

HIGHLIGHTS

Orokolo Bay Industrial Sands Project

- Signed a Legally Binding Term Sheet for up to US\$25m in funding from China Titanium Resources Holdings Limited (CTRH) for a 49% stake in MR Iron PNG Pte Ltd (MIPP)¹
- CTRH has secured exclusivity and made a legally binding commitment to co-fund the Orokolo Bay Pilot Plant and fund the Full-Scale Operation

Central Cement & Lime (CCL) Project

- Completed the DFS for the CCL Project confirming technical robustness and strong economics for the project as a new import replacement and export industry for PNG
- Excellent project economics, post tax NPV (9% discount rate, real basis) of USD 352 m (AUD 485m), IRR of 23.9 % and project payback of 5.2 years²

Port Botany (Sydney) Sand & Cement Import Facility Project

- Ongoing liaison with NSW Ports, subsequent to the completion of the preliminary design and engineering activities for the proposed sands and cement import facility at Port Botany, further activities on hold pending Port Botany's strategic review of options

Copper & Gold Exploration Projects

- Completed pre-mobilization activities for the Feni project drilling programme, further works currently on hold, while land holder access arrangements are being undertaken
- Completed airborne magnetic survey across Sideia Island in Milne Bay province. Final interpretation of results pending that will also inform a decision on extension of the joint venture partner agreement

Power Generation

- Continued with stakeholder management and engagement activities for the Lae EEP Project and the associated Power Purchase Agreement (PPA) including multiple visits by key Lae and Ministerial stakeholders of coal fired power stations in Australia

Coal Projects

- Initiated a co-operation alliance with Square Resources via letter of intent for promotion of 'seaborne exported coal' from the Depot Creek project in Gulf Province. Square to provide marketing support for product promotion and trial cargoes.
- Completed further field mapping and surface coal outcrop sampling across the coal exploration portfolio in Gulf Province. Regional geological mapping model completed with Resource drilling targets currently under evaluation.

Corporate

- Cash at bank totaled A\$6.97 million as at 31 December 2018

¹ Refer to ASX announcement dated 7 January 2019

² Refer to ASX announcement dated 24 January 2019

OROKOLO BAY INDUSTRIAL SANDS PROJECT

The Company has signed a legally binding term sheet with China Titanium Resources Holdings Limited (CTRH) relating to the development of Mayur's Orokolo Bay Industrial Mineral Sands project in Gulf Province with Pilot scale bulk sampling planned to commence in Q3 of the 2019 calendar year.

The Orokolo Bay Project is proposed to be developed in two stages:

- 1. Stage 1 - Pilot Plant.** Comprising the construction, commissioning and operation of a Pilot scale bulk sample that is already environmentally permitted to produce up to 100,000 tonnes of iron ore sands per annum (over a 2-year period) principally for the purpose of providing test scale shipments of product to potential off takers, with the endeavour they will then sign legally binding long-term offtake agreements for the Full-Scale Plant.
- 2. Stage 2 - Full Scale Plant.** Subject to the outcomes of the Pilot Plant Bulk Samples including customer acceptance of product, obtaining the required permits and landowner consents for the Full-Scale Operations, as well as the Definitive Feasibility Study, it is proposed to expand the capacity of the Pilot Plant to achieve total production capacity of 800 tonnes per hour run of mine (ROM) feed rate. In addition, a processing circuit is to be installed to separately produce construction sands and crude zircon concentrates (in separated form) (**Full Scale Plant**).

Refer to separate **ASX announcement** dated 7 January 2019 for further details

CENTRAL CEMENT & LIME (CCL) PROJECT

The Company has completed the DFS for the Central Cement and Lime Project following the receipt of Engineering, Procurement and Construction (EPC) bids.

The Project anticipates the quarrying of extensive limestone deposits and the downstream production of clinker, cement and quicklime for both domestic and export markets. The Project also includes the construction of supporting infrastructure including a dedicated power station and sole purpose marine wharf facility adjacent to the plant site that will provide significant operational and logistical advantages.

The robust outcomes from the DFS have incorporated the outputs from an EPC (engineering, procurement and construction) tender process initiated in late 2018, and other project development activities completed over the last 18 months. This outcome now provides a strong platform for the Company to submit its application for a Mining Lease, and also complete the next steps of detailed engineering design, product offtake, project financing that will enable a financial investment decision and a target commencement of construction by late 2019.

The DFS has demonstrated excellent project economics, post tax NPV (9%) of USD 352 m (AUD 485m), IRR of 23.9 % and project payback of 5.2 years. Refer to separate **ASX announcement** dated 24 January 2019 for further details on the results of the DFS.

Exploration Licence (EL)2303 for the CCL project has also been renewed for a further term of 2 years.

PORT BOTANY (SYDNEY) SAND & CEMENT IMPORT FACILITY PROJECT

The arrangement between the Company and NSW Ports for the proposed development of the Port Botany Import Facility Project is undergoing a review by NSW Ports. It is expected that this review will be completed by 30 March 2019.

COPPER & GOLD PROJECTS

Feni (EL2096) - the company has completed pre-mobilization activities including drilling contract negotiations and planning for a drilling programme, further works are currently on hold, while land holder access negotiations are concluded.

Basilaki and Sideia (EL2095) - An aeromagnetic survey to assist in the identification of new drill targets at Sideia Island was completed during the quarter. Data captured is currently being processed and interpreted, and depending on the results, a further extension to the option agreement may be considered by the funding partner.

Rambutyo (EL2594) in Manus Province was granted by the Mineral Resources Authority (MRA). Rambutyo is a greenfield porphyry deposit prospective for both copper and gold targets, with a selection of highly anomalous gold stream sediment results. The Company's proposed exploration programme initially includes field mapping and surface sampling programme.

POWER GENERATION

Lae Enviro Energy Park (EEP) Power Project - the Company has continued to work with key stakeholders for the project, including the Morobe Provincial Government, PNG Ports, and Lae City Authority.³

COAL PROJECTS

Field mapping and sampling programme commenced during the quarter, with coal intersections up to 4 metres in thickness encountered at surface. Following the previous quarters field work a full regional geological mapping model has been completed. Additional drill targets are to be identified to expand upon the Depot Creek JORC Resource and the wider regional Exploration Target of up to 210 million tonnes (across the portfolio held by Waterford, being a subsidiary of Mayur Resources)⁴.

³ Refer to ASX announcement dated 5 October 2018

⁴ Refer to Prospectus dated 21 July 2017 and the Depot Creek Project JORC Report contained therein. Except as set out in this Announcement, MRL confirms that it is not aware of any new information or data that materially affects the information included in the Depot Creek JORC Statement

TENEMENT LIST

The Company lodged renewal applications for 4 Exploration Licences (EL) during the December quarter (EL2150, 2267, 2268 and 2297) as these expired during the quarter having reached the end of their statutory 2-year term.

In addition to the above (as detailed in table 1 below) another 7 EL's are progressing through the statutory assessment and renewal process (EL1873, 1874, 1875, 1876, 2095, 2096 and 2305) under the PNG Mining Act via the Mineral Resources Authority.

The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Group believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Group's application for renewal of the exploration licences not being granted in the ordinary course of business.

As at 31 December 2018 the Company had interests in the following tenements, all located in Papua New Guinea:

	EL nr	Province	Commodity focus	Ownership at end of quarter	Km ²
1	2095*	Milne Bay	Copper / Gold	100%	75
2	2096*	New Ireland	Copper / Gold	100%	95
3	2594	Manus	Copper / Gold	100%	522
4	2150*	Gulf	Industrial Minerals	100%	307
5	2266	Gulf	Industrial Minerals	100%	634
6	2267*	Gulf	Industrial Minerals	100%	1,279
7	2268*	Gulf	Industrial Minerals	100%	1,279
8	2269	Western	Industrial Minerals	100%	638
9	2297*	Gulf	Industrial Minerals	100%	1,279
10	2303	Central	Industrial Minerals	100%	256
11	2304	Gulf	Industrial Minerals	100%	269
12	2305*	Gulf	Industrial Minerals	100%	259
13	1873*	Gulf	Coal	89%	256
14	1874*	Gulf	Coal	89%	256
15	1875*	Gulf	Coal	89%	314
16	1876*	Gulf	Coal	89%	317

Table 1 - Exploration Licence list (*ELs currently under renewal)

TENEMENT MAP

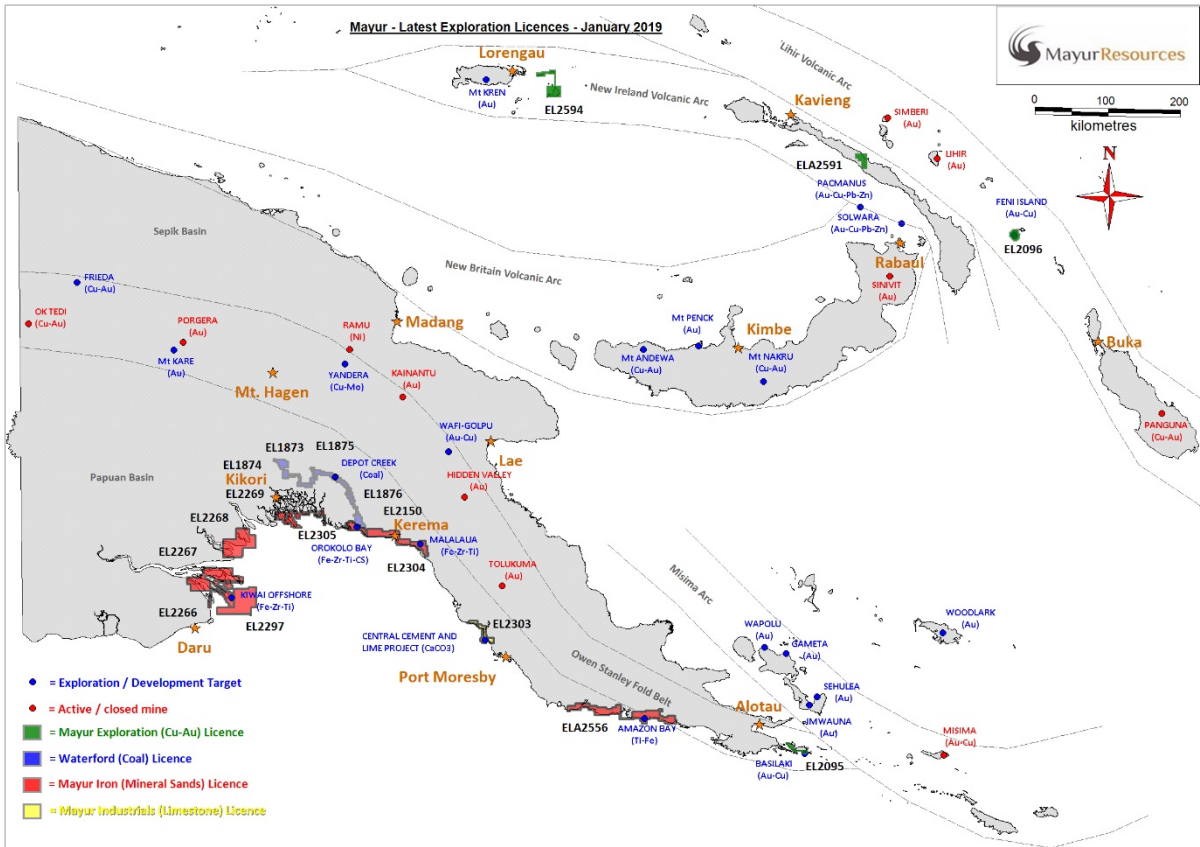


Figure 1 - Exploration Licence map

ASX Code : MRL

Directors:

Rob Neale
(Chairman)
Paul Mulder
(Managing Director)
Tim Crossley
(Executive Director)
Frank Terranova
(Non-Executive Director)
Lu Kee Hong
(Non-Executive Director)

Company Secretary (Australia):

Jonathan Hart
Phone: +61 413 890 032

Ordinary shares:

150 million (31 Dec 2018)

Office locations:

Australia
(principal administrative office):
Level 7, 300 Adelaide St,
Brisbane, Qld 4000
Phone +61 7 3157 4400

Singapore (registered address):
80 Robinson Road, #02-00
Singapore 068898

Website:

www.mayurresources.com

ARBN 619 770 277

ABOUT MAYUR RESOURCES

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

- (a) **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.
- (b) **Lime and Cement.** The company has completed a DFS for the Central Cement and Lime Project which contemplates the quarrying of large-scale high-grade limestone deposits together with the development of a vertically integrated downstream processing quicklime and clinker / cement plant for domestic (import replacement) and export markets.
- (c) **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
- (d) **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 potentially coal from the Company's Depot Creek project in Gulf Province.
- (e) **Coal Exploration.** The Company holds a portfolio of exploration licenses in Gulf Province that includes the Depot Creek Coal project.

COMPETENT PERSONS STATEMENT

Statements contained in this announcement relating to Mineral Resource estimates for the **Central Cement and Lime Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Rod Huntley, who is a member of the Australian Institute of Geoscientists). Mr. Huntley has sufficient and relevant experience (including PNG) that specifically relate to the style of mineralisation. Mr Huntley qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Huntley is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Huntley takes responsibility for the form and context in which this initial Mineral Resource Estimate prepared for the Port Moresby Lime and Aggregate Project appears.

Statements contained in this announcement relating to Mineral Resource estimates for the **Depot Creek Coal Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Neill Biggs, who is a member of the Australian Institute of Geoscientists. Mr. Biggs has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Biggs qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Biggs is an employee of Resolve Geo Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Biggs takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.

Statements contained in this announcement relating to Mineral Resource estimates for the **Orokolo Bay Industrial Sands Project and the Feni Gold project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Orokolo Bay Project and Feni Gold appears.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Announcement, except where required by law and existing stock exchange listing requirements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAYUR RESOURCES LTD

ARBN

619 770 277

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,834)	(3,996)
(b) development	-	-
(c) production	-	-
(d) staff costs	(271)	(433)
(e) administration and corporate costs	(473)	(961)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,559)	(5,344)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(32)	(216)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(32)	(216)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	38	73
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings (<i>repayment of Loans from Shareholders as disclosed in the Prospectus dated 21 July 2017</i>)	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	38	73

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,550	12,499
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,559)	(5,344)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(216)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	38	73
4.5	Effect of movement in exchange rates on cash held	(28)	(43)
4.6	Cash and cash equivalents at end of period	6,969	6,969

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,969	9,550
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,969	9,550

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
\$146
Nil

6.1 *During the quarter the Company made payments totalling \$145,771 to Directors (comprising \$49,275 paid to Non-Executive Directors and \$96,496 to Executive Directors) as payment of the cash component of Director remuneration for the period 1 October 2018 to 31 December 2018.*

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	\$Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

--	--

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable	
----------------	--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,320
9.2 Development	-
9.3 Production	-
9.4 Staff costs	193
9.5 Administration and corporate costs	207
9.6 Other	-
9.7 Total estimated cash outflows	1,720

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	Nil	N/a	N/a
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	Nil	N/a	N/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 (Director/~~Company secretary~~)

Date: 31 January 2019

Print name: Paul Mulder

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.