

Drill programme commenced on Basilaki Copper-Gold project

HIGHLIGHTS:

- Funding partner agrees to fund maiden drilling programme on the Basilaki copper/gold project
- Option for funding partner to enter formal JV agreement extended to 31 March 2018
- Drilling programme commenced, with up to 8 holes planned to test geophysics anomalies (copper targets) and gold targets identified from surface sampling and mapping

Mayur Resources Ltd (ASX:MRL) has commenced a maiden diamond drilling programme on the Basilaki Copper Gold project (EL2095) in Milne Bay Province, PNG.

As previously disclosed in the Prospectus (21 July 2017) the Company's subsidiary (MR Exploration PNG Pte Ltd) is a party to a binding letter of agreement with a large scale North American copper gold developer/operator (Funding Partner). This letter of agreement provides the Funding Partner with an option to enter into a formal JV.

The terms of this letter of agreement have been amended to extend the option expiry date to 31 March 2018. This will enable the completion of a diamond core drilling programme of up to 8 holes (totalling approximately 1,500m) prior to the expiry of the option. The holes will pursue both copper and gold targets that have been identified by a combination of surface mapping, sampling, induced polarisation (IP) and previous magnetic surveys.

Managing Director Mr. Paul Mulder said: "Following encouraging results from the initial surface sampling, mapping and geophysics work programme, I am delighted that we have been able to extend terms with our potential JV partner and commence a maiden drilling programme at Basilaki.

This is a particularly exciting development given that, despite the long history of exploration on Basilaki, there has never been any drilling on the prospect"

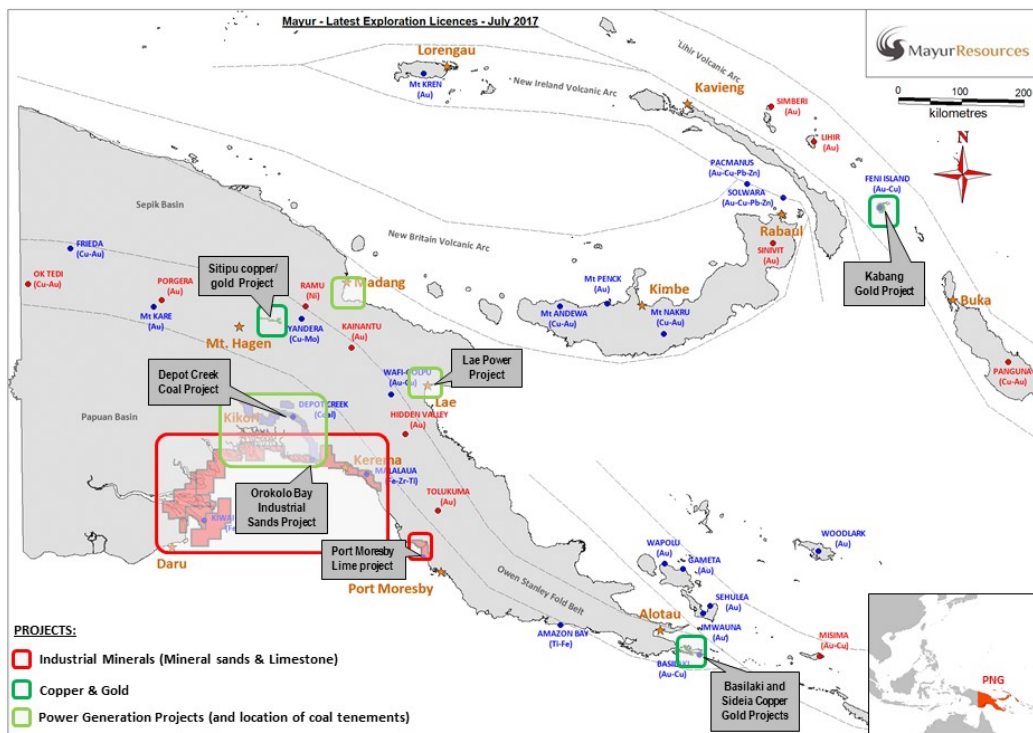
Further update will be provided around the end of Q1 2018 subject to progress of the drilling programme.



Drilling underway at the Basilaki copper-gold project (EL2095)

About Mayur Resources

Mayur has been operating since 2011 with the purpose of acquiring, exploring and developing mineral and energy development opportunities in Papua New Guinea and neighbouring countries.



Over the last 5 years Mayur has established an impressive portfolio of projects that includes:

- (a) **Industrial Minerals.** (construction sands, magnetite sands, heavy mineral sands and limestone) The Company is focusing its efforts on developing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. Following the delineation of a JORC Resource, a Pre-Feasibility Study was completed based on a low-cost mining operation using a combination of excavators and simple gravity and magnetic mineral processing. The PFS also identified the opportunity to establish a multi-product mine that could produce fine grain construction sands, titanomagnetite (iron ore), industrial magnetite and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The Company has secured a permit to export up to 200,000 tonnes of material that may enable the company to begin bulk sample shipments for customer testing by December 2018. The other key project in this portfolio is the Port Moresby Limestone Project which seeks to develop a multi-product lime based business for both domestic and export markets.
- (b) **Copper and Gold.** The Company holds the Feni Island Project in New Ireland Province, as well as the prospective Basilaki/ Sideia project in Milne Bay Province and the Sitipu project located in the Eastern Highlands region of the prolific Owen Stanley Fold Belt. The company is undertaking or planning exploration activities at each of the projects.
- (c) **Coal and Power.** The Company has delineated PNG's first JORC coal Resource at Depot Creek in the Gulf Province and has been developing a vertically integrated domestic power project at PNG's second largest city of Lae. A definitive feasibility study has been completed for a project that utilizes domestic coal from Depot Creek together with other renewable fuel sources to power a 52.5MW (net) power facility at Lae (with future scalability to 200MW). The Company has, via PNG Ports, secured an Environmental Approval from the Conservation and Environmental Protection Authority in PNG, to construct the power facility and on the request of PNG Power, the state-owned power entity, has submitted a detailed Power Purchase Agreement (PPA).

Enquiries

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