

Production drilling program completed for Orokolo Bay Vanadium Titano-magnetite (VTM) and industrial sands project

HIGHLIGHTS:

- **Infill drilling programme completed at the proposed Trial Production Plant site at Orokolo Bay Vanadium Titano-magnetite and industrial sands project**
- **250 shallow hand auger holes completed for 793 metres**
- **Reserve definition for trial production purposes to be completed in coming months**
- **Design of a Trial Production Plant progressing, targeting construction Q1 2019**
- **Objective of Trial Production Plant to firm up binding customer offtake agreements & validate Definitive Feasibility Study currently being undertaken**

Mayur Resources Ltd (ASX:MRL) has completed an infill drilling programme at the Orokolo Bay industrial sands project in Gulf Province, PNG.

As previously disclosed in the Prospectus (21 July 2017) the Company is targeting commencement of a small-scale trial production plant (TPP) for the project's titano-magnetite (ironsands) product, as well as extraction of other products such as dense medium separation, construction sand and zircon concentrate on a 'on demand' basis. This TPP initiative is being undertaken in parallel with the Definitive Feasibility Study that is currently underway.

An infill ground magnetics program was also completed in conjunction with the drilling of 250 closely spaced holes. The resultant analysis work will provide a more detailed understanding of the deposit in the proposed bulk sampling area. This will be at a similar level to that required for establishing a full-scale mining operation, whilst also informing the design of the TPP.

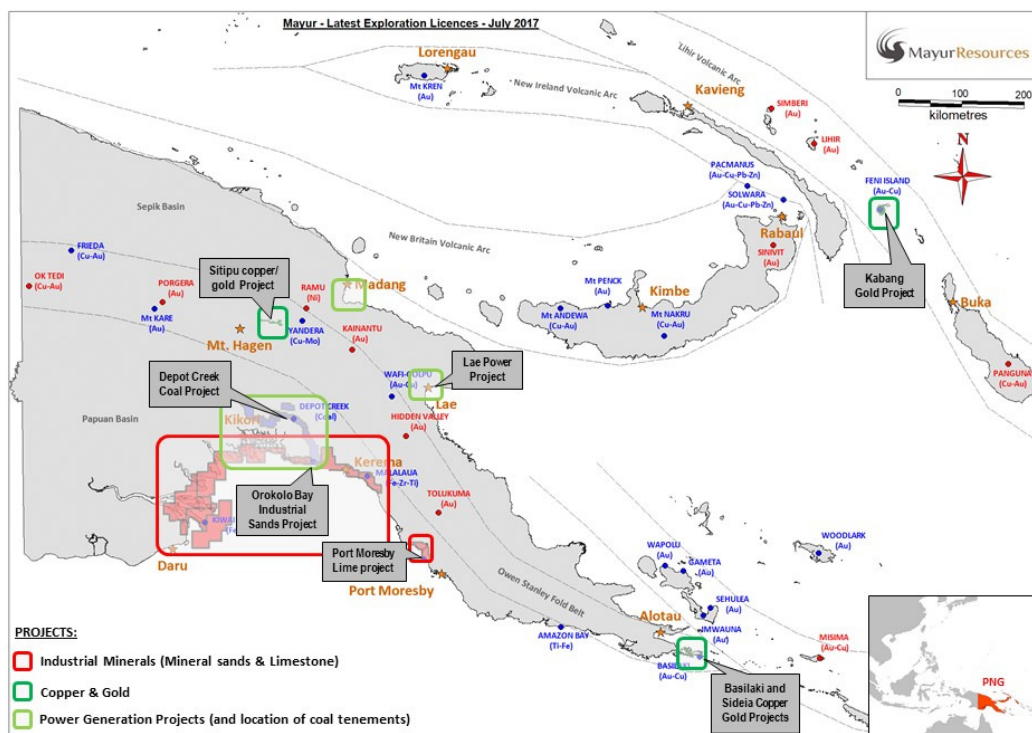
It is intended to operate the TPP under the bulk sampling permit currently held by the Company (enabling bulk sample extraction of up to 200,000-tonnes) to provide trial commercial grade shipments of titano-magnetite product to potential customers / end users in Japan and China. This will then be assessed to determine the acceptability of the product in their respective steel making processes.

Should the trials be successful this will provide confidence for such end users to enter into binding offtake sales agreements with the Company.

Managing Director, Mr Paul Mulder, commented “the completion of this field work is a key step in progressing our commitment to deliver a trial production plant bulk sample that will help to de-risk the Orokolo Bay project via proving the marketability and operability of the mineral sands resource. Moreover, the delivery of a bulk sample will be particularly exciting as it will be the first time in PNG’s history that any potential end user has trialled vanadium titanomagnetite from PNG. This is also a key step in helping to diversify PNG’s mineral wealth and delivering on the country’s nation building agenda”

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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