

20 June 2022

Mayur and Santos execute Expression of Interest to pursue the development of nature-based carbon offset projects in PNG

Mayur Resources Limited (ASX:MRL) (**Mayur**) has executed an Expression of Interest (EOI) with Santos Ventures Pty Ltd (**Santos**), a subsidiary of Santos Limited (ASX:STO), to jointly develop a portfolio of nature-based carbon offset projects in Papua New Guinea¹ (**Carbon Projects**).

Under the terms of the EOI, Mayur has agreed to provide Santos with an exclusive period of 180 days (Exclusivity Period) during which Santos and Mayur are to negotiate in good faith and if agreed, enter into binding transaction documents (Transaction Documents) to jointly develop Carbon Projects. The Carbon Projects focus on preserving 1.4 million hectares of pristine rainforest in Papua New Guinea through avoided deforestation. Phase 1 development is already being progressed which includes up to 800,000 hectares in the Western Province. The EOI includes a framework for the future commercialisation of the Carbon Projects contingent on executing Transaction Documents along with remaining confirmatory due diligence.

In addition, Santos has provided Mayur with a US\$3 million facility to, amongst other things, fund ongoing detailed feasibility and landholder consent work on the Carbon Projects. If the Transaction Documents are not entered before the conclusion of the Exclusivity Period, this loan will convert to ordinary fully paid shares in Mayur based on a 30-day Volume Weighted Average Price (VWAP) calculated three years from the date of execution of the EOI.

Mayur Resources Chairman, Charles Fear, commented: *"We are excited to be partnering with Santos as a major contributor to the PNG economy. This is a transformative transaction for the development of Mayur's carbon portfolio to help preserve 1.4 million hectares of pristine rainforest which has arguably one of the most biodiverse ecosystems on earth. We are also encouraged that Santos has agreed that together we shall commit to secure premium carbon credit certification and ensure these projects achieve positive social elements to the communities associated with the project offset areas. It is essential that these projects result in the majority of the financial benefits and revenues being provided to the local landowners of PNG."*

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

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¹ Nature-based offsets projects protect, transform or restore land. In this way, nature absorbs more CO₂ emissions from the atmosphere. These projects can lead to the marketing, trading and sale of carbon credits.



ABOUT MAYUR

Mayur Resources Limited is focused on the development of natural resources and renewables energy in Papua New Guinea. Our diversified asset portfolio spans iron sands, lime and cement, battery minerals and renewable power generation. Mayur also holds a 43% interest in copper gold explorer/developer Adyton Resources, a company listed on the TSX-V (TSXV:ADY).

Mayur's strategy is to serve PNG and the wider Asia Pacific region's path to decarbonisation by developing mineral projects that deliver higher quality, lower cost, and "net zero" inputs for the mining and construction industries, as well as constructing a renewable energy portfolio of solar, wind, geothermal, carbon estates, and battery storage.

Mayur is committed to engaging with host communities throughout the lifecycle of its projects, as well as incorporating internationally recognised Environmental, Social and Governance (ESG) standards into its strategy and business practices.