

Mayur Resources Limited

Quarterly Activities and Cash Flow Report

(Quarter Ending 30 September 2023)

31 October 2023

Highlights:

- Mayur has executed a term sheet agreement with Vision Blue Resources, led by Sir Mick Davis, for a proposed investment of US\$40 million for a 49% equity stake in the Central Lime Project;
- Mayur and Vision Blue Resources are working together to secure debt financing of US\$70-90 million with industry leading counterparties;
- Construction of the inner rubble core of the pioneering wharf is now complete with first deliveries accepted on the wharf in October 2023;
- Further works on the wharf will enable the Central Lime Project to take advantage of potential early cashflow opportunities through the sale of limestone in 2024;
- Appointment of John McBride as CEO of Mayur's Central Lime Project. Mr McBride was the CEO of Sibelco's Lime Division and most recently was President of APAC at Graymont, a global leader in lime and lime solutions; and
- Phase 1 of Central Lime Project to generate annual EBITDAs in excess of US\$25 million (AU\$37.5 million) when completed.

Project Updates

Mayur Central Lime Project

Mayur secures US\$40 million equity investment from Vision Blue Resources

During the quarter, Mayur executed a Term Sheet Agreement with Vision Blue Resources (**Vision Blue**), a clean energy related investment firm led by Sir Mick Davis, for a proposed investment of US\$40 million for a 49% equity share in the Central Lime Project (**CLP**).

Mayur believes that the investment will be sufficient to satisfy the total equity funding required for completion of the CLP's development and construction works, implement onsite carbon reduction initiatives, and commence commercial production.

The investment is subject to a number of conditions precedent including, but not limited to, negotiation of long form investment documents and CLP-related documents, securing requested fiscal approvals by applicable PNG government bodies, securing the required debt funding and ongoing commitments to ensure the production of low carbon lime.

Mayur has continued to work closely with Vision Blue and a number of industry leading counterparties towards securing between US\$70-90 million in debt funding for the CLP – with funding at the higher end of that range enabling early expansion of the CLP.

Wharf infrastructure and early construction works continue to advance

Following construction commencing in June 2023, the inner rubble core of the pioneering wharf is now complete. The successful completion of this wharf infrastructure ahead of schedule has allowed for the delivery of larger mobile equipment and fuel storage via barge. This equipment will be used for final armouring of the wharf and to build out the sheet pile faces and finger structure (to circa 10m draft) that will enable double sided barge exports from H1 2024.

Offshore geotechnical works are occurring in the coming months which will enable final designs to be completed of the offshore mooring dolphin structure that will allow up to Handymax size vessels to be able to berth and facilitate domestic and international shipments.

The demonstrated ability of the wharf to transport goods and materials is essential to optimising the logistics supply chain as the CLP enters full-scale construction. It also provides the platform to extend the wharf to enable the CLP to take advantage of potential early cashflow opportunities in 2024, through the sale of high-grade limestone to customers, both domestic and internationally.

Additionally, Mayur is now conducting its final on-shore geotechnical drilling campaign to confirm the final location and foundation designs of the Quicklime Kilns and associated infrastructure.

When completed, phase one of the CLP will generate annual EBITDAs in excess of US\$25 million (AU\$37.5 million).

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Barge arriving at Wharf



Side Profile of Inner Core of Wharf



Wharf under Construction



Landside Preparation for Wharf Construction

Industry veteran appointed Central Lime Project CEO

During the quarter, John McBride was formally appointed as CEO of Mayur's Central Lime Project. Mr McBride has extensive experience in global materials companies with his background spanning technical, operational and commercial responsibilities. Mr McBride was the CEO of Sibelco's Lime Division and most recently was President of APAC at Graymont, a global leader in lime and lime solutions.

Mr McBride is a proven and experienced business leader whose track record demonstrates his ability to thrive in complex environments, generate value by improving organisational capabilities, deliver projects, increase revenue and operational scale, and implement business plans and strategies to grow.

Mr McBride will formally commence his role as CEO next week.

Orokolo Bay Iron and Industrial Sands Project

Development of Orokolo Bay Project

As previously disclosed, a positive final investment decision for the project has been reached, contingent on the suitability of the funding structure of Mayur's proposed partner. Development options, estimated at around US\$30 million, are being considered with an emphasis on structuring at the asset level rather than the parent company level.

Vanadium Titanium Mineral Sands Project at Amazon Bay

Mayur is actively conducting a comprehensive metallurgical testing program aimed at assessing the geological and metallurgical potential of our Amazon Bay project. Specifically, we have engaged a reputable testing laboratory to evaluate previously collected samples to identify grades of Vanadium and any valuable heavy minerals within the deposit. This program covers three distinct geological domains within the project area, namely Threadfin (comprising Maguobo and Boru) and Barracouta.

Our objectives in this testing endeavour are as follows:

- **Proportion and Sizing Assessment:** We are diligently measuring the proportion and size distribution of heavy minerals within the selected samples slated for testing.
- **Composition Characterization:** We are keen on characterising the average composition of these heavy minerals to identify the presence of valuable minerals, including, but not limited to, rutile, ilmenite, zircon, leucoxene, and magnetite.
- **Magnetic Separation Analysis:** We aim to comprehend how the heavy minerals fractionates during staged magnetic separation processes and what concentrates can be obtained. This analysis is crucial to understanding the vanadium grades within the vanadium titanium magnetite material.
- **Ilmenite Fractionation:** We are exploring the possibility of fractionating an ilmenite grade product through these testing procedures.
- **Non-Magnetic Heavy Mineral Assessment:** Additionally, we are determining the minerals present within the non-magnetic heavy mineral fraction.

Ultimately, the outcomes of this rigorous testing program will provide invaluable data that will inform the planning of subsequent sampling programs, with a focus on the most promising areas within the Amazon Bay project. We are committed to maximizing the potential of this project and ensuring its success.

The project site has attractive titanium and vanadium metal levels in the ore and the test-work to be reported next quarter is expected to reconfirm historical exploration and also focus on the most attractive areas for the project to be further assessed with an opportunity to isolate these metals from the sands via smelting. Titanium is known for its strength-to-weight ratio and is used in aerospace, medical devices, and even everyday consumer products. Vanadium is utilised mainly as an alloying element to strengthen steel and is also gaining traction in the development of high-capacity, rechargeable vanadium redox flow batteries.

Mayur Renewables

Carbon Forestry Permits

Mayur continues its carbon offset projects in all of the areas covered by its legally binding agreements, backed by strong landowner support, signed consent from these landowners, written support from the local governor, and approval from the Climate Change Development Authority. Importantly, for one of Mayur's carbon offset areas – Kamula Doso, both Mayur and the landowners have court-ordered injunctions preventing the PNG Forest Authority from issuing logging permits. The next court hearing date in relation to Kamula Doso is scheduled for 3 November 2023.

Corporate Overview

Mayur's cash balance at 30 September 2023 stood at A\$1.731 million.

A total of A\$1.553 million was spent on exploration and development activities during the quarter, predominantly relating to the Central Lime Project, with some other minor expenditures also incurred on the Orokolo Bay Iron and Industrial Sands Project, and the nature-based forestry carbon credit projects. An outline of these activities is included earlier in this report.

During the quarter, the company made payments totalling approximately A\$0.196 million to related parties representing remuneration paid to Directors.

Tenement Interests

As at 30 September 2023 the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea. In addition to this the Company holds 100% of Mining Lease (ML) 526 for the CCL Project and 100% of ML 541 for the Orokolo Bay Project.

Table 2 details the Forestry Carbon Concession Permits granted to Mayur Renewables.

As noted in the table, various Exploration Licences are under renewal, and are progressing in accordance with the regulatory processes as prescribed by the PNG Mining Act.

The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licence not being granted in the ordinary course of business.

	EL number	Province	Commodity Focus	MRL Ownership	Area Km ²
1	2150*	Gulf	Industrial mineral sands	100%	256
2	2304*	Gulf	Industrial mineral sands	100%	256
3	2305*	Gulf	Industrial mineral sands	100%	256
4	2556*	Central	Industrial mineral sands	100%	350
5	2695	Western	Industrial mineral sands	100%	2070
6	1875*	Gulf	Thermal energy	100%	256
7	1876*	Gulf	Thermal energy	100%	256
8	2599*	Gulf	Thermal energy	100%	48
9	2303*	Central	Limestone	100%	256
10	ELA2770	Sandaun	Gold	100%	2061

Table 1 - Exploration Licences (*EL under renewal, ELA indicates an Exploration Licence Application)

	Forestry Permit Number	Province	Commodity Focus	MRL Ownership	Area Hectares
1	FCCTP 1-01	Western	Carbon	100%	268,786
2	FCCTP 1-02	Western	Carbon	100%	265,907
3	FCCTP 1-03	Western	Carbon	100%	257,962

Table 2– Forestry Carbon Concession & Trading Permits held by Mayur Renewables issued under the Forestry Act 1991

Note there is ongoing litigation regarding these permits.

This announcement was authorised by the Board of Directors of Mayur Resources Limited.

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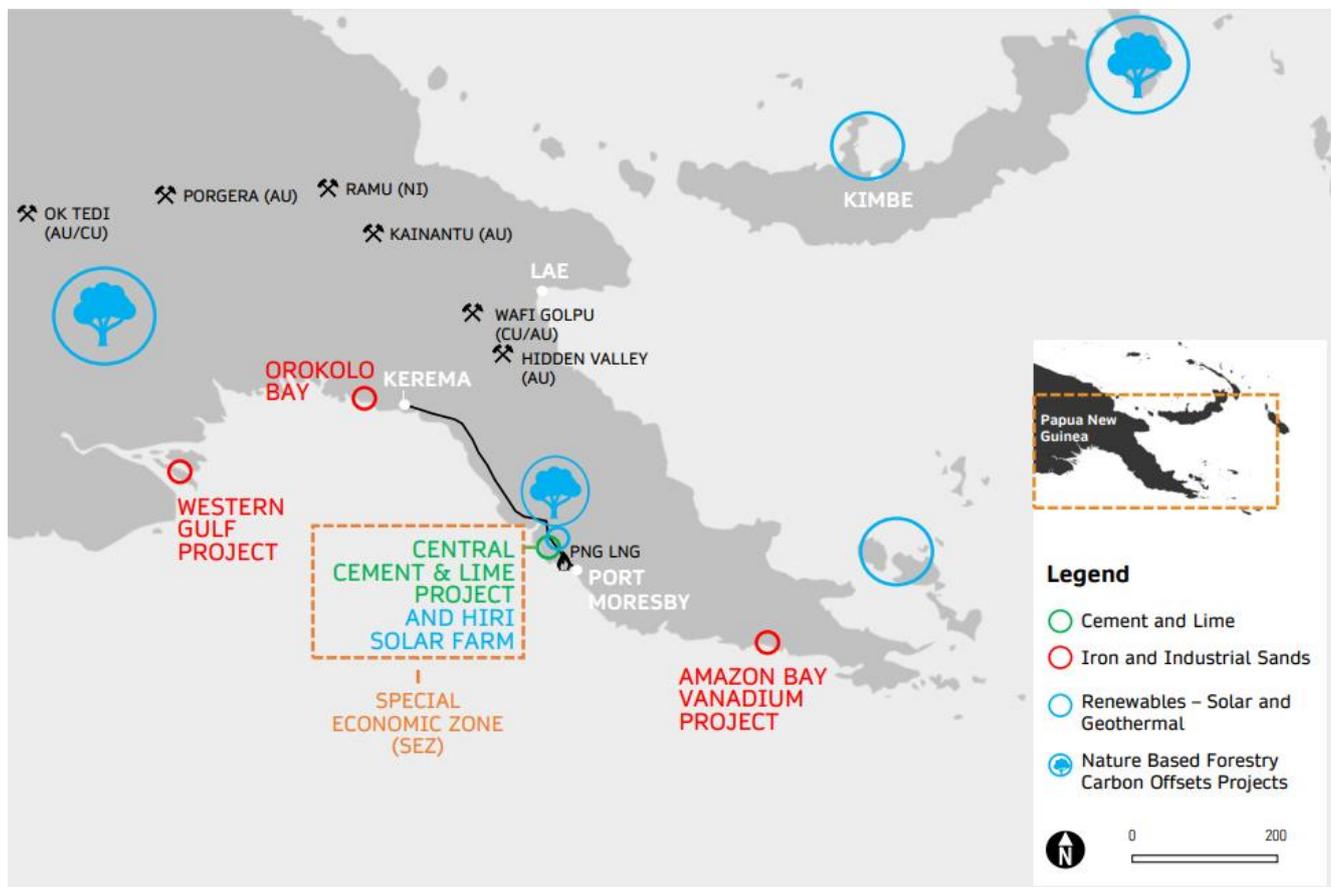
** refer to ASX Announcement dated 26 July 2022 “Updated DFS For Central Cement and Lime Project”. All material assumptions underlying these production targets and forecasts continue to apply and have not materially changed.

ABOUT MAYUR

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

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

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



Competent Person's Statement

Statements contained in this announcement relating to Mineral Resources and Ore Reserves estimates for the Central Cement and Lime Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Rod Huntley, who is a member of the Australian Institute of Geoscientists. Mr. Huntley has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Huntley qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Huntley is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Huntley takes responsibility for the form and context in which this Ore Reserves Estimate prepared for the Central Cement and Lime Project appears.

Statements contained in this announcement relating to Ore Reserves for the Orokolo Bay Iron and Industrial Sands Project Western Area are based on, and fairly represents, information and supporting documentation prepared by Mr Troy Lowien, a Member of The Australasian Institute of Mining and Metallurgy Mr Lowien qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Lowien is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Lowien takes responsibility for the form and context in which this Ore Reserves Estimate prepared for the Orokolo Bay Project Western Area appears.

Forward-Looking Statements

All statements other than statements of historical fact included in this Announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are 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 announcement, are expected to take place. Such forward-looking statements are no 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.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement 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 Announcement, except where required by law and existing stock exchange listing requirements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Mayur Resources Ltd

ARBN

619 770 277

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(323)	(323)
(e) administration and corporate costs	(504)	(504)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(827)	(827)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities – Investment in Adyton Resources	-	-
(b) tenements	-	-
(c) property, plant and equipment	(31)	(31)
(d) exploration & evaluation	(1,553)	(1,553)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,584)	(1,584)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (Tribeca)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,142	4,142
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(827)	(827)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,584)	(1,584)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,731	1,731

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,731	4,142
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,731	4,142

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	196
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) – Santos Facility	4,322	4,322
	Other (please specify) – Convertible Notes	2,500	2,500
7.4	Total financing facilities	6,822	6,822
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div style="border: 1px solid black; padding: 10px;"> <p><u>Santos Facility</u></p> <p>On 20 June 2022, Mayur Resources Limited announced that it had executed an Expression of Interest (EOI) with Santos Ventures Pty Ltd (Santos), a subsidiary of Santos Limited (ASX:STO), to jointly develop a portfolio of nature-based carbon offset projects in Papua New Guinea (Carbon Projects).</p> <p>In addition, Santos has provided Mayur with a US\$3 million facility on 16 June 2022 to, amongst other things, fund ongoing detailed feasibility and landholder consent work on the Carbon Projects. If the Transaction Documents are not entered before the conclusion of the Exclusivity Period (being 17 December 2022, subsequently extended to 17 December 2023), the Convertible Securities issued under the loan facility on 16 June 2022 will convert on the date that is 5 business days after the third anniversary of the execution of the EOI (provided no shareholder approval is required) or such other date as the parties may agree to issue ordinary fully paid shares in Mayur based on a 30-day Volume Weighted Average Price (VWAP) calculated three years from the date of execution of the EOI (being 20 June 2025).</p> <p>The facility is non-interest bearing and security has been provided over the Mayur Renewables business.</p> <p><u>Convertible Notes</u></p> <p>On 1 May 2023, Mayur announced the issuance of \$2.5 million in convertible notes (the Notes), with funding to be primarily applied towards early development works at Mayur's Central Lime Project in parallel with the PNG Government preparing for the Consultative Forum.</p> <ul style="list-style-type: none"> • the Notes were issued to the Noteholder; • 1,696,500 Notes were issued with an aggregate face value of US\$1,950,975 (being the equivalent of A\$2,875,000) and with a maturity date of 18 months from date of issue; • the Notes were issued in accordance with the Convertible Securities Agreement, the material terms and conditions of which are set out in Schedule 2 of this Notice; • the Notes were issued on 11 May 2023; • each Note has a face value of US\$1.15; and • the funds raised from the issue will be primarily applied towards early development works at Mayur's Central Lime Project in parallel with the PNG Government preparing for the Consultative Forum. <p>In early September 2023, Mayur agreed to an offer from Obsidian Global Partners LLC Inc (Obsidian), the holder of 1,696,500 Convertible Notes (the Notes) in Mayur, to a 'standstill' period of up to an additional three months commencing from 9 September 2023 whereby Obsidian would not convert any of its previously secured rights below a share price of \$0.30. Pursuant to Mayur accepting the offer from Obsidian, the existing premium payable by Mayur on the cash repayment of the Notes commencing 9 September 2023 has been reduced to one-third of the original premium in the first month, and progressively increases by one-third up to the original premium by the third month. Mayur has agreed with Obsidian's request to release to Obsidian 250,000 Shares out of the existing 1 million Collateral Shares already held by Obsidian for each month (up to 3 months) that Mayur elects non conversion to occur of any of Obsidian's previously secured rights below a price of \$0.30 cents per share. All other terms of the Notes as disclosed in ASX Announcements of 1 May 2023 and 11 May 2023 remain otherwise materially unchanged.</p> </div>		

8.	Estimated cash available for future operating activities	\$/'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(827)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,584)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,411)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,731
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,731
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.72
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>During the quarter the Company incurred a number of one-off expenditures relating to the early pioneering works at the Central Lime Project (approximately \$AUD 1.3 million for the quarter), which are anticipated to be funded in future quarters from equity and debt partners once full scale development of the Central Lime Project commences.</p> <p>On this basis, it expects to have reduced net operating outflows in subsequent quarters.</p>	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Mayur continues to review and assess its capital raising needs and requirements and the sourcing of such funding on a regular and on-going basis. Mayur is confident in its capacity to secure additional funding as it is needed.</p> <p>The Company has in recent times favoured non-dilutive debt instruments to support the capital needs of the business whilst it arranges the required funding to be self-sufficient at the subsidiary levels. The Company is focused on securing such similar arrangements for its capital needs.</p>	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>Mayur continues to review and assess its capital raising needs and requirements and the sourcing of such funding on a regular and on-going basis. Mayur is confident in its capacity to secure additional funding as it is needed.</p> <p>The Company has in recent times favoured non-dilutive debt instruments to support the capital needs of the business whilst it arranges the required funding to be self-sufficient at the subsidiary levels. The Company is focused on securing such similar arrangements for its capital needs.</p>	
<p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023.....

Authorised by: **By the Board**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.