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PNG Government Grants Special Economic Zone status to Central Cement and Lime Project

Highlights

- Granting of Special Economic Zone (SEZ) status confirms support for the CCL project from Provincial and State Government and highlights that PNG is open for business
- Decade long benefits obtained for CCL in accord with multiple provisions under the Special Economic Zones Authority Act 2019 (SEZA 2019)
- Secures fiscal benefits including tax relief and exemptions from duties, that will strengthen the financial outcomes for the CCL project and enable PNG to be competitive in the region
- Adds another critical plank to strengthen international investor confidence in PNG and Mayur's drive for nation building and development of a new export industry
- SEZ granted after full and formal exhaustive assessment process at Provincial and State levels
- Sets PNG apart as an investment destination of choice, seeking to displace its reliance on imports while creating a new competitive industry for PNG to penetrate Australian and Pacific markets

Mayur Resources Limited (ASX:MRL) welcomes the decision, formal notification and provision of a PNG Government Gazette and License from the Independent State of Papua New Guinea's Special Economic Zones Authority Board (SEZAB), granting Mayur's Central Cement and Lime project area SEZ status, in accordance with the SEZA 2019.

Managing Director Paul Mulder said "I greatly appreciate the leadership of the PNG Prime Minister & Minister for Bougainville Affairs & Defence, Hon. James Marape, in the establishment of this SEZ, as it sets the right conditions for large scale investment to thrive and catalyse down-stream processing in the SEZ that will particularly benefit the people and the manufacturing industry in PNG."

The SEZ license covers the same area as the Mining Lease already granted for the CCL Project, located across Kido and Rea Rea. The SEZ provides Mayur with a range of benefits that includes; income tax relief, import tariff exemptions and associated concessions in accord with the SEZA 2019, that was approved by the National Executive Council (PNG Cabinet).

Such benefits in the SEZ zone (to be on foot for a nominal 10-year period) has been set up to attract international investors to co invest alongside existing Mayur investors and to give landowners exposure to future wealth creation opportunities on their land; where the SEZ also caters for all forms of power generation, agriculture, land re-development and any other downstream vertically integrated manufacturing.

These concessions and benefits to be received from SEZ status are significant and strengthens the financial outcomes of the project and the other associated activities that Mayur, Landowners and the Provincial Government's business arms choose to partner on. With over US\$10bn slated to be spent in establishing the adjacent Papua LNG Project (alongside the already operating US\$18bn PNG LNG facility), the area is set to dramatically expand and become a very attractive investment destination. This SEZ status is consistent with 'down-stream value-add industry establishment concessions' that the PNG government is strongly promoting and has provided to investors in the past.



Of note is the PNG Governments call for downstream, vertically integrated, value add, import displacement and export generating industries to be established in PNG. Mayur has risen to the challenge and has been accordingly recognised for such ongoing commitment and investment in PNG (since 2011). We continue to exclusively invest in PNG and thank the PNG State-Provincial Governments, Landowners & Customers for their vision and support.” Mr Mulder said.

“Our other Stakeholders are also at the centre of what and how we conduct business, and I am excited and humbled by the show of support for the project culminating in the granting of the SEZ status. This is a great endorsement for the project, I am sure this will give our existing and new investors the confidence required and will also contribute to a range of nation building community infrastructure and services initiatives associated with the project. Above all, this underpins the creation of a new value add down-stream processing industry and new real long-term jobs for PNG.”

In the wake of the SEZ announcement, Managing Director, Mr Mulder, said the status approval was a critical next step to realising further value for the CCL project as a key piece in Mayur Resources diversified portfolio.

“We are pleased that the PNG government recognises the high economic importance to be competitive in the region and the opportunity that this SEZ presents to the country and a multitude of PNG stakeholders. The announcement today is an important value add foothold in CCL’s Project development and is just one of many opportunities for this SEZ and places PNG into the regional mix of being a competitive cement and lime production jurisdiction.” Mr Mulder said.

Thirty subject areas of required information pertaining to economic benefits for PNG were listed for the application. Mayur’s overall strategy is to leverage its access to domestic in country raw materials and help PNG add value to its natural resource’s wealth, whilst providing nation-building opportunities through vertical integration, thus, maximising the other attributes of PNG; namely competitive labour, access to competitive off grid energy, close proximity to in country and international markets and superior far shorter supply chain logistics solutions.

Chairman Varigini Badira of the SEZAB said “The Mayur proposal was of a very high standard and the Board was unanimous in its support of the project being granted SEZ status. We saw this project as a great new industry opportunity for our country to not only replace imports but also build a new strong export industry that many future generations can benefit from with circa 1800 construction jobs, 360 initial direct jobs (not factoring direct sub-contractors and support services). An independent assessment by FTI Consulting forecast an indirect multiplier of +10,000 jobs in regional down-stream employment as the facility ramps up to its full productive potential. Frankly speaking, PNG needs many projects like Mayur’s Central Cement & Lime project to help kick start, but importantly maintain its GDP growth, in the face of its very low base and the impacts of Covid”.

Governor of Central Province of PNG Hon. Robert Agarobe MP stated “The project now enhanced with SEZ status, will enable future generations of Central Province people to create wealth for themselves, through their involvement in a number of down-stream vertically integrated manufacturing products (for both domestic and export markets). I’m excited about the prospect of people in Central Province learning new skills, empowering themselves and having a combined sense of purpose that comes from meaningful long-term employment. We have huge opportunity in Central Province and I have supported this SEZ initiative from the very beginning and recognise we need to kickstart all sorts of development for our people’s employment and not just rely on the few mega projects that have many years of development before creating meaningful employment. Mayur Resources have stayed the course, have committed themselves, their investment and partnering approach with Government and the Customary Landowners of Central Province. I know this will be a positive outcome for them with very attractive benefits from this SEZ status and we have committed to work with them to maximise the value that can be extracted from such status provision, so that all involved in this new, but critically needed initiative for PNG, are benefactors.”

This announcement was authorised by Mr Paul Mulder, Managing Director of Mayur Resources Limited.



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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. Our diversified asset portfolio spans iron sands, lime and cement, battery minerals and power generation. Mayur also holds a 43% interest in copper gold explorer/developer Adyton Resources, a company listed on the TSX-V (TSXv:ADY).

Mayur's unique portfolio of projects, are strategically located in coastal locations for easy development access and easy future access to sea borne markets.

The company's flagship asset is the wholly owned Central Cement and Lime Project, which is located on the coast 25km north-west of Port Moresby in PNG and was awarded a 20-year Mining Lease in August 2020. A Definitive Feasibility Study has been completed for the project which has a target annual output of 1.65Mt cement/clinker and 400,000t quicklime for supply to PNG, Australia and the South Pacific at much lower cost than Asian exporters. A 382Mt Maiden JORC Resource has been certified across two deposits (Kido and Lea Lea) at the project site. The project's production profile utilises 30 years of resource with another 100 years of resource yet to be allocated.