

Focus on Portfolio Intrinsic Value  
NATION BUILDING IN



PAPUA

NEW GUINEA

Investor Presentation

November 2020

[mayurresources.com](http://mayurresources.com) ASX:MRL

# Why Mayur?

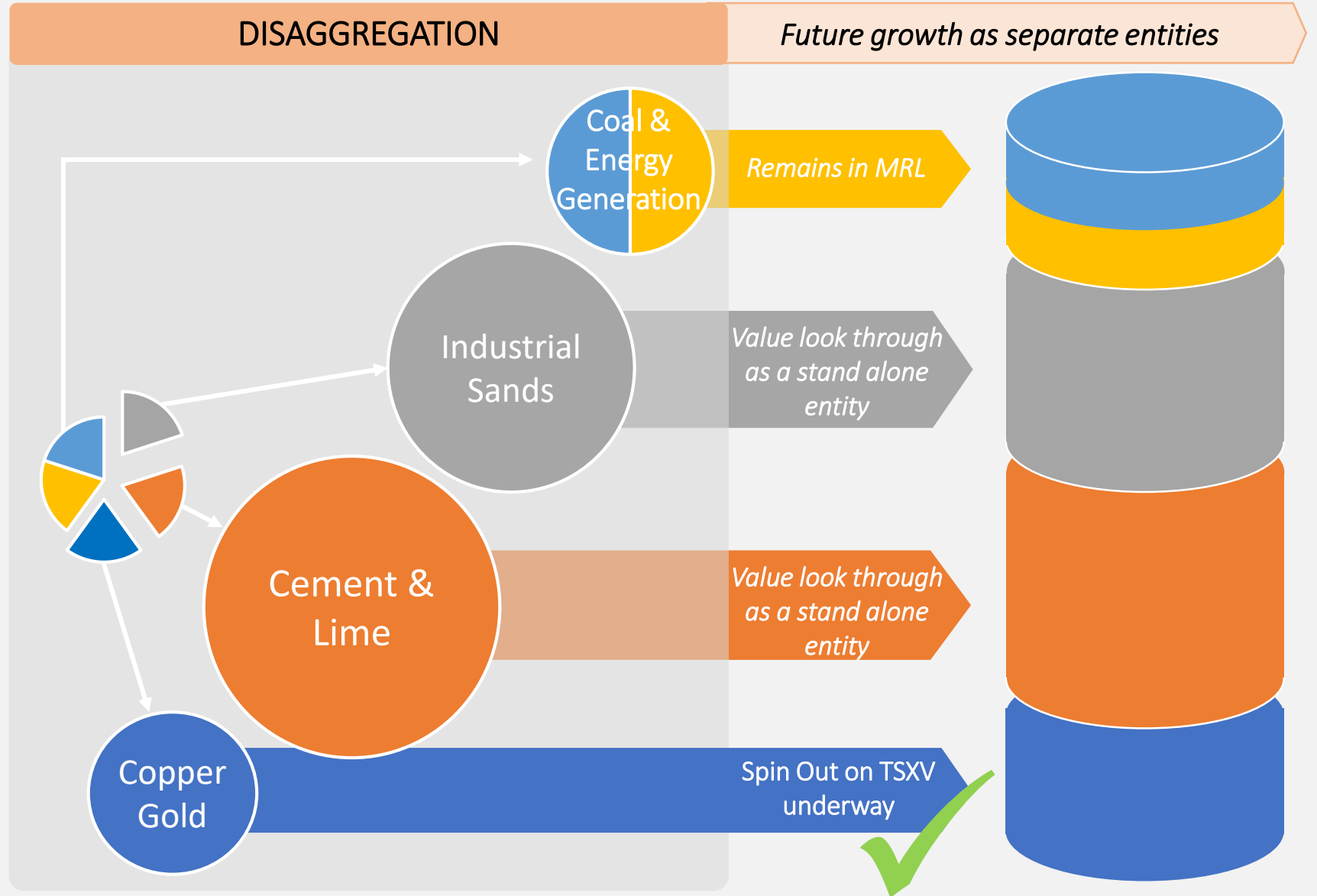
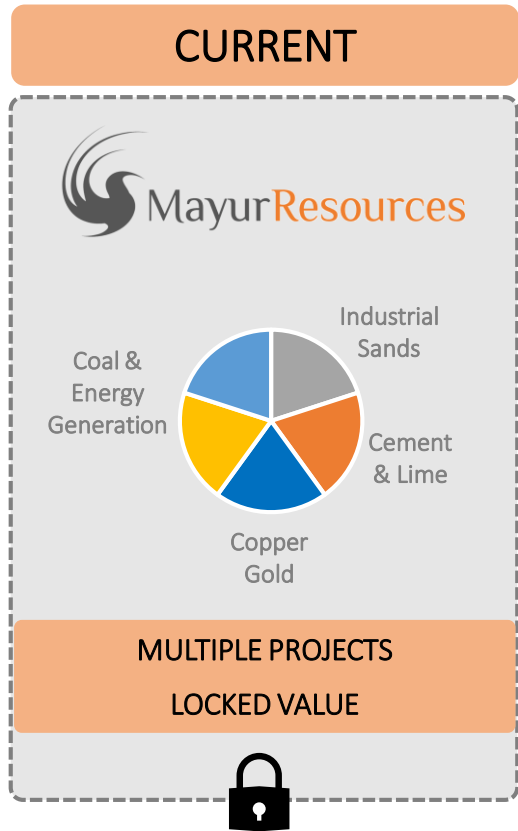
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*Diversity of cash flow opportunities with flagship Central Cement and Lime Project (CCL) having a structural competitive advantage in PNG, East coast Australia and South Pacific lime and cement markets*

- Exposure to a portfolio key Nation Building commodities in a developing country
- Being disruptor as next best and closest import alternative to Australia's large and growing cementitious needs (clinker, cement & lime)
- Key projects de-risked – not taking exploration and permitting risk
- Unlocking substantial hidden value under the Parent (MRL) via a potential disaggregation strategy
- Creation of 'pure play' asset base with direct market comparables

# Unlocking Mayur's Intrinsic / Hidden Value

Options for unlocking value: what could it look like?

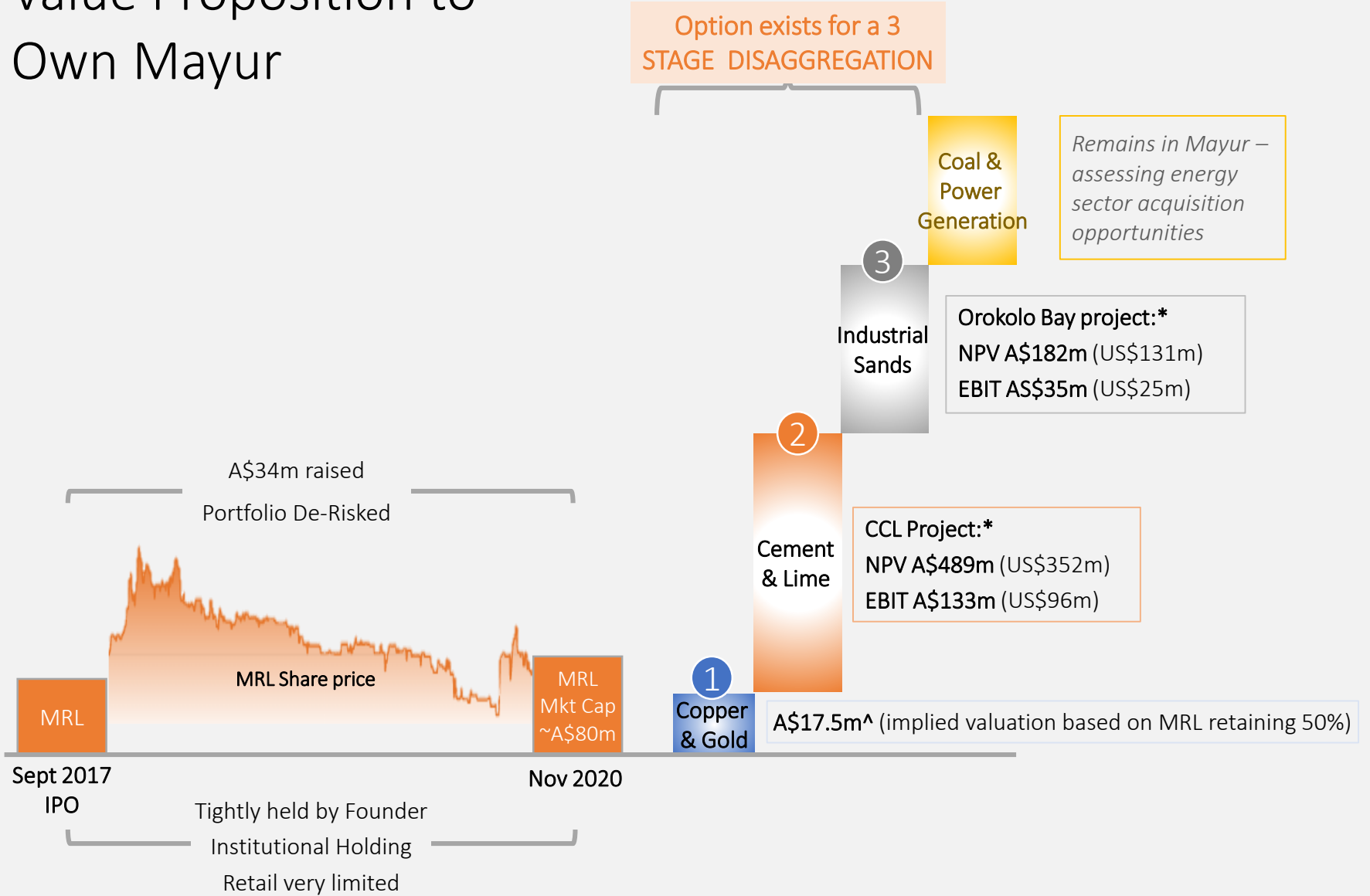


# Unlocking the hidden value?

Mayur's current market capitalization does not reflect the value of its portfolio

Disaggregation strategy to unlock intrinsic hidden value of the Mayur business

## Value Proposition to Own Mayur




\* refer to ASX Announcement dated 11 September 2020 (Orokolo Bay DFS) and 24 January 2019 (CCL DFS). The company confirms it is not aware of any new information or data that materially effects the previously disclosed information and that all material assumptions and technical parameters underpinning the estimates in that information continue to apply and have not materially changed. (USD:AUD ex rate of 0.72) ^ refer to TSXV announcement by XIB Capital Corp 'XIB and Mayur resources enter into letter of intent for qualifying transaction' dated 14 September 2020

# Projects

Mayur has a unique portfolio of projects under development.

All projects are coastal or near the coast for easy development access to seaborne markets.

-  Copper Gold **(in progress)**
-  Cement & Lime
-  Industrial sands
-  Coal
-  Energy generation

POTENTIAL 3 STAGE  
DISAGGREGATION

1

2

3



Stage 1 Disaggregation

Copper & Gold

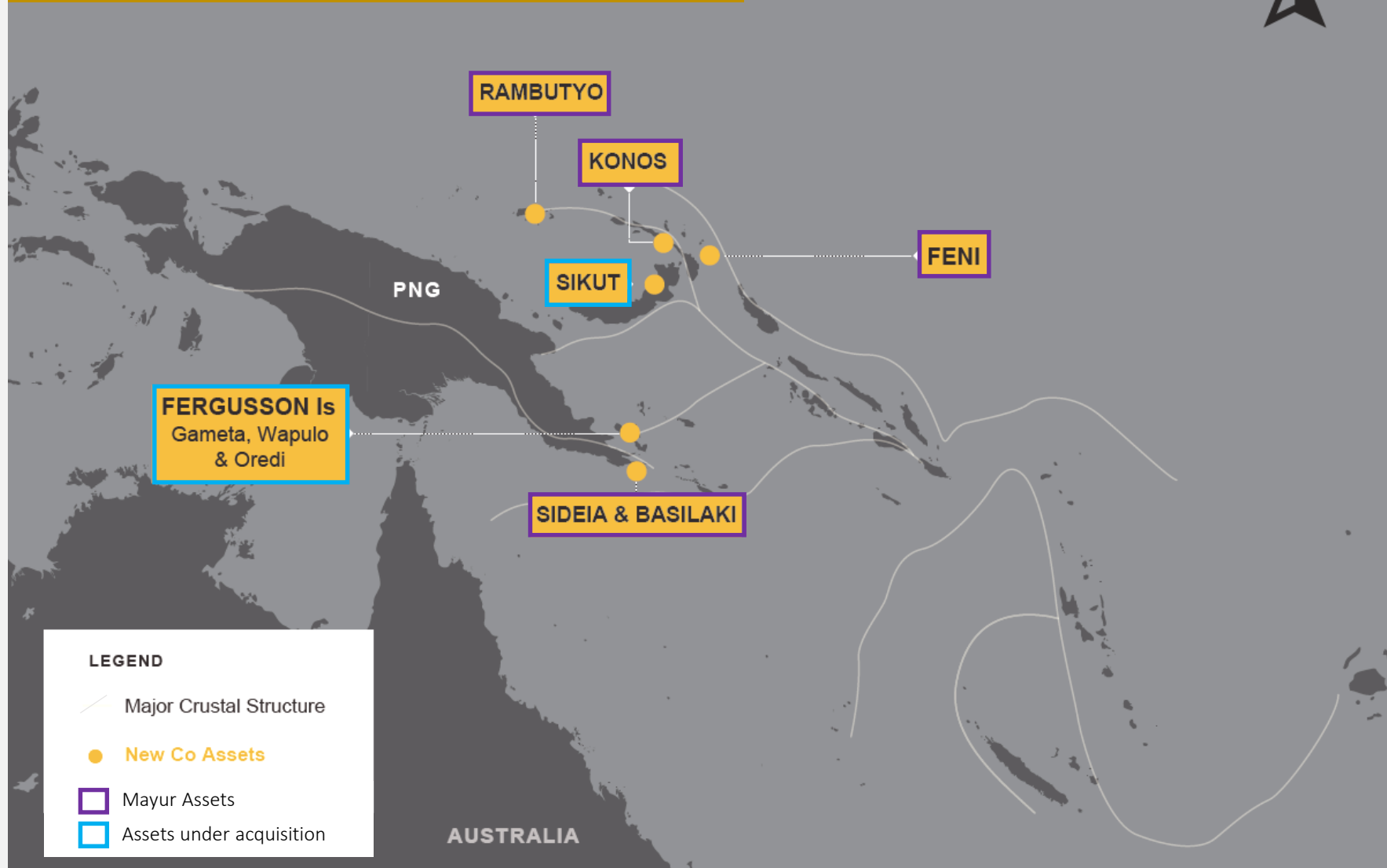
Geological rationale based on finding and developing epithermal (volcanic arcs setting) and porphyry systems.

Mayur is advancing a process to **spinout and acquire additional assets** into a new publicly-listed (TSX-V) copper/gold focused exploration and development company\*

Upcoming milestones:

- Complete transaction and TSX-V spin out
- Resource expansion / upgrade

Spin out will crystallize see through value of copper and gold assets



Map of the copper and gold assets in Papua New Guinea to be listed on the TSX Ventures Exchange via a Reverse Takeover

\* For further information on the Acquisition and Spin Out refer to ASX announcement dated 9 September and 13 November 2020.

## Stage 2 Disaggregation

# Central Cement & Lime Project

A high quality project with strong fundamentals



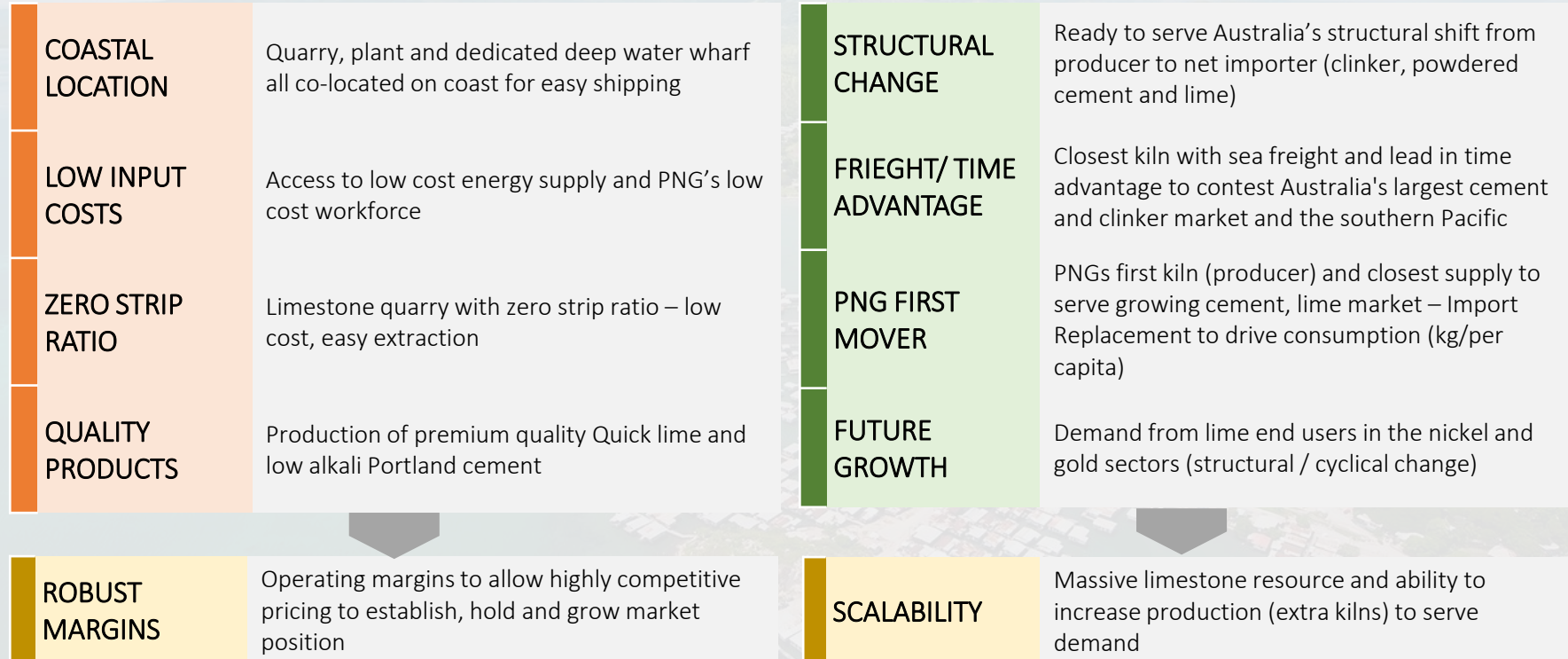
### Central Cement & Lime – Key Financials<sup>^</sup>

CAPEX	EBIT
USDm	USDm (LOA average p.a. - Real)
330	96

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## CCL – the Value Proposition:



**Lowest FOB cost producer and even lower on a CFR basis versus competitors**

<sup>^</sup>For further information refer to CCL DFS ASX announcement dated 24 January 2019. The company confirms it is not aware of any new information or data that materially effects the previously disclosed information and that all material assumptions and technical parameters underpinning the estimates in that information continue to apply and have not materially changed.

## Central Cement & Lime Project

# PNG's first cement and lime project

- ✓ Mining Licence granted in August 2020
- ✓ Environmental approvals in place
- ✓ Construction Bids received
- ✓ Full support from State, Provincial Governments & Landowners
- ✓ Project de-risked with very attractive economics
- ✓ Coal & Gas fuel supply options in place

## Execution ready with pre-construction approvals in place



Central Cement & Lime Project proposed general layout – Kido quarry , plant site and wharf. 3D model for indicative purposes only



## Central Cement & Lime Project

### Established and growing markets

CCL project will offer local supply to displace expensive imports into PNG, respond to growing domestic demand, and penetrate growing export markets in neighboring jurisdictions.

*Quicklime is a key input for Nickel processing:*

**Nickel demand will triple on back of energy revolution, says BHP boss**

*BHP's nickel chief paints very bullish outlook for his metal while Mincor tells Diggers & Dealers why it's perfectly placed to cash-in on this forecast boom and Centaurus also aiming to help meet demand. Plus, Alkane and SolGold.*

16th October 2020

Barry Fitzgerald

Share Article



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## Domestic and export markets with large expansion opportunities

CCL Production	CCL addressable market^	Strategy
<b>Cement</b> <b>0.90mtpa</b>	<b>&gt;1.9mtpa</b>	Displace imports into PNG and service growing domestic demand  Export to Australia (currently imports ~1.1 mtpa) with structural shift to increasing powdered cement imports  Other spot markets in South Pacific
<b>Clinker</b> <b>0.82mtpa</b>	<b>&gt;4.5mtpa</b>	Export to Australia where imports are ~4.2 mtpa of clinker (2018)  Australia's structural change replacing falling domestic clinker production with imports  Other spot markets in South Pacific
<b>Quicklime (Phase 1)</b> <b>0.20mtpa</b>	<b>&gt;2.5mtpa</b>	Displace imports serving largest quicklime users (e.g. Lihir Mine) and offer competitive alternative to self suppliers  Export to Australia (east coast) and Pacific Islands (plus west coast Australia in future)  Gold, nickel, alumina sectors driving demand

^Combined domestic and export markets (Australia, New Zealand, New Caledonia, other South Pacific region)

## Central Cement & Lime Project

### Freight advantages

Significantly closer to users in Australia and the South Pacific than other seaborne supply

Lower shipping cost and carbon footprint due to shorter sailing times

Additional benefits of shorter lead times and enhanced responsiveness to customer needs

Destination	Origin	Sailing time (d)	CCL Advantage
Townsville / Darwin	CCL	2-4	7-9 days
	Viet. /Japan	9-13	
Sydney / Melbourne	CCL	6-8	9-11 days
	Viet. /Japan	15-17	
New Caledonia	CCL	4	10-11 days
	Viet. /Japan	14-15	
New Zealand	CCL	7	9-11 days
	Viet. /Japan	16-18	

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\* Per voyage for cement and clinker versus shipment ex Asia

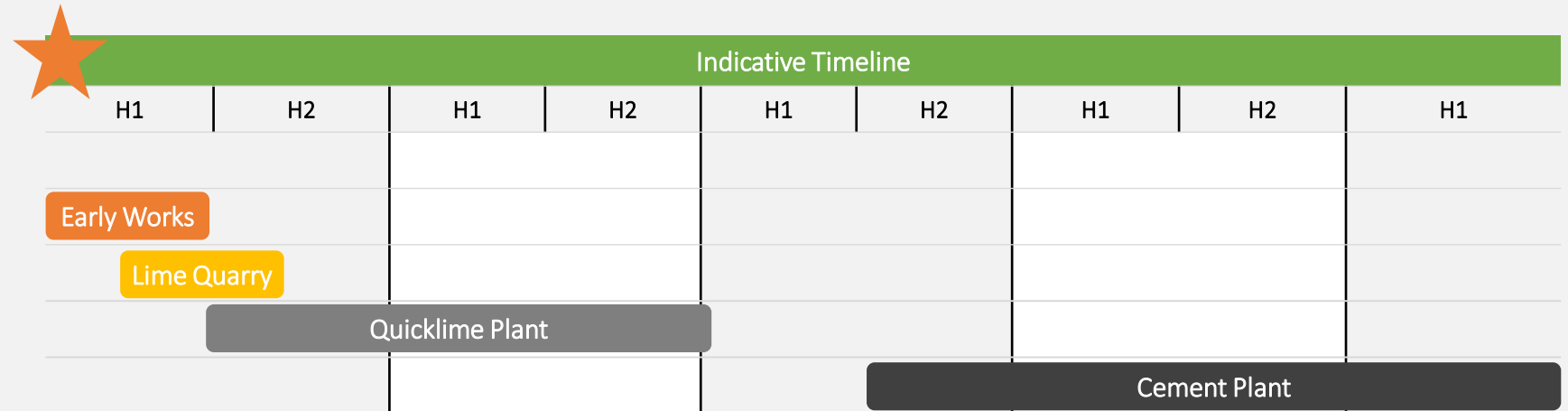
## Central Cement & Lime Project

### Project schedule

Rationale for fast tracking quicklime:

- Market timing opportunity (domestic & export ripe for new entrant)
- Lower capex (Circa USD40m)
- Faster project schedule
- Speed to cashflow generation

### Delivery prioritised to fast-track quicklime



#### Upcoming milestones:

- Strategic partner/ funding secured
- Off take agreements (quicklime/cement)
- Mobilization and establishment quarry/early cashflow opportunity



Timeline starts on achievement of financial close

Contingent on individual work stream completion, the development of the Project is expected to adhere to the above schedule.

## Stage 3 Disaggregation – Industrial Sands Orokolo Bay Project

~USD25m EBIT once in full production

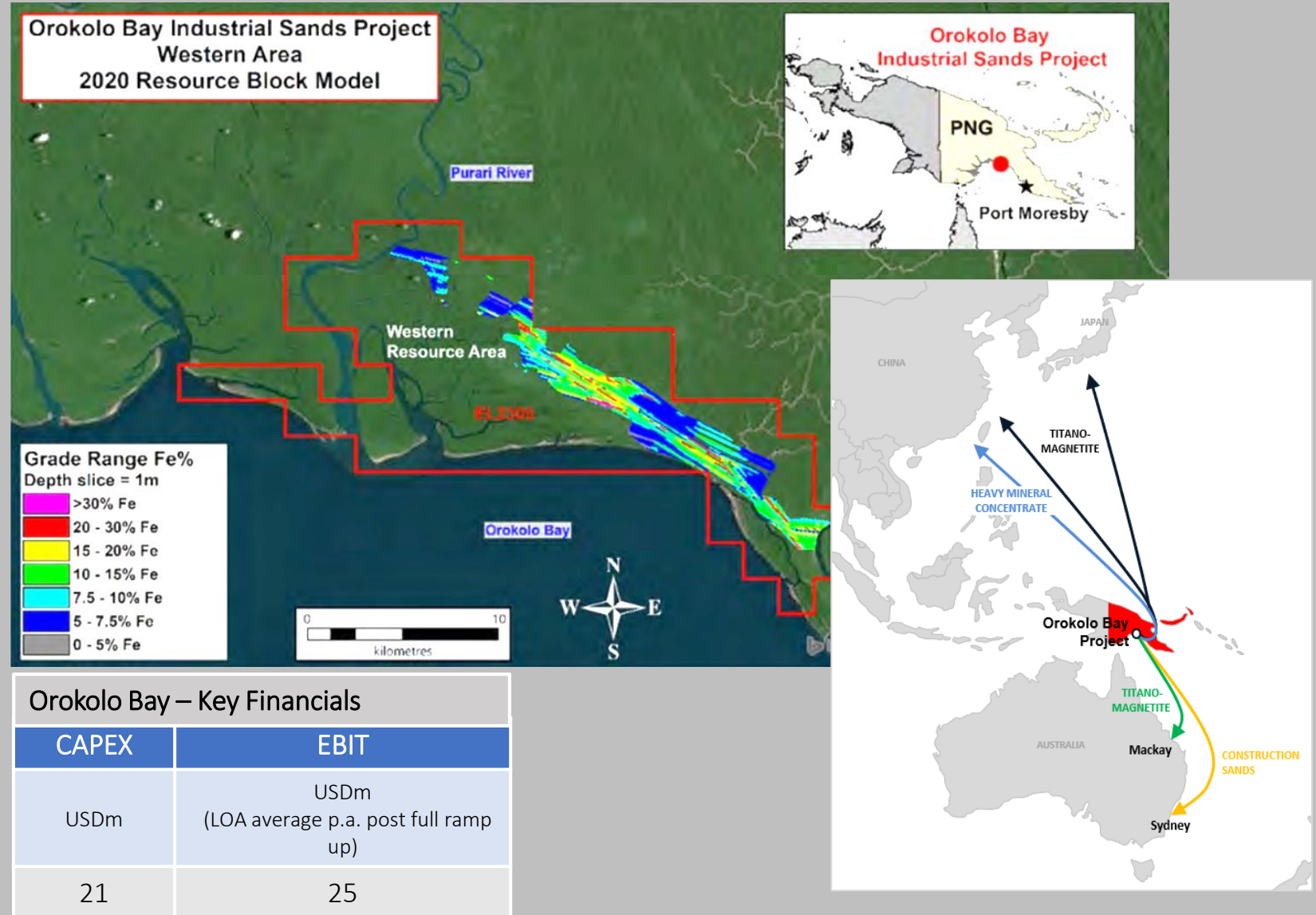
- ✓ DFS released Sept 2020\*
- ✓ Low capex of USD21m
- ✓ Fully funded under JV earn in agreement with Chinese partner (CNTI)
- ✓ Mayur retain 51% of project economics
- ✓ Based on long term Iron Ore price of US66.30/t
- ✓ Multiple products
- ✓ Offtake in place for magnetite (VTM)
- ✓ Environmental approval secured
- ✓ Mining Lease application in progress

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# A simple, low-cost surface mining operation with multiple products

onshore, excavators and gravity/magnetic processing; 15-year LOM, mineralisation at surface with low extraction cost



\* For further information refer to Orokolo Bay DFS ASX announcement dated 11 September 2020. The company confirms it is not aware of any new information or data that materially effects the previously disclosed information and that all material assumptions and technical parameters underpinning the estimates in that information continue to apply and have not materially changed.

## Orokolo Bay Industrial Sands Project

# Pilot Plant under construction

Finalising equipment procurement for **bulk sampling pilot plant**.

Landowner agreements signed for bulk sampling area.

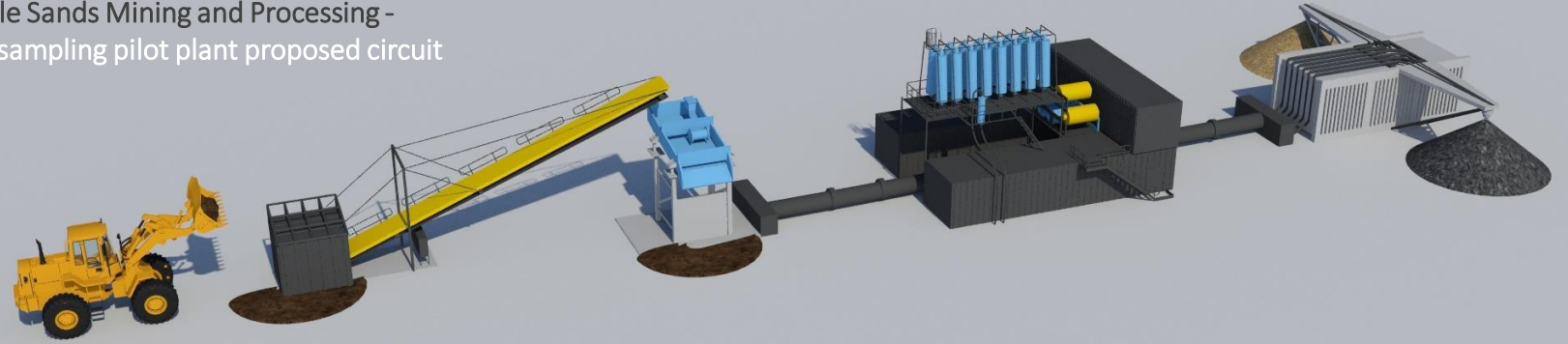
Bulk sampling pilot plant construction commenced Q1 2020 (re-mobilisation delayed due to COVID).

JORC Resources (Magnetite) 243 Mt and Reserves 30.6Mt, Construction sand Resource of 112.8Mt and 15.2Mt Reserves.

### Upcoming milestones:

- Lodge ML application
- Commence pilot plant operations
- Secure ML

Simple Sands Mining and Processing - Bulk sampling pilot plant proposed circuit



The barge arrives at the Orokolo Bay Industrial Sands Project with equipment for site enabling works for the pilot plant.



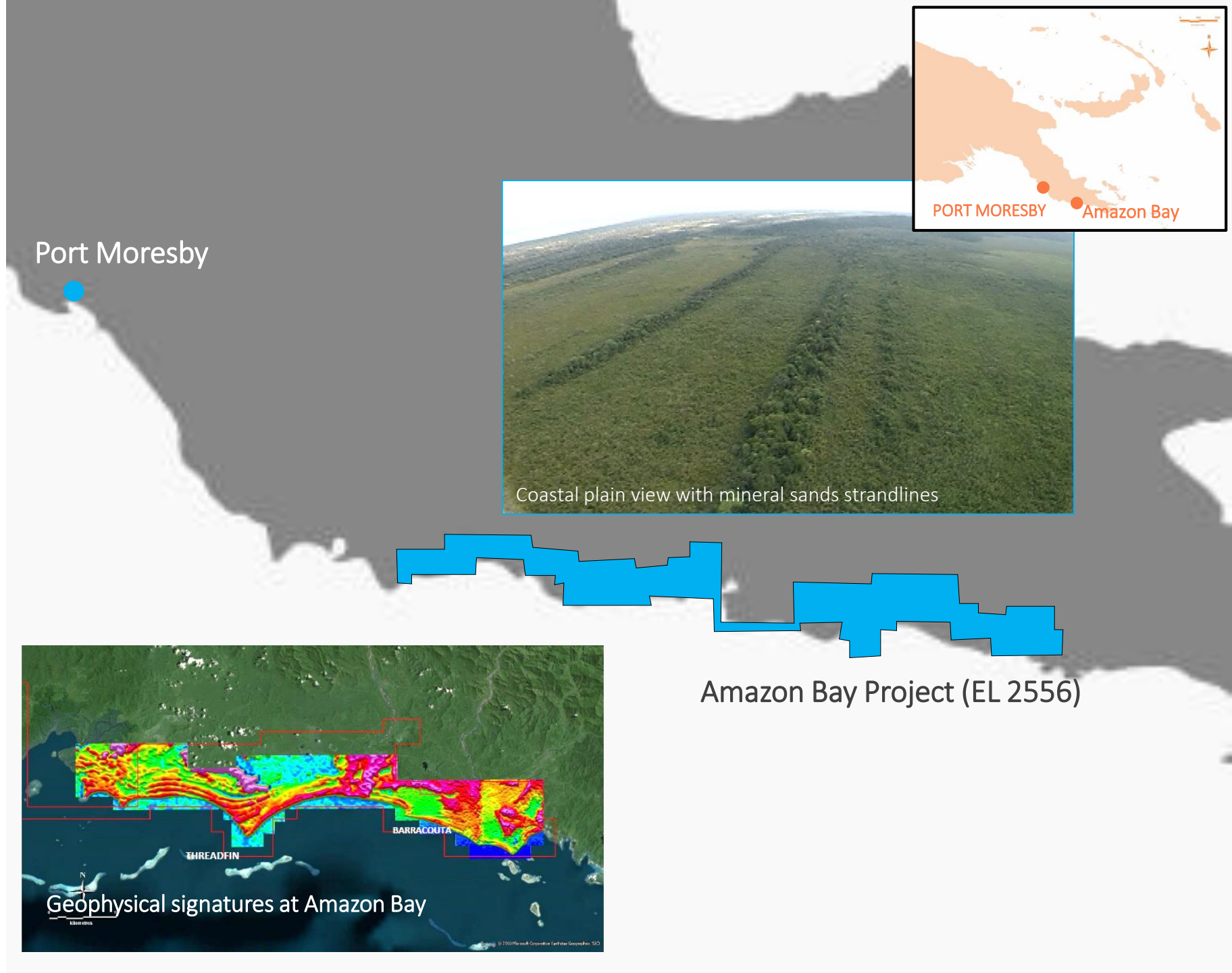
Stage 3 Disaggregation – Industrial Sands

# Amazon Bay – a sleeping giant

## Three high value product streams - Iron, Vanadium, TiO<sub>2</sub>

Large area with multiple heavy mineral strandlines with the potential to host globally significant resources of vanadium-titanium-magnetite (VTM sands).

Historical test work has produced a heavy mineral concentrate grading 1.02% V<sub>2</sub>O<sub>5</sub>; 50.7% Fe and 20.0% TiO<sub>2</sub>.



Port Moresby

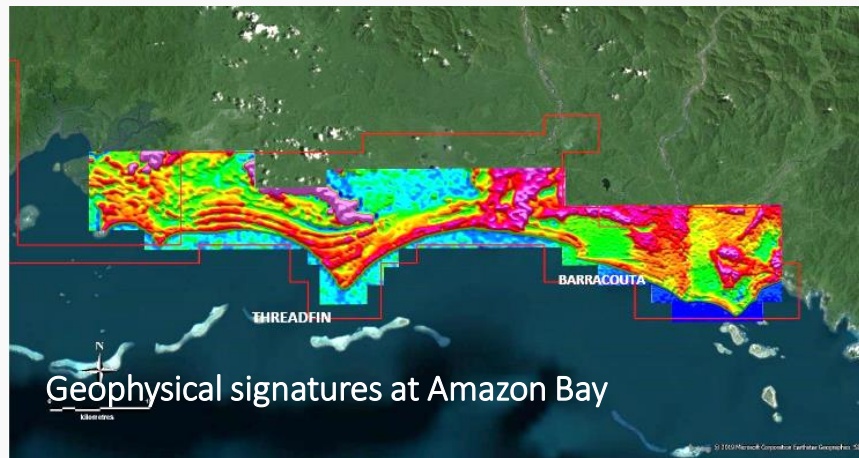


Coastal plain view with mineral sands strandlines



PORT MORESBY Amazon Bay

Amazon Bay Project (EL 2556)

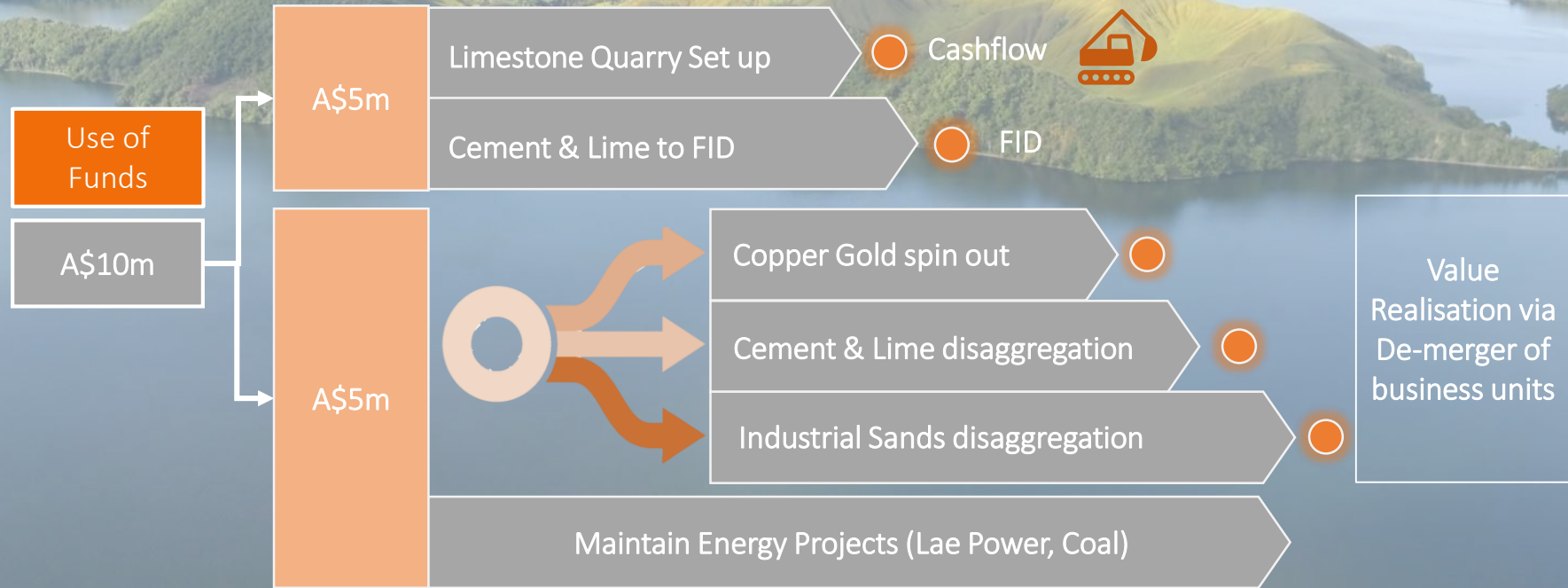


Geophysical signatures at Amazon Bay

# Uses of Funds

Proposed uses of capital raise funds

Use of Funds	
Area	A\$m
CCL Project – Limestone Quarry & FID for Quicklime/Cement/Clinker	5.0
Finalise Copper Gold portfolio spin out Assess Disaggregation of: <ul style="list-style-type: none"> <li>• Lime and Cement business</li> <li>• Industrial Sands business</li> </ul>	5.0
Maintain other Projects (Lae EEP, Depot Ck coal)	
Corporate overheads	
<b>Total (exc. Lead Manager fees / Raise costs)</b>	<b>10.0</b>



# ADDITIONAL INFORMATION



# Lae Enviro Energy Park (EEP) Project

(remains in MRL)

## 52.5MW power station

Provide Lae with access to reliable, affordable and sustainable base load power

Displace use of diesel and HFO

40-50% of electricity is diesel fired at a cost of over 30 US cents/kWh

Improvement in local air quality via significant reductions in SOx, NOx and Particulate Matter emissions

Steam by product to be provided to local industry in Lae

Land secured for future scalability to 200MW

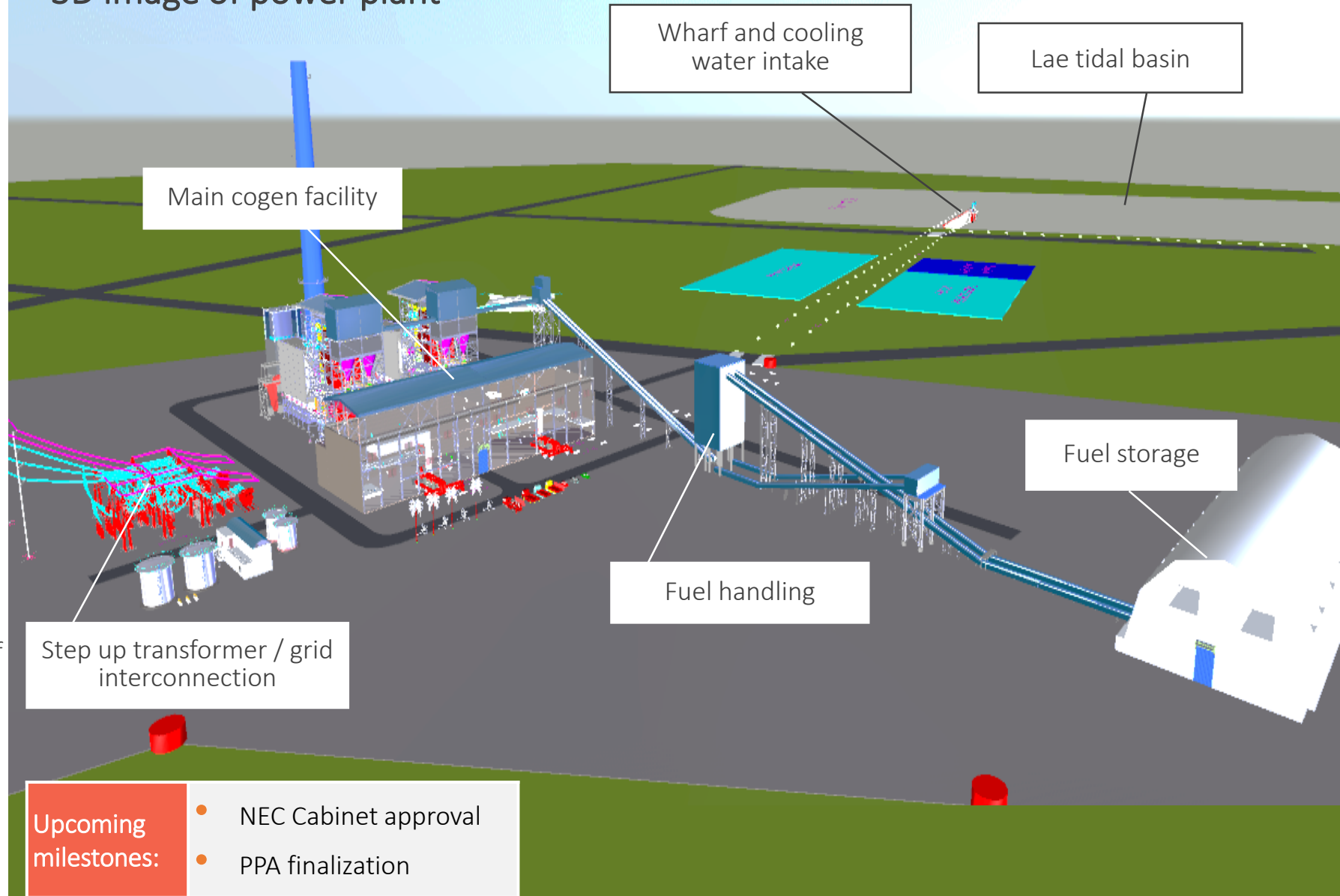


## Lae EEP Project

### Plant takes solar, biomass, coal and produces steam by-product

- ✓ DFS completed, modern boiler technology, up to 50% biomass
- ✓ PPA to provide power at 9–12.7 US cents kWh
- ✓ Use of Mayur's coal from Gulf Province
- ✓ HOA with Kumul Petroleum to examine dual fuel facilities of gas and coal.
- ✓ Environmental approval secured
- ✓ Lae UNITECH Sustainable Research JV in place
- ✓ EPC bids received
- ✓ Site lease agreement with PNG Ports
- ✓ MOAs with Lae City Authority, Morobe and Gulf Province with full support
- ✓ Ministerial Economic Approval and submission made to Government Cabinet

### 3D image of power plant



#### Upcoming milestones:

- NEC Cabinet approval
- PPA finalization

# Depot Creek Coal Project

12.8Mt JORC Resources

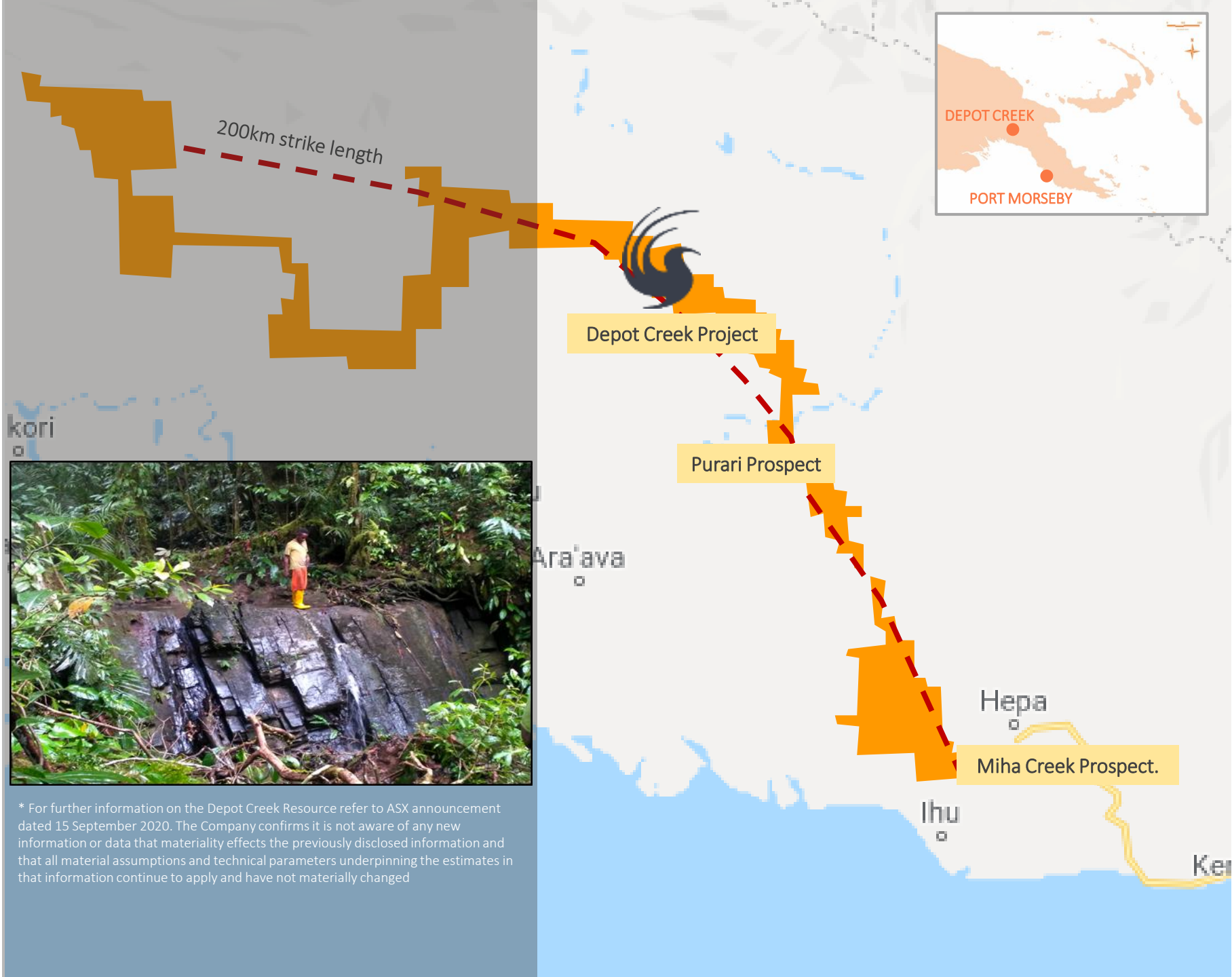
+210Mt Regional Exploration Target

Licences in close proximity to rivers and coast for access to the seaborne markets (domestic and export)

Target for use at the Company's Lae EEP (50MW requires ~300ktpa of coal) and CCL project

PNG Coal provides drastic reduction in power prices (cleaner than liquid fuels energy).

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\* For further information on the Depot Creek Resource refer to ASX announcement dated 15 September 2020. The Company confirms it is not aware of any new information or data that materially effects the previously disclosed information and that all material assumptions and technical parameters underpinning the estimates in that information continue to apply and have not materially changed

# Leadership

An experienced management team with an impressive track record of initiating, developing and managing major resource projects in various jurisdictions

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Papua New Guinea*

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**Paul Mulder**  
MANAGING DIRECTOR

Former MD (Coal) at Hancock Prospecting where he led the development of a \$15bn mine port and rail project. Prior to this Paul worked for BHP Billiton for 13 years in steel, coal and iron ore divisions in various senior management positions.



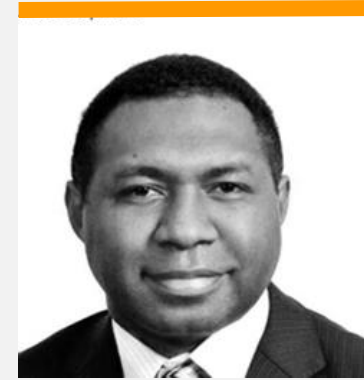
**Rob Neale**  
CHAIRMAN

Former MD and CEO of New Hope Corporation, Chairman and Non-Executive Director of WestSide Corporation, Director of Northern Energy Corporation, Independent Non-Executive Director of Planet Gas Limited, and Non- Executive Director of Bridgeport Energy.



**Tim Crossley**  
EXECUTIVE DIRECTOR

Former deputy CEO of ASX-listed Gloucester Coal, and President and COO at BHP Billiton's West Australian Iron Ore business. Tim also held the position of Executive GM of carbon steel materials for Hancock Prospecting's Roy Hill Project.



**Hubert Namani**  
INDEPENDENT DIRECTOR

A lawyer and senior member of the PNG Bar, Mr Namani has extensive commercial and litigation experience running his legal practice Namani & Associates has expertise in public policy, landowner engagement, traditional legal and regulatory activities as well as trade and investment.



**Frank Terranova**  
INDEPENDENT DIRECTOR

A Chartered Accountant with extensive experience as a director and executive for a wide range of Australian and international publicly listed companies, including Normandy Mining, Queensland Cotton, Allied Gold, and PolyMetals Mining. He is currently an Executive Director of AUSA Resources.

## Corporate overview

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### Share price

\$A0.445

31 October 2020 close  
52 week high 65c, low 15c

### Shares on issue

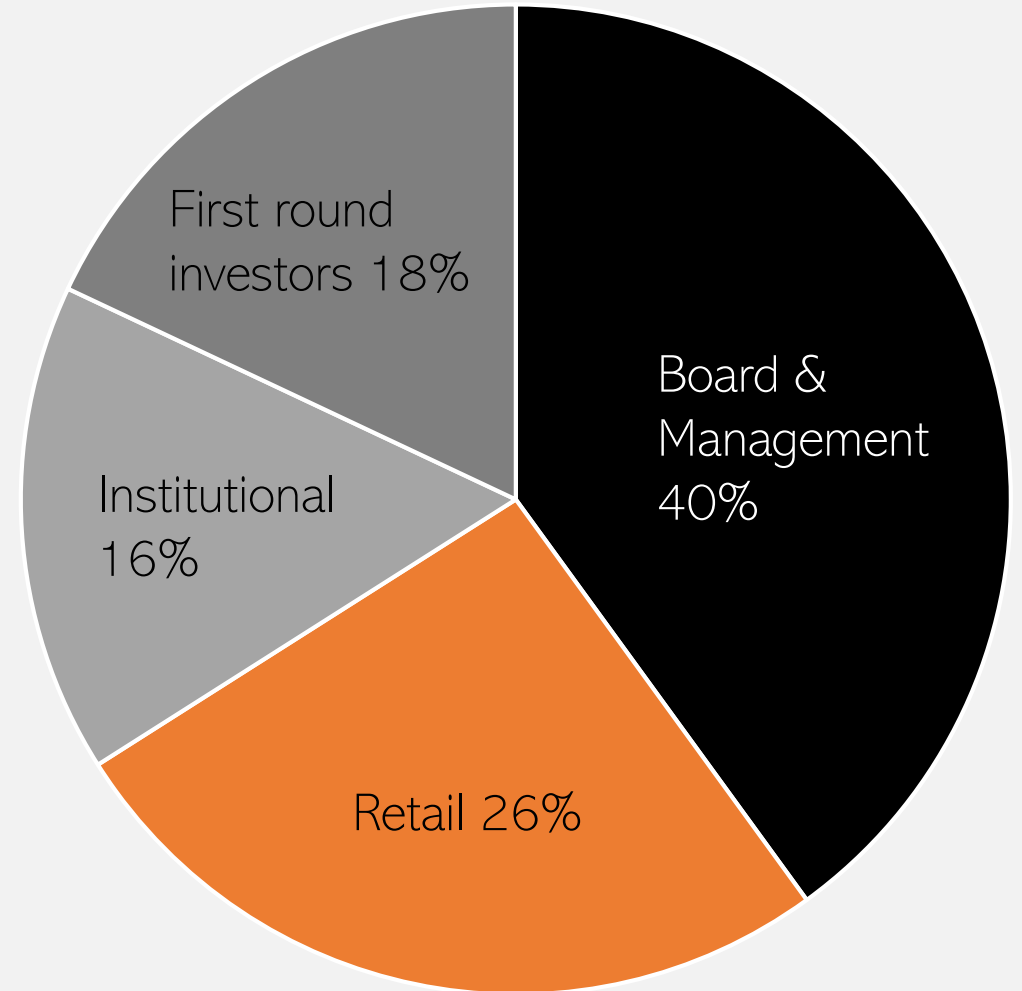
179m

### Options (unlisted)

13.5m

### Market capitalisation

\$86m fully diluted basis



## Q1: Why is Mayur looking at disaggregating its business?

**A:** To simplify the business and unlock the intrinsic value within Mayur’s portfolio of projects that are currently not fully understood and / or valued by the market.

## Q2: What will be the benefits of disaggregation?

- A:**
- **Focus** – to enable each business have the focus and dedicated skills required to deliver value specific to that business
  - **Simplicity** – to allow each business to become a “pure play” project within its sector
  - **Understanding** – to enhance the understanding of each business by the investment community (brokers, investors, analysts)

## Q3: Is disaggregation a new initiative and will a lot of restructuring be required?

**A:** From the outset when Mayur was first established as a private company, the vision was to establish a diversified business with portfolio optionality. This was reflected in the original corporate structure (set up with different subsidiaries holding related projects). This structure now provides the flexibility to realize this strategy now that key projects are more advanced and materially de-risked.

## Q4: What are the comparables that are relevant to each business?

**A:** Mayur's aspirational strategic intent for CCL has always been to create a vertically integrated cement and lime business in the form of a group like AdBri (ASX:ABC), and a comparable for Mayur’s Industrial Sands business is TNG (ASX:TNG).

### Q5: How long will the disaggregation take?

**A:** The stage 1 disaggregation is well under way with the copper gold spin out onto the TSX-V in progress and on track to complete by the end of CY2020. Options are being reviewed for the Cement & Lime business and the mineral sands business and potentially would take 8-12 months to complete.

### Q6: Why not just leave Mayur the way it is?

**A:** Whilst to date Mayur has been able to advance all its projects and achieve significant progress, fundamentally the portfolio comprises a set of very different businesses. The market finds it difficult to understand each of the underlying businesses as a consolidated group, analysts find it difficult to value and follow, whilst strategic investors see the opportunity, they are keen to have exposure to a pure play business rather than Mayur as a group of diverse companies. As a result, the reality is that the market is probably only currently valuing one of MRL's projects (for example the flagship CCL project).

### Q7: Why should I invest now rather than not just waiting until the disaggregation of each business?

**A:** Mayur is exploring a disaggregation strategy to unlock value in its projects for the benefit of its existing shareholders. At the time of any disaggregation transaction, Mayur will identify that most appropriate manner in which to enable its existing shareholders to benefit.

### Q8: Will shareholder approval be required to implement the disaggregation strategy?

**A.** The Company may require approval from its shareholders under the Listing Rules to implement transactions to effect the disaggregation strategy, dependent on the nature of the transactions and circumstances at the time.

# Competent Person Statements

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Statements contained in this presentation relating to Mineral Resources and Ore Reserves 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 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 Ore Reserves Estimate prepared for the Central Cement and Lime Project appears.

Statements contained in this presentation relating to Mineral Resources and Ore Reserves estimates for the Orokolo Bay Industrial Sands Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Troy Lowien, who is a member of the Australian Institute of Geoscientists. Mr. Lowien has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Lowien qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Lowien 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 Lowien takes responsibility for the form and context in which this initial Ore Reserves Estimate prepared for the Orokolo Bay Project appears.

Statements contained in this presentation relating to Mineral Resource estimates for the Feni (Kabang) 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 Feni Gold appears.

Statements contained in this presentation relating to Mineral Resource estimates for the Depot Creek Coal Project are based on, and fairly represents, information and supporting documentation prepared by Mr. Kerry Gordon, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Gordon has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Gordon qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Gordon is an employee of Verum 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 Gordon takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.



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