estimation technique for this type of gold mineralisation. • There is no correlation between gold and copper; • The base of the tephra surface was treated as a hard boundary during estimation i.e. blocks below the surface were estimated using composites from below the surface and blocks above were estimated using only composites from within the tephra unit. • The relatively modest CV for gold and absence of extreme values precluded the need for top-cutting. One sample on the south-east end of the deposit with a grade of 16 ppm was replaced with a grade of 0.1 ppm as the high grade is suspicious and the lack of constraining data would lead to excessive extrapolation of high grades. • A total of 2,355 two metre composites were used to estimate the mineralised bedrock and 555 composites were used to estimate the tephra unit. • No assumptions were made regarding the recovery of by-products. There is significant low grade copper mineralisation in the area but this has not been estimated at this stage. • Variography was performed for gold composite data for the mineralised bedrock. Grade continuity was poor in the directional variograms mainly due to a lack of data. • Drill holes are on an irregular grid with a nominal spacing of 50(100)x50(100)m. Composites are 2m. Block dimensions are 25x25x10m (E, N, RL respectively). The plan dimensions were chosen as they are nominally half to a quarter of the drill hole spacing. The vertical dimension was shortened to reflect downhole data spacing in conjunction with possible bench heights. Discretisation was set to 5x5x2 (E, N, RL respectively). • Three search passes were employed with progressively larger radii

Criteria	JORC Code explanation	Commentary
		<p>or decreasing search criteria. The first pass used radii of 100x50x25m whereas the second and third used 200x100x50m (along strike, across strike and vertical respectively). The search ellipse axes were aligned parallel to variogram axes. All three passes used a four sector search and a maximum of 32 composites with a maximum number of composites per drill hole set at eight. Pass one required a minimum of 17 composites from at least three drill holes, Pass two required a minimum of 12 composites from at least two drill holes and pass three a minimum of eight composites with no restriction on the number of drill holes used.</p> <ul style="list-style-type: none"> • The maximum extrapolation of the estimates is 200m. • The estimation procedure was reviewed as part of an internal H&SC peer review. Ordinary Kriged and Inverse Distance Squared check models were produced by H&SC. The tonnage, grade and classification of the check estimates agreed well with the primary resource estimate. • No deleterious elements or acid mine drainage has been factored in. • The final H&SC block model was reviewed visually by H&SC and it was concluded that the block model fairly represents the grades observed in the drill holes. H&SC also validated the block model statistically using a variety of histograms, boxplots, swathe plots and summary statistics. • No production has taken place so no reconciliation data is available.
Moisture	<ul style="list-style-type: none"> • Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> • Tonnages are estimated on a dry weight basis; moisture not determined.
Cut-off parameters	<ul style="list-style-type: none"> • The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> • 0.8 g/t gold cut off used; no account was made for copper mineralisation due to missing data • The cut-off grade at which the resource is quoted reflects an intended bulk-mining approach
Mining factors or assumptions	<ul style="list-style-type: none"> • Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects 	<ul style="list-style-type: none"> • H&SC’s understanding of a bulk mining scenario is based on information supplied by Mayur. • The model block size (25x25x10m) is the effective minimum mining



Criteria	JORC Code explanation	Commentary
	<p>for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</p>	<p>dimension for this estimate.</p> <ul style="list-style-type: none"> Any internal dilution has been factored in with the modelling and as such is appropriate to the block size.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> There is no record of metallurgical test work A simple grinding and CIL plant operation is envisaged It is assumed that there will be no significant problems recovering the gold. No penalty elements identified in work so far; arsenic grades appeared to be low
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> The area lies within moderate terrain with restricted watercourses The area is covered with dense vegetation typical of that part of PNG There are carbonate rocks in the vicinity that could potentially provide material for control of any acid mine drainage The main Island has volcanic related activity associated with it including geothermal hot areas, localised hot water springs and has had recent volcanic activity in the form of extrusive ash debris (2000 years ago) An environmental study has been completed by the Mineral Resource Authority of PNG looking at the impact of exploration activities particularly in relation to hot water geysers developed from recent drilling.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (cavities, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> No density test work was available. Density of the bedrock unit was assumed to be 2.6t/m³ as it is composed mainly of trachytic to andesitic volcanics. The density of the tephra unit is assumed to be 2.3t/m³. More density test work is required in order to raise the confidence of the resource estimate.

Criteria	JORC Code explanation	Commentary
<p><i>Classification</i></p>	<ul style="list-style-type: none"> • <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> • <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> • <i>Whether the result appropriately reflects the Competent Person’s view of the deposit.</i> 	<ul style="list-style-type: none"> • All 3 search passes were allocated Inferred Resource status based on the drillhole spacing, density, QAQC (data quality), geological understanding and variography • The classification appropriately reflects the Competent Person’s view of the deposit.
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> • A previous resource estimate has been quoted in technical reports from the 1990’s as 4Mt @ 1.4g/t Au. No documentation of this estimate has been supplied to H&SC.
<p><i>Discussion of relative accuracy/confidence</i></p>	<ul style="list-style-type: none"> • <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> • <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • The relative accuracy and confidence level in the Mineral Resource estimates are considered to be in line with the generally accepted accuracy and confidence of the nominated Mineral Resource categories. This has been determined on a qualitative, rather than quantitative, basis, and is based on the Competent Person’s experience with similar deposits • The geological nature of the deposit, composite/block grade comparison and the modest coefficient of variation for gold lend themselves to a reasonable level of confidence in the resource estimates. • There is some small scale clustering of grade or localised domains of different grade • The Mineral Resource estimates are considered to be reasonably accurate globally, but there is some uncertainty in the local estimates due to the current drillhole spacing and a lack of geological definition. • No mining of the deposit has taken place so no production data is available for comparison.

Appendix 3

Depot Creek JORC 2012 Table 1 Checklist of Reporting and Assessment Criteria

7.1 JORC 2012 – Table 1

7.2 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<p><i>Sampling techniques</i></p>	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> • Prior to the current exploration programme, no drillhole has ever been drilled into the resource • Core was photographed before sampling but after interval tag placement • All coal quality drill core analysis has been taken from HQ3 and NQ3 boreholes. Coring was commenced from surface and through the coal seams into the floor for at least 4 m. • All seams were fully sampled at the time of drilling. Roof, floor and parting samples were also taken for all seams. Coal samples were between 0.1 and 0.5 m thick and sampled as individual plies on the basis of lithological characteristics. • Any non-coal partings less than 0.10 m thick were included with the coal ply above. Partings greater than 0.10 m and up to a maximum of 0.5 m were sampled separately. • All available material within each identified sample interval was double bagged at the drill site in plastic bags accompanied by duplicate sample tags. These were sealed with cable ties and placed into larger plastic bags for transportation to the laboratory. • Coal seam depths and thicknesses were interpreted from downhole geophysical logs (density, gamma, caliper) and compared with recovered core intervals as measured during drilling. Where appropriate, known core loss was inserted or adjusted to accommodate differences between core and geophysical log lengths. • The geophysical logging tools were calibrated by the logging company. • All coal quality samples were prepared and analysed using Australian Standard testing methodologies based on a pre-determined analysis regime designed by a third party, expert coal quality consultant.
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • A total of 6 cored drillholes of varying depths were completed during the Depot Creek programme • Total metres drilled was 465.55m • Only 1 rig was used in the programme, which was an 'Alton LT140'

Criteria	JORC Code explanation	Commentary
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade loss/gain of fine/coarse material.</i> 	<p>man portable rig</p> <ul style="list-style-type: none"> • The programme was managed and run by Deepcore Drilling • All drilling to date has been vertical cored HQ3 & NQ3 core holes for coal quality sampling. • All coal quality samples were taken from the cored boreholes using HQ3 or NQ3 size, triple tube core barrels (of 1.6m linear capacity) on a wireline to produce 61.1 mm and 45.1 mm diameter core respectively. <ul style="list-style-type: none"> • Core recovery was accurately measured using a tape measure • Core was measured within the splits to minimize sample disturbance, prior to transferring core to PVC • Fit coal broken pieces together so that there are no gaps • If coal was expected in the coming runs, endeavour to organise the runs by stopping early on the run above the coal so that the seam is cored in one run. This increases the chance of greater coal recovery. • The weighing of the coal samples for special moisture sampling was completed at the drill site as per the guidelines provided by MCQR (McMahon Coal Quality Resources). A hanging scale and kitchen scales were both used to measure the weight of the sample. • During the drilling process each core run was placed onto the core table by the drill crew and then individually measured by the driller and rig geologist. The recovered length was recorded in the drilling sheet. Core loss intervals were identified and marked next to the core on the core table by the rig geologist. The depth intervals were marked and the core was then photographed. Core loss was incorporated into the initial lithological log. • Interpretation of the downhole geophysical logs and lithological logging from the core hole was used to define the coal roof, parting and floor intervals for the sampling of the core. • All uncontaminated material from each sample interval was carefully transferred from the core table to a plastic bag by hand and through the use of various sampling tools. • All coal samples were sampled irrespective of core recovery. Decisions were made later by the Principal Company Geologist about which samples were analysed. Core loss within individual samples was acceptable as long as the recovery of the full seam section was considered to be representative.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and Geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or coreset, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> The logging and sampling site was always set up on a level flat area, on a good work bench to mark up and photograph the core, with a tarpaulin to cover the work area and core trays and samples, with good lighting when working at night. All core was Geologically logged, marked, measured, and photographed before sampling. The cored intervals from all drillholes were geologically logged by trained rig geologists. Core depths were initially based on the details provided by the driller and were verified by the rig geologist. The logs were reviewed and sample lengths validated and adjusted as required by experienced Company Geologists. Changes to the logs were only made after careful evaluation of all data (lithology logs, geophysical logs and core photos). Where necessary, the depths were adjusted later in the lithological log (manual or digital) to match depths determined from the down hole geophysical logs. Core loss in the coal was determined based on differences between sample length and interpreted intervals from geophysical logs. All Geological, lithological and technical features were identified and logged The drill holes were lithology logged directly into a Toughbook computer using Task Manager 2014 software All drillholes from the Depot Creek programme were Geophysically logged using a minimum of density, caliper and gamma responses, as well as verticality, sonic and resistivity sondes when possible. The entire 465.55m of the drilling programme (6 holes) was logged All core was photographed in the field while on the core table after depth markers and sample intervals had been marked on it, but prior to any logging or sampling being carried out. The photographs covered a maximum interval of 0.5 m each and are stored in a digital format.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to 	<ul style="list-style-type: none"> Geological and geophysical logs and core photos were used to distinguish sections of seams representing different coal qualities and these were analysed separately wherever possible. The core was logged and sampled as soon as possible after drilling to reduce potential for moisture loss. All available material within each identified sample interval was removed during sampling, including portions of the roof, seam, partings, and floor for all seams drilled. The core was

Criteria	JORC Code explanation	Commentary
	<p><i>maximise representivity of samples.</i></p> <ul style="list-style-type: none"> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>broken by hammer and chisel where required to separate the core into specified sample intervals. All possible efforts were made to minimise any other breakage of the core.</p> <ul style="list-style-type: none"> All drill core samples were sent to the Bureau Veritas Coal laboratory at Brendale, Queensland. Here every sample was registered and weighed on an as-received and an air-dried basis, and then analysed for apparent relative density. Representative samples of seams were selected and composited for analysis based on the initial ARD results. Sample preparation and the subsequent analyses were conducted using Australian Standard testing methodologies, and followed a pre-determined analysis regime designed by a third party, expert coal quality consultant. Coal samples were initially crushed to a top size of 11.2mm, then half placed in reserve. The remaining half was then crushed to 4 mm for detailed raw coal testing. Raw coal composite analysis testing was also completed on the major seams. Non-coal (roof, floor, interburden) samples were initially crushed to a top size of 11.2mm, then half placed in reserve. The remaining half was then crushed to 4 mm for relative density, proximate and total sulphur testing.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> The coal quality testing programme was designed by a third party, expert consultant. The coal testing laboratory used (Bureau Veritas, Brendale, Queensland) is National Association of Testing Authorities, Australia ("NATA") accredited and undertakes coal testing according to AS, ASTM, or ISO standards. The laboratory has well established procedures for quality control and verification of acceptable levels of accuracy. The laboratory reports indicate that the analysis reported has been performed according to the appropriate standard, although the exact standards followed are not supplied on an individual basis. Downhole geophysical logging was undertaken by Borehole Wireline International utilising appropriately tested and calibrated tools. Results and data provided were in accordance with expectations. No independent checks have been conducted into the company's equipment and procedures. Downhole conditions varied and wherever possible, open hole surveys were completed, but in some instances only in-rod geophysical logging surveys could be completed.

Criteria	JORC Code explanation	Commentary
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • All primary field data have been checked and validated by Senior Company Geologists. Identification of seams and sample intervals to be composited for analysis were determined by the Principal Company Geologist. All sample details and other borehole data were provided to the resource modeller in digital spreadsheet format for verification by the Competent Person. • Analytical data were progressively entered into standardised spreadsheet templates at the laboratory as and when the results were generated. At the completion of each analysis stage, preliminary copies of the data were sent to an expert coal quality consultant retained by the Company, and the Principal Company Geologist for checking and validation prior to testing commencing on the next stage. At the end of testing, a single spreadsheet containing all the validated results was issued for each individual borehole for digital data storage. • The coal quality data have been independently checked and validated by a third party expert consultant, no adjustments have been made to any of the data.
<p>Location of data points</p>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • No LIDAR has yet been flown • Final drill hole collar positions were surveyed using a directional GPS (Garmin GPSMAP64S with OmniSTAR VBS) that was rated for sub-metre accuracy. • Survey results were recorded in Datum WGS84 and projection UTM Zone 55 South. • The topographic surface used for the current modelling work is a 1 arc second dataset from Nasa's Shuttle Radar Topographic Mission (SRTM) This provides a reference RL height approximately every 30m. Whereby this is considered insufficient for detailed study purposes, it is a valid surface in terms of accuracy within the context of Inferred Resource estimation.
<p>Data spacing and distribution</p>	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Drillhole spacing varies between 174m and 611m • Data spacing is sufficient to establish the degree of coal seam continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure • Multiple samples were obtained for some coal seams within the project area. As such, where appropriate, sample compositing has been completed. Samples were weighted against sample thickness and RD. The samples were combined into relevant seam composites

Criteria	JORC Code explanation	Commentary
<p>Orientation of data in relation to geological structure</p>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>by the laboratory under instruction from the Principal Company Geologist to create a sample of sufficient size for the required testing programme.</p> <ul style="list-style-type: none"> The Depot Creek project is located in the foothills of the Papuan Fold Belt All holes were drilled vertically, to enable ease of drilling The Depot Creek Project is situated within a moderate structural zone with moderate 'at surface' south-westerly dips. Mapped dip observations in the Depot Creek area range between 20° and 30°, however dips observed between correlating drill holes indicate shallower dips at depth between 17° and 25° Some minor faulting is documented within the cored holes, however its impact on the Resource Potential in Depot Creek is not determined. Faults are likely to increase in throw and density closer to the known major thrust faults in the area.
<p>Sample security</p>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>After the drillcore had been sampled for coal, the samples were:-</p> <ul style="list-style-type: none"> Uniquely labelled and sealed (in double layers of heavy duty plastic bags) before dispatch from site. The plastic bag would be sealed with a cable tie. The bag was then carried to the main camp, placed off the ground, in the shade next to the Geologist tent They were transported from site to Port Moresby under the supervision of a Senior Company Geologist. When leaving site the samples would be placed in the banana boat and covered with a tarpaulin to keep the sun off them. In Port Moresby, any soiled, outer plastic bags were removed and replaced with a new, clean bag, so that the samples would pass through Australian quarantine/customs checks without delay. The samples were then packed securely and transported back to Australia as checked-in luggage on commercial flights. The samples were then couriered to the laboratory (Bureau Veritas, Brendale) in Brisbane. At all stages of the transport chain a Senior Company Geologist was present.
<p>Audits or reviews</p>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> A suitably trained and experienced Senior Geologist from Pacific Mining Partners was onsite during all drilling operations to observe and review logging and sampling procedures and data collection methods.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> All logging and sampling was completed in accordance with standard industry practice suitable for resource estimation. Bureau Veritas, Brendale, Queensland undertook internal audits and checks in line with the Australian standards and their NATA certification. And the coal quality data have been routinely validated by a third party, expert consultant.

7.3 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Depot Creek project area is within one exploration licence EL1875 The licence is held by Waterford Ltd, however Mayur has the rights to 100% of the licences EL1873, EL1874, EL1875, EL1876 Occurrences of coal seams stretching over a strike length of 200km are known to occur across 5 licences – EL1873, EL1874, EL1875, EL1876, and EL2305, all of which are either held or managed by Mayur Known mapped extensions occur over a strike length of 120km The tenements are all in good standing and report writing up-to-date
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There is a long exploration history for coal within the region, with the first explorers venturing to the area in 1894 and finding coal No company has ever held an exploration licence to explore for coal in PNG prior to 2009 No drilling or resource work has ever been done on the Depot Creek project prior to the current drilling programme Bryan conducted extensive surveying and mapping on behalf of CRA in 1975 without applying for an exploration licence. Many of his maps have been field checked and are very accurate. In particular his map of the Depot Creek project area is accurate. Waterford conducted a review of the entire Papuan Basin based on previous geological mapping and petroleum well-hole work. Phoenix Global conducted a review of the Depot Creek project in 2012. They visited site for 5 days, created a basic map and collected

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>samples.</p> <ul style="list-style-type: none"> • The coal at Depot Creek is located in the foothills of the Papuan Fold Belt along the mid-to-upper reaches of the Era River • The Papuan Fold Belt is a South-East trending Geological province separated from the Fly Platform to the South by the Papuan Thrust, and juxtaposed against the Aure Fold Belt to the south-East by a major thrust fault • In the Papuan Fold Belt, Miocene limestone and younger sandstone and coal of the Fly Platform are deformed by northeast dipping thrusts and associated folds in a foreland fold-and-thrust belt. • Deeper erosion at the northern extremity of the fold belt exposes underlying Mesozoic sandstone, siltstone and shale, as well as local intrusions, below the Miocene limestone. • Quaternary stratovolcanoes at Mt Bosavi and Mt Murray, which rise 1500- 2000m above the surrounding countryside, are surrounded by thick, lahar outwash deposits. Volcanic activity has ceased, but local oral history, and the presence of fumaroles hot springs, suggests a major eruption occurred in the Doma Peaks area several hundred years ago. Some craters are deeply eroded, but many volcanic centres, including Holocene cones, are still well preserved and can be identified on aerial photographs. Other centres extend southeast from the Mt Bosavi volcano to the margin of the Fly Platform. • The Papuan Fold Belt is separated from the New Guinea Thrust Belt to the north by the New Guinea Thrust, which comprises a corridor of arc-parallel structures. In the western part of the thrust, the most prominent structure is the Lagaip Fault, but it also includes the Trangiso, Stolle and Figi Faults. To the east, the thrust probably encompasses the Ambum and Kubor Faults, but it is not easily traced east of Quaternary basalt cover in the Mt Hagen area. • The Papuan Fold Belt also contains the Kutubu Oilfield, which originally contained recoverable reserves of more than 350 million barrels of oil and the giant Hides gas field (more than 5 trillion cubic feet of reserves), which will form the core of the PNG LNG project.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ◦ <i>easting and northing of the drill hole collar</i> ◦ <i>elevation or RL (Reduced Level – elevation above sea level in</i> 	<ul style="list-style-type: none"> • All the drillhole co-ordinates in WGS84 Zone55S are available and listed. Please refer to Appendix XX • All RL's are provided • All downhole lengths and coal seam interception depths are provided • All drillholes are considered to be vertical (90°) and incorporation of

Criteria	JORC Code explanation	Commentary
	<p>metres) of the drill hole collar</p> <ul style="list-style-type: none"> o dip and azimuth of the hole o down hole length and interception depth o hole length. <ul style="list-style-type: none"> • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>deviation data was not considered necessary</p>
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Seams have been generally sampled and reported as full seam thicknesses. Where seams have been subsampled due to interpretation from the field geologist, samples have been reconciled in the laboratory to reflect corrected seam identification
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • All drilling was conducted using vertical holes • The average dip of the coal seams at surface is around 22° however ranges between 35° and 17° within the geological models. • All coal seam intercepts represent apparent thicknesses, assuming a vertical intersection of the dipping seam.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Included as necessary within the report.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> • All applicable data from the 2014 drilling programme shall be included in this report
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • All applicable data from the 2014 drilling programme shall be included in this report

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> An upcoming exploration programme is currently being designed along strike extensions of the coal seams for 10km in either direction Known outcropping coal seams occur for 120km total strike length, and these coal seams need to be field mapped and sampled by Mayur staff then followed up by drilling

7.4 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> Mayur and PMPL (Pacific Mining Partners) personnel have validated the data submitted from the field Geologists All borehole data was collected, corrected and validated using Task Manager 2014 geological logging software, and stored in Microsoft Excel spreadsheets. Filters were applied in Task Manager to limit the codes that could be entered for certain parameters and internal calculation checks were completed to ensure numerical values, codes, sample data and geophysical logs are valid. Core photos were registered in Task Manager to allow viewing with lithological data. Graphical plots were produced to match lithological and sample data with geophysical logs. All field data was reviewed by the Principal Company Geologist. Coal quality data were routinely validated by a third party expert consultant. Data was also validated using Micromine Geological database and modelling software.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> No Competent Persons from 'Resolve-Geo' have made a visit to the project site to date, however Mayur Geologist Mr. Thomas Charlton completed a number of site visits during the drilling programme compiling observations of the site status and facilities A suitably qualified and experienced Senior Geologist from PMPL was in charge of managing the entire programme from start to completion

Criteria	JORC Code explanation	Commentary
<p><i>Geological interpretation</i></p>	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The drillhole density in the Depot Creek project allows good confidence in the seam thicknesses and quality consistency The observed discrepancy within dips observed at surface and between drill hole intersections at depth suggest a possibility of some displacement between drill holes The current drill pattern offers insufficient clarity to determine if the dips below surface are undulating and variable, or if a potential fault offset is contributing to this. Should a faulted interpretation prove to be the case, there is a potential for an adjustment to the amount of coal included within the 12:1 stripping ratio cut-off for resources.
<p><i>Dimensions</i></p>	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> At Depot Creek the resource area is approximately 7km along strike, 200 - 300m in width with an average cumulative seam thickness of 4.1m within the resource model The depths of the seams intersected in drillholes varies from outcropping at the surface to a maximum of approximately 200m The average density of the coal used to calculate the resource was 1.37g/cm³ (In situ moisture basis)
<p><i>Estimation and modelling techniques</i></p>	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. 	<ul style="list-style-type: none"> The Geological model was developed by the competent person using Micromine modelling software using the Inverse distance (third power) method for seam and parting thicknesses. A full description of the modelling process and parameters is included in the main body of the report Full coal thickness from roof to floor is modelled for all coal seams Limits were placed on the resource estimate using the 0.3m thickness cut-off applied to all coal seams The models have been validated by checking cross-sections, surface RL's and thickness contours to ensure conformity with lithological boundaries and drillhole data

Criteria	JORC Code explanation	Commentary
Moisture	<ul style="list-style-type: none"> The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> The <i>in-situ</i> moisture of all samples has been estimated and coal density used for resource estimation adjusted accordingly
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> Maximum raw ash for the coal resource is 35% The minimum coal thickness for open cut coal mining at Depot Creek is estimated to be 0.30m Maximum overburden ratio cut-off is 12:1
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> Open cut mining studies to date are of a conceptual nature only
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding potential metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Only raw coal data has been modelled for this resource report. It is not anticipated that the coal will be beneficiated.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Currently there is no mining title over the Depot Creek project area Mayur is unaware of any limiting environmental factors at this very early stage of the project development The area has no special environmental value The project site is very isolated. No people live within a 23km radius. The nearest village (Ura) is 23km to the north along the Purari River. The next nearest village (Era Maipua) is 30km downstream by banana boat The Era River can rise quite dramatically during the rainy season

Criteria	JORC Code explanation	Commentary
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Bulk density has been determined using an in-situ density derived from laboratory seam densities on an air dry basis. Moisture holding capacity has been used in lieu of an ACARP style Total Moisture (TM) determination within a Preston Sanders In situ density calculation. There is likely to be some error in the density conversion due to the low rank of the coal, and associated high moisture values, however within the context of an Inferred confidence classification the bulk density reported is considered robust. Densities have been applied on a seam average basis. At such time as further data becomes available, seam densities will be modelled as a variable across the deposit on a ply basis.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> The classification of resources are based on the maximum distances from a point of observation (moderated by factors such as Geological continuity) as recommended in the Australian Guidelines for Estimating and Reporting of Inventory Coal, Coal Resources and Coal Reserves (2003). The final resource classification reflects the Competent Person's view of the deposit
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> The estimate has not been reviewed by any third party at this time
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The relative accuracy of the resource is reflected in the reporting of the coal resource as per the guidelines of the 2012 JORC (Joint Ore Reserves Committee) code. The reporting of Resources under an Inferred Classification shows that detailed characteristics of the resource are still poorly understood. The supporting data from historical mapping means that confidence in the coal seams endowment across the reported area is high, although thicknesses, qualities and dips of the coal within extrapolated areas is low.

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SOLICITOR'S REPORT
ON TENEMENTS



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Singapore 079027



Dear Sirs

Mayur Exploration PNG Limited, Mayur Iron PNG Limited and Waterford Limited - Report on Tenements and Corporate Status

This Report has been prepared for inclusion in the Prospectus to be dated 21 July 2017 for the offer of ordinary shares in Mayur Resources Limited (incorporated in Singapore) (**Company**).

1. SCOPE OF REPORT

We were requested to report on the interest of Mayur Exploration PNG Limited (PNG company number 1-88610) and Mayur Iron PNG Limited (PNG company number 1-80057) and Waterford Limited (PNG company number 1-68506) (collectively the **Subsidiaries**) in exploration licences 1873, 1874, 1875, 1876, 2040, 2095, 2096, 2150, 2266, 2267, 2268, 2269, 2297, 2303, 2304 and 2305 in Papua New Guinea (collectively **the Tenements**).

The Tenements were identified by officers of the Company during the course of due diligence investigations carried out in preparation for the Prospectus. The Tenements are listed and details relating to them are set out in the Schedule of Tenements attached to this letter. They have been granted under the *Mining Act 1992* of Papua New Guinea (**Mining Act**).

We were also requested to report on the corporate status of the Subsidiaries.

This Report relates only to the laws of Papua New Guinea in force on the date of this Report.

Terms defined in the Prospectus have the same meaning in this Report and the Schedule.

2. OPINION ON TENEMENTS

For the purposes of this Report, we have:

- (a) examined copies of the Tenement for EL 1874 and renewal application for EL 2150 provided to us by the Company; and
- (b) carried out on 2 June 2017 searches of the Tenements in the register maintained by the Registrar of Tenements (**Registrar**) under the Mining Act (**Register of Tenements**).

AUSTRALIA BELGIUM CHINA FRANCE GERMANY HONG KONG SAR INDONESIA (ASSOCIATED OFFICE) ITALY JAPAN PAPUA NEW GUINEA SAUDI ARABIA (ASSOCIATED OFFICE) SINGAPORE SPAIN UNITED ARAB EMIRATES UNITED KINGDOM UNITED STATES OF AMERICA

Partners: Tim Glenn, Ian Shepherd CBE, Richard Flynn, Derek Wood, Jason Brooks. Special Counsel: David Frecker. Senior Associates: Mea Vai, Kingsford Wamp.

Ashurst PNG is a general partnership formed in Papua New Guinea and is part of the Ashurst Group. The Ashurst Group has an office in each of the places listed above.

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On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that the current status and ownership of the Tenements are as set out in the Schedule of Tenements including the notes to that Schedule.

3. **NOTE IN RELATION TO APPLICATIONS FOR RENEWAL OF TENEMENTS**

We note that the Registrar has received applications for renewal of EL 2096 and EL 2150.

These applications have not been granted at the date of this Report and will be subject to a process of review, Warden's hearing, Mining Advisory Council review and Ministerial approval.

4. **OPINION ON CORPORATE STATUS OF SUBSIDIARIES**

For the purpose of the Report, we have:

- (a) examined the corporate records of the Subsidiaries made available to us by the Company; and
- (b) obtained on 11 July 2017 an electronic extract of the public records relating to the Subsidiaries as maintained by the Registrar of Companies.

On this basis and subject to the assumptions and qualifications set out in this Report, we are satisfied that:

- (c) each of the Subsidiaries is a company duly incorporated and in good standing in Papua New Guinea; and
- (d) the shareholders of the Subsidiaries are as follows:

Subsidiary	Shareholder
Mayur Exploration PNG Limited	MR Exploration PNG Pte. Ltd
Mayur Iron PNG Limited	MR Iron PNG Pte. Ltd
Waterford Limited	MR Energy PNG Pte Ltd

5. **ASSUMPTIONS**

In preparing this Report, we have assumed the following:

- (a) the authenticity of all seals and signatures and of any duty stamp or marking;
- (b) the completeness, and the conformity to original instruments and documents, of all copies provided to us, and that any document provided to us continues in full force and effect;
- (c) the entries in respect of the Tenements in the Register of Tenements maintained by the Registrar under the Mining Act are correct, complete and up to date;
- (d) at the date of this Report, there are no other agreements, documents or instruments which, if reviewed by us, would alter our view of the Tenements as set out in the Schedule of Tenements including the notes to that Schedule;

- (e) the records maintained by the Registrar of Companies are correct, complete and up to date;
- (f) the entries in the statutory and other registers and corporate records maintained by or on behalf of the Subsidiaries are correct, complete and up to date; and
- (g) the Tenements and any extension of the term of the Tenements (other than applications for Tenements) have been validly granted. The good standing of the Tenements and the holder's interests in the Tenements are subject to the holder continuing to comply with the respective terms and conditions applicable to the Tenements under the Mining Act, and any regulation made under the Mining Act.

6. **QUALIFICATIONS**

This Report is subject to the following qualifications:

- (a) We have not made any independent investigations or searches except as shown in paragraphs 3(a) and (b). We have relied on searches of and copies of documents obtained from the Company, public records kept at the offices of the MRA and electronic extracts of the public records as maintained by the Registrar of Companies. While we have assumed, as noted above, that these records are correct, complete and up to date, they may not be, in that documents may not be filed at the relevant offices immediately, may not have been entered onto the database at all or correctly, may no longer be on file, may be replaced or may otherwise not appear on the extract search. In addition, the database maintained by the Registrar of Companies is generally not complete, accurate and up to date in that documents are generally not entered in the register and onto that database for some months after filing.
- (b) The Register of Tenements does not provide details of instruments which may have been lodged for approval and registration but are not yet entered in the Register of Tenements. Once registered, any such instrument may affect the title of persons holding interests shown in the Register of Tenements.
- (c) The Mining Act establishes a system under which reliance can be placed on the Register of Tenements because an instrument under which a legal or equitable interest in a tenement is or may be created is of no force until approved by the Minister for Mining and entered in the Register of Tenements. However, it does not create a system of absolute title by registration.
- (d) A registered tenement is liable to cancellation if the tenement holder is in breach of the conditions of the tenement or the Mining Act or is in default in payment of moneys under the Mining Act. The Register of Tenements does not provide a record of any non-compliance.
- (e) We express no opinion as to whether renewals of the Tenements, where renewals have been or are about to be applied for under the Mining Act, will ultimately be granted in whole or in part.
- (f) A tenement holder cannot enter or occupy land the subject of the tenement for the purpose of mining until an agreement or determination has been made in relation to landowner compensation, any such agreement is registered, and compensation is paid.
- (g) The good standing of the Tenements and the holder's interest in the Tenements are subject to the holders continuing to comply with the respective terms and conditions of the Tenements under the Mining Act and any regulation made under that Act.

- (h) The courts of Papua New Guinea are obliged by Section 158 (2) of the Constitution of Papua New Guinea to give paramount consideration to the dispensation of justice in interpreting the law. Authoritative decisions of courts of Papua New Guinea have interpreted this section as giving rise to an alternative substantive principle of jurisprudence, which may impact upon the enforcement of rights under the Tenements.
- (i) Each of the Tenements is subject to a condition that the State reserves the right to elect at any time prior to the commencement of mining to make a single purchase of an interest up to 30% in the Tenement, at a price pro rata to the accumulated exploration expenditure. This is a standard condition in all exploration licences in PNG.

7. USING THIS REPORT

We intend that this Report be read in conjunction with the Prospectus.

8. CONSENT

Ashurst PNG have given their written consent to the issue of the Prospectus with this Report included in the form and context in which it is included, and will not withdraw their consent prior to the lodgement of the Prospectus with the Australian Securities and Investments Commission.

SCHEDULE OF TENEMENTS

Tenement	Location	Registered Holders	Most recent two year term	Area	Notes
Exploration Licence 1873	Kabarau	Waterford Limited	15 May 2016 to 14 May 2018	141 sub-blocks	1
Exploration Licence 1874	Kare, Gulf Province	Waterford Limited	15 May 2016 to 14 May 2018	102 sub-blocks	1
Exploration Licence 1875	Wabo, Gulf Province	Waterford Limited	15 May 2016 to 14 May 2018	185 sub-blocks	1
Exploration Licence 1876	Kare, Gulf Province	Waterford Limited	15 May 2016 to 14 May 2018	375 sub-blocks	1
Exploration Licence 2040	Mt. Hagen, Western Highlands Province	Mayur Exploration PNG Limited	27 September 2016 to 26 September 2018	73 sub-blocks	2
Exploration Licence 2095	Sedeia, Milne Bay Province	Mayur Exploration PNG Limited	27 September 2016 to 26 September 2018	44 sub-blocks	2

Exploration Licence 2096	Warambie, Feni, New Ireland Province	Mayur Exploration PNG Limited	5 August 2014 to 4 August 2016 As an application for renewal has been lodged, the tenement is deemed to continue in force pending decision on renewal.	112 sub-blocks	3, 4
Exploration Licence 2150	Gulf South	Mayur Iron PNG Limited	18 December 2014 to 17 December 2016 As an application for renewal has been lodged, the tenement is deemed to continue in force pending decision on renewal.	361 sub-blocks	3, 5
Exploration Licence 2266	Kiwai Island, Western Province	Mayur Iron PNG Limited	14 May 2016 to 13 May 2018	750 sub-blocks	1
Exploration Licence 2267	Segoro, Western Province	Mayur Iron PNG Limited	2 December 2016 to 1 December 2018	750 sub-blocks	2
Exploration Licence 2268	Dibiri, Western Province	Mayur Iron PNG Limited	2 December 2016 to 1 December 2018	748 sub-blocks	2
Exploration Licence 2269	Baimuru, Gulf Province	Mayur Iron PNG Limited	14 May 2016 to 13 May 2018	750 sub-blocks	1
Exploration Licence 2297	Daru, Western Province	Mayur Iron PNG Limited	2 December 2016 to 1 December 2018	750 sub-blocks	2
Exploration Licence 2303	Pinu Village, Central Province	Mayur Iron PNG Limited	14 May 2016 to 13 May 2018	283 sub-blocks	1
Exploration Licence 2304	Terapo, Gulf Province	Mayur Iron PNG Limited	14 May 2016 to 13 May 2018	316 sub-blocks	1
Exploration Licence 2305	Ihu, Gulf Province	Mayur Iron PNG Limited	14 May 2016 to 13 May 2018	305 sub-blocks	1

Notes to the Schedule:

1. The Register of Tenements (**Register**) indicates that the annual rent for the exploration licence was paid up to the year ending 2018.
2. The Register indicates that the annual rent for the exploration licence was paid up to the year ending 2017.
3. The Register indicates that the annual rent for the exploration licence was paid up to the year ending 2016.
4. Application lodged on 29 April 2016.
5. Application lodged on 15 September 2016.

Yours faithfully



Ashurst PNG

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RISK FACTORS



The Shares offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares and to consult their professional advisors before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

12.1 Company Specific

(a) Tenure, Access and Grant of Applications

Interests in tenements in Papua New Guinea are governed by the mining acts and regulations that are current in that country and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

All of the tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a Tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

The Company will put in place policies and procedure and exercise best endeavours to manage this risk effectively.

(b) PNG Government and Stakeholder Equity

It is PNG Government policy that the State has a right (which is expressed as a condition in each of the Exploration Licences) to take up an equity participation in a future mining project. The right is to purchase an interest of up to 30% at cost, although historically the State has not recently taken 30% in small or medium-sized mining projects. However, even if the PNG Government elects not to take up its rights in full, it may want to exercise this right to a limited extent in order to give local stakeholders an equity participation, which historically has been at the level of 5%. Local stakeholder equity may be given free or on a carried interest basis. These issues cannot be negotiated with the PNG Government and the local stakeholders until the scope of the Company's projects are known and notification of a mining lease application has commenced. If the PNG Government were to exercise its right to take up an equity participation in the project, either for itself or for the local stakeholders, this may significantly affect the financial projections for the project.

(c) Management

The Company's operational success will depend substantially on the continuing efforts of Directors and senior management and key consultants. Some of these key personnel have significant direct or indirect shareholdings in the Company. The loss of services of one or more Directors or senior managers may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. Key personnel have been covered by executive services agreements and contractor agreements and, in most instances, incentive plans to ensure that key personnel are incentivised and rewarded for performance.

(d) Key Management

Upon completion of the fully subscribed Offer, Paul Mulder's interests will be circa 45.84%, being 39.24%* via DTJ Co Pty Ltd, plus a further 6.6% indirect interest through voting arrangements with some holders of awards under the EIP. As a result, the Managing Director, Mr Paul Mulder, indirectly will still have a substantial holding of the Company's Shares. As a substantial holder of Shares could have significant influence on the Company, and whilst logically interests with smaller shareholders' interests should be aligned, there is still a risk of misalignment. If any substantial holder of Shares were to dispose of a substantial number of its Shares (noting that Mr Paul Mulder's vast majority of Shares will be in escrow for 24 months), or if it were perceived that such sales have occurred or might occur, this could have a negative impact on the price of the Shares. Conversely if substantial holders of Shares do not dispose of Shares (which they cannot during the escrow periods described in Section 7.7), this may result in the continuation of the limited level of liquidity in daily trading of the Shares on issue.

** Assumes full subscription by Mr Mulder (\$1m) in the Offer and does not account for any potential scaling back if an oversubscription eventuates as detailed in Section 7.4.*

(e) Limited Exploration

Varying amounts of historical exploration has been conducted the Company's projects, and since 2011 the Company has been undertaking its own exploration activities on its projects. However, there is no assurance given that the Company will achieve commercial viability through the successful exploration and/or mining of the Company's projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) Exploration Success

The tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of mineral resources or an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company's exploration and appraisal activities are dependent upon the grant and maintenance of appropriate licences, permits, resource consents, access arrangements and regulatory authorities (authorisations) which may not be granted or may be withdrawn or made subject to limitations. There are also risks that there could be delays in obtaining such authorisations.

(g) Exploration Costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(h) Estimates of Ore Reserves and Mineral Resources

Estimating ore reserves and mineral resources is a subjective process where the accuracy of the estimates is a function of the quantity and quality of available data, the assumptions used and the judgments made in interpreting information. As a result, estimates of ore reserves and mineral resources are inherently imprecise and may have to be recalculated based on matters such as changes in the coal price, production costs or recovery rates and exploration and development activity generally.

(i) Production Risks

The business of commodity development and production involves a degree of risk. Amongst other factors, success is dependent on successful design, construction and operation of efficient gathering, processing and transportation facilities. Even if potentially commercial quantities of resources are recovered, there is no guarantee that the resources can be successfully transported to commercially viable markets or sell the resources to customers to achieve a commercial return.

(j) Joint Venture Risk

Whilst a number of potential joint venture discussions are afoot the Company is subject to the risk that changes the status of any proposed joint venture (including changes caused by financial failure or decisions of or default by the other counter party) which may adversely affect the project development/operations and performance of the Company. Further, if a counter party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which could be costly.

(k) Future Capital Needs

The future capital requirements of the Company will depend on many factors. The Directors believe that the proceeds of the Offer (based on raising the minimum subscription) should be adequate to fund its business activities and to continue as a going concern however changes to operational requirements, market conditions and the identification of other opportunities may mean further funding is required by the Company at an earlier stage than is currently anticipated.

Should the Company require additional funding, there can be no assurance that additional financing will be available, either on acceptable terms or at all. Any inability to obtain additional funding, if required, will have a material adverse effect on the Company's business, its financial condition and performance, and its ability to continue as a going concern.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

If the Company secures a power purchase agreement, there is no guarantee that the necessary financing package for a project will be secured.

(l) Restricted Securities Reducing Liquidity

Subject to the Company being admitted to the Official List, certain securities on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Share commencing trading on ASX.

(m) Limited History

Some parts of the Company's business have only a limited history upon which an evaluation of future prospects can be based. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or development of its projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

12.2 Industry Specific

Industry specific risks to be verified by reference to the Independent Expert Report once finalised.

(a) Mineral Resources Estimates

Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop mineral resources. Consequently, the actual mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(b) Results of studies

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Company's Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences, including but not limited to operational costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(c) Exploration risk

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with Australian recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

(d) Safety Risks

Safety is a fundamental risk for any exploration and production company with regard to personal injury, damage to property and equipment, and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

The Company intends on developing a set of safety procedures to identify issues and mitigation strategies.

(e) Landholder and Community Risks

The Company's ability to develop the Company's projects will depend in significant part on its ability to maintain good relations with the local community. Under the Mining Act, a tenement holder is liable to compensate landowners for its entry onto and occupation of the land and for loss and damage caused by exploration, mining or related activities. Compensation arrangements must be finalised and compensation payments must be current before the tenement holder may enter onto, or occupy the land. Although the Company believes that the local communities generally welcome the Company's projects and perceive that it will bring benefits to them, no assurance can be given that negotiation with local communities about the benefits they will derive from the Company's projects, covering compensation, royalties, equity participation, employment and local business, will be successful. Any failure to adequately manage community and social expectations may lead to local dissatisfaction with the Company's projects, which in turn may lead to disruptions of future proposed operations.

(f) Government Regulation

Any changes in government policies or legislation that affect mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues could have an adverse effect on the viability and profitability of the Company's current and future projects.

The mining, processing, development and mineral exploration activities of the Company's projects are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, indigenous land claims, and other matters. Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining or more stringent implementation thereof could have a substantial adverse impact on the current and any future project and hence the Company.

(g) Environmental

The operations and proposed activities of the Company are subject to PNG laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the necessary standard of environmental obligation, including compliance with all environmental laws. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production.

The occurrence of any such safety or environmental incident could delay production or increase production costs. Events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations could become more onerous, making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(h) Equipment and Availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

(i) Equipment and Availability

In certain countries in which the Company will have assets and operations, such assets and operations are subject to various political, economic and other uncertainties including, amongst other things, the risk of war and civil unrest, expropriation, renegotiation or nullification of existing concessions, licences, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, the Company may also be subject to the exclusive jurisdiction of foreign courts, and may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company operations.

12.3 General Risks

(a) Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors.

(b) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) Currently No Market

There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer Price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(d) Securities Investments

There are risks associated with any securities investment. The prices at which the Company's Shares trade on ASX may fluctuate in response to a number of factors including:

- i. the recruitment or departure of key personnel;
- ii. actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- iii. variations in the Company's financial results or those of companies that are perceived to be similar to the Company, including changes caused by changes in financial accounting standards or practices or taxation rules or practices;
- iv. announcements regarding litigation or other proceedings that involve the Company;
- v. war or acts of terrorism or catastrophic disasters that disrupt world trade or adversely affect confidence in financial markets; and
- vi. other general economic, industry and market conditions.

(e) Share Market Conditions

Share market conditions may affect the value of the Company's quoted securities, regardless of the Company's operating performance. Share market conditions are affected by many factors, such as:

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;
- iv. changes in investor sentiment toward particular market sectors;
- v. the demand for, and supply of, capital; and
- vi. terrorism or other hostilities.

The market price of the Company's securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining and resources related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(f) Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(g) Economic Risk

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the mining and resources industries including, but not limited to, the following:

- i. general economic conditions in PNG and worldwide;
- ii. changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- iii. the strength of the equity and share markets in Australia and throughout the world, and in, particular, investor sentiment towards the mining and resources sector;
- iv. movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- v. natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(h) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(i) Policies and Legislation

The introduction of new legislation or amendments to existing legislation by the PNG government, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions could materially affect the Company's prospects. Political changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

(j) Force Majeure

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(k) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(l) Joint Venture, Acquisitions or Other Strategic Investments

The Company may make strategic investments in complementary businesses, or enter into strategic partnerships or alliances with third parties in order to enhance its business. At the date of this Prospectus, the Company is not aware of the occurrence or likely occurrence of any such risks which would have a material adverse effect on the Company or its subsidiaries.

(m) Insurance

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(n) Regulatory Risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

12.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's securities.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that investment in the Company is speculative and should consult their professional advisors before deciding whether to apply for Shares pursuant to this Prospectus.

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CORPORATE GOVERNANCE



The Board of Directors of the Company (Board) will be responsible for the overall corporate governance of the Company including its strategic development. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, management goals and the operations of the Company. The format of this Section is guided by The Corporate Governance Principles and Recommendations (3rd Edition) as published by the ASX Corporate Governance Council (Recommendations). The Company's corporate governance principles and policies are therefore structured as follows:

- **Principle 1** Lay solid foundations for management and oversight;
- **Principle 2** Structure the Board to add value;
- **Principle 3** Promote ethical and responsible decision making;
- **Principle 4** Safeguard integrity in financial reporting;
- **Principle 5** Make timely and balanced disclosure;
- **Principle 6** Respect the rights of Shareholders;
- **Principle 7** Recognise and manage risk; and
- **Principle 8** Remunerate fairly and responsibly.

Under the ASX Listing Rules, the Company is required to provide a Corporate Governance Statement on its website or in its annual report disclosing the extent to which it has followed the Recommendations in the relevant reporting period. Details of the policies will be available from the date of listing at www.mayurresources.com.

In light of the Company's size and nature, the Board considers that the current composition of the Board is a cost effective and practical method of directing and managing the Company. The Company considers the industry experience and specific expertise of the Board to be essential to develop its assets and grow the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and Recommendations will be reviewed.

Except as set out in this section, the Board does not anticipate that the Company will depart from the Recommendations, however, it may do so in the future if it considers that such a departure is reasonable.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
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Principle 1: Lay solid foundations for management and oversight

<p>Recommendation 1.1</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management. 	<p>Yes</p>	<p>The Board will be accountable to the Shareholders for the performance of the Company and will have overall responsibility for its operations. The key responsibilities of the Board will include:</p> <ul style="list-style-type: none"> approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives; adopting budgets and monitoring the financial performance of the Company, including overseeing the integrity of the Company’s accounting and corporate reporting systems; overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems; appointing or replacing, where necessary, the Managing Director and other senior executives of the Company; overseeing the implementation and management of effective safety and environmental performance systems; ensuring all major business risks are identified and effectively managed; and ensuring that the Company meets its legal and statutory obligations. <p>For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company’s expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as required.</p> <p>Day-to-day management of the Company’s affairs, and the implementation of the corporate strategy and policy initiatives, will be formally managed by the Managing Director of the Company. The Managing Director is also responsible for providing the Board with accurate, timely and clear information to enable the board to perform its responsibilities.</p> <p>The Board will regularly review the division of functions between the Board and management to ensure that it continues to meet the needs of the Company as its activities grow in size.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director. 	<p>Yes</p>	<p>At or before the time of listing, the Board will ensure that appropriate checks are undertaken before it elects or re-elects a person as a director of the Company. Appropriate checks include, but are not limited to, character, experience, education, criminal history and bankruptcy history of the person seeking to be elected as a Director. The Board may engage the services of external consultants to perform appropriate checks.</p> <p>All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to Shareholders in a notice of meeting in which the resolution to re-elect or re-elect the Director will be voted on.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>At or before the time of listing, the Company will issue Directors and senior executives of the Company with written agreements detailing, at a minimum:</p> <ul style="list-style-type: none"> • the role and responsibility of the Director; • expectations of the Company; • term of appointment • remuneration or salary (if applicable); and • the requirement of Directors to comply with Company policies and Recommendations.
<p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>At the time of listing, the Company will appoint a Company Secretary in accordance with Singapore laws (which person is required to be resident in Singapore) and also appoint an alternate person to assist with the Company in relation to the day to day affairs of the Company and who is directly accountable to the board, through the Chairman, on all matters regarding the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; • disclose that policy or a summary of it; and • disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> • the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or • if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.¹ 	No	<p>The Board supports workplace diversity. Given the small size of the Company and its staff, the Board does not consider it appropriate to establish a diversity policy at this time. Further, as the Company is newly incorporated, the strategic direction of the Company is to focus on Directors experience and expertise. As the nature and scope of the activities of the Company increase, the Board will review this position and adopt a diversity policy at an appropriate time.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	No	<p>The Board considers that the small size of the Board and the current scale of the Company’s activities makes the establishment of a formal performance evaluation procedure unnecessary. In the normal course of business, the Board reviews the performance of management, Directors and the Board as a whole. Further, the performance and achievement of goals are evaluated regularly on an informal basis.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have and disclose a process for periodically evaluating the performance of its senior executives; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	No	<p>The Board believes that the small size of the executive team and the current scale of the Company’s activities makes the establishment of a formal performance review procedure unnecessary. In the normal course of business, the Board reviews the performance of management, Directors and the Board as a whole. Further, the performance and achievement of goals are evaluated regularly on an informal basis.</p>
<p>Principle 2: Structure the Board to add value</p>		
<p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have a nomination committee which: • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director, and disclose: • the charter of the committee; • the members of the committee; and • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. 	No	<p>The Board has not formally established a nomination committee as the Directors consider that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. The Board considers that the direct power to nominate Directors is the most efficient allocation of resources.</p> <p>The Board composition is also reviewed periodically, either when a vacancy arises or if it is considered that the Board would benefit from the services of a new Director, to ensure that the Board can effectively undertake the strategic plan of the Company.</p> <p>Half of the Board is independent.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	No	<p>Details of current Directors, their skills, experience and qualifications are set out in this Prospectus at Section 6. These details, plus a record of attendance at Board meetings, will be included in the Directors report within the Company's annual report. No specific skills matrix is currently prepared as the Company is not of the size or scale to warrant such level of detail.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> • the names of the directors considered by the board to be independent directors; • if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and • the length of service of each director 	Yes	<p>This Prospectus sets out the details of independent directors, interests of directors in Section 6. The Board as stated in this Prospectus has been newly formed for the purpose of the listing of the Company on the ASX.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	No	<p>At the date of this Prospectus, half of the Board consists of independent Directors.</p>
<p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, they should not be the same person as the CEO of the Company.</p>	Yes	<p>The chair of the Board is an independent Director.</p>
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	No	<p>New Directors will be provided with an informal induction program following their appointment to assist them in becoming familiar with the Company, its policies, including the Board Charter and business objectives. The Board will review this position and adopt formal programs at an appropriate time in the future if deemed necessary.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
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Principle 3: Act ethically and responsibly

<p>Recommendation 3.1</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have a code of conduct for its directors, senior executives and employees; and • disclose that code or a summary of it. 	Yes	<p>A Board charter has been adopted by the Board and will be available on the Company's website.</p>
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Principle 4: Safeguard integrity in corporate reporting

<p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have an audit committee which: • has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and • is chaired by an independent director, who is not the chair of the board, • and disclose: • the charter of the committee; • the relevant qualifications and experience of the members of the committee; and • in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	Partial	<p>The Board may establish appropriate committees to assist in the oversight of the Company. The composition of the committees shall be as follows:</p> <ul style="list-style-type: none"> • the committees will consist of all members of the Board so long as there are three Directors; • each committee will have a charter approved by the Board; and • each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors. <p>The Board will initially establish an audit, risk and compliance committee. At the present time, no other committees will be established because of the size of the Company and the involvement of the Board in the operations of the Company. The Board takes ultimate responsibility for the operations of the Company including, remuneration of Directors and executives and nominations to the Board.</p> <p>The audit, risk and compliance committee will initially be comprised of the Board. The Board will annually confirm the membership of the committee. The committee's primary responsibilities are to:</p> <ul style="list-style-type: none"> • oversee the existence and maintenance of internal controls and accounting systems; • oversee the management of risk within the Company; • oversee the financial reporting process; • review the annual and half-yearly financial reports and recommend them for approval by the Board of Directors; • nominate external auditors; • review the performance of the external auditors and existing audit arrangements; and • ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies. <p>The Board reviews and monitors the parameters under which such risks will be managed. Management accounts will be prepared and reviewed at subsequent Board meetings. Budgets are prepared and compared against actual results.</p> <p>The committee will be chaired by an independent Director.</p>
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PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	<p>The Board as a whole will undertake the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems. The Board has extensive business experience, including application of accounting principles to similar companies.</p> <p>The Management (including the CFO appointed under a part time contract) will then provide the required declarations.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	Yes	<p>The auditor of the Company is invited to attend the AGM of Shareholders. The Chairman will permit Shareholders to ask questions about the conduct of the audit and the preparation and content of the audit report.</p>
<p>Principle 5: Make timely and balanced disclosure</p>		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <ul style="list-style-type: none"> • have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and • disclose that policy or a summary of it 	Yes	<p>The Company has adopted a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules. The policy includes:</p> <ul style="list-style-type: none"> • the roles and responsibilities of Directors, officers and employees in complying with the Company's disclosure obligations; • confidential information; • external communications, including media contact and coverage; and • measures for responding to and avoiding the emergence of a false market in the Company's shares. <p>The Company also has a formal policy for dealing in the Company's securities by Directors, employees and contractors. This sets out their obligations regarding disclosure of dealing in the Company's securities. The Constitution permits Directors to acquire securities in the Company, however Company policy prohibits Directors and senior management from dealing with the Company's securities at any time whilst in possession of price sensitive information, including:</p> <ul style="list-style-type: none"> • any major Company announcements; • the release of the Company's annual and half yearly financial results to the ASX; and • the annual general meeting. <p>Directors must advise the Chairman of the Board before buying or selling securities in the Company. All such transactions are reported to the Board. In accordance with the provisions of the Corporations Act and the Listing Rules, the Company advises ASX of any transaction conducted by Directors in the securities of the Company.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
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Principle 6: Respect the rights of security holders

<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>Yes</p>	<p>Information about the Company and its corporate governance is available to all shareholders at the Company's website.</p>
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Yes</p>	<p>An investor relations program that facilitates communication between Shareholders and the Company will be available on the Company's website.</p>
<p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Yes</p>	<p>Information about policies and processes to facilitate and encourage Shareholder participation at meetings is available at the Company's website.</p>
<p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Yes</p>	<p>The Board strives to ensure that Shareholders are provided with sufficient information to assess the performance of the Company and its Directors and to make well informed investment decisions. Information is communicated to Shareholders through:</p> <ul style="list-style-type: none"> • annual and half-yearly financial reports and quarterly reports; • annual and other general meetings convened for Shareholder review and approval of Board proposals; • continuous disclosure of material changes to ASX for open access to the public; and • the Company website where all ASX announcements, notices and financial reports are published as soon as possible after release to ASX. <p>Shareholders have the option of electing to receive all shareholder communications by email and can update their communication preferences with the Company's Share Registry at any time. Security holders can also register with the Company at info@mayurresources.com to receive email notifications whenever an announcement is made by the Company to the ASX.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
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Principle 7: Recognise and manage risk

<p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have a committee or committees to oversee risk, each of which: • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director, • and disclose: • the charter of the committee; • the members of the committee; and • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity’s risk management framework. 	<p>Partial</p>	<p>See Recommendation 3.1 in this table.</p>
<p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> • review the entity’s risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and • disclose in relation to each reporting period, whether such a review has taken place. 	<p>No</p>	<p>The Board has identified significant areas of business and legal risk to the Company, as outlined in Section 12 of this Prospectus. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will, in the first instance, be the responsibility of the Managing Director who will report to the Board on such matters. The Board regularly reviews and monitors the parameters under which such risks will be managed.</p> <p>The Company considers it unnecessary, due to the size of the Company’ current operations, to implement a formal program that identifies risk to the Company. This position will be reviewed as the Company grows in size and operations become more complex.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> • if it has an internal audit function, how the function is structured and what role it performs; or • if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	<p>No</p>	<p>The Company does not have an internal audit function due to the size and nature of the Company. The Board regularly discusses risks associated with the current and proposed operations of the Company. As the Company matures, this position will be reassessed.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Yes</p>	<p>The Board has identified the significant areas of potential business and legal risk of the Company, including economic risk in Section 12 of this Prospectus. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the Board.</p>
<p>Principle 8: Remunerate fairly and responsibly</p>		
<p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> • have a remuneration committee which: • has at least three members, a majority of whom are independent directors; and • is chaired by an independent director, and disclose: • the charter of the committee; • the members of the committee; and • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or • if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	<p>No</p>	<p>The Board has not formally established a remuneration committee as the Directors consider that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of a remuneration committee.</p> <p>The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company and considers it appropriate to discuss such matters at a Board meeting, within the parameters set out in the Constitution. The Company will review this position annually.</p>

PRINCIPLES AND RECOMMENDATIONS	COMPLY	EXPLANATION
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>Yes</p>	<p>The Company will provide details in its annual report of the process it employs in relation to setting the level and composition of remuneration for Directors and senior management. The maximum aggregate annual amount of remuneration which may be paid to non-executive Directors is \$250,000 and cannot be increased without the approval of Shareholders.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> • have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and • disclose that policy or a summary of it 	<p>No</p>	<p>In the absence of a remuneration committee, the Board will decide on a case by case basis if participants are permitted to enter into transactions which limit the economic risk of participating in the scheme. A formal policy has not been established by the Company due to its small size. This position will be reviewed annually.</p>

14

MATERIAL CONTRACTS



14 MATERIAL CONTRACTS

Set out below is a brief summary of certain contracts to which the Company and its subsidiaries (where relevant) are a party, and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

14.1 Deeds of Appointment / Development Management Deeds

Under the Development Services Agreement between Mayur and Siecap Pty Ltd (Siecap), Siecap has appointed various agents (Appointees) to act in Mayur's best interests for the purposes summarised in the table below. The purposes predominantly relate to the development of the Lae Power Project.

The term of the appointments vary between 18 months and three years. The Appointments can be terminated by either Siecap or the Appointee giving two weeks' notice. Siecap is liable to pay the Appointee their respective fee if within a certain period of time after termination, the Appointee's introductions and actions facilitate directly or indirectly an investment from the potential investors contemplated in the purpose.

PARTY	DATE	PURPOSE	FEE
TESC Pty Ltd (Tim Crossley)	25 October 2016. Term is two years.	TESC to act as an investment facilitator between Mayur and/ or any one of its subsidiaries and any entity that Siecap must first pre-approve the Appointee to approach.	Fee payable to TESC is subject to: Minimum US\$2.5 million raised for equity position, take over or change of control in Mayur or any subsidiary. Funds raised due to direct introduction of an investor by TESC of between US\$2.5million and US\$10million, means the Appointee is paid a success fee of 4%. Funds raised from any other investor that is not a direct introduction of TESC, TESC gets 1.5%. Funds raised over US\$10million, TESC gets 4.5% for direct introduction or in the case of any other investment that is not a direct introduction TESC gets 1.75%.
TESC Pty Ltd (Tim Crossley)	24 October 2016. Term is two years.	TESC to act as an investment facilitator between Mayur and/ or any one of its subsidiaries and any entity that Siecap must first pre-approve the Appointee to approach.	Fee payable to TESC is subject to a minimum US\$2.5 million raised for debt in Mayur or any subsidiary. Funds raised due to direct introduction of a debt provider by TESC means the Appointee is paid a success fee of 2%. Debt raised from any other debt provider that is not a direct introduction of TESC, TESC gets 1%.

PARTY	DATE	PURPOSE	FEE
Power Gen Developers Pty Ltd (Praveen Mahto)	7 September 2015, as amended 4 February 2016, 1 March 2017, 24 March 2017 and 6 June 2017	<p>Power Gen to be project development manager to undertake power project development work in Papua New Guinea</p> <p>Power Gen is to undertake all activities to first take the project to investment ready stage and secure funding (debt and equity) to achieve financial close.</p>	<ul style="list-style-type: none"> • Equity to be granted to Power Gen: <ul style="list-style-type: none"> • 5% of the undiluted free carried equity in the first project (anticipated to be the Lae Power Project) undertaken by MR Power Generation PNG Pte Ltd if a financial investment decision is made and financial close is achieved; • Power Gen is entitled to 10% undiluted free carried equity in the Lihir Project and 12% undiluted free carried equity until financial close in all other subsequent projects. • Success fee payable to Power Gen: <ul style="list-style-type: none"> • If Power Gen introduces a company that invests in Mayur Power Generation, Power Gen is entitled to a success fee of 2% of the net proceeds received; and • Power Gen receives a percentage of the Success Fee that depends on the progress of the project if the project is terminated before financial close. • Power Gen receives a monthly fee of up to \$52,000 per month for the project, part of which is accrued (\$35,000) and to be paid at a later date. Additional monthly fees of the same amount are payable for each of the subsequent projects but capped if there are more than two concurrent projects allowing for the balance to accrue for future payment. • The accrued part of the monthly fee up to maximum of 14 will be multiplied and paid out as follows: <ul style="list-style-type: none"> • Power Gen will receive 2 times the accrued amount when an investor enters; or • 3 times the accrued amount at financial close • No multiplier for accrued amount beyond 14 months • \$350,000 is payable to the Appointee within 7 days of listing, with the balance of the accrued portion of the monthly fee to be paid in accordance with the multipliers outlined above or if Mayur starts to generate revenue. <p>Siecap is liable to pay the Appointee the Fee if within 60 months of termination the introductions and actions of Power Gen resulted in financial close and/or an investment decision facilitated an investment.</p>
Walleroo Pty Ltd	5 June 2017. Term is until the earlier of 18 months or financial close under the power purchase agreement.	Walleroo to obtain an executed power purchase agreement and to advise if its nominee can facilitate an investment into Mayur to secure financial close under the power purchase agreement.	<p>Success fee is 5% of the undiluted equity in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd upon signing of the Lae PPA and subsequent government guarantees by a defined date to be determined.</p> <p>If Walleroo introduces any investors in Mayur Power Generation Pte Ltd and or Mayur Power Generation PNG Ltd, 3% of the funds invested.</p>

PARTY	DATE	PURPOSE	FEE
Chelsea International Pte Ltd	7 June 2017. Term is three years.	Chelsea to act as an investment facilitator between Mayur Power Generation Pte Ltd and/or Mayur Power Generation PNG Ltd and any entity that Siecap must first pre-approve the Appointee to approach.	<p>Upon signing of the Lae power purchase agreement and Kumul Consolidated quasi sovereign guarantee – AU\$50,000 or kina equivalent.</p> <p>Upon financial close of Lae power project – AU\$700,000.</p> <p>Upon operation commencing and the financing banks approving the first shareholders dividend payment – Chelsea to get 8% equity in MR Power Generation PNG Pte Ltd and MR Energy PNG Pte Ltd.</p> <p>If Chelsea introduces any investors in Mayur Power Generation Pte Ltd and or Mayur Power Generation PNG Ltd, 3% of the funds invested.</p> <p>Siecap is liable to pay the Appointee the fee if within 48 months of termination the introduction facilitated an investment.</p>

14.2 Acquisition of Waterford Limited

MR Energy PNG Pte Ltd and MR Power Generation PNG Pte Ltd entered into a Share Sale Agreement with the shareholders of Waterford Limited dated 28 June 2017 to acquire 100% of the shares in Waterford Limited, which owns EL1873, 1874, 1875 and 1876 which contain thermal coal resources. This acquisition has completed.

Under the terms of the Share Sale Agreement, as consideration for the acquisition, the sellers received an 11% shareholding in both MR Energy PNG Pte Ltd and MR Power Generation PNG Pte Ltd respectively.

Related to the acquisition of shares in MR Energy PNG Pte Ltd and MR Power Generation PNG Pte Ltd, Mayur entered into shareholders agreements in respect of each company. Under the terms of those shareholder agreements, in respect of each of MR Energy PNG Pte Ltd and MR Power Generation PNG Pte Ltd:

- Shareholder approval is required for the approval of business plans and budgets;
- Mayur has rights of first refusal, tag along rights and drag along rights in relation to the sale of shares by the other shareholders.

14.3 Lease for Lae Power Project

Mayur Power Generation PNG Ltd entered into a lease with PNG Ports Corporation Limited on 2 August 2016 of approximately 27 hectares of land in the Lae Tidal Basin to be used for the construction and operation of a power station. Mayur have the option to take up to 27 hectares but will most likely only take 14 hectares in the first phase (52.5MW)

The lease is granted from the date of financial close of the Lae Power Project, which must be within 18 months from the date of the lease (being 2 February 2018). Construction must begin before 2 March 2018 and be completed by 2 May 2020. The term of the lease is 25 years from the date that Mayur Power Generation PNG Ltd begins constructing the power station. Mayur Power Generation PNG Ltd has the option to extend the lease for two additional terms of 10 years each.

The lease is conditional on and has no effect until 30 December 2018 or a date mutually agreed by the parties by which Mayur Power Generation PNG Ltd must have satisfied a number of conditions including, obtaining all statutory approvals required for the power station.

The rental rate has been amended to PGK100 per square metre per annum via a confirmation letter. Rent is to be paid from the date six months after funding is obtained. Market rent review will occur every five years after the power station is commissioned. Otherwise, an annual rent adjustment will be linked to the increase of the fixed operating maintenance charge paid by PNG Power under the Power Purchase Agreement.

Mayur Power Generation PNG Ltd must pay PGK 250,000 to PNG Ports Corporation Limited within 14 days of financial close (approximately \$106,000 (exc. GST) at the exchange rate on 30 May 2017).

14.4 Thermal Coal Sales and Purchase Agreement

MR Energy PNG Pte Ltd and Mayur Power Generation PNG Ltd entered into a thermal coal sale and purchase agreement on 30 September 2016. Under that agreement, MR Energy PNG Pte will sell 300,000 tonnes of thermal coal to Mayur Power Generation PNG Ltd that will be used at the Lae Tidal power station.

The coal sale and purchase agreement is conditional on the commissioning of the power station at the Lae Tidal Basin and the commissioning of the Depot Creek Mine.

The term of the agreement is 25 years beginning in 2020 and includes an option to extend for a further five years.

The base price under the coal sale and purchase agreement is capped at US \$70/tonne, subject to increases and decreases calculated in accordance with changes to open book base line cost to mine, crush, handle, stockpile, trans ship, ocean going vessel transport and unloading at the delivery port.

14.5 Development Services Agreement

There is a Development Services Agreement between Mayur Resources Pte Ltd, Mayur Exploration PNG Ltd, Mayur Iron PNG Ltd, Mayur Energy PNG Ltd, Mayur Power Generation PNG Ltd, Mayur Steelmaking and DRI PNG Ltd and Siecap Pty Ltd dated 27 June 2017 (Development Services Agreement).

Siecap provides the following services to the Group to assist in the project development cycle of developing resource assets from a greenfield conceptual level:

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

David Irvine, Paul Mulder and Tim Crossley are shareholders of both Siecap and Mayur.

Mayur confirms that this related party transaction was entered into at arm's length and that the commercial terms have been independently reviewed by Pitcher Partners and assessed as fair and reasonable to Mayur. Mayur also confirms that all relevant internal approvals were obtained by the Board.

The independent review of the Development Services Agreement by Pitcher Partners also found that the proposed rates and commercial terms were fair and reasonable and did not disadvantage Mayur in any way.

The Development Services Agreement can be terminated immediately by either party for default or by the Company giving at least 60 days written notice to the Service Provider or by the Service Provider giving at least 90 days written notice to the Company.

14.6 Shareholder Loan

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

The term of the loan is 5 years. Mayur is not charged interest on the loan. The loan is not secured. The loan is repayable (in part or full) on listing and therefore will be repaid within two business days of listing (with the consent of the investor's that their money is being used for debt repayment).

Refer to Section 8 for details of amount of loan to be forgiven and/or repaid on Quotation.

14.7 Siecap Pty Ltd Loan

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

The loan entitles Siecap Pty Ltd to accumulate losses it has incurred in supporting Mayur since Mayur's incorporation for which it in part has not received monetary compensation.

The term of the loan is 7 years. Mayur is not charged interest on the loan. The loan is not secured. The loan is repayable (in part or full) on listing and therefore will be repaid within seven business days of listing (with the consent of the investor's that their money is being used for debt repayment).

On 27 June 2017 the Company and Siecap entered into a Deed of Release of Debt under which Siecap agreed to the forgiveness of A\$6,532,996, leaving a residual loan of A\$2.1m that remains outstanding. Refer to Section 8 for further information.

For Australian income tax purposes, the forgiveness of A\$6,532,996 in respect of the loan from Siecap Pty Ltd to Mayur will constitute a commercial debt forgiveness. The net forgiven amount is expected to be A\$6,532,996.

For Australian income tax purposes, where the commercial debt forgiveness rules apply, the net forgiven amount is offset against the tax attributes of the debtor, being Mayur. In Mayur's circumstances, the net forgiven amount will be applied to reduce the tax attributes of Mayur in the following order:

- Tax losses carried forward from previous income years;
- Net capital losses carried forward from previous income years;
- Expenditure deductible over time (e.g. capital allowance deductions);
- Cost bases of capital gains tax assets.

If all the amounts in these four classes are nil or are reduced to nil as a result of the application of the commercial debt forgiveness rules, any remaining net forgiven amount is disregarded.

14.8 Binding Pre-contractual Arrangements

14.8.1 Basilaki-Sideia Project

MR Exploration PNG Pte Ltd is party to a binding letter agreement with a large North American developer / operator (JV Partner) dated 14 February 2017 in relation to the Basilaki-Sideia Project in PNG, which involves EL2095.

Under the terms of the letter agreement, the JV Partner has the exclusive right to provide MR Exploration PNG Pte Ltd with a notice on or before 30 September 2017 to enter into a formal joint venture option agreement. The JV Partner is not obliged to exercise the option or make any payment.

The JV Partner may terminate the letter agreement at any time in its sole discretion. The letter agreement automatically terminates on the earliest of 30 September 2017 (if no notice to exercise has been given) or the date that the parties agree to terminate. If EL2095 is not renewed and the tenure is extinguished before 30 September 2017 the letter agreement terminates automatically.

The JV Partner has a right of first refusal if MR Exploration PNG Pte Ltd seeks to transfer, sell or otherwise divest its interest in EL2095.

The letter agreement contemplates that the formal joint venture option agreement will give JV Partner the option to earn up to an 80% joint venture interest in EL2095 by funding exploration work and other costs that benefit the Project up to the point that a decision to mine is made.

14.8.2 Feni (Ambitle) Island Land Owner Equity Ownership Provision

Mayur Exploration PNG Ltd and the Mines Minister of Papua New Guinea entered into a letter of agreement on 4 August 2014 in relation to the Feni (Ambitle) Island project (Project).

Under the letter of agreement, the people of Feni (Ambitle) Island agree to provide their full cooperation and support in the study development and exploration of the Project. In return, Mayur Exploration PNG Ltd will grant a land owner association, to be agreed under definitive transaction documents, a 2.5% passive equity interest in the Project within 45 days of the grant of an exploration license (Equity Interest). The Equity Interest will be held on trust until definitive transaction documents are agreed.

This Equity Interest is free carried until a decision to mine the Project is made by Mayur Exploration PNG Ltd. After a decision to mine the Project is made, the land owner association will be responsible for its respective equity and debt contributions or may elect to have their Equity Interest diluted in a manner customary for mining joint ventures.

The Equity Interest is provided in acknowledgement that the land owner association would be entitled to a 2.5% royalty distribution from the Papua New Guinea Government on the commencement of mining operations connected with the Project.

14.8.3 Memorandum of Agreement for Multi Fuel Co-Generation

Mayur Power Generation PNG Ltd and the Madang Provincial Administration of Papua New Guinea (MPA) entered into a memorandum of agreement on 9 September 2016 in relation to the development of a domestic multi-fuel based power co-generation project in Madang Province (Proposed Project). Under the memorandum of agreement, the parties will work cooperatively to reach binding commercial agreements for various facilities and services required for the successful development of the Proposed Project.

The Proposed Project is subject to feasibility studies being completed to the mutual satisfaction of the Parties, including the development of the station facility reaching a capacity of 150MW.

To assist with the development of the Proposed Project, MPA grants Mayur an exclusive license for 15 years to undertake the development of the Proposed Project.

The memorandum of agreement continues until 9 September 2020 (or any extension agreed between the parties) or until the parties enter into legally binding arrangement in respect of the Proposed Project.

14.9 Non-binding Pre-contractual Arrangements

14.9.1 Orokolo Bay Letters of Intent

The Group has entered into the following non-binding letters of intent in relation to the Business:

- (a) Mayur and a large Asian trading conglomerate dated 11 May 2017 for the supply of magnetite iron sand;
- (b) MR Iron PNG Pte Ltd and Coal Company A dated 23 May 2017 for the supply of magnetite for trialling in dense medium separation coal washing;
- (c) MR Iron PNG Pte Ltd and Coal Services Company B dated 24 March 2017 for the supply of magnetite for trialling in dense medium separation coal washing;
- (d) MR Iron PNG Pte Ltd and Coal Company C dated 19 May 2017 for the supply of magnetite for trialling in dense medium separation coal washing;
- (e) MR Iron PNG Pte Ltd and Coal Company D dated 31 May 2017 for the supply of magnetite for trialling in dense medium separation for coal washing; and
- (f) MR Iron PNG Pte Ltd and Hainan Wanxinfeng Mining Co Ltd dated 24 Feb 2017 for the supply of valuable heavy mineral concentrate with minor other by-products for trialling.

These letters of intent are not legally binding and do not create any legal obligations between the parties, other than in relation to confidentiality. However, if the product trials contemplated by the letters of intent are successful this may result in significant offtake arrangements in relation to the Orokolo Bay Project being agreed.

14.9.2 Power Supply for Yandera Project

Mayur Power Generation PNG Ltd and Era Resources Inc entered into a non-binding memorandum of understanding on 30 January 2017 in relation to Mayur Power Generation PNG Ltd providing a full power generation and supply solution to Era Resources for the Yandera copper project in Madang Province, PNG.

The memorandum of understanding provides that the parties will enter into discussions, based on previous power proposals, with the view of entering into a comprehensive development agreement by 31 May 2017. This has not yet happened as there has been additional technical and commercial information to consider, however discussions continue with the same intent.

The memorandum of understanding automatically expires, unless agreed otherwise, on the earlier of 30 January 2018 or the date the parties enter into a legally binding Development Agreement.

14.9.3 Development of Industrial Precinct with Gulf Provincial Government

Mayur PNG DRI & Steel Making Limited and the Gulf Provincial Government entered into a non-binding memorandum of understanding on 7 August 2014. This relates to the proposed development, by Mayur PNG DRI & Steel Making Limited, of an industrial precinct with facilities for a direct reduction iron pelletisation facility and related downstream processing activities in the Gulf Province of Papua New Guinea.

The memorandum of understanding contemplates the parties negotiating joint participation in the development of the Proposed Project.

The memorandum of understanding automatically expires, unless agreed otherwise, on the earlier of 6 August 2021 or the date the parties enter into a legally binding agreement regarding the Proposed Project.

14.9.4 Sydney Construction Sands Site

Mayur entered into a non-binding heads of agreement to lease with Port Botany Operations Pty Ltd as trustee for the Port Botany Unit Trust on 1 April 2017.

The premises that Mayur is proposing to lease is approximately 18,383 square metres of land at 39 Friendship Road, Port Botany NSW 2036. Mayur intends to use the premises for storage, handling and processing of imported construction and heavy mineral sand, sand slurry and sand by-products, administration offices and operation of truck loading bays.

The proposed term is 14 years and four months to commence on 1 April 2017 and expire on 1 July 2031. Mayur has the option to extend the lease for a further 6 years to 1 July 2037.

The proposed rent under the heads of agreement is \$63.00 per square metre per annum (approximately \$1,158,129 per annum (exc. GST)) to be paid by Mayur from the earlier of operations commencing or from 1 April 2019. Mayur must pay a holding rent of \$150,000 (exc. GST) for the period to 31 December 2017. The holding rent payable by Mayur from 1 January 2018 until operations commence will be one-third of normal rent (approximately \$28,953 per month (exc. GST)). Rent will increase by inflation plus 0.5% every year, except for every third year when a market rent review will occur.

Mayur is responsible for outgoings (estimated at \$18,700 per month (exc. GST) and incidental fees.

Mayur may terminate the proposed lease if it does not get a 10-year mining lease from the PNG Mineral Resource Authority before March 2018, obtain sufficient funding before June 2018, commence project construction in PNG before September 2019, commence project construction on the premises before December 2018 or commence full production in PNG before March 2019.

14.9.5 Power Purchase Agreement

Mayur Power Generation PNG Ltd is in discussions with PNG Power Limited to enter into a power purchase agreement.

Under the power purchase agreement, PNG Power Ltd will purchase electricity generated at the Lae Tidal Basin site from Mayur Power Generation PNG Ltd in an amount notified from time to time, but beginning at 52.5MW. Mayur Power Generation PNG Ltd will require PNG Power Limited's consent to sell electricity to any third parties.

As at 1 June 2017, the draft power purchase agreement contemplates a 25-year term with an option to extend for at least a further five years. The power station must be operating within three and a half years of signing the power purchase agreement. The power purchase agreement contemplates the provision of up to 200MW as the Lae Tidal Basin site is expanded.

14.10 Lead Manager Mandate

The Company has appointed Bell Potter to act as the sole and exclusive lead manager and bookrunner to the Offer under the following consideration:

Management Fee of Offer **3.00% of Proceeds**

Selling Fee of Offer **3.00% of Proceeds**

Within 14 days of the Listing Date, as part of the consideration under this Agreement, the Company will issue Bell Potter with unlisted Advisor Options on the following terms:

- The number of options issued to Bell Potter will be 1% of the number of Offer Securities on issue as at the Listing Date;
- The options will be exercisable at a 40% premium to the price of the Offer Securities under the Offer exercisable on or before the second anniversary of the issue date of the option(s); and

The options will vest in four separate tranches as follows:

- 25% of the Advisor Options will vest on the date which is three months after the Offer Securities are officially quoted on the ASX (Listing Date);
- 25% of the Advisor Options will vest on the date which is six months after the Listing Date;
- 25% of the Advisor Options will vest on the date which is nine months after the Listing Date; and
- 25% of the Advisor Options will vest on the date which is 12 months after the Listing Date.

Refer to section 15.5 for further information on the Advisor Options.

14.11 Executive Services Agreements

The company has entered a employment contract with Mr Paul Mulder in respect to his employment as the Managing Director of the Company. The principal terms of the Managing Director Services Agreement are as follows:

Mr Mulder will receive:

- An annual salary of \$212,000
- Performance Rights, salary sacrifice, performance incentives LTI and Loan Funded Shares in accordance with the Employee Incentive Plan as detailed in Section 15.7

The Company may terminate Mr Mulder's employment contract by giving nine months' notice in writing or nine months' pay in lieu of notice, or a combination of notice and payment in lieu of notice. Mr Mulder may resign as Managing Director of the Company by giving three months' notice in writing.

The company has entered a contract with Mr Tim Crossley in respect to his employment as an Executive Director of the Company. The principal terms of the Executive Director Services Agreement are as follows:

Mr Crossley will receive:

- An annual salary of \$87,500 (50% time basis)
- Performance Rights, salary sacrifice, performance incentives LTI and Loan Funded Shares in accordance with the Employee Incentive Plan as detailed in Section 15.7

The Company may terminate Mr Crossley's employment contract by giving nine months' notice in writing or nine months' pay in lieu of notice, or a combination of notice and payment in lieu of notice. Mr Crossley may resign as Executive Director of the Company by giving three months' notice in writing.

14.12 Non-executive Director Appointment letters

The Company has entered into non-executive director appointment letters with Mr Rob Neale, Mr Frank Terranova and Mr Paul McTaggart on the following key terms:

- \$90,000 per annum for Rob Neale as Chairman;
- \$40,000 per annum plus participation in the Employee Incentive Plan (Loan Funded Shares only) for Frank Terranova as Director;
- \$50,000 per annum for Paul McTaggart as Director

The above appointments shall cease if the non-executive Director:

- Resigns;
- Is disqualified under the Corporations Act, the Companies Act or the Constitution from being a company director;
- Is removed as a director in accord with the Corporations Act, the Companies Act or the Constitution from being a company director;
- In relation to the appointment of Lee Wei Hsiung see Section 14.14.

14.13 Deeds of Access and Indemnity

The Company has entered into standard deeds of access and indemnity, access and insurance with each of the Directors, other than in respect of Lee Wei Hsiung. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors and officers' insurance cover in favour of the Director during the periods of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director. In relation to Lee Wei Hsiung, the Company has given an indemnity and undertaking in favour of Tricor Evatthouse Corporate Services (a division of Tricor Singapore Pte Ltd) and Lee Wei Hsiung relating to Lee Wei Hsiung's appointment as a director of the Company.

14.14 Tricor Service Agreement

The Company has entered into an agreement with Tricor Evatthouse Corporate Services (a division of Tricor Singapore Pte Ltd) (Tricor) for the provision of corporate secretarial services. In accordance with the terms of the agreement Lee Wei Hsiung has been appointed as a director (although it is agreed that he will not be responsible for the day to day management of the Company), and Ong Bee Choo and Pan Mi Keay have been appointed as secretaries of the Company. The estimated fee for the routine services is S\$3,000 per annum based on the current level of corporate activity of the Company. In addition, the fee payable to Tricor in respect of Lee Wei Hsiung's position as a director is S\$3,000 per annum.

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ADDITIONAL INFORMATION



15.1 Key differences between Singapore and Australian law

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act and ACRA.

This is a general description of the principal differences between the laws and regulations concerning shares in a public company incorporated in Singapore as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

(a) Corporate procedures

In Singapore, the regulation of companies is generally governed by the Companies Act.

The general company law structure of Singapore and Australia is reasonably similar, being based in legislation with a common law background of directors' duties. As with Australian company law, a limited liability company incorporated under the Companies Act in Singapore will be a separate legal entity from its shareholders. Further, certain corporate procedures require approval by a special resolution of shareholders under Singapore law including a change of company name, alteration of the Constitution, and approval of capital reductions.

(b) Transactions requiring shareholder approval

The types of "transactions" that require shareholder approval are governed by the Companies Act and the Articles. Generally speaking, the following types of transactions will require shareholder approval:

- i. amendments to the Articles;
- ii. amalgamations;
- iii. disposing of substantially the whole of the company's property or undertaking;
- iv. change of name of the company;
- v. reduction of share capital;
- vi. winding up;
- vii. share buy-back;
- viii. removal of company auditors; and
- ix. certain alteration of capital and variations of rights attaching to Shares.

This is not an exhaustive list but sets out common transactions which require shareholder approval.

(c) Security holders' right to requisition meeting

Under the Companies Act, at least two members of the Company holding not less than 10% of such of the paid-up capital of the Company as carries voting rights have a right to requisition the directors to call for a general meeting of the Company.

At least two members holding not less than 10% of the issued shares of the Company are also entitled to call for a general meeting of the Company without requisitioning the directors to do so.

(d) Right to vote and appoint proxies

At a General Meeting, every member present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held. As detailed in Section 8.2, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's written instructions.

(e) Changes to rights attaching to securities

Subject to the Constitution, the Companies Act, Listing Rules, and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- i. with the consent in writing of the holders of 75% of the issued shares of that class; or
- ii. by a special resolution passed at a separate meeting of the holders of those shares.

(f) Takeovers

In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a Relevant Interest in issued voting shares of a company if, because of the transaction, a person's voting power in the company:

- i. Increases from 20% or below to more than 20%; or
- ii. increases from a starting point which is above 20% but less than 90%.

Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per 6 months.

Australian law permits compulsory acquisition by 90% holders.

Under Singaporean law, the Securities and Futures Act (Chapter 289) of Singapore and the Singapore Code on Takeovers and Mergers govern a takeover. The threshold above which acquisition by a person, together with parties acting in concert with it, will trigger a mandatory offer is 30%. This is higher than the 20% threshold which applies to Australian public companies.

Subject to the exceptions noted below, a person (and in certain circumstances, persons acting in concert with that person) will be required to make a general offer for all of the shares in a company covered under the Singapore Code on Takeovers and Mergers if:

- i. such person acquires shares which (taken together with shares held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of the company; or
- ii. where such person and persons acting in concert with it hold between 30% and 50% of the voting rights in such company and the person (or its concert party) acquires in any period of 6 months additional shares carrying more than 1% of the voting rights.

Where, as a result of the issue of new securities as consideration for an acquisition, a cash subscription or the fulfilment of obligations under an agreement to underwrite the issue of new securities, a person or its concert parties acquire shares which give rise to an obligation to make a general offer, the Securities Industry Council of Singapore may waive such obligation subject to the fulfilment of certain conditions, including the approval of a majority of shareholders of the company by way of a poll at a general meeting to waive their rights to receive a general offer.

A person who (together with its concert parties) already holds more than 50% of the voting rights in the company is not restricted from making further acquisitions above that level, and is not normally obliged to make a general offer as a result of making any such further acquisitions. However in the case of members of a group acting in concert, subject to certain conditions, the Securities Industry Council of Singapore may regard as giving rise to an obligation to make an offer of acquisition by a single member or sub-group of the group of voting rights sufficient to increase their holdings to 30% or more or, if they already hold between 30% and 50%, by more than 1% in any six month period.

(g) Substantial shareholders reporting

Under Australian law, a shareholder who begins to or ceases to have a "substantial holding" in an ASX listed company, or has a substantial holding in such a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to the ASX. A person has a substantial holding if that person and that person's associates have a Relevant Interest in 5% or more of the voting shares in the company.

Under Singaporean law, substantial shareholder reporting by a company listed in Singapore (or any other company as may be declared by the Singapore Minister of Finance under the Companies Act) applies at the 5% level, and at every change in a percentage level after that.

(h) Related party transactions

In Australia, related party transactions (that is, transactions between a public company and a director, an entity controlled by a director, or a parent company of the public company) are regulated in Australia under the Corporations Act by a requirement for disinterested shareholder approval, unless the transaction is on "arm's length terms", represents no more than reasonable remuneration, or complies with other limited exemptions.

Under Singaporean law, such related party transactions are subject to general restrictions under the Companies Act and further governed by common law (or case law). Apart from loans (including the provision of security or the entry into any guarantee) to directors of a public company or to directors of a related company for which there are specific Companies Act provisions, the rules regarding related party transactions are generally not as prescriptive as under Australian law.

Issues of shares or other equity securities to Directors will be regulated under the Listing Rules to the same extent as a listed Australian company.

(i) Protection of minority shareholders – oppressive conduct

In Australia, a shareholder may apply to the court under the Corporations Act to bring an action in cases of conduct which is either contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders in their capacity as shareholder, or themselves in capacity other than as a shareholder.

In Singapore, an analogous right to apply to the court is also available to members of a company, where the affairs of the company are being conducted or directors' powers are being exercised in a manner oppressive to members, in disregard of members' interests, or some act or resolution by the company unfairly discriminates against or is prejudicial to members.

(j) Rights of security holders to bring or intervene in legal proceedings

Under the Companies Act as well as at common law, a member of the Company is entitled, subject to the fulfilment of various pre-conditions, to bring or intervene in legal proceedings on behalf of the Company. Examples of the preconditions under the Companies Act include the requirement that prior notice of the application must be given to the directors, that the action must be brought in good faith and that the action must be in the interest of the Company.

(k) “Two strikes” rule

Under Australian law, an ASX listed company is required to hold a “spill vote” if its remuneration report receives a 25% No vote at two successive annual general meetings. If the spill vote receives a simple majority, the company must hold a general meeting within 90 days to vote on whether to keep the existing directors.

There is no equivalent rule under Singaporean law.

15.2 Tax status and financial year

The financial year of the Company ends on 30 June annually. It should be noted that the Company will be an Australian resident for tax purposes as will the various Singapore subsidiaries, and each has obtained an ARBN and Australian Tax File Numbers (TFNs) to enable annual tax returns to be lodged in Australia.

15.3 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

15.4 Loyalty Options

For every two Shares issued under the Offer, the Company will issue and allot for no further consideration to Shareholders, one Loyalty Option exercisable at a 40% premium to the price of the Shares under the Offer, exercisable on or before the second anniversary of the issue date of the option(s), to those Shareholders who remain Shareholders in the Company and who hold at least the same number of Offer Securities they were issued with under the Offer on the relevant vesting date below. The Shareholders Loyalty Options will vest in four (4) separate tranches as follows:

- 25% of the Shareholders Loyalty Options will vest on the date which is 3 months after Quotation;
- 25% of the Shareholders Loyalty Options will vest on the date which is 6 months after Quotation;
- 25% of the Shareholders Loyalty Options will vest on the date which is 9 months after Quotation; and
- 25% of the Shareholders Loyalty Options will vest on the date which is 12 months after Quotation.

The Loyalty Options are American style options.

15.5 Advisor Options

Within 14 days of the Listing Date, as part of the consideration under Bell Potter's mandate as Lead Manager to the Offer as described in Section 14.10, the Company will issue Bell Potter with unlisted Advisor Options on the following terms:

- The number of options issued to Bell Potter will be 1% of the number of the Shares the subject of the Offer on issue as at Quotation;
- The options will be exercisable at a 40% premium to the price of the Shares under the Offer exercisable on or before the second anniversary of the issue date of the option(s); and

The options will vest in four (4) separate tranches as follows:

- 25% of the Advisor Options will vest on the date which is 3 months after the Quotation;
- 25% of the Advisor Options will vest on the date which is 6 months after the Quotation;
- 25% of the Advisor Options will vest on the date which is 9 months after the Quotation; and
- 25% of the Advisor Options will vest on the date which is 12 months after the Quotation.

The Advisor Options are European style options.

15.6 Rights attaching to Loyalty and Advisor Options

Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price of A\$0.56 per option in cleared funds. Upon the valid exercise of the options and payment of the exercise price, the Company will issue shares ranking *pari passu* with the existing ordinary shares.

The Company will not apply for official quotation on ASX of the Options. An application may be lodged at a later date to list the options in the sole discretion of the Board of the Company should the Board considers that there is sufficient spread of option holders to result in a market for the options on ASX. The option holder does not participate in any dividends unless the options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.

The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those Shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.

Options are not transferable, except that if at any time before expiry of the Exercise Period the Option holder dies, the legal personal representative of the deceased Option holder may:

- elect to be registered as the new holder of the options,
- whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted, and
- if the deceased has already exercised options, pay the exercise price in respect of those options.

An Option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue.

If the Company makes a rights issue, the exercise price of options on issue will not change.

If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules and the Corporations Act at the time of reorganisation.

15.7 Employee Incentive Plan

Summary

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

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

- performance rights (which have a nil exercise price);
- options at a future point, and
- loan funded shares
- (collectively referred to as “awards”).

An Employee Share Trust (EST) has been established to operate in conjunction with the EIP, to assist with the delivery of equity where performance rights or Options are issued to participants. The EST has been established for the sole purpose of acquiring and holding shares to be delivered under the EIP Plan to employees and contractors. The Company has appointed an independent third party to act as trustee of the EST.

The EIP rules and offer documents provide the framework under which individual grants will operate.

1. Pre IPO immediately vested Performance Rights awarded to contractors

Prior to the IPO, some contractors of the Company have been awarded performance rights to receive Shares in the Company in connection with services rendered to the Company or its subsidiaries. Following the approval by the members of the Company, the Board approved the issue of new shares to the Trustee of the Employee Share Trust which equal the number of Shares to be provided to contractors on exercise of their performance rights. Performance rights granted, vested and exercisable to participants are a pre IPO issuance and do not dilute incoming shareholders participating in the IPO.

	PRE IPO	PRE IPO
Share ownership of Mayur	%	Number of Shares
<i>DTJ Co Pty Ltd</i>	52.64%	50,000,000
<i>QMP Nominees Pty Ltd</i>	16.08%	15,268,036
<i>MAYPNG Pty Ltd</i>	16.08%	15,268,036
<i>Charlton Family Trust (CFT)</i>	5.85%	5,555,556
EST (Contractors Performance Rights*)	9.36%	8,885,714
	100%	94,977,342

Table 12 – EST shareholding and immediately vesting performance rights (orange row)

*** These rights are from Pre IPO shares and does not dilute the shareholding of Offer participants.**

Each performance right entitles the holder to receive one Share.

The performance rights immediately vest at grant date and can be exercised at any time but prior to the expiry date of the performance rights, which will be detailed in each individual's Invitation Letter. The performance rights will not be subject to the payment of an exercise price, and may be exercised by the submission of an Exercise Notice to the Company.

Following exercise of these immediately vested performance rights, **the underlying shares will be held in the EST on behalf of the participant for an escrow period of two years following Quotation.** During this time, the participant will be entitled to full dividend and voting rights as the beneficial owner of the shares. At the end of the escrow period, the employee may either direct the Trustee of the EST to sell the shares and pay them the sale proceeds less any relevant costs; or ask the Trustee to transfer legal ownership of the shares to them (i.e. transfer the shares out of the EST).

2. Vested Performance Rights awarded to employees as salary

Some employees of the Company will be granted on an annual basis performance rights to receive Shares in respect of a portion of their agreed annual salary. The purpose of this arrangement is to conserve cash of the Company whilst it is in a non-producing status, but still secure senior executive management services of the appropriate calibre. To this end, key employees of the Company have agreed to be paid a proportion of their annual salary in the form of performance rights. Each performance right will entitle the holder to receive one Share.

The performance rights will vest annually over four equal three-monthly instalments and after vesting can be exercised at any time after being granted and prior to the expiry date of the Performance Rights, which will be detailed in each individual's invitation letter. The number of performance rights issued annually will be divided by 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). The performance rights will not be subject to the payment of an exercise price, and may be exercised by the submission of an Exercise Notice to the Company once they have become vested. The performance rights issued as part of the annual salary are dilutive to all Shareholders when the performance rights vest and exercised by the holder as the Company shall issue Shares to applicable participants expanding the share base.

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 period of 12 months.

Following exercise of the performance rights, the underlying shares will be held in the EST on behalf of the employee (to the extent the invitation letter specifies the award will be equity settled). Following the lifting of any applicable disposal restrictions on the Shares (which relate to employment tenure only), the employee may either direct the Trustee of the EST to sell the Shares and pay them the sale proceeds less any relevant costs; or ask the Trustee to transfer legal ownership of the Shares to them (i.e. transfer the Shares out of the EST).

It should be noted that the vested performance rights awarded to employees as salary, will occur within four months of Quotation.

Vested Performance Rights granted as salary to Key executives

NAME	FTE Annual Base Rem Non Cash Flow Status	Value of Shares issued as salary (granted as Performance Rights)	Number of Performance Rights# (below based on \$0.40 share price)	Total Shares and Cash Base Remuneration Value
Paul Mulder	\$212,000	\$212,000	530,000	\$424,000
*Tim Crossley Part Time (50%)	\$87,500	\$87,500	218,750	\$175,000
Project Director^	\$220,000	\$60,000	150,000	\$280,000
Thomas Charlton	\$200,000	\$45,000	112,500	\$245,000
Darren Lockyer	Nil	\$120,000	300,000	\$120,000
Total	\$719,500	\$524,500	1,311,250	\$1,244,000

Table 13 - Vested Performance Rights in lieu of salary to Key executives

* Minimum allocation prorata adjusted should executive hours increase beyond 50%. # subject to change depending on the prevailing share price at the time of award. ^ subject to final employment and appointment negotiations

3. EIP Performance Rights subject to vesting conditions – Short Term Incentive (STI) and Long Term Incentive (LTI)

Eligible employees (including employees, executive and non-executive directors, contractors and consultants) selected by the Board will be offered performance rights to acquire Shares. Each performance right entitles the employee to receive one Share.

The performance rights will be subject to time-based (years of service) and/or performance-based criteria.

a) STI Performance Rights

Due to the longer-term nature of what the Board believes to be value accretive milestones, an STI program will not be established at this stage. The Board, however, at its sole discretion has the right in the future to set specific STIs for specific employees in accord with a similar framework as the LTI performance rights Plan.

b) LTI Performance Rights

Those eligible employees participating in the LTI will be granted a number of performance rights equal in value to their target LTI amount locked in at the IPO issue price of A\$0.40.

The LTI performance rights will be granted at the start of the LTI performance period and will vest subject to the relevant LTI performance measures, as specified in their invitation letter, being met and the participant remaining employed.

The LTI performance rights shall be set up by the Board and shall be split and measured by:

- If the share price at any time within a three-year period is at a price 50% above the IPO price for the volume-weighted average price (VWAP) period for 10 days, otherwise the Performance Rights will lapse (50% weighting)
- Delivery Engineering and Project Development Milestones as outlined in this Prospectus (25% weighting)
- Material uplift to geological resource and reserve delineation as outlined in this Prospectus (25% weighting)
- Change of control of the Company (100% weighting)

The number of performance rights that will vest under the EIP will be dependent on time-based (years of service) and/ or performance-based criteria.

Holders of performance rights issued under the EIP may be restricted from disposing of their Shares for a period of time following the exercise date. Once all vesting conditions have been met and any applicable disposal restrictions have been lifted from the shares, the employee may dispose of the shares. The performance rights issued as part of the LTI are dilutive to all Shareholders when the performance rights vest and exercised by the holder as the Company shall issue shares to applicable participants expanding the share base.

Employees will be notified when their performance rights have vested by way of a Vesting Notice. Once vested, the performance rights will either be automatically exercised, or the employee must manually exercise by providing the Company with an Exercise Notice. Whether the performance rights are subject to automatic or manual exercise will be stipulated in the Invitation Letter. The performance rights are not subject to an exercise price.

Following exercise, the employee will be allocated one Share in the Company for each performance right exercised. The Shares will be held in the EST until such time as any disposal restrictions are lifted. The employee may then either direct the Trustee of the EST to sell the Shares and pay them the sale proceeds less any relevant costs; or ask the Trustee to transfer legal title of the Shares to them (i.e. transfer the shares out of the EST). These LTI performance rights **will be restricted for an escrow period of two years following Quotation.**

It should be noted that the LTI performance rights awarded to employees, will occur after listing and within four months of Quotation.

LTI Performance Rights to Key Executives

NAME	Number of Performance Rights
Paul Mulder	3,000,000
*Tim Crossley Part Time (50%)	1,125,000
Project Director^	875,000^
Thomas Charlton	625,000
Jonathan Rees	625,000
Asia Pacific Manager^	500,000
Totals	6,750,000

Table 14 - LTI performance rights to Key Executives

* Minimum allocation prorata adjusted should executive hours increase beyond 50%

^ subject to final employment and appointment negotiations

4. Loan Funded Shares and Rights Issue

Eligible employees (including employees, executives and contractors) selected by the Board will be offered the opportunity to receive rights or acquire loan funded Shares at the share market value at the time the regime is instituted.

Pursuant to the terms of the EIP, the Board will offer where the loan funded shares are instituted, employees an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan will be limited recourse so that at any time (subject to any restrictions) the employee may divest their Shares in full satisfaction of the loan balance (subject to service related restrictions outlined below).

Holders of loan funded shares under the EIP may be restricted from disposing of their Shares for a period of time following the acquisition date. Once all disposal restrictions have been lifted from the Shares, the employee may dispose of the Shares and use the proceeds to repay the loan balance.

Those legible participants receiving a grant of rights will have the rights granted with an exercise price equal to the shares market value as at the date of grant.

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 disposing of loan funded shares until such time they have worked for and/or on behalf of the Company for a period of 12 months. Should an employee/contractor that has been provided loan funded shares leave before completing the 12-month work period or be terminated (for performance-related issues), the loan funded shares shall be forfeited with the Company able to deal with the forfeited Shares as provided for under the Plan Rules.

The loan funded shares and/or rights regime will be instituted within four months of Quotation. The EST will not be used to facilitate delivery of loan funded shares under the EIP Plan.

Loan Funded Shares and Rights Issue to Key Executives post IPO

NAME	Number of Shares / Rights issued
#Paul Mulder	3,000,000
*Tim Crossley Part Time (50%)	1,125,000
Project Director^	875,000^
Frank Terranova	1,125,000
Thomas Charlton	625,000
Jonathan Rees	625,000
Darren Lockyer	200,000
Total	7,575,000

Table 15 - Loan Funded Shares and Rights Issue to Key Executives post IPO

Denotes where rights issue provision has been adopted instead of Loan Funded Shares

* Minimum allocation prorated adjusted should executive hours increase beyond 50%

^ subject to final employment and appointment negotiations

15.8 Interests of Experts and Advisors

Except as disclosed in this Prospectus, no promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two-year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any promoter, underwriter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

Ashurst has acted as the solicitors to the Company in relation to the Offer, and in that capacity and otherwise assisting the Company with the preparation of this Prospectus, Ashurst has been involved in undertaking certain due diligence enquiries in relation to legal matters and providing legal advice to the Company in relation to the Offer. In respect of this work, the Company has agreed to pay \$150,000 (exclusive of GST) for these services up to the date of this Prospectus. Ashurst also advises the Company on other matters.

Pitcher Partners has acted as the investigating accountant in relation to the Offer. As investigating accountant, Pitcher Partners have been involved in undertaking due diligence in relation to financial and taxation matters and preparing pro-forma financial accounts, and has prepared the Investigating Accountant's Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay Pitcher Partners a total of \$90,000 (exclusive of GST) for these services up to the date of this Prospectus.

PricewaterhouseCoopers has acted as taxation advisor to the Company, limited to advising on Australian income tax implications arising to certain classes of Australian tax resident shareholders who acquire interests in Mayur Resources through participating in the IPO, as detailed in Section 9. In respect of this work, the Company has agreed to pay \$35,000 (exclusive of GST) for these services up to the date of this Prospectus.

Mr Rod Huntley of Groundwork Pty Ltd has acted as independent technical expert to the Company, limited to reviewing and advising on the technical aspects of the Company's assets, as detailed in Section 10. In respect of this work, the Company has agreed to pay \$55,000 (exclusive of GST) for these services up to the date of this Prospectus.

Bell Potter has acted as Lead Manager to the Offer. Details of the agreement with Bell Potter are set out at Section 14.10 of this Prospectus. The fee is a commission rate of 6% of all application monies received from clients or contacts of Bell Potter. During the 24 months preceding the lodgement of this Prospectus with ASIC, Bell Potter has not received any other fees from the Company.

15.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a) has not authorised or caused the issue of this Prospectus;
- b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section; and
- c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Ashurst has given its written consent to the inclusion in Section 11 of this Prospectus of their Legal Report and to all statements referring to that report in the form and context in which they are included in this Prospectus, and to being named as Solicitors to the Company, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Pitcher Partners has given its written consent to the inclusion in Section 8 of this Prospectus of its Investigating Accountant's Report in the form and context in which the report is included, and to being named as Investigating Accountant, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

PwC has given its written consent for the inclusion in Section 9 of this Prospectus of its Tax Report in the form and context in which that report is included.

Mr Rod Huntley of Groundwork Pty Ltd has given its written consent to the inclusion in Section 10 of this Prospectus of his Independent Technical Assessment Report in the form and context of which it is included, and to all statements referring to that report in the form and context in which they appear, and to being named as the Independent Technical Expert, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Bell Potter has given its written consent to being named in the Prospectus as the Lead Manager to the Offer and to the distribution of paper and electronic versions of the Prospectus. The consent of Bell Potter is given on the basis that Bell Potter has given and not withdrawn their consent to being named in the Prospectus as Lead Manager to the Company as at date of lodgement of the Prospectus with the ASIC, has not authorised or caused the issue of the Prospectus or the making of the Offer, and makes no representation regarding and takes no responsibility for any statements in or omissions from any part of the Prospectus.

There are a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause this issue of the Prospectus.

15.10 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of securities in response to an electronic application form subject to compliance with certain provisions.

If a person has received this Prospectus as an electronic prospectus they should ensure that they have received the entire Prospectus accompanied by the Application Form. If they have not, they should email the Company at info@mayurresources.com and the Company will send to that person, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

15.11 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities

15.12 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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DIRECTORS' CONSENTS



This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Rob Neale', is written over a light blue rectangular background.

Rob Neale

Chairman for and on behalf of the Company

21 July 2017

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DEFINITIONS



In this Prospectus, unless the context otherwise requires:

DEFINITION	EXPLANATION
A\$ and \$	Australian dollars, unless otherwise stated.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Advisor Options	Has the meaning given in Section 15.5.
Allotment Date	The date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.
Applicant	A person who submits an Application Form under this Prospectus.
Application	A valid application to subscribe for Shares.
Application Form	The application form contained in this Prospectus or a copy of the application form contained in this Prospectus or a direct derivative of the application form which is contained in this Prospectus.
Application Money	40 cents being the amount payable in respect of each Share under the Offer.
ASIC	Australian Securities and Investments Commission.
Ashurst	Ashurst Australia and/or Ashurst PNG and/or Ashurst LLP and/or Ashurst ADT Law (a Formal Law Alliance between Ashurst LLP and ADT Law LLC), as the context requires.
ASX	ASX Limited (ACN 008 624 691).
ASX Settlement Rules	The ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Board of Directors and Board	The Board of Directors of the Company as constituted from time to time.
Business Day	A day on which the trading banks are open in Brisbane Queensland Australia.
CDI	A CHESS Depository Interest issued by CDN, where each CDI represents a beneficial interest in one Share, as detailed in Section 7.10.
CDN	CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depository of the CDIs under the ASX Settlement Rules.
CHESS	Clearing House Electronic Sub-Register System.
Closing Date	The date the Offer closes.
Companies Act	Companies Act (Chapter 50) (Singapore).
Company	Mayur Resources Ltd a company incorporated in Singapore. (Company Registration No. 201114015W) and registered as a foreign company in Australia (ARBN 619770277).
Constitution	The Constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth).
Development Services Agreement	The Development Services Agreement described in Section 14.5.
Directors	The directors of the Company.
Electronic Prospectus	The electronic copy of this Prospectus located at the Company's website: www.mayurresources.com .
EL and Exploration Licence	An area granted under the PNG Mining Act in respect to mineral exploration.
ELA and application for Exploration Licence	An Exploration Licence application.

DEFINITION	EXPLANATION
Employee Incentive Plan	Has the meaning given in Section 15.7.
Employee Share Trust	Has the meaning given in Section 15.7.
Executive Services Agreement	Has the meaning given in Section 14.11.
Exercise Price	Has the meaning given in Section 15.
Expiry Date	Has the meaning given in Section 15.
Exposure Period	The period of seven days (or longer as ASIC may direct) from the date of lodgment of the Prospectus with ASIC.
g/t	Means grams per tonne, equivalent to parts per million.
Group	Means Mayur and its subsidiaries.
GST	Goods and Services Tax. (applicable to the relevant jurisdiction as the context requires).
HIN	Holder identification number.
Historical Financial Information	Has the meaning given in Section 8.
FY2017	Has the meaning given in Section 8.
Indicative Timetable	The indicative timetable for the Offer on page 42 of this Prospectus.
Investigating Accountant's Report	The report contained in Section 8.
Inferred Mineral Resource or Inferred Resource	Has the meaning given to that term in the JORC Code.
IPO	Initial Public Offer and means Offer.
Issue	The issue of Shares pursuant to this Prospectus.
Issuer Sponsored	Securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.
JORC or JORC Code	Means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012.
kW	Means kilowatt.
Listing Rules	Listing rules of the ASX.
Loyalty Option	Has the meaning given in Section 15.4.
Mayur or Mayur Resources	The Company.
Measured Mineral Resource	Has the meaning given to that term in the JORC Code.
Mineral Resource	Has the meaning given to that term in the JORC Code.
Moz	Means million ounces.
MRL	Proposed ASX code of the Company
Mt	Means metric ton.
MW	Means megawatt (1,000 kW).
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Price	40 cents being the amount payable in respect of each Share under the Offer.
Offer	The invitation to apply for Shares pursuant to this Prospectus.
Official List	The official List of the ASX.
Official Quotation	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date immediately following the expiry of the Exposure Period.
Option	A right to subscribe for a Share.
Ore Reserve or Reserve	Has the meaning given to that term in the JORC code.

DEFINITION	EXPLANATION
Oz	Means troy ounce (31.103477 grams).
Prospectus	This disclosure document.
Quotation	The admission to and quotation of the Shares on the Official List.
Relevant Interest	Has the meaning given in the Corporations Act.
Restricted Securities	Has the meaning given to that term in the Listing Rules.
ROM	Means run of the mine.
Section	A section in the Prospectus.
Security	Means a Share or Convertible Note or Option, as the context requires.
Siecap	Means Siecap Pty Ltd.
Share Registrar	Boardroom Pty Limited.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of Shares in the Company.
SRN	Security holder Reference Number.
State	The Independent State of Papua New Guinea.
Tenement	An EL, ELA or any other form of mineral licence or title held or applied for by the Company or in which the Company has an interest.
T or t	Means metric tonne (1 thousand kgs).
tpa	Means tonnes per annum.
ABBREVIATION OF CHEMICAL	
Au	Gold
CaCO₃	Calcium Carbonate
Cu	Copper
Fe	Iron
Zr	Zircon

APPENDIX **A**
APPLICATION FORM



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Declaration By submitting this Application Form with your Application Monies, I/we declare that I/we:

- ✓ have read the Prospectus in full;
- ✓ have received a copy of the electronic Prospectus or a print out of it;
- ✓ have completed this Application Form in accordance with the instructions on the form and in the Prospectus.
- ✓ declare Form and declare that all details and statements made by me/us are complete and accurate;
- ✓ agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- ✓ where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- ✓ acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- ✓ apply for the number of CDIs that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- ✓ acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- ✓ authorise the Company and their respective officers and agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the CDIs to be allocated to me/us;
- ✓ am/are over 18 years of age;
- ✓ agree to be bound by the constitution of the Company;
- ✓ acknowledge that neither the Company nor any person or entity guarantees any particular rate of return on the CDIs, nor do they guarantee the repayment of capital;
- ✓ represent, warrant and agree that I/we am/are not in the United States or a US Person and am/are not acting for the account or benefit of a US Person; and
- ✓ represent, warrant and agree that I/we have not received this Prospectus outside Australia or New Zealand and am/are not acting on behalf of a person resident outside Australia or New Zealand.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A** If applying for CDIs insert the **number** of CDIs for which you wish to subscribe at Item **A** (not less than 5,000 CDIs representing a minimum investment of \$2,000.00). Multiply by A\$0.40 to calculate the total Application Monies for CDIs and enter the **A\$amount** at Item **B**.
- C** Write your **full name**. Initials are not acceptable for first names.
- D** Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** If you are sponsored in CHESSE by a stockbroker or other CHESSE participant you may enter your CHESSE HIN if you would like the allocation to be directed to your HIN. **NB: your registration details provided must match your CHESSE account exactly.**
- F** Enter your Tax File Number(s). It is not an offence to withhold your TFN or, where the securities are held for a business purpose, your ABN. However, if you do not provide your TFN or ABN, tax may be deducted from payments of interest and the unfranked portion of dividends and distributions at the highest marginal rate.
- G** Complete **cheque details** as requested. Make your cheque payable to "Mayur Resources Ltd". Cross it and mark it 'Not negotiable'. Cheques must be in Australian currency, and must be drawn on a bank or financial institution in Australia. **Alternatively you can apply online at www.mayurresources.com and pay by BPAY. If you apply online, you do not need to complete a paper Application Form. See below.**
- H** Enter your **contact details**, including name, phone number and e-mail address, so we may contact you regarding your Application Form or Application Monies.
By providing an e-mail address you are electing to receive notices of meetings, annual reports and other communications from the Company electronically to the provided e-mail address.

Payment by BPAY

You may apply for shares online and pay your Application Monies by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of the Prospectus available at www.mayurresources.com and follow the instructions on the online Application Form. When completing your BPAY payment please ensure you use the specific Biller Code and Unique CRN provided in the online Application Form and confirmation e-mail. If you do not use the correct Biller Code and CRN, your Application will not be recognised as valid. It is your responsibility to ensure payment is received by 5:00pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. Neither Boardroom Pty Limited nor VGI Partners Global Investments Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments.

Correct Form of Registrable Title

Note that ONLY legal entities can hold the CDIs. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgment

Mail or deliver your completed Application Form with your cheque(s) or bank draft attached to one of the following addresses:

- Mailing address:**
Mayur Resources Ltd
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001
- Delivery address:**
Mayur Resources Ltd
C/-Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

The Offer closes at 5:00 p.m. (Sydney Time) on 18 August 2017, unless varied in accordance with the Corporations Act and ASX Listing Rules.

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement

Mayur Resources Ltd advises that Chapter 2C of the Corporations Act requires information about its holders (including names, addresses and details of CDIs held) to be included in the Company's CDI register. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the Company. To obtain access to your personal information or more information on how the Company collects, stores, uses and disclosures your information please contact the Company at the address or telephone number shown in the Prospectus.

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