

Proposed USD \$50 Million investment in Mayur Resources and Subsidiaries from ACAM LP and AUD \$5 Million share placement

Tuesday 25 June 2024

HIGHLIGHTS:

- **ACAM LP**, a prominent global investor in the natural resources sector, has signed a Non-Binding Exclusive Term Sheet to invest a proposed amount of **USD \$50 million** in **Mayur Resources (MRL or Company)** and its MR Central Lime PNG Pte Ltd (MRCL) subsidiary. ACAM will become a “substantial shareholder” in MRL at completion.
- The USD \$50 million investment will, if completed, **replace Vision Blue’s equity funding** for Mayur’s Central Lime Project (CLP) in Papua New Guinea (PNG). It will also be used to retire AUD \$9.2m of MRL debt.
- **USD \$40 million equity** is to be made available alongside the 22 April 2024 announced Appian Capital Advisory LLP (“Appian”) USD \$70m base debt facility (“Debt Facility”) (see below for further details).
- ACAM will be entitled to hold **Board of Director** positions on the MRL and MRCL Boards.
- ACAM has been granted a 6-week period of exclusivity in which to close the transaction / enter into definitive legally binding documentation.
- ACAM has the **first and last right of refusal** at the subsidiary project level as the primary equity capital partner covering Central Lime Project (CLP) phase 1, CLP’s expansions, the clinker and cement works, and other current and future projects within Mayur’s portfolio in PNG.
- MRL has also completed a separate **AUD \$5 million placement** to existing sophisticated investors to fund Stage 2 and part of Stage 3 wharf facilities for MRL’s CLP.

MRL is pleased to announce the signing of a Non-Binding Exclusive Term Sheet (“Term Sheet”) with S&F Investment Advisors Ltd and ACAM LP (the “Investor”), for a proposed USD \$50 million investment in MRL and its 100% owned MRCL subsidiary (the “Proposed Transaction”).

Additionally, the Company is also pleased to announce an AUD \$5 million placement to existing sophisticated investors to fund Stage 2 and part of Stage 3 wharf facilities for MRL’s CLP, located in the Central Province of PNG. This will provide the CLP with commercial scale wharf infrastructure, enabling opportunity for early cashflow opportunities in calendar year 2024 from raw limestone production.

Richard Pegum, Chairman of Mayur Resources, said: *“We are extremely pleased to have entered this arrangement with ACAM LP, which represents a transformational investment for MRL. ACAM LP’s proposed investment will enable MRL to push ahead with our mission of developing mineral projects that deliver higher quality, lower cost, inputs for the mining and construction industries.”*

"The AUD \$5 million share placement with existing sophisticated investors will be integral to our CLP, ensuring that the early construction works can continue for the benefit of the ongoing development of the project with the aim of producing early cash flow revenues in late 2024."

"The work completed by S&F Investment Advisors to date, including a site visit and the commencement of discussions with our debt financier, Appian, further gives me confidence in their ability to swiftly go through their final confirmatory phase."

USD \$50 MILLION INVESTMENT FROM ACAM LP

The proposed USD \$50 million (minus capital raising fees) has been earmarked to fully replace Vision Blue's funding for the CLP and retire debt at the parent company level.

Key Terms of the Term Sheet:

- From the proposed USD \$50 million investment, funds are to be allocated between MRL and its 100% owned subsidiary MRCL, with ACAM LP or an affiliate becoming a "substantial shareholder" in MRL at completion.
- USD \$40 million equity is to be made available alongside the contemplated announced Appian Capital Advisory LLP ("Appian") USD \$70m base debt facility ("Debt Facility"). The debt facility is subject to conditions precedent on items including, but not limited to, the project's complementary equity funding meeting Appian's commercial requirements, product offtake, and finalization of project documentation with the PNG Government.
- Retire AUD \$9.2m of MRL debt (currently repayable in November 2024).
- The capital allocation of the proposed USD \$50 million and associated percentage equity ownership split in MRL and MRCL shall be agreed between the Investor and MRL prior to the closing of definitive transaction documents ("DTD"). Subject to the allocation of equity between MRL and MRCL, shareholder approval may be required for the quantum relating to MRL.
- Shares to be issued as new shares, ranking pari-passu with existing shares.
- Investor entitled to hold Board of Director positions on the MRL and MRCL Boards, to be determined prior to the closing of DTD's.
- Investor has the first and last right of refusal at the subsidiary project level as the primary equity capital partner covering CLP phase 1, CLP's expansions, the clinker and cement works, and other current and future projects within Mayur's portfolio in PNG.
- The Term Sheet is non-binding save for terms related to exclusivity, costs and confidentiality.
- The closing of the transaction is subject to conditions precedent including due diligence, the negotiation and execution of legally binding documentation, and agreement with Appian on revisions to the Appian Debt Facility acceptable to the Investor and Appian, including for ACAM to replace Vision Blue as the cornerstone equity provider.
- ACAM has been granted a 6-week period of exclusivity in which to close the transaction / enter into definitive legally binding documentation.

Ross McCormick of S&F Investment Advisors said: *"We and ACAM are pleased to have entered into this non-binding Exclusive Term Sheet with the Company following a period of due diligence and productive discussions with key PNG Ministerial and Government Agency heads in Port Moresby. The PNG Government re-enforced that MRL's long-term commitment to downstream processing and export manufacturing is highly welcome and supported by the PNG Government. Our site visit to the CLP provided firsthand insights into MRL's potential to become a world-class building materials supplier."*

AUD \$5 MILLION PLACEMENT TO FUND WHARF FACILITIES AT PNG CENTRAL LIME PROJECT

Mayur has also completed an AUD \$5 million placement to existing sophisticated investors (the Placement).

Proceeds from the Placement will be used to prioritise Stage 2 and part of Stage 3 wharf facilities for the CLP, with the Company targeting early cash flow revenues from the sale of limestone and other raw products in late calendar 2024.

The Placement will be completed through the issuance of 25,000,000 CDI's / shares* at an issue price of \$0.20 per share, which is consistent with the Company's 60 trading day VWAP.

The issuance of 9,000,000 CDI's / shares* will occur within the Company's existing ASX Listing Rule 7.1 placement capacity. Settlement of this portion of the Placement is anticipated to occur on 26 June 2024.

The balance of the Placement shares (comprising 16,000,000 CDI's / shares*) will be subject to the approval of MRL shareholders at a General Meeting of Shareholders, which is anticipated to be held in late July 2024. A date for this meeting will be announced shortly.

The existing sophisticated investors who participated in this Placement approached MRL to invest at this time, to ensure that key development workstreams in relation to Stage 2 and part of Stage 3 wharf facilities (as detailed above) and other civil and related works are able to continue in alignment with the Company's timeline, *for the benefit of the ongoing development of the project and with the objective of producing early cash flow revenues.*

An Appendix 3B reflecting the issuance of 25,000,000 CDI's / shares* will be lodged shortly after this announcement.

ADVISORS

The Company has appointed Tamesis Partners LLP ("Tamesis") as its financial advisor in relation to the proposed transaction. This appointment is in line with customary terms for an appointment of this nature. Tamesis will receive 5% of all equity funds raised.

NEXT STEPS

Over the next 6-week period (being until 6 August 2024), final documentation and confirmatory due diligence shall be conducted on an exclusive basis, where it is anticipated that final documentation will be executed, and funding drawn.

ENDS

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

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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 25% 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 "carbon neutral" 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.

About the Central Lime Project

The Central Lime Project ("CLP") is Stage 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 raw limestone revenues from the CLP in H2 2024, with annual Stage 1 EBITDA post Quicklime kiln completion in excess of US\$25 million (A\$37.3 million¹) and more than US\$770 million (A\$1,149 million¹) of revenue over the project life of 30 years.¹

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 ACAM LP

ACAM LP is a prominent global investor in the natural resources sector, focusing on strategic long-term investments. Known for its substantial financial expertise and industry connections, ACAM LP supports the development and expansion of resource projects worldwide. Their collaborative approach and strategic partnerships underscore ACAM LP's commitment to fostering significant growth in the natural resources industry.

About S&F Investment Advisors

S&F Investment Advisors is an advisory firm specializing in natural resource investments, providing expert guidance and strategic support to ACAM LP and its affiliates.

About Tamesis Partners

Tamesis Partners is a specialist equity capital markets (ECM) and advisory firm focused on the mining sector, based in London. Renowned for its deep industry knowledge and extensive network, Tamesis Partners provides tailored financing solutions and strategic advisory services, including mergers and acquisitions, valuations, and public offerings. The firm has a strong track record of successful transactions, supporting natural resource companies in securing the necessary funding to achieve their growth and operational goals. Tamesis Partners is authorized and regulated by the Financial Conduct Authority (FCA) and is a member of the London Stock Exchange.

Notes

*The 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 CHESS. CDIs give a holder similar, but not identical, rights to a holder of Shares. The terms Shares and CDIs may be used interchangeably

1. 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.