

Annual Report

19/20

Cementing a brighter future for Papua New Guinea

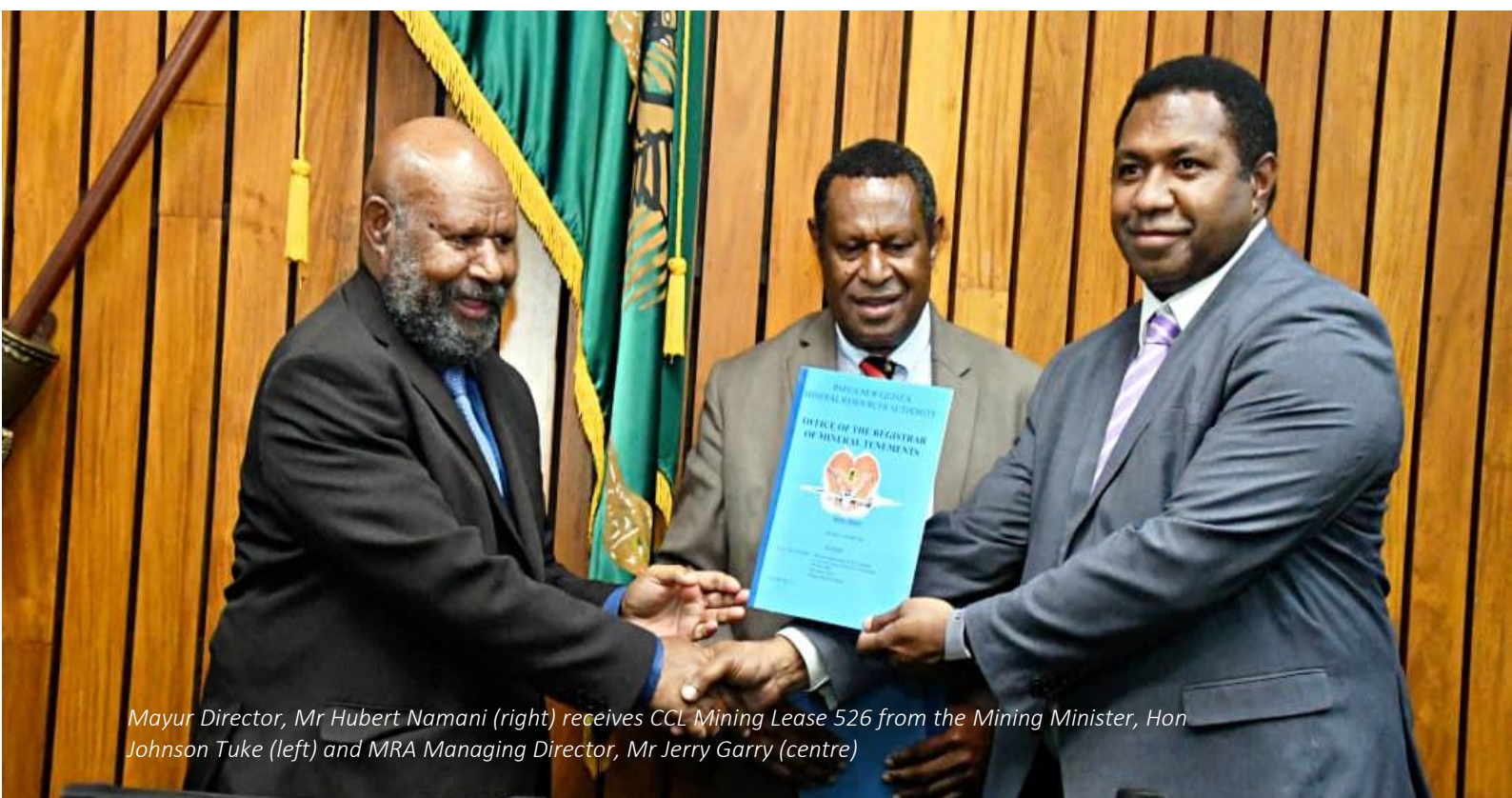


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Mayur Resources is focused on the development of natural resources in Papua New Guinea.

The maturation of our diversified asset portfolio, which spans industrial minerals, power generation, coal, copper and gold, will contribute to nation-building and job creation in a country experiencing a significant growth trajectory. Our unique portfolio of projects, many in close proximity to world scale producing mines, are either on or near the coast for easy development and access to domestic and international seaborne markets.



Mayur Director, Mr Hubert Namani (right) receives CCL Mining Lease 526 from the Mining Minister, Hon Johnson Tuke (left) and MRA Managing Director, Mr Jerry Garry (centre)

Our Vision

Mayur Resources is committed to the development of economic growth and Nation Building of PNG, creating pathways to local and national prosperity.

Our Strategy

Mayur's strategy is to build and develop a diversified portfolio of resources and energy opportunities in a developing jurisdiction that:

- Is geographically well positioned to take advantage of opportunities in both PNG and the wider Asia region
- Offers protection against the cyclical nature of commodities through vertical integration
- Comprises projects that are positioned in the first quartile of the global cost curve of comparable resource projects

Our Values

Respect

We value all relationships, work together and strive to understand and serve our stakeholders with respect.

Accountability

We initiate sustainable outcomes, take responsibility and are open and accountable.

Innovation

We are resourceful. We solve problems and we constantly seek to create value while adapting, developing and continually improving.

Integrity

We commit. We keep our word, deliver results, and are professional and ethical.

Managing Director's Letter to Shareholders

Dear Shareholders

While the 2019/20 financial year was marked by unprecedented turbulence and market volatility, the company remained tireless in progressing its nation-building agenda in PNG and in realising the full potential and value from our assets.

In July 2019 we lodged a Mining Lease application for our flagship Central Cement & Limestone (CCL) Project. Within just 14 months, having conducted extensive dialogue with the community, the MRA and other government departments, the PNG Government awarded an unprecedented 20-year Mining Lease for PNGs' first vertically integrated lime and cement project. This represented the most significant milestone for the company since IPO and was testament to the dedication and effort of all involved.

In parallel with the above, and in conjunction with our advisors (KPMG), we identified and shortlisted various key international strategic investors for the project. These parties remain engaged in seeking a position in the project that will serve markets in PNG, Australia and the Pacific. Proximity to the Australian lime and cement market, that is experiencing unprecedented structural change, presents the project with a significant opportunity.

At our Orokolo Bay Industrial Sands Project, we completed the design and selection of key equipment for the pilot plant stage and mobilised to site to construct the enabling works. Whilst site works remain on hold due to the onset of COVID-19, we hope to be able to re-mobilise in early 2021. We also declared an upgrade in JORC Resources and a 30 million tonne (Mt) maiden Ore Reserve. This formed a key input to the completion of the DFS that was released shortly after the financial year end, demonstrating Orokolo Bay to be a low-cost operation with robust economics.

At Depot Creek, we concluded our shallow drill program and the analytical assessment of samples. This resulted in an increase in Inferred JORC Resources to 12.8Mt, including a higher confidence Indicated Resource component of 3.9Mt. This now bolsters the pathway for fuel supply to our CCL Project and Enviro Energy Park (EEP) Power Project, whilst additional outcropping coal at surface in the wider Depot Creek region have been independently assessed as offering a 100Mt future coal exploration target.

During 2019 we received revised Engineering, Procurement and Construction (EPC) bids for the Lae EEP project which include a new alternative boiler design enabling use of up to 50% biomass fuel and thus a lower utilisation of coal. We also provided a full submission to the Department of Petroleum and Energy and conducted several ministerial briefings (including the Prime Minister) that has led to the subsequent preparation and a submission to the PNG Government for a Power Purchase Agreement (previously requested by State Owned Enterprise PNG Power Limited).

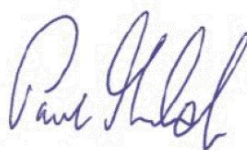
With our copper and gold portfolio the company assessed various options during the first half of 2020. As announced in September 2020, a transaction has commenced to both acquire additional assets and spin out the expanded portfolio into a separate vehicle on the TSX-V. This initiative provides the company with a streamlined focus on Industrial Minerals and Energy, whilst the new Copper-Gold company will have a fully dedicated team focussing on the development of their assets.

Whilst COVID-19 has restricted travel into and within PNG, the company continued to facilitate in country activities and communications during 2020. Cash preservation initiatives have placed us in a strong position as restrictions continue to ease.

For all our projects in PNG, we are grateful for the support and strong relationships we share with the government, communities and landowners and remain committed to repaying their trust through our nation-building strategy.

As Mayur's Managing Director and largest shareholder, I'm encouraged by the continuing and steadfast support I've received from the Board, our leadership team and major shareholders who contribute to my confidence for the future. You can be sure we remain committed to our nation building agenda in PNG and realising the country's incredible potential.

Yours sincerely



Paul Mulder
Managing Director

FY2020 Highlights

Summary of ASX announcements released during the Financial Year ending 30 June 2020

3 July 2019

Mining Lease application lodged for Central Cement & Limestone Project.

Mayur submits a Mining Lease application with the Mineral Resources Authority of Papua New Guinea for the Central Cement & Limestone Project.

18 July 2019

Debt and equity team appointed to secure project finance for Central Cement & Limestone Project.

Mayur appoints KPMG Corporate Finance to secure US\$350 million in project finance for its Central Cement & Limestone Project.

1 October 2019

Mining Warden's Hearing conducted for the Central Cement & Limestone Project.

Hearing conducted at the project site by the PNG Government's Mineral Resources Authority to seek stakeholder feedback. It followed an extensive community consultation program by Mayur involving more than 35 formal awareness meetings.

30 December 2019

Phase 1 drilling campaign complete at Depot Creek Coal Project.

Mayur completes the first phase of its JORC resource upgrade and extension drilling program at its Depot Creek Coal Project. The program included the completion of 45 shallow backpack rig holes.

6 January 2020

Geological surveys completed at Orokolo Bay and Depot Creek projects.

Mayur seeks to delineate further JORC Mineral Resources and new Ore Reserves at its Orokolo Bay Industrial Sands Project and Depot Creek Coal Project after completing a regional Light Detection And Ranging (LIDAR) survey across the assets.

11 March 2020

Landholder agreements signed for Central Cement & Limestone Project.

The backing of local landholders emphasises the significant community support for the project while providing major impetus for the company's Mining Lease application currently being assessed by the Mineral Resources Authority.

26 March 2020

Pioneering and site enabling works completed for the Orokolo Bay Pilot Plant.

Following the arrival of construction crew, mobile machinery, and building materials at the Orokolo Bay project site by barge on 16 February 2020, Mayur completes site enabling works for a pilot plant which will produce up to 100,000 tonnes of iron sands per annum to provide test-scale shipments of product to potential off-takers.

28 May 2020

Resources upgrade announced at Orokolo Bay Project.

Mayur announces the overall resource estimate for the project (Western + Eastern Areas) has increased over 40 percent from 172.7 to 243 million tonnes.

Subsequent Events (ASX Announcements released after 30 June 2020)

2 July 2020

Mayur converts Measured & Indicated JORC Resources into Ore Reserves at Orokolo Bay Project

19 August 2020

Granted 20 Year Mining Lease – Central Cement & Lime Project

9 September 2020

New Gold projects acquired ahead of Copper & Gold Spin Out

11 September 2020

DFS Completed at Orokolo Bay Project

15 September 2020

Resources increased at Depot Creek Project

16 September 2020

Mr Hubert Namani appointed as a Director to the Mayur Resources Board

Projects Overview

Mayur Resources is focused on the development of natural resources in Papua New Guinea.

Our purpose is to contribute to nation-building and job creation in a country experiencing a significant growth trajectory.

Our strategy is to build and develop a diversified portfolio of resources and energy opportunities in a developing jurisdiction that:

- Is geographically well positioned to take advantage of opportunities in both PNG and the wider Asia region.
- Offers protection against the cyclical nature of commodities through vertical integration.

- Comprises projects that are positioned in the first quartile of the global cost curve of comparable resource projects.

Mayur is currently advancing a number of projects spanning lime and cement, industrial minerals, power generation, coal, copper and gold.

Providing cheap, reliable and clean energy will improve infrastructure and develop wealth creation industries while steel and cement are fundamental for construction.

All projects are on, or in close proximity to, the coast for easy development access and future access to sea borne markets.



Central Cement & Lime Project

The proposed Central Cement and Lime (CC&L) Project is a vertically integrated manufacturing facility that has the potential to meet 100% of PNG's cement, clinker and quicklime requirements, displacing Asian imports.

Located on the coast, 25km north of the national capital, Port Moresby, and 7km from the Exxon PNG LNG Refinery, the project's co-located quarry, plant site and deep draft wharf will enable very low operating costs while providing direct access to both seaborne domestic and export markets such as Australia and other South Pacific nations. A DFS has been completed ascribing an NPV of USD352m to the project.

Mining Lease

In July 2019 we lodged a Mining Lease Application for our flagship Central Cement & Limestone (CCL) Project. The ML being the final statutory approval required to allow construction to begin on what will be PNG's first vertically integrated cement and lime manufacturing facility

We worked through the Mining Lease application assessment process with the PNG authorities and coordinated by the Mineral Resources Authority. Signed all the necessary landholder compensation agreements required for the development of the Project. Continued with ongoing community engagement program to keep stakeholders up to date on project progress, and the contents of the project benefits package. This then culminated in the granting of the ML in August 2020.

Project Financing & Offtake

During 2019 the project equity raise process was commenced by KPMG in parallel with the debt financing. Investor identification and engagement was undertaken, with Mayur currently in dialogue with a number of parties, including international strategic investors. While site visits to PNG have been largely on hold, pending easing of travel restrictions, other due diligence activities have been ongoing.

A variety of debt providers from around the world have also been approached including commercial banks and export credit agencies. Our debt lead arranger KPMG has received Letters of Interest from several lenders wishing to participate in the debt financing of the US\$350 million project.

Product offtake activities progressed seeking to secure customers both in PNG and Australia for the clinker, cement and quicklime products. Meanwhile major shifts in Australia's lime industry also provide a major market opportunity with the announcement by Adbri in June 2020 that Alcoa was not renewing its supply contract of domestic lime, after having supplied Alcoa for 50 years. This being a clear indicator that markets are hungry to source and utilise superior quality, higher performing products, even from abroad, thus diversifying and lowering their total costs and increasing effectiveness of their consumable input products.

Our focus now is to expedite the quicklime development, by finalising the EPC bids and securing equity funding to provide customers and financiers with the confidence to move into construction.



An artist's impression of Mayur's proposed Central Cement & Limestone Project in Papua New Guinea.

Orokelo Bay Industrial Sands Project

The Orokelo Bay Industrial Sands Project will produce a number of products including titanomagnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate

Pilot Plant

During late 2019 orders were placed in China by our joint venture partner, China Titanium Resources Holdings (CTRH), for the key equipment process plant equipment. This included low intensity magnetic separators (LIMS), mobile machinery, haul trucks, excavator and a wheel loader. Fabrication of the steelwork for the project also commenced, before experiencing delays in finalising procurement and assembly of the pilot process plant due to COVID-19. In PNG, we mobilised to site in late 2019 and completed pioneering and site enabling works for the pilot plant. Whilst site works remain on hold due to the onset of COVID-19, we hope to be able to re-mobilise in early 2021 subject to continued easing of the pandemic.

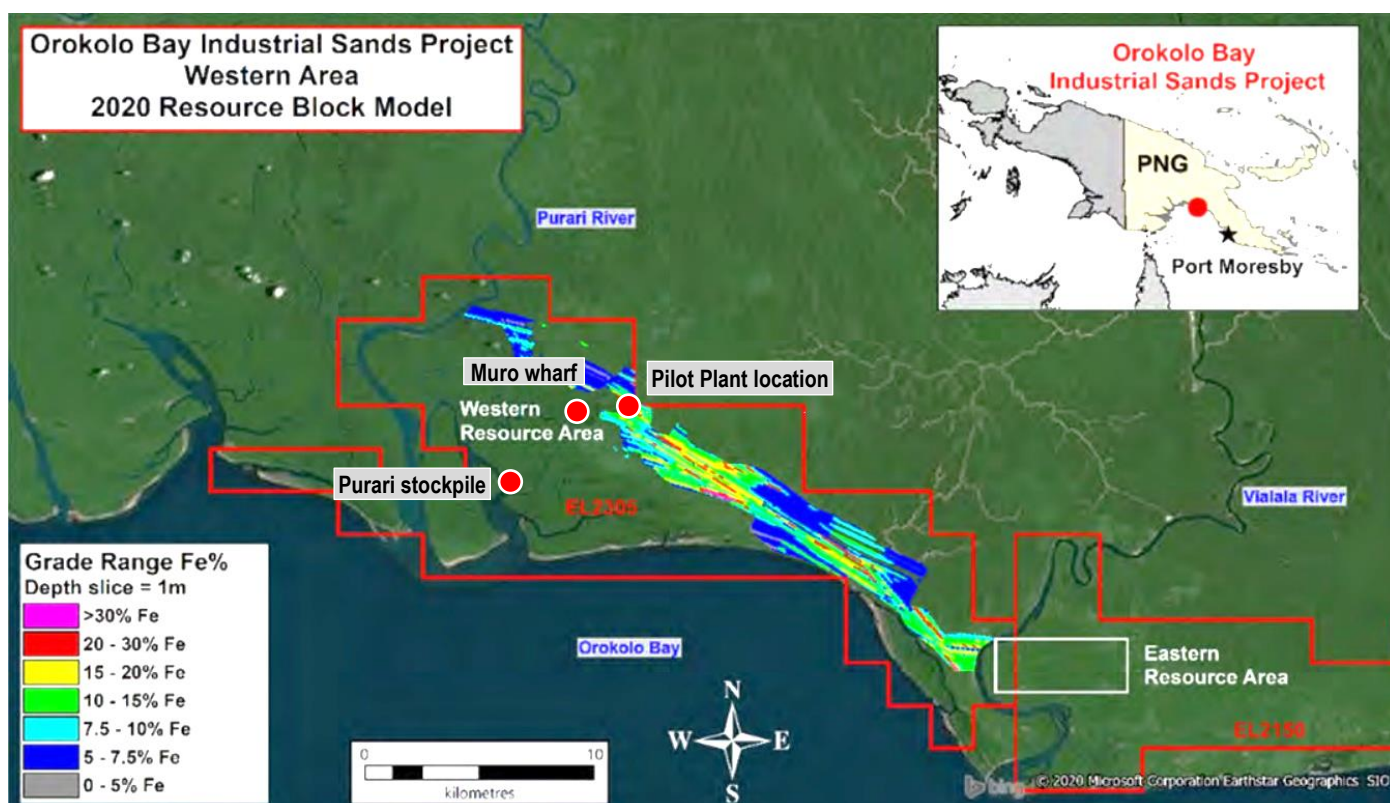
JORC Resource Upgrade

An infill Resource drilling program was completed in December 2019 followed by an airborne LIDAR survey. Then in May 2020, Mayur announced the JORC Resource for the project had been increased by over 40 percent from 172.7 to 243 million tonnes (cut-off 5.25% Fe, on a combined basis of Western + Eastern Areas). This increase was exclusively in the Western Area of the Project, that lies within EL2305, which saw a rise from 139.2Mt to 209.5Mt.

In addition to the mineral sands (magnetite and zircon) resource there was a 34% increase in the tonnage of construction sands from 86.0 to 112.8 million tonnes estimated in the Western Area. This included for the first time an JORC "Indicated" category of Construction Sands resource.

DFS

After the financial year end, Mayur announced the completion of a Definitive Feasibility Study (DFS) for the project. Underpinning a simple, low CAPEX, and financially robust project with multiple product revenue streams. The DFS has demonstrated a post-tax (real) NPV of US\$131 million (10% discount rate) and an IRR of 103.7% for the project.*



*Refer to ASX announcement 'DFS completed for Orokelo Bay Industrial Sands Project' dated 11 September 2020

Amazon Bay Industrial Sand Project

The Amazon Bay Project in Central Province has significant potential for three high value product streams: vanadium, titanium and iron.

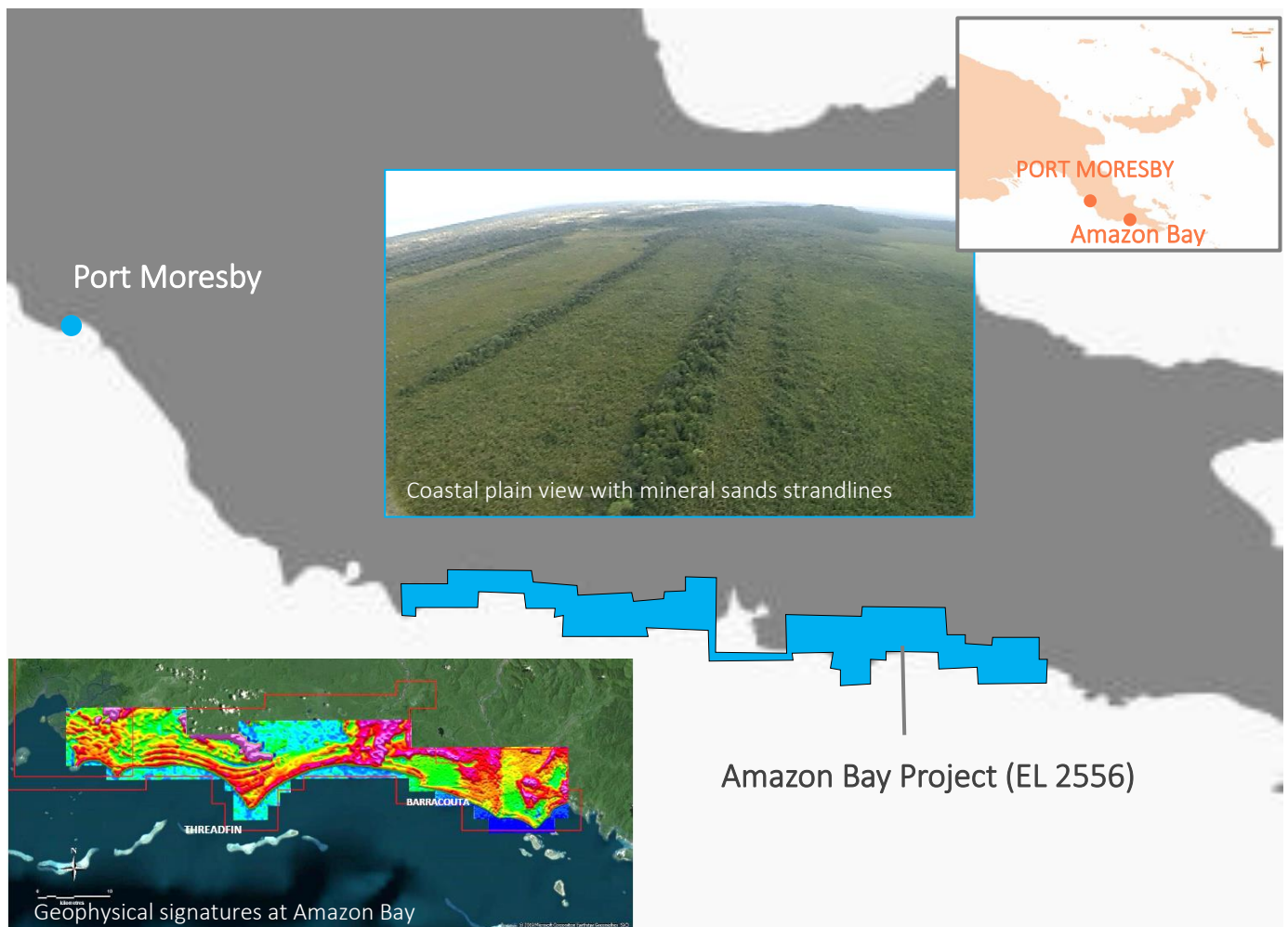
Given the large amount of historic work that has been undertaken by previous explorers at Amazon Bay over many years, we see this as an 'advanced exploration project' bringing synergies with Orokolo Bay. Previous exploration focused on Amazon Bay as a magnetite resource without fully pursuing its titanium and significant vanadium potential.

This project will allow Mayur to further grow its vanadium titanomagnetite mineral inventory and target the opportunity to serve the growing global demand for vanadium. Vanadium is both a key ingredient for steel strengthening and large-scale energy storage (i.e. Vanadium Redox Batteries) for the renewable energy sector such as solar power and wind farms.

Mayur has identified two main target prospects, Threadfin and Barracouta, that together encompass a total area of 123 km². The area about Threadfin appears to provide reasonable continuity of dune formation for +500 million tonnes (of sand) and this is the area recommended for systematic sampling.

In October 2019, Mayur engaged specialist geophysical consulting group Resource Potential to carry out additional data processing and imaging at the project. The survey confirmed the Barracouta area is traversed by a number of old river channels which could account for the extensive gravels and clays at surface – the mineral sands are likely concentrated within these gravels.

Further exploration is required to confirm the findings from the previously completed test work. It will also serve to identify the most optimal metallurgical processing route for the ore. Programmes were put on hold due to COVID 19 travel restrictions and the company's cash preservation initiatives.



Enviro Energy Park Power Project

Mayur's proposed 52.5MW EEP Project comprises an integrated, solar, biomass woodchip, and coal plant in the city of Lae.

Located at the newly developed Lae Western Tidal Basin Port precinct, is designed to improve reliability of supply and reduce the cost and environmental footprint of power generation in the city by displacing the current reliance on imported diesel and fuel oil.

The project will also produce steam as a by-product for industrial users and 2MW of ancillary solar and be connected by a new transmission line to the existing Ramu Power Grid.

During 2019 Mayur received revised Engineering, Procurement and Construction (EPC) bids for the project which include a new alternative boiler design enabling use of up to 50% biomass fuel and thus a lower utilisation of coal.

Leading international 'state-of-the-art' power generation technology will be employed to meet the stringent environmental requirements

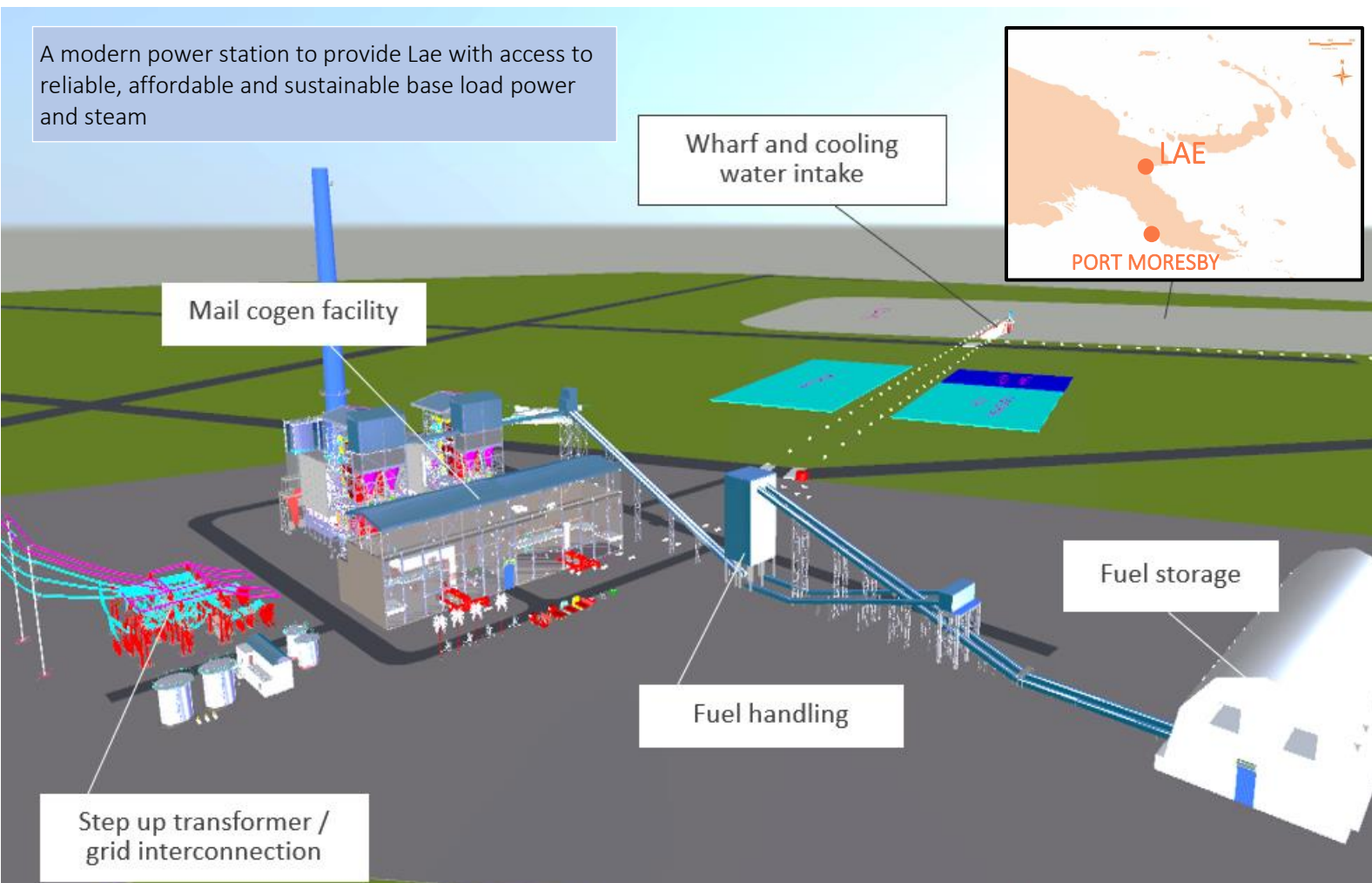
imposed for the project. This technology will improve the current air quality in Lae by reducing levels of nitrous oxide, sulphur dioxide and particulate matter emissions from the current use of diesel / heavy fuel oil.

The project is construction-ready and support from industry and all levels of government remains strong. The project has already received significant support from the Governors of both Gulf and Morobe Provinces, as well as numerous other Ministers.

We also provided a full submission to the Department of Petroleum and Energy and conducted several ministerial briefings (including the Prime Minister) that has led to the subsequent preparation and a submission to the PNG Government for a Power Purchase Agreement (previously requested by State Owned Enterprise PNG Power Limited)

Our immediate priority is to work with PNG Government on their National Executive Committee directives with relevant Ministries and State-Owned Enterprises i.e. PNG Power Limited.

A modern power station to provide Lae with access to reliable, affordable and sustainable base load power and steam



Depot Creek Coal Project

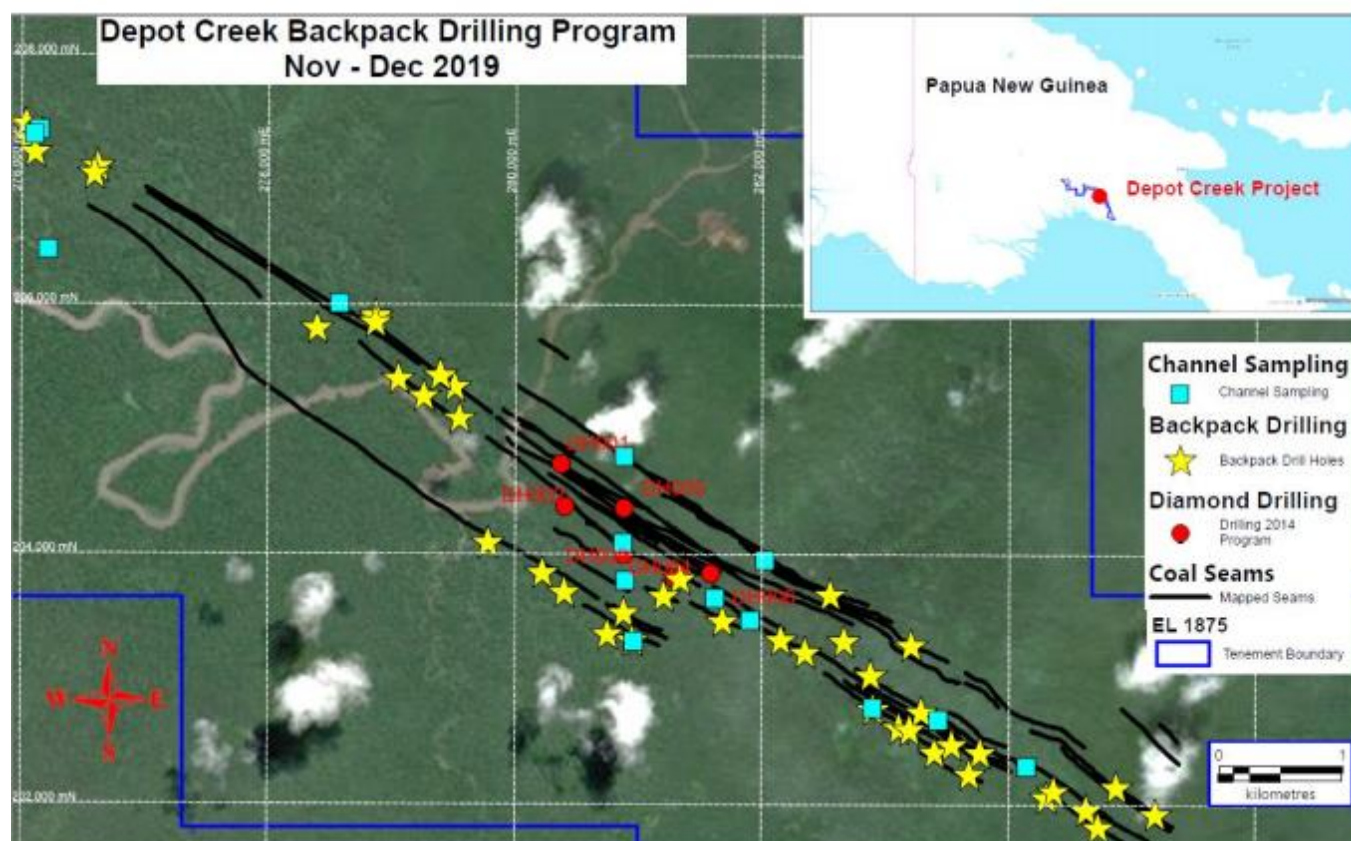
Mayur holds a prospective coal tenement portfolio in Gulf Province, with a focus on the Depot Creek Project.

In December 2019 the first phase of the Depot Creek resource upgrade and extension drilling program was completed. The program included the completion of 45 shallow backpack rig holes reaching depths of up to 9m to test and confirm seam continuity across the deposit. The field work also included the collection of 14 channel samples at various out cropping seams

All coal samples, including the drill core, were shipped to ALS in Brisbane for laboratory test work and coal quality analysis. Mayur's technical consultants, Verum Group (previously CRL Energy), were also on site during the program to provide oversight and obtain key intelligence around logistics, access and local conditions. An airborne Lidar geophysical survey was also flown across the Project area in January 2020.

Following completion of this work and after financial year end, Mayur announced (on 15 September 2020) an increase in Inferred JORC Resources at Depot Creek to 12.8 million tonnes (Mt) from 11.5 Mt, this included a higher confidence Indicated Resource component of 3.9Mt.* The resource modelling work also identified a new exploration target of >100Mt within the project tenement area (excluding adjacent tenements which in aggregate and including Depot Creek have an exploration target of approximately 200 Mt).

The proposed Phase 2 drilling at Depot Creek shall be scheduled and prioritised with consideration to Mayur's portfolio of other projects. Delineation of additional resources and a reserve alongside additional feasibility study work will encompass supplying coal to the EEP Power Plant, the CCL project and for export.



*Refer to ASX announcement 'Resources Increased at Depot Creek Project in PNG' dated 15 September 2020

Copper & Gold Portfolio

Mayur is undertaking a demerger of its Copper Gold assets to realise portfolio value

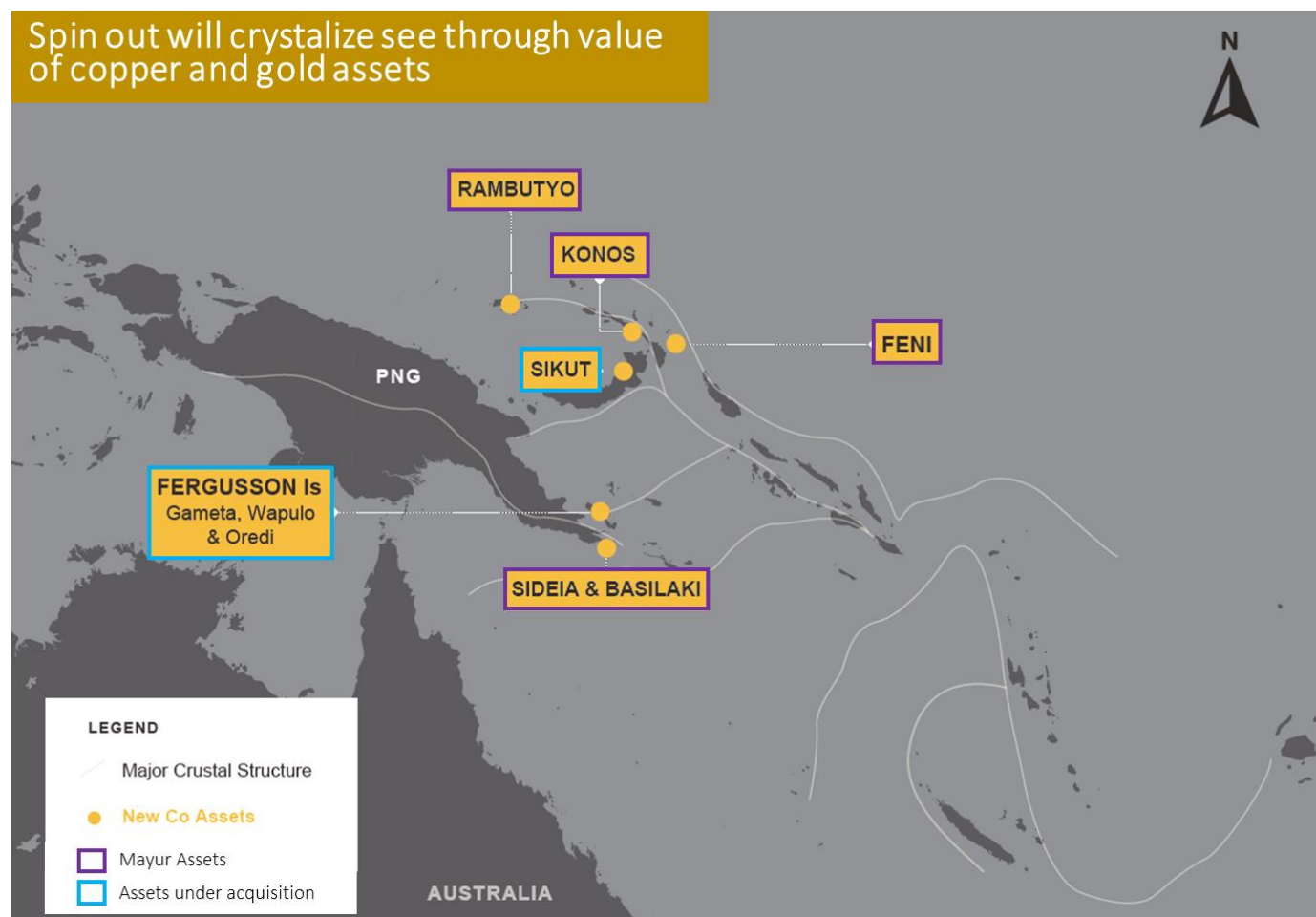
During the year a geological mapping / sampling program and geochemical assessment were completed at Konos. Several ELs were renewed and dialogue continued with local landowners and the MRA. Other programmes were disrupted, and field work was constrained due to travel restrictions and the company's prioritisation of scarce resources related to COVID-19

As communicated during the year the Mayur Board assessed several strategic options for the company with respect to the company's overall copper / gold portfolio. Subsequent to this and after the financial year end, in September 2020, Mayur Resources announced the company had reached an agreement to list its PNG copper and gold assets on the TSX Ventures Exchange via a Reverse Takeover (RTO).

To enhance the value of the spin out, Mayur will acquire all the shares in Ballygowan Limited and Pacific Arc Aurum (Niugini) Limited, two privately-owned companies that hold highly prospective gold assets in PNG including the Gameta and Wapulu projects on the Fergusson Islands. The above agreements are interdependent and together form the RTO transaction which will see Mayur own around 50% of the renamed TSX Ventures Exchange company.

This transaction responds to calls from shareholders to streamline our operations whilst providing the benefits of diversification which has been one of our key appeals since listing in 2017.

Mayur shareholders will have exposure to a new entity with a highly experienced and dedicated team that will make the most of our significant gold inventory as well as retain ownership of our core assets in a jurisdiction renowned for its geological endowment and support of gold explorers and emerging producers.



*Refer to ASX announcement 'New Gold Projects Acquired Ahead of Copper & Gold Spin Out' dated 9 September 2020

Tenement List

As at 30 June 2020 the Company had interests in the following tenements, all located in Papua New Guinea:

| | EL nr | Province | Commodity focus | Ownership | Km ² |
|----|-------|-------------|--------------------------|-----------|-----------------|
| 1 | 2095* | Milne Bay | Copper / Gold | 100% | 150 |
| 2 | 2096* | New Ireland | Copper / Gold | 100% | 95 |
| 3 | 2594 | Manus | Copper / Gold | 100% | 522 |
| 4 | 2591 | New Ireland | Copper / Gold | 100% | 252 |
| 5 | 2150 | Gulf | Industrial Mineral Sands | 100%^ | 307 |
| 6 | 2266* | Gulf | Industrial Mineral Sands | 100%^ | 317 |
| 7 | 2267 | Gulf | Industrial Mineral Sands | 100%^ | 1,279 |
| 8 | 2268 | Gulf | Industrial Mineral Sands | 100%^ | 1,279 |
| 9 | 2269* | Western | Industrial Mineral Sands | 100%^ | 317 |
| 10 | 2297 | Gulf | Industrial Mineral Sands | 100%^ | 1,279 |
| 11 | 2304* | Gulf | Industrial Mineral Sands | 100%^ | 256 |
| 12 | 2305* | Gulf | Industrial Mineral Sands | 100%^ | 256 |
| 13 | 2556 | Milne Bay | Industrial Mineral Sands | 100%^ | 1,405 |
| 14 | 2303* | Central | Limestone | 100% | 256 |
| 15 | 2616 | Central | Limestone | 100% | 55 |
| 16 | 1873* | Gulf | Coal | 100% | 256 |
| 17 | 1874* | Gulf | Coal | 100% | 256 |
| 18 | 1875* | Gulf | Coal | 100% | 256 |
| 19 | 1876* | Gulf | Coal | 100% | 256 |
| 20 | 2599 | Gulf | Coal | 100% | 48 |

Exploration Licence list (*ELs currently under renewal; ^all industrial mineral sands ELs are subject to the JV farm in deal with CRTH)

JORC Resources & Reserves

2019/2020

Central Cement & Lime Project

Mineral Resources at 30 June 2020 (no change from 30 June 2019)

Measured Mineral Resources Estimate

| Area | Category | CaO cut off % | Tonnes | CaO % | Al ₂ O ₃ % | SiO ₂ % |
|---------|----------|---------------|--------------|-------|----------------------------------|--------------------|
| Lea Lea | Measured | 52% | 61,000,000 | 53.4 | 0.6 | 1.65 |
| Kido | Measured | 52% | 144,000,000 | 53.6 | 0.62 | 1.77 |
| Total | Measured | 52% | 205,000,000* | 53.5 | 0.61 | 1.73 |

Indicated Mineral Resource Estimate

| Area | Category | CaO cut off % | Tonnes | CaO % | Al ₂ O ₃ % | SiO ₂ % |
|---------|-----------|---------------|-------------|-------|----------------------------------|--------------------|
| Lea Lea | Indicated | 50% | 117,000,000 | 51.8 | 0.9 | 2.7 |
| Kido | Indicated | 50% | 11,000,000 | 51.5 | 0.6 | 1.1 |
| Total | Indicated | 50% | 128,000,000 | 51.8 | 0.9 | 2.6 |

Inferred Mineral Resource Estimate

| Area | Category | CaO cut off % | Tonnes | CaO % | Al ₂ O ₃ % | SiO ₂ % |
|---------|----------|---------------|------------|-------|----------------------------------|--------------------|
| Lea Lea | Inferred | 48% | 7,000,000 | 48.1 | 1.1 | 2.5 |
| Kido | Inferred | 48% | 42,000,000 | 48.4 | 1.0 | 1.8 |
| Total | Inferred | 48% | 49,000,000 | 48.3 | 1.0 | 1.9 |

Ore Reserves at 30 June 2020 (no change from 30 June 2019)

| Area | Reserves | Million tonnes | CaO | Al ₂ O ₃ | Fe ₂ O ₃ | K ₂ O | MgO | Na ₂ O | SiO ₂ | LOI |
|---------|----------|----------------|-----|--------------------------------|--------------------------------|------------------|-----|-------------------|------------------|-----|
| | | | % | % | % | % | % | % | % | % |
| Kido | Probable | 45 | 54 | 0.5 | 0.3 | 0.04 | 0.4 | 0.2 | 1.3 | 43 |
| Lea Lea | Probable | 33 | 44 | 4.5 | 3 | 0.3 | 2.2 | 0.3 | 9.5 | 36 |
| Total | | 78 | | | | | | | | |

Depot Creek Coal Project

| Mineral Resources As at 30 Sept 2020 | | | | Mineral Resources As at 30 June 2019 | |
|--------------------------------------|-------------------------------------|------------------------------|-------------------------------|--------------------------------------|-----------------------------------|
| 2020 Seam (note renamed) | Total Resources (million tonnes) | Inferred (million tonnes) | Indicated (million tonnes) | 2015 Seams | 2015 Inferred (million tonnes) |
| A3B | 1.3 | 1.3 | | - | |
| A3 | <0.1 | <0.1 | | A3 and A2 | |
| A2 | 3.1 | 1.4 | 1.7 | A2 | 4.2 |
| A1 | 0.5 | 0.5 | | A1 | 0.2 |
| A | 6.7 | 4.5 | 2.2 | D | |
| D | 1.1 | 1.1 | | - | 4.59 |
| C | | | | | 2.4 |
| Total | 12.8 | 8.9 | 3.9 | | 11.5 |

Orokelo Bay Industrial Sands Project (Western Area)

Mineral Resources at 30 June 2020

5.25% (Fe cut off) Resource Estimates (Groundworks Plus)

| Category | Mt | DTR % | Fe % | Ti % | Zircon ppm | DTR Mt | Fe Mt | Ti Mt | Zircon t |
|--------------|--------------|-------------|-------------|-------------|------------|--------------|--------------|-------------|---------------|
| Measured | 1.64 | 10.08 | 11.35 | 1.94 | 712 | 0.17 | 0.19 | 0.03 | 1,170 |
| Indicated | 70.1 | 6.82 | 9.13 | 1.17 | 508 | 4.78 | 6.40 | 0.82 | 35,587 |
| Inferred | 137.8 | 5.43 | 8.19 | 1.02 | 454 | 7.48 | 11.28 | 1.40 | 62,622 |
| Total | 209.5 | 5.93 | 8.53 | 1.08 | 474 | 12.42 | 17.87 | 2.25 | 99,378 |

Construction Sand Resource - Cut off 5.25% Fe (Western Area only)

| Category | Mt |
|--------------|--------------|
| Indicated | 38.6 |
| Inferred | 74.2 |
| Total | 112.8 |

Mineral Resources at 30 June 2019

5.25% (Fe cut off) Resource Estimates (H&S Consultants)

| Category | Mt | DTR % | Fe % | Ti % | Zircon ppm | DTR Mt | Fe Mt | Ti Mt | Zircon t |
|--------------|--------------|-------------|-------------|-------------|------------|-------------|--------------|-------------|---------------|
| Indicated | 23.8 | 6.78 | 10.12 | 1.38 | 622 | 1.62 | 2.41 | 0.33 | 14,800 |
| Inferred | 115.4 | 5.32 | 9.08 | 1.19 | 538 | 6.14 | 10.47 | 1.37 | 62,000 |
| Total | 139.2 | 5.57 | 9.26 | 1.22 | 552 | 7.75 | 12.89 | 1.70 | 76,800 |

Construction Sand Resource - Cut off 5.25% Fe (Western + Eastern Areas)

| Category | Mt |
|--------------|-------------|
| Inferred | 86.0 |
| Total | 86.0 |

Ore Reserve as at 30 June 2020 (announced 2 July 2020)

5.25% (Fe cut off) Reserve Estimate (Groundworks Plus)

| Category | Mt | DTR % | Fe % | Ti % | Zircon ppm | DTR Mt | Fe Mt | Ti Mt | Zircon t | Construction Sand Mt |
|--------------|-------------|--------------|--------------|-------------|------------|-------------|-------------|-------------|---------------|----------------------|
| Proved | 1.0 | 13.99 | 14.01 | 2.46 | 900 | 0.14 | 0.14 | 0.02 | 900 | - |
| Probable | 29.6 | 11.36 | 12.22 | 1.69 | 682 | 3.36 | 3.62 | 0.5 | 20,200 | 15.2 |
| Total | 30.6 | 11.45 | 12.28 | 1.72 | 689 | 3.51 | 3.76 | 0.53 | 21,100 | 15.2 |

Orokelo Bay Industrial Sands Project (Eastern Area)

Mineral Resources at 30 June 2020 (no change from 30 June 2019)

Eastern Area (7.0 % Fe cut off) Resource Estimates (H&S Consultants)

| Category | Mt | DTR % | Fe % | Ti % | Zircon ppm | DTR Mt | Fe Mt | Ti Mt | Zircon t |
|--------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|---------------|
| Indicated | 7.0 | 5.7 | 9.33 | 1.44 | 923 | 0.40 | 0.65 | 0.10 | 6,500 |
| Inferred | 26.5 | 5.2 | 9.00 | 1.39 | 921 | 1.00 | 2.39 | 0.37 | 24,400 |
| Total | 33.5 | 5.32 | 9.07 | 1.40 | 921 | 1.40 | 3.04 | 0.47 | 30,900 |

Kabang (Feni) Project

Mineral Resources (Inferred) at 30 June 2020 (no change from 30 June 2019)

| Mineral Zone | Million tonnes | Au g/t | Au Million Oz. |
|--------------|----------------|--------|----------------|
| Domain 2 | 19.9 | 1.0 | 0.65 |

Competent Persons Statements

Statements contained in this Annual Report 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 initial Ore Reserves Estimate prepared for the Central Cement and Lime Project appears.

Statements contained in this Annual Report relating to Mineral Resources and Ore Reserves estimates for the Orokolo Bay Industrial Sands Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Troy Lowien, who is a member of the Australian Institute of Geoscientists. Mr. Lowien has sufficient and relevant experience that specifically relate to the style of mineralisation. 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 initial Ore Reserves Estimate prepared for the Orokolo Bay Project appears

Statements contained in this Annual Report relating to Mineral Resource estimates for the Feni (Kabang) Gold project are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants 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 Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Feni Gold appears.

Statements contained in this Annual Report relating to Mineral Resource estimates for the Depot Creek Coal Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Kerry Gordon, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Gordon has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Gordon qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Gordon is an employee of Verum 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 Gordon takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.

Consolidated Financial Statements



MAYUR RESOURCES LTD
(Co. Reg. No. 201114015W)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2020

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MAYUR RESOURCES LTD AND ITS SUBSIDIARIES DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Mayur Resources Ltd (the 'Company'), and its subsidiaries (collectively the 'Group') and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2020.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 10 to 50 are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards International ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Robert Charles Neale
Paul Levi Mulder
Timothy Elgon Saville Crossley
Frank Terranova
Lu Kee Hong
Hubert Hanjausa Namani (appointed 16 September 2020)

In accordance with Article 91 of the Company's Articles of Association, Messrs Robert Charles Neale and Timothy Elgon Saville Crossley retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as described below, neither at the end of, nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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;
 - options; and
 - loan funded shares.
- (collectively referred to as "awards")

During the year ended 30 June 2020, the Company issued the following awards under the EIP:

| | <i>Number issued</i> | <i>Exercise Price</i> |
|--|----------------------|-----------------------|
| Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) (i) | 2,823,768 | Nil |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES DIRECTORS' STATEMENT

(i) Salary sacrifice rights

Performance rights are granted to non-executive directors, employees and contractors to receive shares in respect of a portion of their agreed remuneration. Each performance right will entitle the holder to receive one share. The performance rights vest annually over four equal instalments and can be exercised for no consideration at any time after being granted but prior to the expiry date of the rights.

The number of performance rights to be issued at each grant date is determined by dividing the salary amount to be paid in the form of performance share rights divided by the prevailing share price.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in salary sacrifice rights of the Company as stated below:

| Name of directors | Salary sacrifice rights registered in the name of directors | |
|--------------------------------|---|----------------------------------|
| | At 1.7.2019 | At the date of this statement |
| Paul Levi Mulder | 573,267 | 215,955 |
| Timothy Elgon Saville Crossley | 388,828 | 266,767 |

(ii) Long term incentive rights

Performance rights are also offered as part of a Long-Term Incentive Plan to employees, executive and non-executive directors, contractors, and consultants, to acquire shares in the Company. The rights will vest subject to the relevant performance measures being met and the participant remaining employed.

The performance rights have a \$nil exercise price and an expiry date of 5 years from the grant date and are subject to the following vesting conditions that will be measured over a vesting period of three years from the date the Shares were first quoted on the Australian Stock Exchange ("ASX").

- **Tranche 1 (50% weighting):** For Tranche 1 Awards to vest, the Share price at any time within the three-year vesting period must be at a price 50% above the initial public offering price for the volume-weighted average price (VWAP) period for 10 days. The Tranche 1 performance rights were fully vested as at 30 June 2020;
- **Tranche 2 (25% weighting):** For Tranche 2 Awards to vest, the Delivery Engineering and Project Development Milestones as outlined in the Prospectus must be achieved within the vesting period. The vesting condition for the Tranche 2 performance rights had not been satisfied as at 30 June 2020; and
- **Tranche 3 (25% weighting):** For Tranche 3 Awards to vest, there must be a material uplift to geological resource and reserve delineation as outlined in the Prospectus within the vesting period. The Tranche 3 performance rights were fully vested as at 30 June 2020.

Should any of the Vesting Conditions not be met, the Awards related to that specific Tranche will lapse and be forfeited.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in long term incentive sacrifice rights of the Company as stated below.

| Name of directors | Long term incentive rights registered in the name of directors | |
|--------------------------------|--|----------------------------------|
| | At 1.7.2019 | At the date of this statement |
| Paul Levi Mulder | 3,000,000 | 3,000,000 |
| Timothy Elgon Saville Crossley | 1,925,000 | 1,925,000 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES DIRECTORS' STATEMENT

Arrangements to enable directors to acquire shares and debentures (continued)

(iii) *Loan funded shares*

The Company issued loan funded shares to eligible employees (including employees, executives and contractors) selected by the Board.

Pursuant to the terms of the Employee Incentive Plan, employees are granted an interest free limited recourse loan to assist in the purchase of Shares, with the Shares acquired at their market value. The loan is limited recourse so that at any time the employee may divest their Shares in full satisfaction of the loan balance.

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in loan funded shares of the Company as stated below:

| Name of directors | Loan funded shares registered in the name of directors | |
|--------------------------------|--|-------------------------------|
| | At 1.7.2019 | At the date of this statement |
| | | |
| Frank Terranova | 1,125,000 | 1,125,000 |
| Timothy Elgon Saville Crossley | 1,925,000 | 1,925,000 |

Directors' interests in shares, options and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in shares of the Company as stated below:

| Name of directors | Shareholdings registered in the name of directors | | Number of ordinary shares Shareholdings in which a director is deemed to have an interest | |
|--------------------------------|---|-------------------------------|---|-------------------------------|
| | At 1.7.2019 | At the date of this statement | At 1.7.2019 | At the date of this statement |
| | | | | |
| Robert Charles Neale | 149,228 | 149,228 | 150,000 | 150,000 |
| Paul Levi Mulder | 304,834 | 1,393,586 | 58,885,714 | 58,885,714 |
| Timothy Elgon Saville Crossley | 1,930,000 | 2,956,536 | 1,702,968 | 1,705,968 |
| Frank Terranova | 1,125,000 | 1,125,000 | – | – |

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Act, an interest in options of the Company as stated below:

| Name of directors | Options registered in the name of directors | | Options in which a director is deemed to have an interest | |
|--------------------------------|---|-------------------------------|---|-------------------------------|
| | At 1.7.2019 | At the date of this statement | At 1.7.2019 | At the date of this statement |
| | | | | |
| Robert Charles Neale | 74,614 | – | 75,000 | – |
| Paul Levi Mulder | 3,000,000 | 3,000,000 | – | – |
| Timothy Elgon Saville Crossley | 2,500 | – | 624,375 | – |

Except as disclosed in the above tables, there was no change in any of the above-mentioned interests in the Company between the end of the financial year and the date of this statement.

Except as disclosed in this report, no director who held office at the end of the financial year had an interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES DIRECTORS' STATEMENT

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (ARCC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the external auditors of the Group and the Company, and the assistance given by the Group and the Company's management to the external auditors.
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARCC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the ARCC to the board of directors with such recommendations as the ARCC considered appropriate.

The ARCC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The ARCC convened two meetings during the year with full attendance from all members. The ARCC has also met with the external auditors, without the presence of the Company's management, at least once a year.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Paul Levi Mulder
Director
30 September 2020



Frank Terranova
Director
30 September 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mayur Resources Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 10 to 50, which comprise the balance sheets of the Group and of the Company as at 30 June 2020 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements. As at 30 June 2020, the Group incurred a loss for the year of A\$3,720,399 (2019: A\$3,308,550), net cash outflows from operating activities and investing activities of A\$3,178,105 (2019: A\$2,511,574) and A\$4,542,753 (2019: A\$6,473,481), respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

If the Group is unable to continue operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities that may arise and to reclassify non-current assets as current assets. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be key audit matter to be communicated in our report.

Baker Tilly TFW LLP (trading as Baker Tilly) is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly TFW LLP (Registration No. T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Impairment of exploration and evaluation expenditure

Refer to Notes 2(p), 3 and 10 to the financial statements

The Group is involved in exploration and evaluation activities with a focus on Industrial Minerals, Copper/Gold and Coal. The Group has exploration licenses and prospective projects in Papua New Guinea.

Exploration and evaluation expenditure totaling A\$33,260,840 as disclosed in Notes 3 and 10 represent a significant balance recorded in the consolidated balance sheet.

SFRS(I) 6 Exploration for and Evaluation of Mineral Resources requires the exploration and evaluation assets to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

As described in Note 3 to the financial statements, management performed assessment of potential indicators of impairment at 30 June 2020 in accordance with the accounting policy disclosed in Note 2(p) which required management to make certain estimates and assumptions as to future events and circumstances.

Our procedures included, amongst others:

- Evaluated the Group's accounting policy to ensure the policy complies with the requirements of *SFRS(I) 6 Exploration for and Evaluation of Mineral Resources*;
- Obtained an understanding of the status of ongoing exploration programmes and future intentions for the areas of interest, including future budgeted spend and related work programmes;
- Enquired of management and reviewed ASX announcements and minutes of directors' meetings to ensure the Group had not decided to discontinue exploration and evaluation at its areas of interest;
- Considered management's assessment of potential indicators of impairment;
- Verified a sample of additions to the Group's exploration and evaluation assets for the financial year ended 30 June 2020 to support evidence of activities carried out; and
- Verified that each exploration licence remains valid in respect of each tenement through the review of official government documentation.

We also assessed adequacy of the related disclosures made in Note 10 to the financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 4, which we obtained prior to the date of this auditor's report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in that regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the management and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAYUR RESOURCES LTD (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MAYUR RESOURCES LTD (continued)**

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

A handwritten signature in blue ink that reads "Baker Tilly".

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2020

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 30 June 2020

| | | Group | |
|---|-------|--------------------|--------------------|
| | Note | 2020 A\$ | 2019 A\$ |
| Revenue and other income | 4 | 169,991 | 86,109 |
| Less: expenses | | | |
| Consultants and contractors | | (1,261,506) | (754,959) |
| Remuneration to directors and key management | | (415,087) | (372,706) |
| Travel expenses | | (240,618) | (342,893) |
| Impairment of exploration and evaluation expenditure | 10 | (219,727) | – |
| Listing and share registry expenses | | (179,018) | (105,906) |
| Auditors' remuneration | 5 | (168,429) | (156,004) |
| Share-based payments expense | 16(b) | (561,942) | (666,359) |
| Insurance | | (117,080) | (97,892) |
| Investor and public relations expense | | (93,355) | (203,923) |
| Depreciation expense | 9(b) | (26,442) | (19,136) |
| Other operating expenses | | (607,186) | (674,881) |
| Loss before income tax expense | | (3,720,399) | (3,308,550) |
| Tax expense | 7 | – | – |
| Loss for the year | | (3,720,399) | (3,308,550) |
| Other comprehensive income for the year, net of tax | | – | – |
| Total comprehensive loss for the year | | (3,720,399) | (3,308,550) |
| Loss for the period attributable to: | | | |
| Owners of the Company | | (3,720,399) | (3,295,739) |
| Non-controlling interests | | – | (12,811) |
| | | (3,720,399) | (3,308,550) |
| Total comprehensive loss for the period attributable to: | | | |
| Owners of the Company | | (3,720,399) | (3,295,739) |
| Non-controlling interests | 11 | – | (12,811) |
| | | (3,720,399) | (3,308,550) |
| Basic and diluted loss per share attributable to owners of the Company (cents per share) | 8 | (2.17) | (2.20) |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
At 30 June 2020

| | | Group | |
|---|-------------|---------------------|---------------------|
| | Note | 2020 A\$ | 2019 A\$ |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 2,490,856 | 2,118,410 |
| Exploration and evaluation expenditure | 10 | 33,260,840 | 28,983,036 |
| Total non-current assets | | 35,751,696 | 31,101,446 |
| Current assets | | | |
| Cash and cash equivalents | 12 | 2,988,147 | 2,799,951 |
| Other receivables | 13 | 302,579 | 148,165 |
| Total current assets | | 3,290,726 | 2,948,116 |
| Total assets | | 39,042,422 | 34,049,562 |
| Current liabilities | | | |
| Trade and other payables | 14 | 863,920 | 2,199,554 |
| Total current liabilities | | 863,920 | 2,199,554 |
| Total liabilities | | 863,920 | 2,199,554 |
| Net assets | | 38,178,502 | 31,850,008 |
| Equity | | | |
| <i>Equity attributable to owners of the Company</i> | | | |
| Share capital | 15 | 49,048,549 | 36,976,495 |
| Reserves | 16 | 1,414,698 | 2,720,951 |
| Accumulated losses | | (12,284,745) | (8,564,346) |
| | | 38,178,502 | 31,133,100 |
| Non-controlling interests | 11 | – | 716,908 |
| Total equity | | 38,178,502 | 31,850,008 |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
BALANCE SHEET
At 30 June 2020

| | | Company | |
|---|-------|-------------------|-------------------|
| | Note | 2020 A\$ | 2019 A\$ |
| Non-current assets | | | |
| Investments in subsidiaries | 11(b) | 13,859,295 | 10,770,146 |
| Total non-current assets | | <u>13,859,295</u> | <u>10,770,146</u> |
| Current assets | | | |
| Cash and cash equivalents | 12 | 2,873,447 | 2,143,602 |
| Other current assets | 13 | 225,062 | 116,303 |
| Receivables from subsidiaries | 18 | 21,742,571 | 22,857,183 |
| Total current assets | | <u>24,841,080</u> | <u>25,117,088</u> |
| Total assets | | <u>38,700,375</u> | <u>35,887,234</u> |
| Current liabilities | | | |
| Trade and other payables | 14 | 542,969 | 1,716,283 |
| Total current liabilities | | <u>542,969</u> | <u>1,716,283</u> |
| Total liabilities | | <u>542,969</u> | <u>1,716,283</u> |
| Net assets | | <u>38,157,406</u> | <u>34,170,951</u> |
| Equity | | | |
| <i>Equity attributable to owners of the Company</i> | | | |
| Share capital | 15 | 49,048,549 | 36,976,495 |
| Reserves | 16 | 8,050,100 | 6,984,113 |
| Accumulated losses | | (18,941,243) | (9,789,657) |
| Total equity | | <u>38,157,406</u> | <u>34,170,951</u> |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2020

| Group | Share capital A\$ | Reserves A\$ | Accumulated losses A\$ | Non- controlling interests A\$ | Total Equity A\$ |
|---|----------------------|--------------------|------------------------------|---|------------------------|
| 2020 | | | | | |
| Balance as at 1 July 2019 | 36,976,495 | 2,720,951 | (8,564,346) | 716,908 | 31,850,008 |
| Loss for the year | — | — | (3,720,399) | — | (3,720,399) |
| Total comprehensive loss for the year | — | — | (3,720,399) | — | (3,720,399) |
| Transactions with owners in their capacity as owners: | | | | | |
| Issue of ordinary shares | 11,485,766 | — | — | — | 11,485,766 |
| Costs of shares issuance | (2,554,363) | — | — | — | (2,554,363) |
| Acquisition of non-controlling interests in subsidiaries | 3,089,148 | (2,372,240) | — | (716,908) | — |
| Share based payments (Note 16(b)) | — | 1,065,987 | — | — | 1,065,987 |
| Shares issued in lieu of cash remunerations | 51,503 | — | — | — | 51,503 |
| Total transactions with owners in their capacity as owners | 12,072,054 | (1,306,253) | — | (716,908) | 10,048,893 |
| Balance as at 30 June 2020 | 49,048,549 | 1,414,698 | (12,284,745) | — | 38,178,502 |
| Group 2019 | | | | | |
| Balance as at 1 July 2018 | 36,667,443 | (696,051) | (5,268,607) | 729,719 | 31,432,504 |
| Loss for the year | — | — | (3,295,739) | (12,811) | (3,308,550) |
| Total comprehensive loss for the year | — | — | (3,295,739) | (12,811) | (3,308,550) |
| Transactions with owners in their capacity as owners: | | | | | |
| Shares issued pursuant to the exercise of options | 309,052 | — | — | — | 309,052 |
| Share based payments (Note 16(b)) | — | 3,417,002 | — | — | 3,417,002 |
| Total transactions with owners in their capacity as owners | 309,052 | 3,417,002 | — | — | 3,726,054 |
| Balance as at 30 June 2019 | 36,976,495 | 2,720,951 | (8,564,346) | 716,908 | 31,850,008 |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2020

| Company | Share capital | Reserves | Accumulated losses | Total Equity |
|--|---------------|-----------|--------------------|--------------|
| 2020 | A\$ | A\$ | A\$ | A\$ |
| Balance as at 1 July 2019 | 36,976,495 | 6,984,113 | (9,789,657) | 34,170,951 |
| Loss for the financial year | — | — | (9,151,586) | (9,151,586) |
| Total comprehensive loss for the financial year | — | — | (9,151,586) | (9,151,586) |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of ordinary shares | 11,485,766 | — | — | 11,485,766 |
| Costs of shares issuance | (2,554,363) | — | — | (2,554,363) |
| Acquisition of non-controlling interests in subsidiaries | 3,089,148 | — | — | 3,089,148 |
| Share based payments (Note 16(b)) | — | 1,065,987 | — | 1,065,987 |
| Shares issued in lieu of cash remunerations | 51,503 | — | — | 51,503 |
| Total transactions with owners in their capacity as owners | 12,072,054 | 1,065,987 | — | 13,138,041 |
| Balance as at 30 June 2020 | 49,048,549 | 8,050,100 | (18,941,243) | 38,157,406 |

| Company | Share capital | Reserves | Accumulated losses | Total Equity |
|--|---------------|-----------|--------------------|--------------|
| 2019 | A\$ | A\$ | A\$ | A\$ |
| Balance as at 1 July 2018 | 36,667,443 | 3,567,111 | (6,950,932) | 33,283,622 |
| Loss for the financial year | — | — | (2,838,725) | (2,838,725) |
| Total comprehensive loss for the financial year | — | — | (2,838,725) | (2,838,725) |
| Transactions with owners in their capacity as owners: | | | | |
| Shares issued pursuant to the exercise of options | 309,052 | — | — | 309,052 |
| Share based payments (Note 16(b)) | — | 3,417,002 | — | 3,417,002 |
| Total transactions with owners in their capacity as owners | 309,052 | 3,417,002 | — | 3,726,054 |
| Balance as at 30 June 2019 | 36,976,495 | 6,984,113 | (9,789,657) | 34,170,951 |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2020

| | | Group | |
|---|-------|-------------|-------------|
| | Note | 2020 A\$ | 2019 A\$ |
| Loss before tax | | (3,720,399) | (3,308,550) |
| <u>Adjustments for:</u> | | | |
| Interest income | 4 | (14,529) | (66,854) |
| Share based payment expense | 16(b) | 561,942 | 666,359 |
| Depreciation expense | 9(b) | 26,442 | 19,136 |
| Impairment of capitalised exploration and evaluation expenditure | 10 | 219,727 | — |
| Net foreign exchange gain | | (92,962) | (19,255) |
| Total adjustments | | 700,620 | 599,386 |
| Operating cash flows before changes in working capital | | (3,019,779) | (2,709,164) |
| <u>Changes in working capital:</u> | | | |
| (Increase)/decrease in trade receivables and other current assets | | (75,492) | 112,836 |
| (Decrease)/increase in trade and other payables | | (97,363) | 17,900 |
| Total changes in working capital | | (172,855) | 130,736 |
| Cash flows used in operations | | (3,192,634) | (2,578,428) |
| Interest received | | 14,529 | 66,854 |
| Net cash flows used in operating activities | | (3,178,105) | (2,511,574) |
| Cash flow from investing activities | | | |
| Payments for property, plant and equipment | | (319,719) | (552,643) |
| Proceeds from disposal of property, plant and equipment | | — | 68,887 |
| Payments for exploration and evaluation expenditure | | (4,223,034) | (5,989,725) |
| Net cash used in investing activities | | (4,542,753) | (6,473,481) |
| Cash flow from financing activities | | | |
| Proceeds from share issue - parent | 15 | 9,445,093 | 309,052 |
| Cost of issuing shares | 15 | (513,691) | — |
| Repayment of borrowings - Siesap | | (1,036,383) | (823,382) |
| Repayment of borrowings - Shareholders | | — | (256,619) |
| Net cash provided by/(used in) financing activities | | 7,895,019 | (770,949) |
| Reconciliation of cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of financial year | | 2,799,951 | 12,533,142 |
| Net increase/(decrease) in cash and cash equivalents | | 174,161 | (9,756,004) |
| Foreign exchange difference on cash and cash equivalents | | 14,035 | 22,813 |
| Cash and cash equivalents at end of financial year | 12 | 2,988,147 | 2,799,951 |

The accompanying notes form an integral part of these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

1. Corporate information

Mayur Resources Ltd (the “Company”) (Co. Reg. No. 201114015W), is a limited liability company incorporated in Singapore. On 21 September 2017, the Company listed on the Australian Stock Exchange.

The registered office of the Company is located at 80 Robinson Road #02-00 Singapore 068898. The principal place of business is Level 7, 300 Adelaide Street, Brisbane QLD, 4000, Australia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The Company’s shares are listed on the Australian Stock Exchange under the ticker code MRL.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements are expressed in Australian dollar (“A\$”), which is the Company’s functional currency. The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group considers the characteristics of the asset or liability which market participants would consider when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 Share-based Payment and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The Company’s separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company’s separate statement of profit or loss and other comprehensive income is not presented.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a major degree of judgement or complexity, are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

b) New and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and the Company have adopted all the new and amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") which are relevant to the Group and the Company and are effective for annual financial periods beginning on or after 1 July 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

e) Basis of combination

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if the subsidiary incurred losses and the losses allocated exceed the non-controlling interests in the subsidiary's equity.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners).

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amounts of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

f) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and the Company are presented in Australian dollar, which is the Company's functional currency.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

f) Foreign currency (cont'd)

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rates at the date of the balance sheet;
- (b) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (c) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

g) Revenue

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

h) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

h) Income tax (continued)

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investment in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts, if any, that form an integral part of the Group's cash management.

j) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

k) Contingencies

A contingent liability is:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

l) Financial assets

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group's financial assets are classified at amortised cost which comprise other receivables and cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

m) Financial liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process. 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.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

n) Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

o) Property, plant and equipment

Property, plant and equipment are stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss.

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. Useful lives of property, plant and equipment range from 3 to 5 years.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the profit or loss when the changes arise.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

p) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation 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:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- (ii) 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-generating unit shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the area of interest are demonstrable, 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.

q) Share based compensation

The economic entity makes equity-settled share-based payments to directors, employees and other parties for services provided for 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 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.

r) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

t) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

u) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

3. Key sources of estimation uncertainty and critical accounting judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the recognition criteria set out in SFRS(I) 1-12.

Shared based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Fair value is calculated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The assumptions used in these valuation models are set out in Note 16(b).

Where the vesting of share-based payments contains performance based and market-based milestones, in estimating the number and fair value of the equity instruments issued, the Group assesses the probability of the milestones being met, and therefore the probability of the instruments vesting. Management applies judgement to arrive at the probabilities that are applied to these instruments. These estimates will be adjusted over time to reflect actual performance and management's best estimates of the conditions being met.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

3. Key sources of estimation uncertainty and critical accounting judgements (continued)

Calculation of loss allowance

When measuring the expected credit loss ("ECL"), the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculations of loss allowances on other receivables and receivables from related parties are subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of receivables. Details of ECL measurement and carrying value of other receivables and receivables from subsidiaries at the end of the year are disclosed in Notes 13, 18 and 19 respectively.

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are described in the preceding paragraphs).

Going concern assumption

As at 30 June 2020 the Group had cash reserves of A\$2,988,147 (2019: A\$2,799,951), net current assets of A\$2,426,806 (2019: A\$748,562) and net assets of A\$38,178,502 (2019: A\$31,850,008). The Group incurred a loss for the year ended 30 June 2020 of A\$3,720,399 (2019 loss: A\$3,308,550), net cash outflows from operating activities of A\$3,178,105 (2019: A\$2,511,574 outflows) and net outflows from investing activities of A\$4,542,753 (2019: A\$6,473,481 outflows). These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

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

- (a) the ability of the Company to raise additional funding in the future; and
- (b) the successful exploration and subsequent exploitation of the Group's tenements.

Based on the success of previous capital raisings combined with the potential to attract farm-in partners for projects, the potential sale of the current portfolio of exploration assets held and the ability of the Group to reduce or defer uncommitted expenditure, the directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The directors are confident of securing funds as and when necessary to meet the Group's obligations as and when they fall due.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets as current assets. No such adjustments have been made to these financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

3. Key sources of estimation uncertainty and critical accounting judgements (continued)

Critical accounting judgements (continued)

Impairment of exploration and evaluation expenditure

At 30 June 2020, the carrying value of exploration and evaluation assets of the Group was A\$33,260,840 (2019: A\$28,983,036). Exploration and evaluation assets are assessed for impairment in accordance with the accounting policy disclosed in Note 2(p). The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of profit or loss and other comprehensive income.

As at 30 June 2020, eleven of the Group's mineral exploration licences were under application for renewal. The Group 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 Group's application for renewal of the exploration licences not being granted in the ordinary course of business. The Group has determined that no impairment of the capitalised exploration and evaluation expenditure relating to these exploration licences is necessary as it is considered that there is a reasonable basis to expect that the renewal applications will be granted and that the Group is otherwise proceeding with exploration and development activities on the exploration licences. Should any of the exploration licences not be renewed, the relevant capitalised amount as at 30 June 2020 will be expensed in the statement of profit or loss and other comprehensive income. Exploration and evaluation assets are set out in Note 10.

As disclosed in Note 24, notwithstanding management performed an impairment assessment on all the exploration and evaluation assets on balance sheet date, following a strategic review of its portfolio of mineral exploration tenements on 22 September 2020, the Company's subsidiary Mayor Iron PNG Limited advised the Mineral Resources Authority of Papua New Guinea that it did not wish to proceed with the renewal applications for exploration licences EL2266 and EL2269 which expired on 13 May 2020. The capitalised exploration and evaluation expenditure relating to these tenements as at 30 June 2020 was A\$2,557,955.

Impact of COVID-19

The outbreak of the COVID-19 pandemic in early 2020 and the subsequent travel and trade restrictions imposed by the governments of numerous countries including Australia and Papua New Guinea have caused disruption to businesses and economic activity. The Board and Management of the consolidated entity have considered the impact of the COVID-19 pandemic on the consolidated entity's operations and financial performance and have determined that the consolidated entity has not been materially impacted by the COVID-19 pandemic at this stage. Restrictions on international travel and disruptions to international supply chains have caused some delays in the consolidated entity's exploration and development programs but have not had a significant impact on the consolidated entity's operations or results to the date of these financial statements.

In preparing the consolidated financial report, management has considered the impact of COVID-19 on the various balances in the financial report, including the carrying values of trade receivables and finite life non-current assets. Management determined that there was no significant impact of COVID-19 on the abovementioned balances and accounting estimates.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

4. Revenue and other income

| | Group | |
|---|-------------|-------------|
| | 2020 A\$ | 2019 A\$ |
| Interest income - cash and cash equivalents | 14,529 | 66,854 |
| COVID-19 government grant | 62,500 | — |
| Foreign exchange gains, net | 92,962 | 19,255 |
| | 169,991 | 86,109 |

The COVID-19 government grant received is a non-refundable grant received from the Australian government as part of its economic response to the COVID-19 pandemic. The Group did not receive any other COVID-19 related grants or financial support.

5. Auditor's remuneration

| | Group | |
|--------------------------|-------------|-------------|
| | 2020 A\$ | 2019 A\$ |
| Audit fees: | | |
| - Auditor of the Company | 50,000 | 46,004 |
| - Other auditors* | 118,429 | 110,000 |
| | 168,429 | 156,004 |

There are no non-audit fees paid to other auditors in the years ended 30 June 2020 and 30 June 2019.

* Includes independent member firms of the Baker Tilly International network.

6. Segment information

For management purposes, the Group is organised into the following business units:

- Industrial minerals which includes limestone and the Port Moresby Lime Project.
- Iron which includes construction sands, magnetite sand and heavy mineral sands. The focus of this business unit is the development of the Oroko Bay Industrial Sands Project located along the southern coast of Papua New Guinea;
- Copper and gold comprising the Group's interests in the Feni Island Project in the New Ireland Province of Papua New Guinea, the Basilaki / Sideia project in Milne Bay Province and the Sitipu Project in the Eastern Highlands province of Papua New Guinea;
- Coal and power comprising the Depot Creek coal resource in the Gulf Project of Papua New Guinea and which is developing a proposal for vertically integrated domestic power projects in Papua New Guinea with an initial focus on the Lae region; and
- Corporate which provides Group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on actual expenditure incurred, including capitalised expenditure which differs from operating profit or loss reported in the consolidated financial statements.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

6. Segment information (continued)

Accounting policies adopted

The Chief Operating Decision Maker assesses the performance of the operating segments based on a measure of gross expenditure that includes both expenditure that is capitalised in these financial statements and expenditure that is expensed in the statement of profit or loss and other comprehensive income in these financial statements. The measurement of gross expenditure does not include the impairment of exploration expenditure or non-cash items such as depreciation expense and share based payments expense. Interest and other items of revenue are allocated to the Corporate segment.

| | Industrial Minerals A\$ | Iron A\$ | Copper and Gold A\$ | Coal and Power A\$ | Corporate A\$ | Consolidated Financial Statements A\$ |
|---|-------------------------------|-------------|---------------------------|--------------------------|------------------|--|
| Group 2020 | | | | | | |
| <i>Results:</i> | | | | | | |
| Interest income | - | - | - | - | 14,529 | 14,529 |
| Impairment of exploration and evaluation expenditure | (219,727) | - | - | - | - | (219,727) |
| Segment loss | (241,597) | (60,313) | (164,270) | (65,694) | (3,188,525) | (3,720,399) |
| <i>Assets:</i> | | | | | | |
| Exploration and evaluation Expenditure | 6,077,458 | 16,841,755 | 2,717,342 | 7,624,285 | - | 33,260,840 |
| Segment assets | 6,082,425 | 17,243,291 | 2,798,272 | 9,819,930 | 3,098,504 | 39,042,422 |
| <i>Segment assets include:</i> | | | | | | |
| Non-cash expenditure capitalised | 15,977 | 402,101 | 32,507 | 104,959 | - | 555,544 |
| Additions to property, plant and equipment | - | 12,823 | - | 386,065 | - | 398,888 |
| Segment liabilities | 35,685 | 168,507 | 13,294 | 109,966 | 536,468 | 863,920 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

6. Segment information (continued)

| | Industrial Minerals A\$ | Iron A\$ | Copper and Gold A\$ | Coal and Power A\$ | Corporate A\$ | Consolidated Financial Statements A\$ |
|---|-------------------------------|-------------|---------------------------|--------------------------|------------------|--|
| 2019 | | | | | | |
| <i>Results:</i> | | | | | | |
| Interest income | - | - | - | - | 66,854 | 66,854 |
| Segment loss | (6,722) | (64,354) | (282,915) | (116,464) | (2,838,095) | (3,308,550) |
| <i>Assets:</i> | | | | | | |
| Exploration and evaluation expenditure | 5,282,453 | 14,427,473 | 2,456,062 | 6,817,048 | - | 28,983,036 |
| Segment assets | 5,283,320 | 15,237,752 | 2,666,996 | 8,601,595 | 2,259,899 | 34,049,562 |
| <i>Segment assets include:</i> | | | | | | |
| Non-cash expenditure capitalised | 1,076,265 | 1,289,745 | 50,029 | 235,907 | - | 2,651,946 |
| Additions to property, plant and equipment | - | 226,575 | - | 56,605 | - | 283,180 |
| Segment liabilities | 53,368 | 329,497 | 27,830 | 99,175 | 1,689,684 | 2,199,554 |

Geographical information

The Group's non-current assets are all located in Papua New Guinea ("PNG") where all the exploration activities are carried out.

Information about major customer

The Group is still in the pre-commercialised stage of its exploration activities and therefore no revenue is generated.

7. Tax expense

| | 2020 A\$ | Group 2019 A\$ |
|---|-------------|----------------------|
| Tax expense attributable to loss of the Group is made up of: | | |
| Current year income tax | - | - |
| The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to loss before tax due to the following factors: | | |
| Loss before income tax | (3,720,399) | (3,308,550) |
| Effect of tax rates in other jurisdictions | (398,613) | (358,638) |
| Tax calculated at a tax rate of 17% (2019: 17%) | (632,468) | (562,453) |
| Expenses not deductible for tax purposes | 76,842 | 365,924 |
| Income not assessable for tax purposes | (17,188) | - |
| Deferred tax assets not recognised | 971,427 | 555,167 |
| | - | - |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 30 June 2020****7. Tax expense (continued)**

The applicable rate of income tax in a jurisdiction other than Singapore in which the Group is subject to tax rate ranging from 27.5% to 30% for the year ended 30 June 2020 and 30 June 2019.

| | Group | |
|---|-------------|-------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Accruals | 16,031 | 22,704 |
| Unrealised foreign exchange gains | (365) | (5,328) |
| Provisions | 28,561 | 33,570 |
| Capital raising costs | 47,334 | 79,405 |
| Others | (47,591) | — |
| Tax losses available for offset against future taxable income | 2,604,870 | 1,547,062 |
| Net deferred tax assets | 2,648,840 | 1,677,413 |
| Deferred tax assets not recognised | (2,648,840) | (1,677,413) |
| | — | — |

8. Earnings per share

The earnings per share was calculated on the basis of net loss attributable to equity shareholders divided by the weighted average number of ordinary shares. The basic and diluted loss per share is the same for the years ended 30 June 2020 and 2019 as the Group incurred losses for both years, and the share options are anti-dilutive.

The following tables reflect the loss and share data used in the computation of basic and dilute earnings per share for the financial years ended 30 June:

| | Group | |
|---|------------------|-------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Loss for the financial year attributable to owners of the Company | (3,720,399) | (3,295,739) |
| | Number of shares | |
| Weighted average number of ordinary shares outstanding for basic and diluted earnings per share | 171,370,783 | 150,139,304 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

9. Property, plant and equipment

| | Group | |
|--|------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Power plant assets, at cost | 2,106,447 | 1,758,588 |
| Plant and equipment, net of depreciation | 384,409 | 359,822 |
| | <u>2,490,856</u> | <u>2,118,410</u> |

(a) Power plant assets at cost

The Group continued feasibility studies and negotiations to obtain approvals for a coal fired electricity power plant to operate in Lae, Morobe Province and supply electricity to PNG Power Limited. The capitalised costs relate to expenditure incurred as at 30 June 2020 in respect of the proposed project. Depreciation of these costs has not commenced as the assets are not ready for use.

| | Group | |
|--------------------|------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at 1 July | 1,758,588 | 1,701,983 |
| Additions | 347,859 | 56,605 |
| Balance at 30 June | <u>2,106,447</u> | <u>1,758,588</u> |

Additions include \$22,228 (2019: \$98,697) settled by way of share-based payments (Note 16(b)) and \$51,503 (2019: \$nil) settled by way of shares issued as partial consideration for services received (Note 15).

(b) Plant and equipment, net of depreciation

| | Group | |
|---------------------------|----------------|----------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at 1 July | 359,822 | 242,033 |
| Additions | 51,029 | 226,575 |
| Disposals | - | (89,650) |
| Depreciation | (26,442) | (19,136) |
| Carrying value at 30 June | <u>384,409</u> | <u>359,822</u> |
| Cost | | |
| - At 1 July | 392,400 | 260,193 |
| - At 30 June | 443,429 | 392,400 |
| Accumulated depreciation | | |
| - At 1 July | (32,578) | (18,160) |
| - At 30 June | (59,020) | (32,578) |
| Carrying value at 30 June | <u>384,409</u> | <u>359,822</u> |

Plant and equipment consist of office equipment and machineries which are individually insignificant.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

9. Property, plant and equipment (continued)

(c) Non-cash transactions

| | Group | |
|--|----------------|----------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Aggregate cost of property, plant and equipment acquired | 398,888 | 283,180 |
| Less: Share-based payment | (73,731) | (98,697) |
| Add/less: Change in other payables for additions | (5,438) | 368,160 |
| Net cash outflow for purchase of property, plant and equipment | <u>319,719</u> | <u>552,643</u> |

10. Exploration and evaluation expenditure

| | Group | |
|-----------------------------------|-------------------|-------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Exploration and evaluation phases | <u>33,260,840</u> | <u>28,983,036</u> |

Exploration and Evaluation Assets

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Movements in exploration and evaluation assets during the financial year are summarised below:

| | Group | |
|--|-------------------|-------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at beginning of financial year | 28,983,036 | 20,496,395 |
| Exploration and evaluation expenditure capitalised during the financial year (i) | 4,497,531 | 8,486,641 |
| Impairment of exploration and evaluation expenditure | (219,727) | — |
| Balance at end financial year | <u>33,260,840</u> | <u>28,983,036</u> |

Impairment charges for the year represent the impairment of capitalised exploration in relation to tenements that the Group has, or intends to, relinquish. Movements in impairment charges are summarised below:

| | Group | |
|--|----------------|----------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Impairment of exploration and evaluation expenditure | | |
| At 1 July | — | — |
| Impairment charge during the financial year | 219,727 | — |
| At 30 June | <u>219,727</u> | <u>—</u> |

(i) Includes \$481,817 (2019: \$2,651,946) in costs settled by way of share-based payments (refer Note 16(b)).

Non-cash transactions

| | Group | |
|---|------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Aggregate cost of exploration and evaluation expenditure | 4,497,531 | 8,486,641 |
| Less: Share-based payment | (481,817) | (2,651,946) |
| Add: Change in other payables for additions | 207,320 | 155,030 |
| Net cash outflow for exploration and evaluation expenditure | <u>4,223,034</u> | <u>5,989,725</u> |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

11. Subsidiaries

a) The Group's significant subsidiaries

The table below presents the Group's ownership interests in subsidiaries as at 30 June 2020 and 30 June 2019.

| Subsidiaries of Mayur Resources Ltd: | Country of incorporation | Principal activity | Effective ownership interest held by the Group | |
|--|--------------------------|---------------------|--|------|
| | | | 2020 | 2019 |
| | | | % | % |
| MR Exploration PNG Pte Ltd [#] | Singapore | Investment holding | 100 | 100 |
| MR Iron PNG Pte Ltd [#] | Singapore | Investment holding | 100 | 100 |
| MR Energy PNG Pte Ltd [#] | Singapore | Investment holding | 100 | 89 |
| MR Industrials PNG Pte Ltd [#] | Singapore | Investment holding | 100 | 100 |
| MR Power Generation Pte Ltd [#] | Singapore | Investment holding | 100 | 89 |
| Mayur Exploration PNG Limited ^{^^} | Papua New Guinea | Mineral exploration | 100 | 100 |
| Mayur Iron PNG Limited ^{^^} | Papua New Guinea | Mineral exploration | 100 | 100 |
| Mayur Energy PNG Ltd ^{^^} | Papua New Guinea | Coal exploration | 100 | 89 |
| Mayur Industrials PNG Ltd ^{^^} | Papua New Guinea | Steel | 100 | 100 |
| Mayur Power Generation PNG Limited ^{^^} | Papua New Guinea | Power generation | 100 | 89 |
| Waterford Limited ^{^^} | Papua New Guinea | Coal exploration | 100 | 89 |

[#] Audited by Baker Tilly TFW LLP

^{^^} Audited by independent overseas member firms of Baker Tilly International for consolidation purposes.

During the year ended 30 June 2020, the Group acquired the entire non-controlling interests (NCI) in MR Energy PNG Pte Ltd and MR Power Generation Pte Ltd. Refer note 11(c).

In 2019, MR Iron PNG Pte Ltd (MIPP) entered into an agreement with China Titanium Resources Holdings Limited (CTRH) pursuant to which CTRH could earn up to a 49% ownership interest in MR Iron PNG Pte Ltd by providing up to US\$25 million in funding for the Orokolo Bay industrial sands project. The agreement provides that CTRH will receive a 2% equity interest in MIPP for each US\$1 million in funding contributed by CTRH, provided that CTRH's total equity interest in MIPP is capped at 49%. As at 30 June 2020, CTRH had not acquired any equity interest in MIPP under the terms of the agreement.

b) Investment in subsidiaries

| | Company | |
|--------------------------------|------------|------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Unquoted equity shares at cost | 13,859,295 | 10,770,146 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

11. Subsidiaries (continued)

c) Non-controlling interests

Movements in non-controlling interests ("NCI") during the financial year are summarised below:

| | Group | |
|---|-------------|-------------|
| | 2020 A\$ | 2019 A\$ |
| Accumulated NCI as at 1 July | 716,908 | 729,719 |
| Acquisition of NCI during the period (refer Note 16(a)) | (716,908) | – |
| Profit or (loss) allocated to NCI during the year | – | (12,811) |
| Balance at the end of the reporting period | – | 716,908 |

As at 30 June 2020, there were no non-controlling interests in subsidiaries, however refer Note 11(a) for details of the agreement pursuant to which CTRH may acquire up to a 49% interest in MIPP.

d) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

| Name of subsidiary | Principal place of business/ Country of incorporation | Ownership interests held by NCI |
|------------------------------------|--|------------------------------------|
| 30 June 2020 | | |
| Mayur Energy PNG Ltd | Papua New Guinea | – |
| Mayur Power Generation PNG Limited | Papua New Guinea | – |
| 30 June 2019 | | |
| Mayur Energy PNG Ltd | Papua New Guinea | 11% |
| Mayur Power Generation PNG Limited | Papua New Guinea | 11% |

Set out below is summarised financial information for each of the Group's subsidiaries with NCI that are considered material to the Group. This financial information includes consolidation adjustments but excludes inter-company eliminations.

Summarised Balance Sheet

| | Mayur Power Generation PNG Limited | | Mayur Energy PNG Ltd | |
|--------------------------------|---------------------------------------|-------------|----------------------|-------------|
| | 2020 A\$ | 2019 A\$ | 2020 A\$ | 2019 A\$ |
| Non-current assets | – | 1,689,353 | – | 3,920,468 |
| Current assets | – | – | – | 53,553 |
| Current liabilities | – | (23,094) | – | (4,967) |
| Net assets | – | 1,666,259 | – | 3,969,054 |
| Net assets attributable to NCI | – | 183,288 | – | 436,596 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
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11. Subsidiaries (continued)

d) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (continued)

Summarised Statements of Comprehensive Income

| | Mayur Power Generation PNG Limited | | Mayur Energy PNG Ltd | |
|---|---------------------------------------|-------------|----------------------|-------------|
| | 2020 A\$ | 2019 A\$ | 2020 A\$ | 2019 A\$ |
| Revenue | - | - | - | - |
| Loss before tax | - | (18,504) | - | (78,847) |
| Income tax expense | - | - | - | - |
| Loss after tax from continuing operations | - | (18,504) | - | (78,847) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss | - | (18,504) | - | (78,847) |
| Loss allocated to NCI | - | (2,035) | - | (8,673) |

The share of current year results by NCI in Mayur Power Generation PNG Limited and Mayur Energy PNG Ltd prior to the acquisition of NCI by the Group is not material and therefore this is not accounted for in the consolidated statements of profit and loss and other comprehensive income.

Summarised Statement of Cash Flows

| | Mayur Power Generation PNG Limited | | Mayur Energy PNG Ltd | |
|--|---------------------------------------|-------------|----------------------|-------------|
| | 2020 A\$ | 2019 A\$ | 2020 A\$ | 2019 A\$ |
| Cash flows used in operating activities | - | - | - | - |
| Exploration and evaluation expenditure | - | - | - | (35,629) |
| Payments for property, plant and equipment | - | 278,928 | - | - |

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12. Cash and cash equivalents

| | Group | | Company | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | A\$ | A\$ | A\$ | A\$ |
| Unrestricted bank balances | 2,988,147 | 2,799,951 | 2,873,447 | 2,143,602 |
| | <u>2,988,147</u> | <u>2,799,951</u> | <u>2,873,447</u> | <u>2,143,602</u> |

13. Other current assets

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | A\$ | A\$ | A\$ | A\$ |
| Goods and services tax receivables | 116,229 | 115,688 | 44,265 | 86,597 |
| Other current receivables | 186,350 | 32,477 | 180,797 | 29,706 |
| | <u>302,579</u> | <u>148,165</u> | <u>225,062</u> | <u>116,303</u> |

14. Trade and other payables

| | Group | | Company | |
|---|----------------|------------------|----------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | A\$ | A\$ | A\$ | A\$ |
| Trade creditors and accruals | 863,920 | 1,163,171 | 542,969 | 679,900 |
| Payable to Siecap (pre 30 June 2017 services) | – | 1,036,383 | – | 1,036,383 |
| | <u>863,920</u> | <u>2,199,554</u> | <u>542,969</u> | <u>1,716,283</u> |

Set out below is a summary of movements in the Payable to Siecap (pre 30 June 2017 services):

| | Group and Company | |
|--|-------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at beginning of financial year | 1,036,383 | 1,856,765 |
| Other movements | – | 3,000 |
| Principal amounts repaid | (1,036,383) | (823,382) |
| Balance at end of financial year | <u>–</u> | <u>1,036,383</u> |

15. Share capital

| | Group and Company | |
|---------------------------------|-------------------|-------------------|
| | 2020 | 2020 |
| | A\$ | A\$ |
| Issue and fully paid up capital | | |
| Share capital | <u>49,048,549</u> | <u>36,976,495</u> |

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15. Share capital (continued)

Movements in ordinary shares on issue in the year to 30 June were:

| | 2020 | | 2019 | |
|--|-------------|-------------|-------------|------------|
| | Number | A\$ | Number | A\$ |
| At beginning of financial year | 151,009,373 | 36,976,495 | 149,016,844 | 36,667,443 |
| Issuance of shares pursuant to capital raising | 13,271,673 | 7,432,133 | — | — |
| Issuance of shares in settlement of capital raising costs | 3,791,214 | 2,040,672 | — | — |
| Shares issued on the exercise of options and performance rights | 3,109,566 | 1,412,960 | 317,529 | 78,752 |
| Issuance of shares as partial payment for services received | 115,451 | 51,504 | — | — |
| Acquisition of non-controlling interests in subsidiaries (Note 16(a)) | 5,720,646 | 3,089,148 | — | — |
| Funds received on sale of Loan Funded Shares | — | 600,000 | — | — |
| Issue of Loan Funded Shares (Note 16(b)(i)) | — | — | 1,675,000 | — |
| Funds received for exercise of options for which shares were issued after year end | — | — | — | 230,300 |
| Cost of issuing shares | — | (2,554,363) | — | — |
| At end of financial year | 177,017,923 | 49,048,549 | 151,009,373 | 36,976,495 |

Ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

Reconciliation of proceeds from share issue and costs of issuing shares to cash flow from financing activities

| | Group 2020 A\$ | Group 2019 A\$ |
|--|----------------------|----------------------|
| Shares issued on the exercise of options and performance rights | 1,412,960 | 78,752 |
| Funds received for exercise of options for which shares were issued after year end | — | 230,300 |
| Issuance of shares pursuant to capital raising | 7,432,133 | — |
| Funds received on sale of Loan Funded Shares | 600,000 | — |
| Proceeds from share issue in the consolidated statement of cash flows | 9,445,093 | 309,052 |
| | Group 2020 A\$ | Group 2019 A\$ |
| Cost of issuing shares | (2,554,363) | — |
| Issuance of shares in settlement of capital raising costs | 2,040,672 | — |
| Cost of issuing shares in the consolidated statement of cash flows | (513,691) | — |

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15. Share capital (continued)

Options issued

The Company did not grant any options during the year ended 30 June 2020 and 30 June 2019.

The following table illustrates the number and movements in share options issued during the reporting period:

| | Loyalty Options | | Advisor Options | |
|--|-----------------|-------------|-----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| On issue at beginning of the period | 12,189,637 | 13,909,828 | 1,337,856 | 1,337,856 |
| Options exercised | (2,934,392) | (140,585) | – | – |
| Options lapsed | (9,255,245) | (1,579,606) | (1,337,856) | – |
| On issue at end of the period | – | 12,189,637 | – | 1,337,856 |
| Weighted average exercise price of options | A\$Nil | A\$0.56 | A\$Nil | A\$0.56 |
| Weighted average share price on the date options exercised | A\$0.56 | A\$0.72 | Nil exercised | Nil exercised |

The options do not have any voting rights, any entitlement to dividends or any entitlement to the proceeds on liquidation in the event of a winding up.

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16. Reserves

| | Group | | Company | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | A\$ | A\$ | A\$ | A\$ |
| Capital reserve (a) | (6,635,402) | (4,263,162) | – | – |
| Share based payments reserve (b) | 8,050,100 | 6,984,113 | 8,050,100 | 6,984,113 |
| | <u>1,414,698</u> | <u>2,720,951</u> | <u>8,050,100</u> | <u>6,984,113</u> |

(a) Capital reserve

During the year, the Group acquired the entire non-controlling interests (NCI) in its MR Energy PNG Pte Ltd and MR Power Generation Pte Ltd for shares in the parent entity with a fair value of A\$3,089,148 with a resulting transfer from equity attributable to non-controlling interest to equity attributable to owners of the parent entity and creation of a capital reserve as summarised below:

| | Group | Group |
|---|--------------------|--------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at the beginning of the reporting period | (4,263,162) | (4,263,162) |
| Equity attributable to owners of the Company: | | |
| Fair value of shares in parent entity issued to acquire the NCI | (3,089,148) | – |
| NCI in subsidiaries (Note 11(c)) | <u>716,908</u> | <u>–</u> |
| Balance at the end of the reporting period | <u>(6,635,402)</u> | <u>(4,263,162)</u> |

(b) Share based payments reserve

The share-based payments reserve is used to record the fair value of shares or options issued to employees/contractors and other service providers.

| | Group and Company | |
|---|--------------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at 1 July | 6,984,113 | 3,567,111 |
| Share based payments made during the year (i) | <u>1,065,987</u> | <u>3,417,002</u> |
| Balance at 30 June | <u>8,050,100</u> | <u>6,984,113</u> |

The share-based payments made during the year were accounted for as follows:

| | Group and Company | |
|---|--------------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Recognised as share-based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income | 561,942 | 666,359 |
| Capitalised as exploration and evaluation expenditure (Note 10) | 481,817 | 2,651,946 |
| Capitalised as property, plant and equipment (Note 9(a)) | <u>22,228</u> | <u>98,697</u> |
| | <u>1,065,987</u> | <u>3,417,002</u> |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
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16. Reserves (continued)

(i) Share based payments made during the year

The following share-based payment transactions were recognised during the year:

| | 2020 | |
|--|----------------------|------------------|
| | <i>Number issued</i> | <i>A\$</i> |
| Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) (ii) | 2,823,768 | 904,968 |
| <i>Amounts recognised in relation to share based payments issued in the current year</i> | | 904,968 |
| <i>Amounts recognised in the current year in relation to share based payments issued in previous financial years</i> | | 161,019 |
| | | <u>1,065,987</u> |
| | 2019 | |
| | <i>Number issued</i> | <i>A\$</i> |
| Vested performance rights awarded to employees as salary (Salary Sacrifice Rights) | 1,278,945 | 876,742 |
| Long term incentive rights subject to vesting conditions | 2,550,000 | 640,302 |
| Loan funded shares | 1,675,000 | 579,618 |
| Long term incentive rights not subject to vesting conditions | 90,000 | 48,600 |
| <i>Amounts recognised in relation to share based payments issued in the current year</i> | | 2,145,262 |
| <i>Amounts recognised in the current year in relation to share based payments issued in previous financial years</i> | | 1,271,740 |
| | | <u>3,417,002</u> |

(ii) Salary sacrifice rights

Performance rights are granted to employees and contractors to receive shares in respect of a portion of their agreed remuneration. Each performance right will entitle the holder to receive one share. The performance rights vest annually over four equal instalments and can be exercised for no consideration at any time after being granted but prior to the expiry date of the rights.

The number of performance rights to be issued at each grant date is determined by dividing 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).

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 year of 12 months.

During the financial year, 2,823,768 salary sacrifice rights were issued in respect of remuneration totalling A\$904,968 (2019: 1,278,945 salary sacrifice rights issued in respect of remuneration totalling A\$876,742).

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For the financial year ended 30 June 2020

17. Capital commitments

In order to maintain current rights of tenure to exploration tenements, including tenements that had expired and were the subject of renewal applications by the Group as at 30 June 2020, the Group is required to perform exploration work to meet minimum expenditure requirements as specified by the Papua New Guinea Mineral Resources Authority. The following table sets out the minimum expenditure commitments:

| | Group and Company | |
|---|-------------------|------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Payable: | | |
| - not later than one year | 1,767,249 | 1,034,035 |
| - later than one year and not later than five years | 1,005,713 | 777,755 |
| | <u>2,772,962</u> | <u>1,811,790</u> |

18. Receivables from subsidiaries

| | Company | |
|--|-------------------|-------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Receivables from subsidiaries | 35,195,655 | 30,314,929 |
| Less: Allowance for credit loss (Note 19(j)) | (13,453,084) | (7,457,116) |
| Net receivables from subsidiaries | <u>21,742,571</u> | <u>22,857,813</u> |

Receivables from subsidiaries are unsecured, repayable on demand and are non-interest bearing.

| | Company | |
|---------------------------|-------------------|-------------------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Balance at 1 July | 22,857,813 | 15,195,223 |
| Advances to subsidiaries | 4,376,675 | 4,911,942 |
| Share based payment | 504,051 | 2,750,648 |
| Allowance for credit loss | (5,995,968) | – |
| Balance at 30 June | <u>21,742,571</u> | <u>22,857,813</u> |

19. Financial risk management

The Group's principal financial instruments comprise cash and cash equivalents, receivables and trade and other payables. The Group does not currently have any projects in production and as such the main purpose of these financial instruments is to provide liquidity to finance the Group's development and exploration activities. It is, and has been throughout the financial year, the Group's policy that no trading in speculative financial instruments shall be undertaken. The main risks arising from the Group's use of financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. During the financial year, the Group has had some transactional currency exposures, principally to the Papua New Guinea Kina ("PGK"). The Group has not entered into forward currency contracts to hedge these exposures due to the short time frame associated with the currency exposure and the relatively modest overall exposure at any one point in time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2. Primary responsibility for identification and control of financial risk rests with the Board of Directors. However, the day-to-day management of these risks is under the control of the Managing Director. The Board agrees the strategy for managing future cash flow requirements and projections.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
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19. Financial risk management (continued)

a) Categories of financial instruments

The carrying values of the Group's financial instruments at the balance sheet date are as follows:

| | Group | | Company | |
|---|------------------|-----------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | A\$ | A\$ | A\$ | A\$ |
| <i>Financial assets</i> | | | | |
| Financial assets at amortised cost | 3,174,497 | 2,832,428 | 24,796,815 | 25,030,491 |
| <i>Financial liabilities</i> | | | | |
| Financial liabilities at amortised cost | 863,920 | 2,199,554 | 542,972 | 1,716,283 |

b) Foreign currency risk

The Group is exposed to foreign currency risk mainly arising from various currency exposures, including Papua New Guinea Kina ("PGK"). The Group's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign currency risk arises from future commercial transactions.

The Group manages foreign currency risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Group's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

| | PGK | |
|---------------------------|----------------|---------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| <i>Financial assets</i> | | |
| Cash and cash equivalents | 112,766 | 654,413 |
| Net currencies exposure | 112,766 | 654,413 |

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number in the table represents a decrease in the operating loss after tax and increase equity where the Australian dollar strengthens against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be negative.

| | PGK | |
|---------------------------|----------|----------|
| | 2020 | 2019 |
| | A\$ | A\$ |
| Loss after tax and equity | | |
| - 10% increase | 11,277 | 65,441 |
| - 10% decrease | (11,277) | (65,441) |

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For the financial year ended 30 June 2020

19. Financial risk management (continued)**b) Interest rate risk**

The Group's exposure to interest rate risk arises predominantly from cash and cash equivalents bearing variable interest rates. At the end of the reporting period, the Group maintained the following variable rate accounts:

| | 30 June 2020 | | 30 June 2019 | |
|---------------------------|---|----------------|---|----------------|
| | Weighted average interest rate % | Balance A\$ | Weighted average interest rate % | Balance A\$ |
| Cash and cash equivalents | 0.5 | 2,988,147 | 1.05 | 2,799,951 |

At the end of the reporting period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax (loss) / profit and equity would have been affected as follows:

| | After-tax loss (higher)/lower | | Equity (higher)/lower | |
|-----------------------------------|-------------------------------|-------------|-----------------------|-------------|
| | 2020 A\$ | 2019 A\$ | 2020 A\$ | 2019 A\$ |
| 2020 +0.5% (50bp) / (2019 +1.00%) | 14,941 | 29,399 | 14,941 | 27,999 |
| 2020 -0.5% (50bp) / (2019 -1.00%) | (14,941) | (29,399) | (14,941) | (27,999) |

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate exposure is significant in relation to the Group's total credit exposure. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

| Description of evaluation of financial assets | Basis for recognition and measurement of ECL |
|--|--|
| Counterparty has a low risk of default and does not have any past due amounts | 12-month ECL |
| There has been a significant increase in credit risk since initial recognition. | Lifetime ECL - not credit-impaired |
| There is evidence of credit impairment | Lifetime ECL - credit-impaired |
| There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings | Write-off |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 30 June 2020****19. Financial risk management (continued)****d) Significant increase in credit risk**

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

The risk that the borrower will default on a demand loan depends on whether the borrower:

- (i) has sufficient cash or other liquid assets to repay the loan immediately; or
- (ii) does not have sufficient cash or other liquid assets to repay the loan immediately.

The Group performs this assessment qualitatively by reference to the borrower's immediate cash flow and liquid asset position. Relying on the 30 days past due rebuttable presumption is not considered an appropriate indicator given the lack of contractual payment obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the reporting period. A financial instrument is determined to have low credit risk; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

e) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes. Where information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate indicator given the lack of contractual payment obligations due throughout the life of the loan.

f) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty; there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

g) Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 30 June 2020****19. Financial risk management (continued)****h) Maximum exposure and concentration of credit risk**

The Group and the Company does not have concentration of credit risk at 30 June 2020 and 30 June 2019, except for receivables from subsidiaries of the Company.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The credit loss for cash and cash equivalents and other receivables are immaterial as at 30 June 2020 and 30 June 2019.

i) Other financial assets at amortised cost

Other financial assets at amortised costs include other receivables, other current assets (excluding prepayments and goods and services tax receivables) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets:

| 30 June 2020 | 12-month or lifetime ECL | Gross carrying amount A\$ | Loss allowance A\$ | Net carrying amount A\$ |
|-------------------------------|-----------------------------|---------------------------------|--------------------------|-------------------------------|
| Group | | | | |
| Other receivables | N.A. Exposure Limited | 186,350 | – | 186,350 |
| Cash and cash equivalents | N.A. Exposure Limited | 2,988,147 | – | 2,988,147 |
| Company | | | | |
| Other receivables | N.A. Exposure Limited | 180,797 | – | 180,797 |
| Receivables from subsidiaries | Lifetime | 35,195,655 | (13,453,084) | 21,742,571 |
| Cash and cash equivalents | N.A. Exposure Limited | 2,873,447 | – | 2,873,447 |
| 30 June 2019 | | | | |
| Group | | | | |
| Other receivables | N.A. Exposure Limited | 32,477 | – | 32,477 |
| Cash and cash equivalents | N.A. Exposure Limited | 2,799,951 | – | 2,799,951 |
| Company | | | | |
| Other receivables | N.A. Exposure Limited | 29,706 | – | 29,706 |
| Receivables from subsidiaries | Lifetime | 30,314,929 | (7,457,116) | 22,857,813 |
| Cash and cash equivalents | N.A. Exposure Limited | 2,143,602 | – | 2,143,602 |

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****For the financial year ended 30 June 2020****19. Financial risk management (continued)****j) Movements in credit loss allowance**

There are no movements in the allowance for impairment of financial assets under SFRS (I) 9 during the financial year for the Group and Company except for the following.

| | Receivables from subsidiaries A\$ |
|--|---|
| Company | |
| Balance at 1 July 2018 and 1 July 2019 | 7,457,116 |
| Loss allowance measured | |
| Lifetime ECL: | |
| - Credit impaired | 5,995,968 |
| Balance at 30 June 2020 (Note 18) | <u>13,453,084</u> |

k) Liquidity risk

The ability of Group to operate as a going concern and meet its obligations as and when they fall due is principally dependent upon the ongoing support from its shareholders, the ability of the Group to successfully raise capital as and when necessary and the ability to complete successful exploration and subsequent exploitation of the areas of interest. This is to ensure the continuance of its activities and to meet its financial obligations as and when they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents in order to meet the Group's forecast requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At reporting date, the Group did not have access to any undrawn borrowing facilities.

All liabilities of the Group and the Company are due within one year.

20. Fair value estimation

The carrying amount of financial assets (net of any allowance for impairment) and financial liabilities as disclosed in Note 19(a) are assumed to approximate their fair values primarily due to their short maturities.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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21. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being share capital plus reserves. The Board of Directors monitors the level of capital as compared to the Group's long-term debt commitments.

The Group is not subject to any externally imposed capital requirements.

No changes were made to the Group's and the Company's capital management objectives or policies during the financial years ended 30 June 2020 and 30 June 2019.

22. Related party transactions

(a) Compensation of key management personnel

| | Group | |
|--|------------------|------------------|
| | 2020 A\$ | 2019 A\$ |
| Short term employee benefits | 477,500 | 532,500 |
| Superannuation contributions | 45,363 | 48,608 |
| Share based payments | 730,267 | 1,972,366 |
| | <u>1,253,130</u> | <u>2,553,474</u> |
| <i>Includes amounts paid to:</i> | | |
| Non-executive directors of the Company | 136,875 | 195,121 |
| Executive Directors | 1,116,255 | 2,358,353 |
| | <u>1,253,130</u> | <u>2,553,474</u> |

Total key management personnel compensation represents gross compensation paid or payable and includes amounts capitalised to exploration and evaluation expenditure and property, plant and equipment.

The following awards were made to directors of the Company pursuant to the Company's Employee Incentive Plan are as follows:

| 2020 | Salary Sacrifice Rights Number | Long Term Incentive Rights Number | Loan Funded Shares Number |
|------------------|--------------------------------------|--|---------------------------------|
| Paul Mulder | 515,485 | — | — |
| Timothy Crossley | 637,707 | — | — |
| | <u>1,153,192</u> | <u>—</u> | <u>—</u> |
| 2019 | | | |
| Paul Mulder | 349,528 | — | — |
| Timothy Crossley | 342,695 | 800,000 | 800,000 |
| | <u>692,223</u> | <u>800,000</u> | <u>800,000</u> |

No awards were exercised, cancelled or lapsed during the year ended 30 June 2020 and 30 June 2019.

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For the financial year ended 30 June 2020

23. Contingent liabilities

In September 2015, the Group entered into a Development Management Deed with a third party. Under this deed and its subsequent addendums, the third party 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 the third party for their services, they are entitled to contingent compensation of A\$140,000 payable upon financial close of the Lae power project (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 1

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

Third party 2

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

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.

24. Subsequent events

Except for the matters noted below, there has been no other matter or circumstance which has arisen since the end of the year that has significantly affected, or may significantly affect the Group's operations, the result of those operations or the Group's state of affairs:

- (a) On 2 July 2020, the Group announced a maiden ore reserve at its Orokolo Bay Mineral / Industrial Sands Project in Papua New Guinea. The maiden in-situ Reserve estimate was prepared in accordance with JORC by Groundworks Plus, and is estimated at 30.6 MT using a 5.5% Davis Tube Recovery (approximately 8.2% Fe) cut-off¹.
- (b) On 7 July 2020, the Company announced that a total of 2,643,356 fully paid ordinary shares had been issued on the exercise of the 2,397,106 salary sacrifice rights and 246,250 long term incentive rights. 541,329 of the shares issued are subject to a voluntary escrow period of 12 months expiring on 6 July 2021.

¹ Refer ASX announcement dated 2 July 2020. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcements and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

24. Subsequent events (continued)

(c) On 19 August 2020 the Company announced that the Papua New Guinea had granted a 20-year mining lease for the Central Cement and Lime Project, the final statutory approval required to allow construction to begin on the Project's vertically integrated manufacturing facility located 25km north-west of Port Moresby.

(d) On 9 September 2020, the Company announced that it had entered into the following interdependent agreements:

- i. An Agreement between MR Exploration PNG Pte Ltd. ("MRE"), a wholly owned subsidiary of the Company whereby MRE will acquire 100% of the issued capital of Ballygowan Limited ("Ballygowan") and Pacific Arc Aurum (Niugini) Limited ("Pacific Arc") in return for the shareholders of Ballygowan and Pacific Arc collectively receiving shares in MRE equivalent to thirty per cent of the issued capital of MRE on completion of the transaction. Ballygowan has a 100% ownership interest in the Gameta (EL2546), Oredi Creek (EL2572) and Sikut (EL2408) copper and gold exploration projects in PNG and Pacific Arc has a 100% ownership interest in the Wapulu (EL2549) copper and gold project in PNG. It is a condition precedent of the Agreement that MRE receive all required approvals to complete a listing of its shares (either directly or indirectly) on a stock exchange in Australia, Canada or the United Kingdom and that the listed vehicle has raised a minimum of A\$5 million.
- ii. An agreement setting out the term and conditions of a proposed business combination (the "Business Combination") of XIB I Capital Corp. ("XIB") and MRE. Under the proposed terms of the Business Combination, XIB will acquire 100% of the issued capital of MRE following the completion of MRE's proposed acquisition of the issued capital of Ballygowan and Pacific Arc. The significant terms of the Business Combination, subject to the agreement of definitive transactions documents by the parties include:
 - As part of, and as a condition to the completion of, the Business Combination, a concurrent financing will be undertaken and will close concurrently with the execution and delivery of the Definitive Agreement for gross proceeds of a minimum of Canadian Dollar, C\$5,000,000 at an effective price of C\$0.30 per share on a post-Consolidation basis (the "Concurrent Financing").
 - As part of, and as a condition to the completion of, the Business Combination, it is expected that an initial seed financing will be undertaken as soon as reasonably practicable following the execution of the Business Combination Agreement for gross proceeds of C\$2,000,000 at an effective price of C\$0.15 per share on a post-Consolidation basis (the "Seed Financing" and together with the Concurrent Financing, the "Financings"), with Mayur participating for C\$460,002 of the Seed Financing.
 - As part of, and as a condition to the completion of, the Business Combination, it is expected that a founders financing will be undertaken as soon as reasonably practicable following the execution of the Business Combination Agreement for gross proceeds of C\$120,000 at an effective price of C\$0.02 per share on a post-Consolidation basis (the "Pre-Seed Financing").
 - Upon completion of the Business Combination it is intended that:
 - (i) The Company will hold approximately 50.1% of the XIB Shares;
 - (ii) the former shareholders of Ballygowan and Pacific Arc will hold approximately 16.3% of the XIB Shares;
 - (iii) the current holders of the XIB will hold approximately 4.4% of the XIB Shares;
 - (iv) the purchasers under the Financings (not including the Company) will hold approximately 23.9% of XIB Shares; and
 - (v) the purchasers under the Pre-Seed Financing will hold approximately 5.3% of the XIB Shares.
 - Following the completion of the Business Combination, the board of directors of XIB shall initially be comprised of six (6) directors, or such other number as may be stipulated by the Company. It is anticipated that nominees of the Company will comprise a majority of the XIB Directors.

MAYUR RESOURCES LTD AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2020

24. Subsequent events (continued)

- (e) On 11 September 2020 the Company announced that it had completed a Definitive Feasibility Study (DFS) for the Orokolo Bay Industrial Sands Project in Papua New Guinea (PNG). The DFS confirmed that the project, which produces a number of products including vanadium titano-magnetite (VTM), DMS magnetite, construction sands and zircon-rich valuable heavy mineral concentrate and produces a post-tax NPV of US\$131 million (10% discount rate) and IRR of 103.7%.
- (f) On 16 September 2020 announced that it had appointed distinguished PNG business leader and resident Mr Hubert Hanjausa Namani as a Non-Executive Director of the Company.
- (g) On 22 September 2020, following a strategic review of its portfolio of mineral exploration tenements, the Company's subsidiary Mayor Iron PNG Limited advised the Mineral Resources Authority of Papua New Guinea that it did not wish to proceed with the renewal applications for exploration licences EL2266 and EL2269 which expired on 13 May 2020. The capitalised exploration and evaluation expenditure of A\$2,557,955 relating to EL2266 and EL2269 as at 30 June 2020 will be impaired in the financial year ending 30 June 2021.

25. Authorisation of financial statements

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors dated 30 September 2020.

Shareholder Information

The shareholder information set out below was applicable as at 22 October 2020.

A Distribution of securities

Analysis of the number of equity securities by size of holding:

| 1-1,000 | 28 |
|------------------|-----|
| 1,001-5,000 | 132 |
| 5,001-10,000 | 113 |
| 10,001-100,000 | 137 |
| 100,001 and over | 84 |
| Total | 494 |

There were 10 holders of less than a marketable parcel of listed shares.

B Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of equity securities are listed below:

| Name | Balance at 21-10-2020 | % |
|--|-----------------------|---------|
| DTJ CO PTY LTD | 50,000,000 | 27.827% |
| QMP NOMINEES PTY LTD | 15,268,036 | 8.497% |
| LEVEL 280 RIVERSIDE PTY LTD | 9,750,000 | 5.426% |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 7,514,688 | 4.182% |
| SARGON CT PTY LTD <MAYUR RESOUR ESP ALLOC A/C> | 7,285,371 | 4.055% |
| TIMMOO PTY LTD <THE MAHONY FAMILY S/F A/C> | 6,968,958 | 3.879% |
| MR THOMAS JONATHAN CHARLTON <THE CHARLTON FAMILY A/C> | 6,193,056 | 3.447% |
| MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT> | 6,153,186 | 3.425% |
| ASHER CAPITAL PTY LTD <NKF A/C> | 5,265,944 | 2.931% |
| CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C> | 4,663,773 | 2.596% |
| MR TIMOTHY ELGON SAVILE CROSSLEY | 3,165,573 | 1.762% |
| SAK SUPERANNUATION PTY LTD <THE KING SUPER FUND A/C> | 2,973,318 | 1.655% |
| CITICORP NOMINEES PTY LIMITED | 2,923,716 | 1.627% |
| MR DUNCAN JOHN HARDIE | 2,756,483 | 1.534% |
| UBS NOMINEES PTY LTD | 2,528,273 | 1.407% |
| BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C> | 2,484,092 | 1.382% |
| WRIGHT CORPORATION PTY LTD <WRIGHT CORPORATION S/F A/C> | 1,500,000 | 0.835% |
| MARFORD GROUP PTY LTD | 1,487,500 | 0.828% |
| JAMES SINTON SPENCE | 1,456,051 | 0.810% |
| QUALITY LIFE PTY LTD <THE NEILL FAMILY A/C> | 1,450,001 | 0.807% |
| | | |
| Total Securities of Top 20 Holdings | 141,788,019 | 78.911% |
| Total of Securities | 179,681,279 | |

Unquoted equity securities

| Security | Number on issue | Number of holders | Number of holders of more than 20% of securities |
|---|-----------------|-------------------|--|
| Long Term Incentive Rights | 7,681,250 | 7 | 1 |
| Salary Sacrifice Performance Rights | 2,172,357 | 10 | 1 |
| Exercised PRs - escrowed to 21 March 2021 | 541,329 | 2 | 1 |
| Options | 3,000,000 | 1 | 1 |

Unlisted Long-Term Incentive Rights and Performance Rights represent rights to acquire ordinary shares.

Each right entitles the holder to acquire one ordinary share.

The names of the holders of more than 20% the unlisted long-term Incentive Rights and Performance Rights are:

| | Long Term Incentive Rights | | Salary Sacrifice Performance Rights | | Options | |
|-----------------|----------------------------|--------------------------|-------------------------------------|-------------------------|-----------|-----------------------------|
| Security Holder | LTI | % of total LTIs on issue | PRs | % of total PRs on issue | Options | % of total Options on issue |
| Paul Mulder | 3,000,000 | 39% | 215,955 | 10% | 3,000,000 | 100% |
| Tim Crossley | 1,925,000 | 25% | 266,768 | 12% | - | - |

C Substantial shareholders

Substantial shareholders (>5%) in the company are set out below:

| Name | Units |
|-----------------------------|------------|
| DTJ CO PTY LTD | 50,000,000 |
| QMP NOMINEES PTY LTD | 15,268,036 |
| LEVEL 280 RIVERSIDE PTY LTD | 9,750,000 |

D. Listed shares subject to escrow

| | |
|-----------|---|
| 2,860,323 | CDI's are subject to 12 months voluntary escrow |
| 2,860,323 | CDI's are subject to 24 months voluntary escrow |

E. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- *CDI's*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

- *Options, Long Term Incentive Rights, Salary Sacrifice Rights and Performance Rights*

No voting rights.

F. ASX Listing Rule 4.10.19

Mayur Resources Ltd has used the cash and assets in a form readily convertible into cash at the time of admission in a manner consistent with its business objectives.

Corporate Directory

Board of Directors (as at 30 June 2020)

| | |
|--------------------|------------------------|
| Mr Rob Neale | Non-Executive Chairman |
| Mr Paul Mulder | Managing Director |
| Mr Tim Crossley | Executive Director |
| Mr Frank Terranova | Non-Executive Director |
| Lu Kee Hong | Non-Executive Director |

Company Secretary

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Registered Office

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Postal address

PO Box 10985
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Website:

www.mayurresources.com

Share Registry

Boardroom Pty Ltd
Level 12, 225 George Street
Sydney QLD 2000

Telephone:

+61 1300 737 760

Stock Exchange

Australian Securities Exchange
20 Bridge Street
Sydney, NSW 2000

ASX Code

MRL

Auditors

Baker Tilly TFW