

Letter of Intent signed for coal offtake from Gulf Province**HIGHLIGHTS:**

- **Co-operation alliance initiated with Square Resources via letter of intent for promotion of ‘seaborne exported coal’ from the Depot Creek project in Gulf Province**
- **Facilitated to introduce PNG’s coal as a new low ash, low sulphur alternative for the Asia Pacific market via trial cargo acceptance testing for Asian power generation users**
- **Another step towards PNG’s first export of coal following the granting of an Environmental Permit for bulk sampling activities¹**
- **Aligns with Mayur’s strategy of providing coal for vertically integrated power production in PNG, displacing imports of high cost, high polluting diesel and heavy fuel oils, with the excess going to the export market**

Mayur Resources Ltd (ASX:MRL) is pleased to announce that following enquiries from various South East Asian power utilities companies for PNG’s low ash low sulphur coal, (for their own power generation needs) it has aligned itself with Square Resources via the signing of a non-binding LOI for coal from the Depot Creek Coal Project and Mayur’s wider coal portfolio in Gulf Province.

Square Resources will facilitate trial cargo coal acceptance testing with end user customers, and if these prove successful, then a commercial framework for long term binding sale and purchase offtake agreements will be agreed with Square Resources and the end users for when a full-scale mining operation is achieved.

MRL Managing Director, Paul Mulder stated “having watched Square Resources significantly grow its market share and dominance over the past decade in coal trading volumes, we felt that there is tangible value from a formal association with them. Square Resources founders have experience with PNG, understand the coal quality and the opportunities to position this into the ever-growing South East Asian market. While the use of coal as an energy source will slightly reduce over the coming decades, actual coal tonnes consumed each year is increasing globally. We feel this is an ideal opportunity for PNG, with its low sulphur and low ash coal, to fast track market penetration with the assistance of such a well credentialed coal trader.”

The coal from PNG has a very low in situ ash content of 3-10%, and low sulphur of 0.5%, these key quality parameters make this coal well suited and sort after in the market as a directly shipped product without a need for further washing.

Mulder added “We are also continuing with great success in progressing our regional coal exploration activities, expanding at surface coal inventories across the rest of the portfolio”

“whilst the export market is a big opportunity for PNG we are continuing to honour our domestic market obligation commitment of prioritising and providing an energy fuel source (coal) that’s delinked from international indices and utilise this coal for Mayur’s Enviro Energy Park co-gen power station at Lae. The first phase of which is 50MW would only require around 300,000 tonnes of coal per annum.

¹ Refer to ASX announcement dates 18 June 2018 – Environment Permit granted for export of coal

This volume is minuscule considering that PNG's two closest neighbours, Indonesia and Australia, collectively export over 0.5 billion tonnes of coal per year and use over 0.2 billion tonnes themselves for their own power generation requirements."

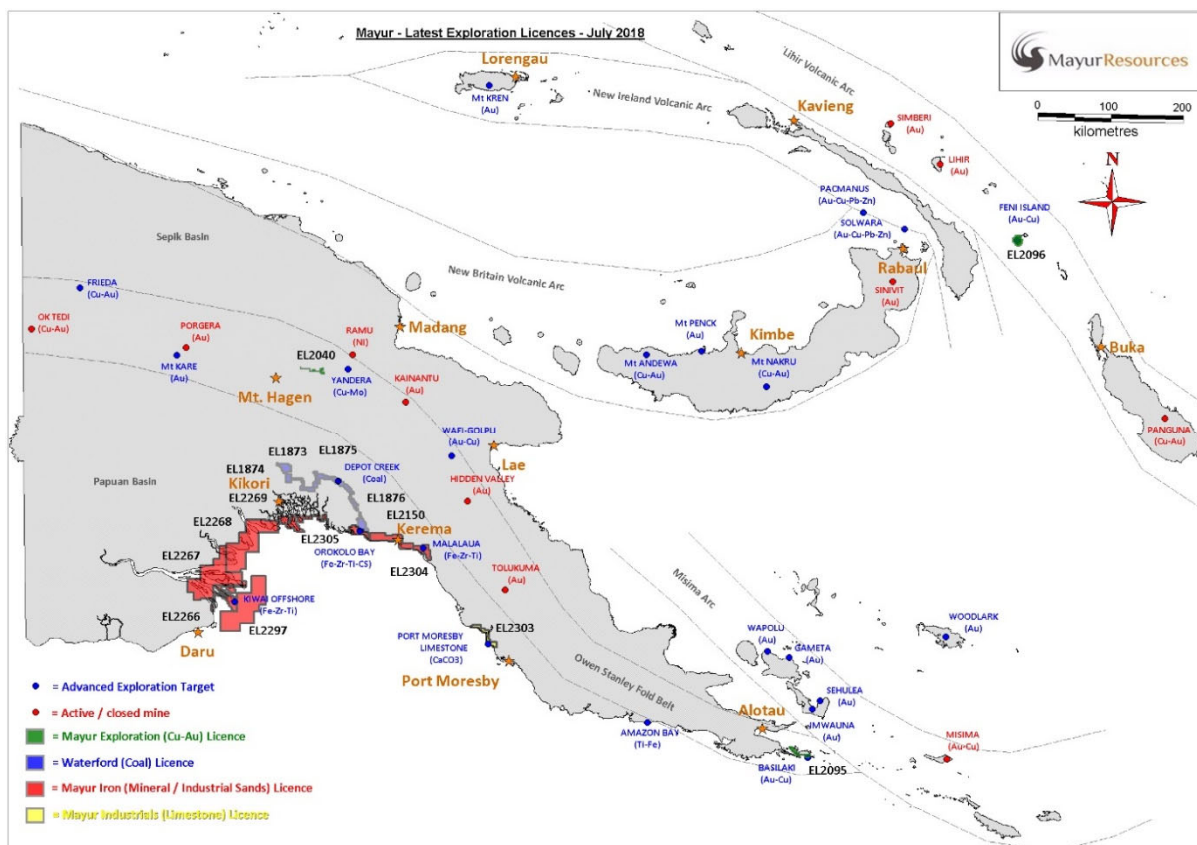
Mr Kevin Kanamori, COO of Square Resources stated "we look forward to working with Mayur in opening up a new supply jurisdiction and ultimately bringing a new product to market for the Asian customer base."

About Square Resources – *Square Resources is a privately-owned and internationally reputable coal marketing & trading company that has been operating since 2010, supplying coal to major end users across the Asia Pacific region. The Square Resources team has deep technical knowledge and commercial expertise in coal quality and performance, and product marketing across the resources sector.*

About Mayur Resources

Mayur Resources is a diversified mineral exploration, development and energy company operating in Papua New Guinea (PNG) across the following divisions:

- Industrial Mineral Sands (construction sands, magnetite sands, heavy mineral sands)** The Company is advancing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. A pre-feasibility study has been completed which identified an opportunity to establish a project producing fine grain construction sands, titanomagnetite (iron sands) and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The next steps include preparation of a Definitive Feasibility Study and construction of a pilot demonstration plant.
- Lime and Cement.** Following the delineation of a maiden JORC Resource of 382 Mt at the Port Moresby Limestone Project located close to the national capital, the company is undertaking a DFS which contemplates the quarrying of high grade limestone together with the development of a vertically integrated downstream processing quicklime and clinker / cement plant for domestic (import replacement) and export markets.
- 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.
- Power Generation.** The Company is developing a vertically integrated domestic power project at PNG's second largest city of Lae. A detailed Power Purchase Agreement has been submitted to PNG Power, the state-owned power entity, for a 52.5MW (net) power facility (with future scalability to 200MW. A definitive feasibility study has been completed for the Lae project that contemplates the use of multi fuels (Enviro Energy Park) including renewables and coal, potentially from the Company's Depot Creek project in Gulf Province.



Mayur's mineral exploration licence (EL) portfolio in PNG

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