

Debt Term Sheet Executed for Central Lime Project

Funding of up to US\$90M

8 November 2023

Mayur Resources Limited (ASX:MRL) (**Mayur** or **the Company**) is pleased to announce that it has executed an exclusive non-binding term sheet with Appian Capital Advisory (**Appian**) to fund its Central Lime Project (**CLP**) (the **Term Sheet**). Appian are a private capital fund that invest solely in mining or mining related companies with over US\$3.5 billion of assets under management.

Key Points:

- US\$90 million total debt funding package to be made available with US\$70 million drawn initially to support the CLP's 'base case' of 400,000 tonnes of Quicklime per annum and a further US\$20 million available for quicklime kiln expansions.
- Funding is priced at competitive terms and tenor.
- Combined with the US\$40 million equity investment in the CLP by Vision Blue Resources (**Vision Blue**), this debt will see the CLP fully funded.
- The phase one 'base case' CLP is expected to produce an annual EBITDA exceeding US\$25 million whilst generating hundreds of jobs.
- The CLP will be a major import displacer for PNG being its first downstream processing resource industrial manufacturing hub that will also become the nearest import source of Quicklime, hydrated lime and crushed lime stone for Australia.
- The Term Sheet is subject to a number of conditions precedent which are customary for a transaction of this nature including confirmatory due diligence.

Mayur's Managing Director, Paul Mulder, commented:

"We are delighted with our progress towards securing the required debt funding. The project landowners, PNG Government Ministers and their respective Authorities have been extremely welcoming and are fully supportive in establishing the first downstream processing resource industrial manufacturing hub in PNG. The execution of this exclusive term sheet bodes well with this week's announcement of Vision Blue converting its term sheet into an executed Investment Agreement representing a US\$40 million investment (being 100% of anticipated required equity) for a 49% stake in the CLP. Appian has taken comfort in this milestone and recognised the potential to expand the CLP facilities in offering an additional funding line that would see the CLP be recognised regionally as a major Quicklime producer to service domestic and international markets. Securing the proposed debt funding package would position Mayur to enter the Final Investment Decision phase and subject to a positive decision, subsequently commence full scale construction of the CLP."

The 'base case' of the CLP in Phase 1 is expected to generate annual revenues and EBITDA of over US\$50 million and US\$25 million respectively over an initial project life of 30 years.** Additionally, 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. Over time, the CLP will form the core of PNG's first downstream processing resource industrial manufacturing hub.

Mayur and Vision Blue will now support Appian to finalise diligence and substantially advance the definitive financing documents throughout its 60 day exclusivity period. The Company expects to provide a further update on the process in January 2024.

Further details on the debt funding are annexed.

ENDS

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

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Debt Funding Package Key Terms

Loan Facility Amount	Up to US\$83 million
Maturity Date	Up to 7 years from closing
Interest Rate	SOFR (subject to a minimum of 3%) + 8% margin
Royalty Funding Amount	US\$7 million
Royalty	2.5% of gross revenue over life of mine. Ability to reduce royalty by up to 80% via a buyback payment
Upfront Shares	Shares to be issued equivalent to 1.5% of Mayur's total fully diluted shares on issue
Security	Senior security package over assets and rights of Central Lime Project
Covenants and Events of Default	Customary covenants and events of default for a secured facility of this nature
Conditions Precedent	Customary for a transaction of this nature including confirmatory due diligence

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.

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 revenues from the CLP in H1 2024, with annual Stage 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.

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.