

Option underwriting agreement and institutional placement completed to raise \$9.7m and provide funding pathway to end of 2020

Mayur Resources Limited (ASX: MRL, Mayur or the Company) has entered into an underwriting agreement with Morgans Corporate Limited (Morgans) to underwrite the exercise of 12.189 million unlisted Loyalty Options and 1.337 million Advisor Options (together 'Unlisted Options') which expire on 21 September 2019 at \$0.56, to raise \$7.575 million.

In addition to the above, the Company has raised a further \$2.1 million via the following:

- Placement to institutional and sophisticated investors to raise approx. \$1.5 million; and
- Repayment of loans outstanding to the Company for 1.5 million Loan Funded Shares to raise \$600,000

The above equates to a total of \$9.7 million and provides a fully funded pathway to the end of 2020.

		\$
A	Underwriting of 12,189,637 unlisted Loyalty Options (expiring 21 September 2019 at \$0.56)	\$6.83 million
B	Underwriting of 1,337,856 unlisted Advisor Options (expiring 21 September 2019 at \$0.56)	\$0.75 million
C	Repayment of Loan Funded Shares	\$0.60 million
D	Placement	\$1.5 million
E	Total	\$9.7 million

A combination of Loyalty Options, Advisor Options and Loan funded Shares were issued at the Company's IPO on 21 September 2017 as a mechanism to bring in additional future funding into the Company whilst rewarding those that participated in the IPO.

MRL Managing Director, Paul Mulder commented *"these funding instruments issued at IPO have served to attract additional capital for the Company while also enabling those that have been part of the Company's journey to date to become more involved. The underwriting of the Unlisted Options is a testament to the growing confidence that investors have in the Company's PNG nation building projects."*

Mr Mulder added *"although the underwriting arrangement does not affect the rights of existing option holders to exercise their vested Unlisted Options, importantly it does now provide the Company with certainty over its financing needs until the end of next calendar year."*

"a number of our projects are now at a sufficiently advanced stage in the development cycle that future funding can be conducted at the asset level, with the intention that MRL shareholders can benefit from a flow through of the economics via the Company's retained interest in these projects. An example of such a project level funding structure has already been announced via the deal with CRTH enabling the Company to retain control and also 51% of the 'Future Economics' of the Orokolo Bay Project. Equating

to circa A\$70m¹. The Company is adopting a similar approach with the Central Cement and Lime project as well as its Lae Power Project.”

Transaction Details

The underwriting agreement contains standard terms and conditions for an agreement of this nature, including customary termination provisions. The Company will pay Morgans a fee of 5% of the amount underwritten or raised and issue to Morgans or its nominees 1 Share for every 5 Shares underwritten or placed, subject to a 12-month escrow².

The Placement was completed at \$0.56 per Share, the same strike price as the Unlisted Options and is being conducted within the Company’s existing placement capacity under Listing Rules 7.1 and 7.1A.

Funds raised will be deployed to pursue the following project outcomes over the next 6 -12 months³:

Central Cement and Lime Project:

- Grant of Mining Lease
- Finalisation of Offtake Arrangements with end user customers
- Securing of project debt finance
- Finalisation and award of Construction Contractors
- Reach Financial Investment Decision

Coal Exploration Portfolio:

- Complete exploration activity to convert JORC Resources to JORC Reserves
- Examine support for an international trial bulk shipment

Power Generation:

- Finalisation and signing of Power Purchase Agreement for Lae EEP Project
- Further expand and develop the PNG Energy Generation Solutions (PEGS) MOA signed with PNG Government National Oil & Gas Company Kumul Petroleum for the development of its Lae site

Industrial Mineral Sands:

- Finalise construction of the Orokolo Bay trial bulk sample plant
- Ship product to end user customer for acceptance testing
- Finalise Orokolo Bay Definitive Feasibility Study
- Submission of Orokolo Bay Mining Lease application

Copper and Gold:

- Undertake further exploration activities
- Examine options and pathway to hold assets as a standalone copper gold portfolio

Mr Mulder concluded *“We are particularly pleased with the outcome of this capital raise process, especially given the current challenging market conditions for raising capital. We would like to thank all participants along with our broker, Morgans, for their continued support.”*

¹ Refer to ASX release dated 7 January 2019 – Transaction completed with CRTH

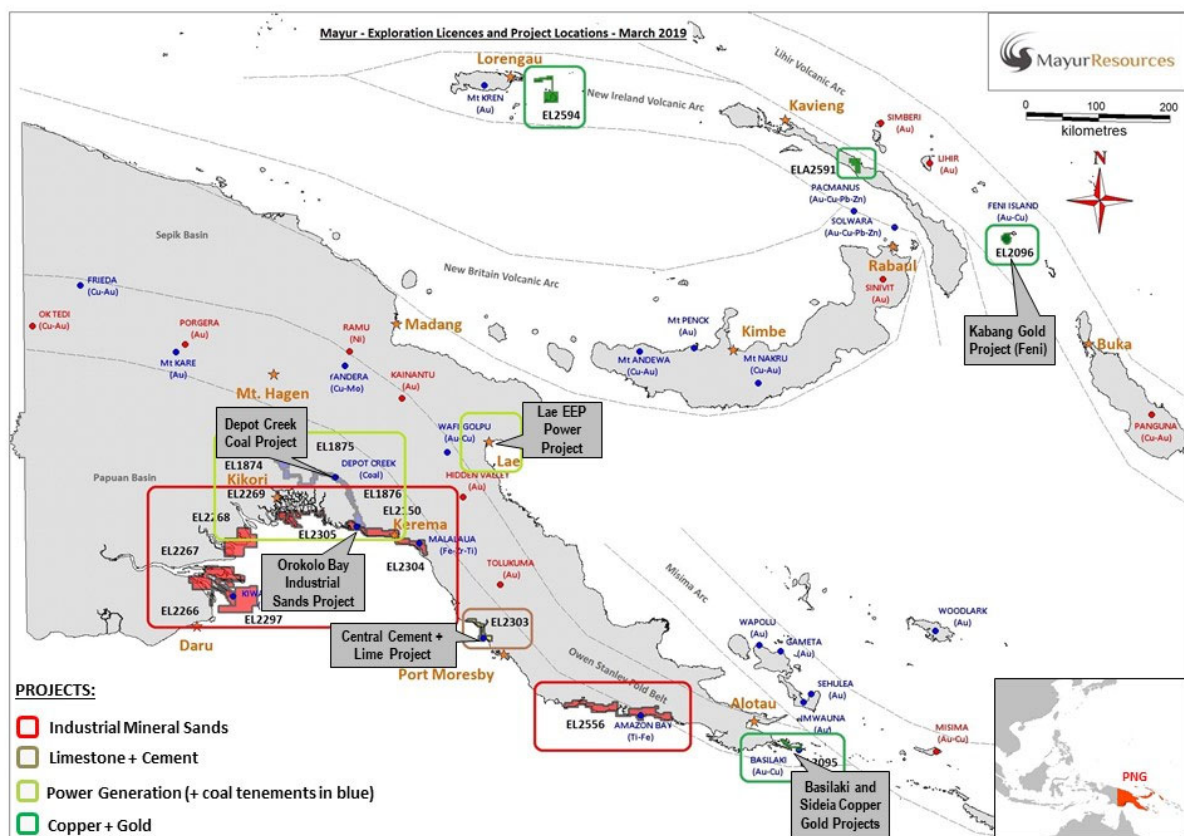
² The Shares will be issued in the form of CDIs, which are a form of beneficial interest in the Shares held by CDN (a depository nominee). The issue of CDIs is necessary to allow investors to trade the Shares on ASX and settle the transactions through CHESS. CDIs give a holder similar, but not identical, rights to a holder of Shares. The terms Shares and CDIs may be used interchangeably

³ The above represents a statement of current intentions and the Company reserves the right to alter the manner in which funds are applied

About Mayur Resources

Mayur Resources is a diversified mineral exploration and energy development company operating in Papua New Guinea (PNG) across the following divisions:

- (a) **Cement & Quicklime.** The company has completed a DFS for the **Central Cement and Lime Project** which contemplates, subject to the requisite regulatory approvals, the quarrying of large-scale high-grade limestone deposits together with the development of a vertically integrated downstream processing quicklime and clinker / cement plant for domestic (import replacement) and export markets
- (b) **Industrial Mineral Sands (construction sands, magnetite sands, heavy mineral sands).** The Company is advancing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. A pre-feasibility study has been completed which identified an opportunity to establish a project producing fine grain construction sands, titanomagnetite (iron sands) and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The next steps include preparation of a Definitive Feasibility Study and, subject to the requisite regulatory approvals, the construction of a pilot scale demonstration plant.
- (c) **Copper & Gold.** The Company holds exploration licences at the Feni Islands in New Ireland Province as well as Basilaki and Sideia Islands in Milne Bay Province.
- (d) **Power Generation.** The Company has proposed a vertically integrated domestic power project at PNG's second largest city of Lae. A detailed Power Purchase Agreement has been submitted to PNG Power, the state-owned power entity, for a 52.5MW (net) power facility (with future scalability to 200MW). A definitive feasibility study has been completed for the Lae project that contemplates the use of multi fuels (Enviro Energy Park) including renewables and potentially coal, subject to the requisite regulatory approvals, from the Company's Depot Creek project in Gulf Province.
- (e) **Coal Exploration.** The Company holds a portfolio of exploration licenses in Gulf Province that includes the Depot Creek Coal project.



Mayur's mineral exploration licence (EL) and project portfolio in PNG

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by law and existing stock exchange listing requirements.