

Quarterly Report



mayurresources.com

Highlights

Corporate

- Completed first step of Mayur's disaggregation strategy to unlock value of company's business divisions, led by the successful copper gold spin-out as Adyton Resources on the TSX-V

Central Cement & Lime Project

- Completed preparations with key government and community stakeholders for the Development Forum due to take place in May 2021 to formalise the agreed framework for sharing benefits from the Project
- Continued to develop the quicklime prioritisation strategy and updated EPC bids for the quicklime plant expansion and progressed a quicklime only DFS
- Further marketing progress with the execution of several new non-binding letters of intent for quicklime product
- Appointed Mr Bruno Wauters, former CEO of Sibelco Asia, to the board of Mayur Industrials, the Company's lime and cement business, to assist with the next stage of the CCL project
- Concluded desktop assessment for renewable power generation opportunities which confirmed the Central Cement & Lime Mining Lease area has considerable potential for both wind and solar power generation

Orokolo Bay Iron and Industrial Sands Project

- Next phase of disaggregation strategy underway with the appointment of Mr Richard Seville and Mr Simon Slesarewich, as chairman and CEO respectively of Mayur Iron, the Company's iron and industrial sands business with Orokolo Bay moving towards production with value to be unlocked via a standalone listing
- Mining Lease has been assessed by the MRA with the Wardens Hearing to be held on site in May 2021 as critical step in finalising the grant of the ML
- Submitted a new exploration licence application in the Western Gulf region to further bolster the iron sands project pipeline

Lae Enviro Energy Park Project

- Ongoing liaison with the State Negotiation Team has been established to negotiate and finalise Power Purchase Agreement (PPA).

Delivering on our Strategy

It has been a challenging quarter for Papua New Guinea as COVID-19 continues to impact the country, however Mayur has been able to continue its in-country activity completing critical community engagement work. Similarly, progress by Adyton was not impacted as exploration drilling at the Gameta project commenced immediately after listing on the TSX-V.

The company reached a major milestone with the successful listing of its copper and gold assets on the TSX-Venture Exchange in Canada as Adyton Resources Corporation (TSXV: ADY) in February 2021.

The spin out saw more than C\$10.5 million raised via a syndicate of northern hemisphere banks which valued Adyton at circa C\$38 million. Mayur continues to own circa 43% of ADY shares on issue.

Adyton's listing represented a key milestone in the delivery of Mayur's disaggregation strategy which is designed to unlock the underlying value that exists within a diversified portfolio of assets which includes cement, limestone, energy, and industrial minerals.

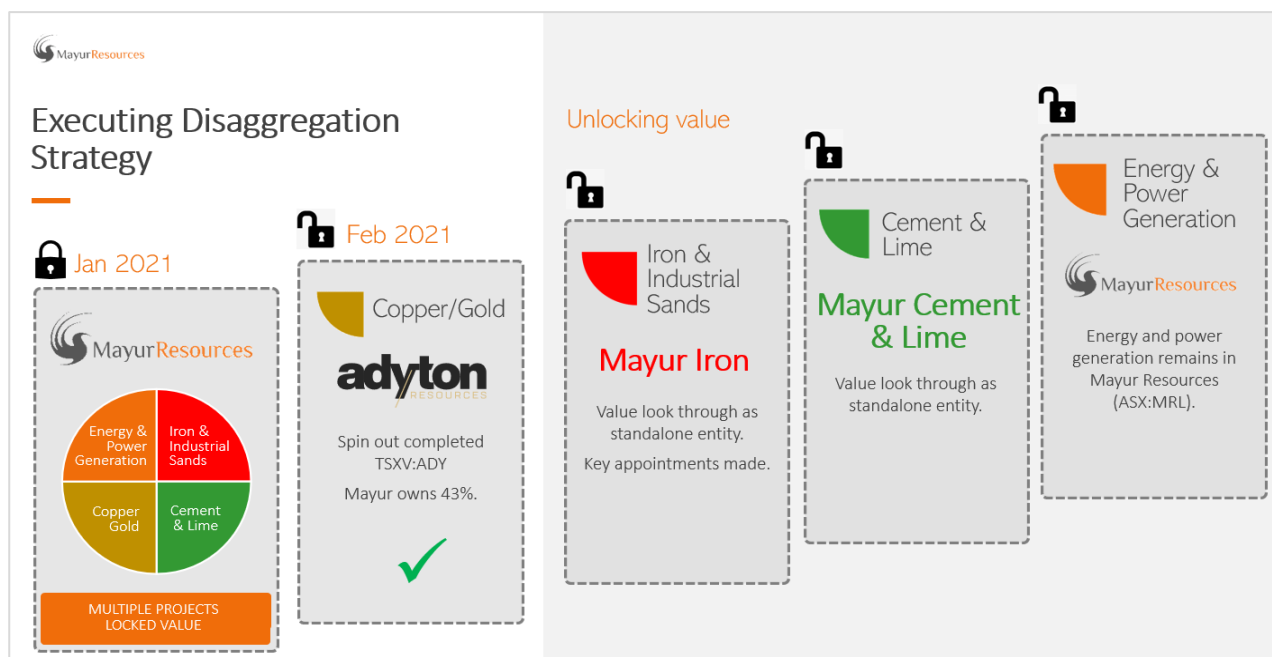
The demerger of the iron and industrial minerals business is now being led by Simon Slesarewich, a seasoned mining executive who was announced as the head of the business in March and will be reunited with Richard Seville who will Chair a rebranded Mayur Iron as it moves towards production and listing. All of this is occurring with the backdrop of historic highs in the iron ore price the timing is particularly attractive.

At our Central Cement and Lime (CCL) Project, we are prioritising the delivery of the quicklime plant to respond to current market opportunities, thereby staging the development which the Company believes will deliver superior value to stakeholders. We have also commenced work streams to commence on a pathway to zero carbon. This will initially be focussed on renewable power generation as we assess a range of technologies to drive our carbon emissions lower.

Mayur's vision to provide PNG with more affordable and reliable energy still remains a clear pillar of future value for the company, however most of the company's efforts through the quarter were focussed on our CCL, Orokolo Bay projects and copper/gold spin out. The Company is however assessing the opportunity to broaden out its fuel sources to include a significantly increased representation from renewable sources through hybrid generation systems.

Again, the longer-term vision for our Energy and Power Generation business is to support PNG's transition to renewables, and to help the PNG government deliver its target of increasing the electrification rate from 13% to 70% of the population by 2030.

The company made payments totalling approximately \$0.14 million to related parties representing remuneration paid to Directors.



* refer to ASX announcement 'Copper gold spin out completed as disaggregation strategy unlocks significant value for Mayur' dated 25 February 2021.

Projects

Central Cement & Lime Project

The proposed Central Cement and Lime (CCL) Project is a vertically integrated manufacturing facility with the ability to meet 100% of PNG's cement, clinker and quicklime requirements, displacing imports into PNG, and penetrate nearby export markets in Australia and the South Pacific. The co-located quarry, plant site and deep draft wharf will enable very low operating costs. The company is aspiring to significantly reduce the carbon footprint and become the lowest carbon cement and lime producer in the region.

The prioritisation of the quicklime production facilities has continued. The Engineering, Procurement and Construction (EPC) bidding process was amended to accommodate the plant's expansion from one lime kiln to either two or three kilns to take advantage of economies of scale and shared infrastructure.

A quicklime only Definitive Feasibility Study (DFS) being a cut down from the original integrated Clinker, Cement and Quicklime DFS is being prepared to better define this staged plan. The value of the clinker and cement plant would then be preserved for future follow on development. Interest continues from potential strategic investors and customers as the market forecasts strong growth in industries requiring lime as a key input such as gold, alumina, nickel, rare earths, and lithium mining and processing. Marketing has continued to progress with the execution of several new non-binding letters of intent for quicklime product demonstrating in principle customer interest.

The quicklime tender to various EPC contractors has been completed. Costs for the other works packages have been sourced (roads, bridge, and wharf) via a self-perform delivery model to provide a more cost-effective solution. Results will feed directly into the 'quicklime only' DFS.

The company has also commenced a study to assess the potential for renewable power sources for the project that has involved completion of an EOI process for the provision of solar and wind catering for some of the project's electrical load. This could also be extended to provide renewable power to local communities.

Stakeholder activities continued with preparations complete for the Development Forum meeting taking place in early May in Port Moresby. This forum is to formalise the benefits-sharing between the parties that includes various community stakeholders and the government.

The company also appointed Mr Bruno Wauters, former CEO of Sibelco Asia, to the board of Mayur Industrial's lime and cement business to assist with the next stage of the CCL project.

The Company also satisfactorily concluded a range of supplier precondition test work for the supply of material quantities of raw limestone into neighbouring Pacific Countries who are currently sourcing this raw limestone product from South East Asia.



A 3D visualisation of Mayur's Central Cement & Limestone Project.

Orokolo Bay Iron & Industrial Sands Project

The Orokolo Bay Industrial Sands Project in PNG will produce a number of products including titano-magnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.

Appointment of new executives and plan to production

Experienced mining executives Richard Seville and Simon Slesarewich have been appointed to lead the company's iron and industrial mineral sands business. Mr Seville (Chairman) and Simon Slesarewich (CEO) will lead the disaggregation initiative that will see further value unlocked from Mayur's project portfolio.

Mr Seville and Mr Slesarewich are tasked with a clear mandate to deliver the plan to bring Orokolo Bay into production in the coming year, and concurrently IPO the Mayur Iron portfolio. Mayur views this as a significant realisation initiative particularly while the project was robust at an iron ore price of only US\$66 per tonne (62%Fe) vs. where iron ore prices are today at or near record levels.

Mining Lease application

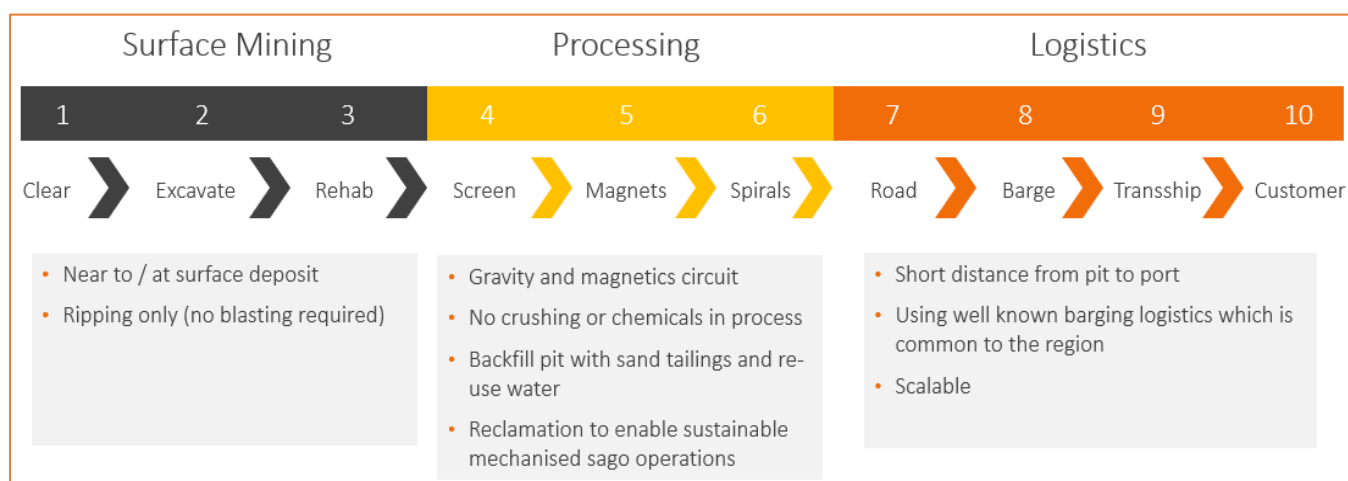
Following the submission of the Mining Lease Application in December 2020 initial assessment has been completed by the Mineral Resources Authority and the requisite hearings are scheduled to take place in the coming quarter as critical step in finalising the grant of the ML.

The application concerns the full-scale development of the project which has a planned saleable production rate of 0.5 million tonnes per annum (Mtpa) of vanadium titano-magnetite (VTM) and Dense Medium Separation magnetite, 1 Mtpa of high-grade silica construction material and 8,000 to 10,000 tpa of a zircon rich heavy mineral concentrate.

The DFS* confirmed that the project will produce a post-tax (real) NPV of US\$131 million (10% discount rate).

The financial analysis in the DFS used a pricing assumption for the VTM product based on a conservative long-term iron ore price of US\$66.30/t (62% Fe CFR China). This compares to a current iron ore prices well above US\$180/t offering a major potential upside to the economics of the project. Mayur iron with an expected FOB cost of xx at these prices will enjoy >US\$100/t margins

Orokolo Bay Project – simple Mine to Market value chain



* 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 on continue to apply and have not materially changed.

Enviro Energy Park (EEP) Project

Mayur's proposed 52.5MW EEP Project concerns an integrated power station utilising a mix of traditional thermal energy domestically (sourced from the company's 100% owned Depot Creek project), solar, biomass woodchip, that will generate more reliable and far cheaper electricity than existing alternatives while providing a co-generated steam to adjacent industrial users who are currently burning diesel for their steam needs. Being adjacent to the city of Lae, the EEP will also provide steam by-product for nearby industrial users, and the future dual fuel systems will also enable the utilisation of gas.

Cabinet in principle approval was received in late 2020 together with an outlined process to finalise the associated Power Purchase Agreement (PPA) for the project underlines Government support for the project.

By displacing the current reliance on diesel and heavy fuel oil in Lae, the EEP will deliver drastically reduced power costs, enhanced reliability, energy security and improvement in the environmental footprint of power generation in the region.

The joint venture with the local Lae University (UNITECH) focuses on maximising the use of renewable sources and technology through the EEP. Discussions are continuing with the Australian Government on how their emission reduction commitment in the Pacific can also assist the EEP.

The State Negotiating Team is being assembled to follow through on the PNG Governments National Executive Committees directives and in conditional approval for the project.

Tenement Interests

As at 31 March 2021 the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea. In addition to this the Company holds 100% of Mining Lease (ML) 526 for the CCL Project.

During the quarter the Company's copper and gold ELs formed part of the spin out transaction with Adyton Resources Corporation (TSXV: ADY). Table 2 shows the ELs held by ADY with MRL retaining a 43% ownership in Adyton Resources.

As noted in the table, various Exploration Licences are under renewal, and are progressing in accordance with the regulatory processes as prescribed by the PNG Mining Act.

The Company 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 Company's application for renewal of the exploration licence not being granted in the ordinary course of business.

	EL number	Province	Commodity Focus	MRL Ownership	Area Km2
1	2150*	Gulf	Industrial mineral sands	100%^	256
2	2304*	Gulf	Industrial mineral sands	100%^	256
3	2305*	Gulf	Industrial mineral sands	100%^	256
4	2556*	Central	Industrial mineral sands	100%^	697
5	1875*	Gulf	Thermal energy	100%	256
6	1876*	Gulf	Thermal energy	100%	154
7	2599	Gulf	Thermal energy	100%	48
8	2303*	Central	Limestone	100%	256
9	2616	Central	Limestone	100%	55

Table 1 - Exploration Licences (*EL under renewal; ^all industrial mineral sands ELs subject to the JV farm in deal with CRTH)

	EL number	Province	Commodity Focus	MRL Indirect Interest	Area Km2
1	2095*	Milne Bay	Copper / gold	43%	150
2	2096*	New Ireland	Copper / gold	43%	95
3	2594*	Manus	Copper / gold	43%	522
4	2591	New Ireland	Copper / gold	43%	252
5	2546	Milne Bay	Copper / gold	43%	38
6	2549	Milne Bay	Copper / gold	43%	102
7	2572*	Milne Bay	Copper / gold	43%	126
8	2408*	East New Britain	Copper / gold	43%	249

Table 2 - Exploration Licences held by Adyton Resources Corporation in which MRL has an indirect interest through its 43% ownership interest in Adyton Resources Corporation (*EL under renewal)

Company profile

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

Directors:

Chairman - Rob Neale
 Managing Director - Paul Mulder
 Executive Director - Tim Crossley
 Non-Executive Director – Hubert Namani
 Non-Executive Director - Frank Terranova
 Non-Executive Director - Wee Choo Peng

ASX Code: MRL

Company Secretary (Australia):

Jonathan Hart
 Phone: +61 413 890 032

Ordinary shares: 195 million (31 March 2021)

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



Disclaimer

Competent Person's Statement

Statements contained in this announcement 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 announcement relating to Ore Reserves for the **Orokolo Bay Mineral Sands Project** Western Area are based on, and fairly represents, information and supporting documentation prepared by Mr Troy Lowien, a Member of The Australasian Institute of Mining and Metallurgy. 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 Western Area appears.

Statements contained in this announcement relating to Mineral Resource estimates for the **Depot Creek Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Kerry Gordon, a Member of The Australasian 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 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 Gordon takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project 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 no 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MAYUR RESOURCES LIMITED

ARBN

619 770 277

Quarter ended ("current quarter")

31 MARCH 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(195)	(574)
	(e) administration and corporate costs	(347)	(1,223)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(10)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	38
1.8	Other - costs relating to the spin out of Copper and Gold assets	(545)	(545)
1.9	Net cash from / (used in) operating activities	(1,088)	(2,314)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(358)	(484)
	(d) exploration & evaluation (if capitalised)	(459)	(1,561)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash held by subsidiary at time of disposal	(98)	(98)
2.6	Net cash from / (used in) investing activities	(915)	(2,143)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,476
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(285)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	-	5,191

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,498	2,987
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,088)	(2,314)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(915)	(2,143)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (nine months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,191
4.5	Effect of movement in exchange rates on cash held	26	(200)
4.6	Cash and cash equivalents at end of period	3,521	3,521

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	3,521	5,498
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,521	5,498

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

114

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	-
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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
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Not applicable	
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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,088)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(459)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,547)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,521
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,521
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.28

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Not applicable.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Not applicable.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable.

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.

Date: 30 April 2021

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.