PNG Government Exercises US$16.3 Million Equity Participation Rights in Central Lime Project

27 July 2026

Pacific Lime and Cement Limited (ASX: PLA; PNGX: PLC) (**PLC** or the **Company**) advises that the Government of Papua New Guinea through its State Nominee, Kumul Mineral Holdings Limited (**KMHL**) has exercised its equity participation rights in the Company's Central Lime Project (**CLP**) in accordance with the Project Development Agreement (**PDA**) that was executed on 12 March 2026.

The Company confirms that the Shareholders Agreement and Equity Acquisition Agreement in relation to the State's participation have now been executed.

As a result, the State is to hold a 13% equity interest in PLC's wholly owned subsidiary company "Mayur Industrials PNG Limited" (**MIPL**).

Key Highlights

- The PNG Government via KMHL has exercised its right under the PDA to acquire a **13% equity interest** in the Central Lime Project SPV (MIPL) for a consideration of **US$16.3 million**.
- The equity interest was priced at a discounted valuation based on the Project's base-case net present value (NPV[1]), reflecting a negotiated sovereign participation discount.
- KMHL retains an option to acquire an additional 5% for approximately US$6.8 million, exercisable within 180 days of operations commencing with first quicklime forecast for Q1 CY2027. Further information on the PNG Government's equity participation rights is set out in PLC's ASX Release dated 13 March 2026.

KMHL also retains the right to acquire up to a 30% interest in the Company's Central Cement Project Special Purpose Vehicle. The Central Cement Project's most recent NPV is US$339 million, as disclosed in PLC's ASX announcement dated 13 March 2026. The right is exercisable two months prior to Final Investment Decision (**FID**), targeted for Q4 CY2026, with final valuation to be determined by an independent expert and an acquisition discount capped at 15%.

The State's equity investment represents the first capital commitment by the PNG Government under the PDA framework executed in March 2026. The PDA establishes the long-term development, fiscal, equity, and regulatory framework for both the Central Lime and Central Cement Projects, which together are designed to create PNG's first integrated lime and cement manufacturing platform. The Central Cement Project is a separate Stage 2 development and investment.

Commenting on this investment, **PLC Managing Director Mr Paul Mulder** said:

> "The PNG Government's decision to invest directly in the Central Lime Project is a landmark milestone that further strengthens the sovereign and institutional foundations of what we are building.
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> "This capital commitment reflects over a decade of collaboration between PLC, the PNG Government, and project-area landowners, and demonstrates the depth of alignment between the Company and the State in delivering PNG's first integrated lime and cement manufacturing industry. Together with the landowner equity participation arrangements secured under the PDA, this investment ensures that the economic benefits of the Central Lime Project will be shared directly with the people of PNG.

[1] Refer to ASX announcement "Execution of Project Development Agreement" dated 13 March 2026

"With construction advancing, the Government now invested alongside us, the institutional and sovereign support behind our projects is clear. The Central Lime Project is firmly positioned as one of Papua New Guinea's most important nation-building industrial developments."

KMHL Managing Director Mr Sarimu Kanu said:

"This development enables PNG to reduce reliance on imported quicklime from distant markets such as the Middle East and Asia and instead source high-quality, cost-competitive product that is locally manufactured by Papua New Guineans. This will ensure locally sourced quicklime will support our copper-gold and nickel processing facilities whilst delivering stronger, more durable roads and critical infrastructure across the country.

"We are proud to support this nation-building project and its long-term contribution to PNG's economic growth. "

The Company notes the recent passage of PNG's Trade Defence legislation, which provides a framework to support domestic industry against unfairly traded imports. PLC is progressing engagement with relevant authorities, including processes aligned with international frameworks such as the International Monetary Fund and World Trade Organisation.

Special Advisor to the Prime Minister, Mr Isaac Lupari commented:

"The introduction of trade defence mechanisms is an important step in supporting the growth of domestic manufacturing in PNG.

"Projects such as the Central Lime Project are critical to reducing import dependency, strengthening local supply chains, and ensuring that national infrastructure development is underpinned by reliable, high-quality local inputs.

"The Government remains committed to supporting initiatives that deliver long-term economic value and resilience for the country."

The Company is now preparing for first quicklime production whilst in parallel progressing final work streams for Cement FID targeted to be taken in CY2026, which will see Central Lime construction activities ramp down and Central Cement activities ramp up in H1 CY2027.

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ASX release authorised by the Board of Directors of the Company.

About Pacific Lime and Cement Limited

Pacific Lime and Cement Limited (ASX: PLA, PNGX: PLC) is pioneering the development of PNG's lime and cement industry, supplying essential construction materials for the nation and the wider Asia–Pacific region. Anchored by its flagship Central Lime and Cement Projects, PLC holds a 99-year lease over approximately 5,200 hectares within a Special Economic Zone, which carries a legislated 10-year exemption from payroll tax, import/export duties, and corporate income tax. The Company's diversified portfolio also extends to industrial sands, nature-based forestry carbon credits, and renewable energy. PLC also holds an approximately 16.3% interest in copper gold explorer/developer Adyton Resources Corporation, a company listed on the TSX-V (TSXV: ADY).

PLC is committed to engaging with host communities and applying internationally recognised ESG standards throughout its project lifecycles.