

14 August 2023

Term Sheet for US\$40M, 49% Equity Investment by Sir Mick Davis' Vision Blue Resources in Mayur Resources' Central Lime Project

KEY POINTS

- Term Sheet with Vision Blue Resources ("VBR"), led by Sir Mick Davis, for investment of US\$40 million for a 49% equity share (the "Proposed Investment") in the Central Lime Project (the "Project") in Papua New Guinea ("PNG")
- The Proposed Investment is expected to satisfy the Project's total equity funding requirements to complete project development and construction, implement onsite carbon reduction initiatives, and enter commercial production
- Mayur Resources and VBR are working to finalise debt financing with major lenders, including discussions with the Australian Government
- The Project is fully permitted and commenced construction in June 2023, with early revenues from aggregates targeted in H1 2024:
 - High quality lime production at low cash cost
 - Phase 1 estimated to generate annual revenues and EBITDA of over US\$50 million and US\$25 million respectively**
 - Existing large-scale resource and planned infrastructure enables simple modular expansion in the near and medium term
 - Expansions planned to be funded through existing operations, requiring no further equity capital to be raised
 - Targeting low carbon emissions through investment in onsite carbon reduction initiatives, including natural gas, solar power, and utilisation of nature-based carbon credits
 - Significant high grade mineral resource reinforces strategic characteristics of the Project
 - Planned to become a major import displacer for the PNG economy, while leveraging logistical advantages to penetrate the greater Asia Pacific ("APAC") market
- Demand for lime products, particularly in APAC, continues to demonstrate robust consumption, driven by the demand from increasing production of clean energy metals and minerals (e.g. copper, lithium, cobalt, nickel, rare earths) as well as the precious metals sector

Mayur Resources Limited (ASX:MRL) ("**Mayur**" or "**the Company**") is pleased to announce that it has executed a Term Sheet with Vision Blue Resources ("VBR"), a clean energy related investment firm led by Sir Mick Davis, for an investment of US\$40 million for a 49% equity share in the Project. Mayur believes that the Proposed Investment will be sufficient to satisfy the total equity funding required for completion of the Project's development and construction works, implement onsite carbon reduction initiatives, and enter commercial production.

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



low carbon lime. VBR and Mayur are working together to secure debt financing of approximately US\$70 million to fully fund and complete the Project. Due to the Project's economic significance in the APAC region, including its importance in supporting the critical minerals sector in Australia, the Company is in negotiations with the Australian Government as one of its preferred debt funders with a view to enhancing bilateral ties between the two countries.

Sir Mick Davis, CEO of VBR, said:

"The importance of lime supply to the processing of minerals and metals linked to the energy transition is considerable and the Mayur leadership team's credentials in this market are world-class. The project in PNG is compelling in terms of its size, scalability and quality, given the high calcium content of the deposit. The Project has an attractive low risk profile which aligns well with VBR's investment criteria, is fully permitted, construction is underway, and benefits from project developed road and port infrastructure— all located in a strategic location, to support the PNG and greater APAC markets. We look forward to working with the Mayur team to negotiate the long form transaction documents and satisfy the conditions required for the Proposed Investment to complete."

Mayur's Managing Director, Mr Paul Mulder, added:

"We are thrilled to welcome VBR, a partner of impeccable pedigree, to collaborate on our Central Lime Project. VBR's recognition of the pivotal role of lime in meeting the escalating demand across various environmental and renewable energy sectors is evident."

"The Project will see PNG become a pivotal contributor to the regional and global lime industry, with demand for lime set to continue to rapidly expand as a key input in the global energy transition."

"The Project also promises substantial benefits for the domestic PNG economy. It paves the way for an import substitution downstream processing business, while providing significant local employment opportunities. The enhancement of living standards and benefits for local landowners remain at the forefront of our mission."

"According to Wood Mackenzie forecast lime consumer demand vs. the producer 'supply response' clearly evidences the increasing supply deficit and dislocation in a supply chain being able to respond in the APAC region where material upward pressure on lime prices is forecast. The Australian market in recent times has shown consumers are now willing to import higher grade, cleaner better performing lime from abroad. Collectively with our partners VBR we plan to become a dominant player not only in Australia, but also the APAC region. Indonesia has significant forecast demand for lime in the foreseeable future for its Nickel HPAL (High Pressure Acid Leach) plants, being constructed at an unprecedented rate where again we plan to play a material role. This key downstream processing of its raw minerals opens a sizeable market opportunity in close proximity to the Project, with PNG's Prime Minister and Indonesia's President having just last month resolved to markedly pursue increased bilateral trade relations."

Development of the Project will leverage, and benefit from Mayur's Executive Team, which includes several veterans from the global lime industry. Notably, it includes Mr. Brad Lemmon, former Executive General Manager of Lime and Cement at Adelaide Brighton; Mr. Campbell Jones, former Managing Director of Sibelco Australia and Americas; Mr. Bruno Wauters, former President of Sibelco South East Asia, and incoming CEO of the Central Lime Project, Mr. John McBride, who served previously as the President of Graymont SE Asia and CEO of Sibelco Lime and will be returning home to PNG having been born in Rabaul.



The Project's strategic location, 24 km from the capital city of Port Moresby and adjacent to the US\$18 billion PNG LNG facility, within its own unique Special Economic Zone, provides an extraordinary platform for growth and positions the Project to become a regional lime industry leader. Construction is expected to continue until the middle of 2025 with lime to be produced shortly thereafter. High grade raw limestone will be produced as an early saleable product throughout the construction phase of the lime facility.

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

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About Vision Blue Resources

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Vision Blue was founded in December 2020 by Sir Mick Davis to identify and capture opportunities in battery and technology minerals linked to the global transition to clean energy production and storage. Vision Blue aims to capitalise on the secular change in demand for relevant commodities, which is occurring against a backdrop of limited supply, by leveraging its proven acquisition and integration skills together with financial, ESG, technical, construction and operating experience in the mining and metals sector.

Sir Mick Davis is a highly successful mining executive accredited with building Xstrata plc into one of the largest mining companies in the world prior to its acquisition by Glencore plc. Before listing Xstrata on the LSE as CEO he was CFO of Billiton plc and Chairman of Billiton Coal which he joined from the position of Eskom CFO.

Vision Blue targets companies in established mining jurisdictions, with well advanced assets that are scalable, have low logistics and processing risks and can be brought into production rapidly. Vision Blue aims to work with existing management teams by providing critical growth capital, technical support, strategic sector relationships and experience in securing future finance. Adopting this approach systematically unlocks the asset value embedded in resources which are critical to capturing the opportunities presented by a sustainable energy future.

Since its launch, Vision Blue has continued to expand its portfolio to five strategic investments in companies involved in graphite, vanadium, silicon metal, tin and rare earths. Each of these commodities benefits from rapidly growing demand from end markets including electric vehicles, grid scale energy storage, wind and solar energy infrastructure, and electronic devices.

Vision Blue's investment strategy is to secure significant minority stakes in companies with well defined, advanced and scalable assets, and committed management teams.

About Mayur's Central Lime Project

The Central Lime Project ("CLP") is phase 1 of a vertically integrated manufacturing facility with the ability to meet 100% of PNG's raw lime, lime, hydrated lime, and other building material requirements, creating a new



manufacturing industry and displacing imports into PNG, with the ability to penetrate nearby export markets in Australia and APAC. When constructed, the co-located quarry, plant site and deep draft wharf will enable scalable production of high-grade limestone, aggregates and lime products at low operating costs within the first quartile of the global cost curve. The CLP is also seeking to become Asia Pacific's first carbon-neutral producer, seeking to service and meet increasing demand from the critical minerals and battery metals processing sectors in support of the global energy transition. The CLP's lime products will also meet standards for the construction, environmental and pollution abatement sectors.

Mayur expects first revenues from the CLP in H1 2024, with annual Phase 1 EBITDA in excess of US\$25 million (A\$37.8 million) and more than US\$770 million (A\$1,164 million) of revenue over the project life of 30 years. **

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

About Mayur Resources

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

Notes

** 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.