

Pacific Lime and Cement and PowerChina form Strategic National Partnership to Develop Major Industrial Sands Project in PNG

2 December 2025

Pacific Lime and Cement Limited (ASX: PLA) (**PLC**) is pleased to announce PowerChina PNG Limited (**PowerChina**) has joined PLC's 100% owned subsidiary Mayur Iron PNG Limited (**the Company**) as the Company's development partner for the Orokolo Bay Industrial (Magnetite) Sands Project (**the OBP**) in Papua New Guinea's (**PNG**) Gulf Province.

The partnership with PowerChina follows years of collaborative dialogue that has led to a commercial reset designed to deliver the Project with scale, speed, and optimised value to PLC shareholders, the Government of PNG, and landowner communities.

PowerChina steps in to replace the Company's former partner, Pacific Unison, following termination of Pacific Unison's role under the Joint Cooperation Agreement.

Highlights

- PLC attracts global engineering procurement and construction powerhouse PowerChina as development partner for the OBP
- PowerChina's parent entity is one of the world's largest construction enterprises that delivers comprehensive civil engineering and large-scale construction projects across the globe. In 2025, PowerChina was ranked 100th among Fortune Global 500 companies
- PowerChina will finance, build, operate, and market product from the OBP on an accelerated basis, with a commitment towards first cashflow in calendar year 2026
- PLC retains majority of profit over life of the asset
- Enables the Company's parent (PLC) to continue to focus on its flagship Central Lime and Cement Projects, whilst retaining 100% ownership of the OBP
- Community and compliance safeguarded with this fully permitted project under construction, as statutory payments, royalties, and landowner compensation are prioritised with open-book governance and joint oversight of OBP accounts contractually agreed

Mr. Paul Mulder, Managing Director of PLC, commented:

"We are excited to welcome PowerChina to our Orokolo Bay Industrial Sands Project as a development partner. PowerChina subsidiaries and project offices span over four continents and are involved in engineering, procurement, and construction (EPC); power; renewables (wind, solar); and large-scale infrastructure such as ports and industrial parks. PowerChina's experience, reputation and financial strength makes it a trusted partner for national infrastructure and industrial growth initiatives".

"Under this Agreement, PowerChina, will provide development capital, with the Company and its parent (PLC) maintaining 100% equity ownership of the Orokolo Bay Project. With profit share as the adopted remuneration mechanism, it aligns the parties to a clear delivery schedule that targets completion of construction and commencement of production in calendar year 2026. This strategic and critical partnership provides the development capital, capability and certainty needed to transform Orokolo Bay into a near-term, fully operational, revenue-generating asset".

“The Orokolo Bay Project is underpinned by an extensive technical foundation of field programmes and detailed studies on the resource and project development, from concept through to Definitive Feasibility (DFS)¹. The work completed by PLC over this 10-year period means PowerChina will enter the project immediately, continuing with construction while preparing for operations”.



Front Row: Harry Nie (SinoHydro Country Head), Paul Mulder (PLC Managing Director)

“Importantly, PLC as the long-term developer with PNG Landowners and PNG Government, remains the project owner and custodian of Orokolo Bay. Through magnetite production, shared value will be generated for the Company, PowerChina, and its PNG landowner stakeholders”.

“This is a model that protects the Company and its parent (PLC’s) balance sheet, accelerates delivery, and positions the Project to generate meaningful employment, community development and shared value in partnership with the Government and people of PNG”.

“The progress of the OBP creates the opportunity for subsequent development of our valuable critical

mineral resources, including titanium vanadium, and zircon. With PLC, PowerChina is an early mover in identifying the opportunity of these resources, which have the potential support downstream processing opportunities, including critical mineral extraction through an iron and steelmaking process”.

Project Background and Scale

The OBP, situated within Mining Lease 541 (ML 541) and Exploration Licence 2305 (EL 2305), has been in development by the Company for over a decade.

The OBP extensive technical foundation of field programmes includes more than 2,000 drill holes, as well as detailed studies on the resource and project development from concept through to Definitive Feasibility (DFS)¹. Such work completed by the Company over this 10-year period enables PowerChina to enter the project immediately continuing with staged construction and operational readiness.

The initial focus for the OBP will be high-grade magnetite production, with potential development of facilities to process critical minerals contained in the deposit (Vanadium, Titanium, and Zircon) as well as downstream processing into iron and steelmaking.

PowerChina and PLC anticipate through PowerChina’s financing to achieve an initial production capacity of 300,000¹ tonnes per annum of high-grade magnetite for the OBP development. There is scope to increase this to 500,000¹ tonnes per annum under certain development scenarios as identified in the previously announced DFS.

PowerChina is responsible for working capital, operating costs and sales and marketing.

¹ Refer to ASX announcement “Orokolo Bay – Updated Project DFS” released on 23 January 2024



Benefits for landowners and the PNG Government secured

The Company will also continue to serve as the steward of local community and Government interests in the OBP, with the Company leading landowner engagement and statutory compliance responsibilities. The agreement with PowerChina continues to safeguard those priorities and ensures all statutory payments rank ahead of other recoveries in the cash waterfall.

The OBP development will provide significant local employment and will promote local supply chain participation and skills transfer opportunities. Additionally, there are significant infrastructure upgrades, environmental safeguards, and community development programmes planned in parallel with the project development, which will deliver tangible benefits to the Gulf/Central Province communities.

The arrangements with PowerChina provide open-book and joint governance ensuring that the Company retains significant oversight and control to protect community interests and ensure regulatory compliance.

Next Steps for PLC and PowerChina

As outlined in the Company's ASX announcement on 31 October 2025, the Company has exercised its rights under the Joint Cooperation Agreement to terminate Pacific Unison's role in the OBP. PowerChina's significant scale and proven capabilities will ensure that the OBP is operational in 2026. PowerChina will proceed with agreed mobilisation and continue planned staged construction under the Agreement, with commissioning and the first shipments targeted in line with the agreed schedule of later part of H2 2026.

The Company and PowerChina will work with PNG authorities and landowner groups to progress approvals, local employment, HSE and environmental commitments.

The Company will continue to investigate downstream processing, steelmaking, and critical mineral opportunities as the Project reaches production and generates cash flow for staged expansion.

This collaboration sits alongside the Company's parent (PLC's) broader portfolio of strategic national building assets – notably PLC's Central Lime and Central Cement Projects, which remains the Company's flagship development. Phase 1 of that programme includes the Company's existing wharf and quicklime kilns; Phase 2 contemplates an integrated cement plant, providing a clear pathway to domestic manufacture of critical building materials for PNG.

The PLC and PowerChina relationship also creates scope to leverage complementary skills and to consider co-development opportunities across PLC's asset base where aligned with PNG's economic and social priorities.

Further disclosure on the material terms of the Company's agreements with PowerChina are annexed.

ENDS

This announcement has been authorised for release by the Board of Directors of Pacific Lime and Cement Limited.

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About PowerChina

PowerChina PNG Limited (PowerChina) is a subsidiary of the Power Construction Corporation of China, a state-owned enterprise established in 2011 and headquartered in Beijing, China. Ranked among the Fortune Global 500, PowerChina is one of the world's leading integrated engineering, construction, and investment conglomerates. The company specializes in delivering large-scale infrastructure across hydropower, thermal power, new energy (solar, wind), power transmission, waterworks, transportation, and industrial facilities, with core capabilities in Engineering, Procurement, and Construction (EPC) and project investment. Operating in over 130 countries and regions with a workforce exceeding 250,000 employees, PowerChina is the parent of several major international contractors including Sinohydro, HydroChina, and SEPCO, which have executed landmark infrastructure projects across Asia, Africa, Latin America, and the Pacific. The company plays a central role in China's Belt and Road Initiative and consistently ranks among the top global contractors in the ENR Top 250, underscoring its scale, technical strength, and global project delivery capability.

About Pacific Lime and Cement Limited

Pacific Lime and Cement Limited (ASX: PLA) is advancing the development of Papua New Guinea's lime and cement industry to supply essential building materials for the nation and the wider Asia-Pacific region. Anchored by its flagship Central Lime and Cement Projects, PLC is creating a fully integrated platform for local manufacturing, import substitution, and sustainable growth. The company's diversified portfolio also extends to industrial sands, nature-based forestry carbon credits, and renewable energy, supporting its commitment to delivering cleaner, long-term solutions that build enduring value for PNG and its communities. PLC also holds an approximately 16.6% interest in copper gold explorer/developer Adyton Resources Corporation, a company listed on the TSX-V (TSXV: ADY).

PLC's strategy is to support Papua New Guinea and the broader Asia Pacific region on their decarbonisation journey by developing projects that deliver higher-quality, lower-cost, and targeted 'low-carbon' inputs for the mining, resources, and construction sectors. The company will support these projects where applicable with a diversified renewable energy portfolio encompassing solar, wind, geothermal, nature-based forestry carbon credits, and battery storage initiatives.

PLC 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.

Additional Disclosure of Terms of Agreements

- Parties are Mayur Iron PNG Limited (MIPNG or the Company), wholly owned by Pacific Lime and Cement Limited, and PowerChina PNG Limited ("PowerChina")
- PowerChina will finance, build, operate, and market product from the OBP on terms to be agreed between the Company and PowerChina
- PowerChina will provide development capital to the OBP
- Both PowerChina and the Company will be entitled to recover their agreed costs from future cash flows of the OBP following which a profit share arrangement will govern payments to the Company and PowerChina
- Pursuant to this profit sharing arrangement, the Company is entitled to 60% of the net profits of the OBP
- The Company retains ownership of the OBP with PowerChina owning all plant and equipment that it finances
- The agreement pertains solely to ML541 and EL 2305 with no other tenement held by the Company being subject to this agreement at this time
- PowerChina and the Company have agreed governance arrangements for the OBP which include an open-book operating approach and joint governance
- All other terms of the agreements being entered into between the Company and PowerChina are terms that the Company considers to be reasonable for financing, project operational, EPC, and sales agency agreements of a similar nature.

The Company also confirms that it provided no consideration to Pacific Unison in relation to the termination of the Joint Cooperation Agreement between Pacific Unison and the Company.