

26 March 2020

Mayur breaks ground on the pilot plant at its Orokolo Bay Industrial Sands Project

Mayur Resources' (ASX: MRL) has completed pioneering and site enabling works for the pilot plant at its Orokolo Bay Industrial Sands Project in Papua New Guinea (PNG).

Construction crew, mobile machinery, and building materials arrived at the site by barge on 16 February 2020 after a two-day journey from Port Moresby. Our team's first priority was the building of the pioneer wharf and 250m long road to the work camp. A mobile timber mill was also established to enable all local timbers to be milled and used in the camp construction.

All clans from the impacted villages have given their full consent and support for the bulk sample and pilot plant operation after their respective clan leaders signed the compensation agreement on the 29 of October 2019.

Local landowners, clan leaders, and villagers welcomed the arrival of the barge, and along with labour from the local villages worked under Mayur's supervision to complete the first phase of works and construction camp. The construction, commissioning and operation of the small-scale bulk sampling pilot plant represents Stage 1 of our joint venture with China Titanium Resources Holdings (CTRH)¹, whereby Mayur and CTRH have agreed to fund the capital costs of the pilot plant phase on a 50/50 split. However, Mayur under this funding agreement have exercised its rights to defer 50% of its funding obligations to Stage 2 (Full Scale Plant). Under the funding agreement with CTRH, CTRH are required to fund 100% of Stage 2 capital by investing up to USD \$25 M for an earn in to Mayur Iron of 49%, with Mayur Iron being the 100% owner of the Orokolo Bay project.



Barge unloading to commence pioneering earthworks and Camp construction underway utilising local carpenters and locally milled timber.

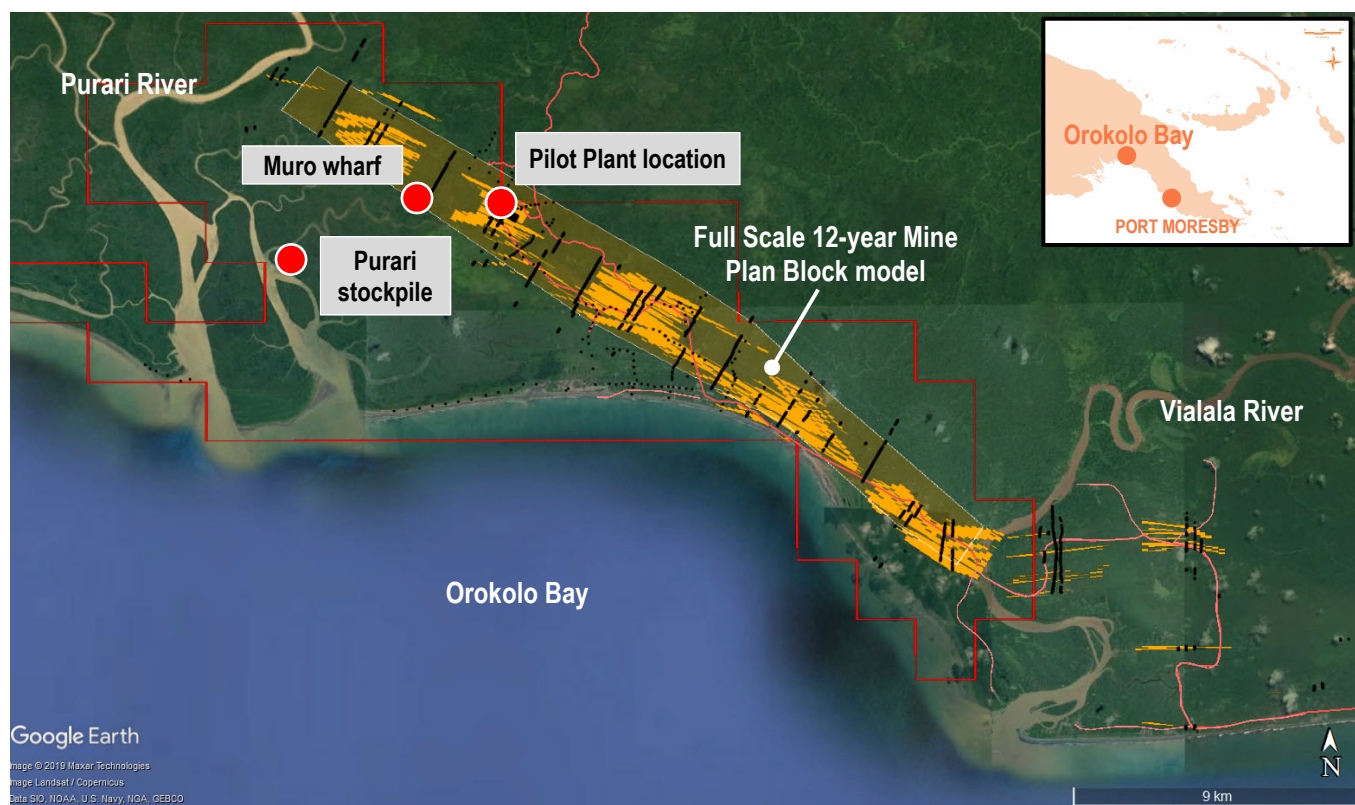
¹ Refer to ASX release dated 7 January 2019 – Transaction completed with CTRH

**Nation building in
Papua New Guinea**

The pilot plant will produce up to 100,000 tonnes of iron ore sands per annum to provide test-scale shipments of product to potential off-takers. These test shipments are an important pre condition for our offtake partners to form binding long-term offtake agreements for our planned full-scale plant (as per Stage 2 of our JV agreement). Processing will involve simple near surface sand extraction and separation by gravity spirals and low intensity magnets.

Key plant equipment and mobile machinery was purchased in December 2019 and continues to be purchased. CTRH have incurred some coronavirus-related delays in finalising purchases and assembly of the process plant and while this has caused some uncertainty on timelines CTRH expect to be ready to ship all required plant and equipment in May.

The company will need to apply for a Mining Lease (ML) for the Full-Scale Plant operation (Stage 2). This will involve further landowner mapping across the proposed ML area, together with compensation agreements with those specifically impacted.



Oroko Bay Industrial Sands Project location

Managing Director Paul Mulder was pleased to “turn the sod” at the pilot plant.

“The pilot plant is a major step in the development of the Oroko Bay Project, the knowledge obtained will be vital for the design of a full-scale production plant, as well as support our investment, commercial and sustainability decisions,” Mr Mulder said.

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ABOUT MAYUR RESOURCES

Mayur Resources is an ASX-listed company focused on the development of natural resources in Papua New Guinea. The maturation of our diversified asset portfolio, which spans industrial minerals, power generation, coal, copper and gold, will contribute to nation-building and job creation in a country experiencing a significant growth trajectory. Our unique portfolio of projects, many in close proximity to world-class producing mines, are located on or near to the coast for easy development access and future access to seaborne markets.