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Strategic review sets pathway and new platform for value realisation

Mayur Resources Limited (ASX:MRL) has completed a strategic review of its structure, project portfolio and development plans and set a clear pathway for cash flow and establishment of renewable energy projects while initiating a carbon offset framework to deliver carbon neutral lime and cement.

The review, undertaken by the Mayur Board with support from project management and advisory firm Siecap, made the following recommendations which will now be implemented:

1. Deliver on near term cashflow opportunities.
2. Establish Mayur Renewables - the company's clean energy platform with a Pacific regional focus.
3. Deliver on a carbon offset framework to enable a carbon neutral cement and lime business - Central Cement & Lime (CCL).
4. Simplify and de-risk the business.

ACTION

01

Deliver on near-term cashflow opportunities



Mayur's priority focus is to generate reliable cashflow through the development of its flagship projects and opportunistic merger and acquisitions (M&A) opportunities that are value accretive and deliver secure cash flow generation.

The core activities to achieve near term cashflow include:

Central Cement and Lime Project:

- Utilize updated Definitive Feasibility Study for lower capital intensity and 400,000 t quicklime capacity and quarry option (Phase 1).
- Develop cement and clinker as Phase 2 after delivery of Phase 1 Quicklime.
- Secure strategically aligned JV equity partner to assist with co-development while progressing debt financing arrangements.
- Convert customer letters of interest into binding offtake agreements.

Orokolobay Iron and Industrial Sands Project:

- Finalise last remaining statutory approvals for cashflow operations to begin.
- Engage credible PNG delivery partners to de-risk project development and operations.
- Ramp up mobilisation activities at site following a slower COVID-19 period further progressing pioneering works.

*Nation building
in Papua New Guinea*

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- Convert customer letters of interest into binding offtake agreements.
- Target Financial Investment Decision (subject to IPO of Mayur Iron as Ortus Resources) or another value accretive M&A opportunity).

Continued M&A Focus

- Evaluate logical M&A opportunities that are value accretive and offer immediate cashflow potential.
- Strong preference towards existing cash generating business's with value-add synergies in the Pacific Region.

Mayur Chairman, Mr Charles Fear, said Action 1 would deliver a significant positive outcome for Mayur shareholders.

“Having an achievable and credible near-term pathway to cashflow will allow the company to be valued on a forward EBIT multiple basis rather than purely on an asset value basis,” Mr Fear said.

ACTION

02

Establish Mayur Renewables



Introducing Mayur Renewables

A new stand-alone, special purpose entity called **Mayur Renewables** has now been established to focus on identified renewable power and carbon mitigation opportunities in PNG and the Pacific Region including:

1. Large scale (>500Mw) solar photovoltaic (PV).
2. Geothermal power.
3. Energy storage.
4. Carbon mitigation / carbon offsets.
5. Leveraging solar and geothermal for development of green hydrogen and ammonia opportunities.

Mayur Managing Director, Mr Paul Mulder, said the company was uniquely positioned to play a key role in PNG's electrification.


“Our experience in initiating, developing and permitting projects from the ground up in PNG is rivalled by few and enables Mayur to lead the roll out of greener and cleaner energy solutions in a country where only around 13% of the population has access to mains electricity,” Mr Mulder said.

“We see enormous potential in deploying proven hydro, solar, geothermal and wind power technology in conjunction with battery energy storage to rapidly and cost-effectively increase access to reliable power for the people of PNG whilst being realistic of the role traditional energy generation must play during the transition”

“We note that the PNG government has recently signed a Deed of Agreement with Fortescue Metals Group to explore and evaluate developing renewable energy sources which we view as a strong endorsement of the renewables market potential in PNG and a journey we to are also well down the path on,” he said.



To progress this strategy, Mr Mulder said Mayur would seek to continue proactive discussions with the newly formed National Energy Authority and the Ministry of Energy in PNG as it evaluated renewable projects in the country.

ACTION 03 **Develop a carbon neutral lime and cement business** 

Mayur’s priority is to become Asia Pacific’s first carbon-neutral cement and lime producer. Net zero initiatives include using alternative fuels as well as electric vehicles and equipment, hybrid renewable generation, carbon offsets, and carbon capture.

Market opportunities for low carbon lime and building projects throughout the Asia Pacific region, particularly Australia and New Zealand, are growing rapidly as companies strengthen their commitment to sustainability and develop Environmental, Social and Governance (ESG) principles.

The company’s proposed CCL project was awarded a Mining Lease by the PNG Government in 2020 and is in close proximity to the PNG LNG and Papua LNG projects, and some 25km from the PNG capital Port Moresby. It will not only create a new export business but also enable the country to be self-sufficient in lime and cement products and reduce reliance on imports from Asia.

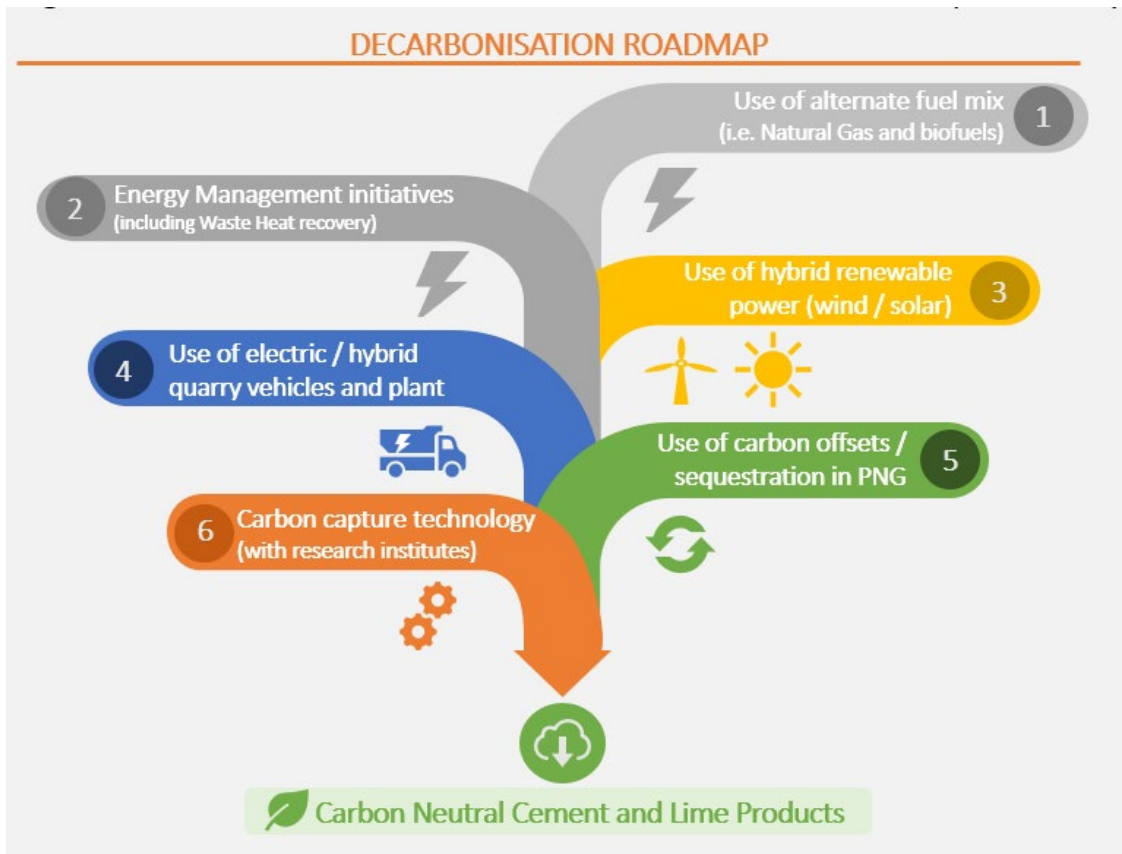


Figure 1: Pathway to carbon neutrality for the Central Cement and Lime Project



Mr Mulder said Mayur’s CCL Project had significant advantages.

“The project will be the closest offshore supplier to the Australian quicklime and cement market. We will not only have a freight advantage when compared to competitors but also the lowest supply chain carbon footprint from day one of production,” he said.

“As the first to deliver carbon neutral cement and lime through the innovative use of technology, renewables and carbon offsets, our business will have a major advantage within the Australasian building products, mineral processing, water/waste treatment and pollution abatement markets.”

30% renewable energy target for Phase 1 Quicklime Plant.

Mayur has a minimum 30% renewable electrical power target for the CCL Project’s Phase 1 Quicklime Plant. In combination with a co-located quarry, lime kilns and wharf, CCL will have a far lower carbon footprint than other competitors from day one of operations.

Mayur is currently engineering the integration of an onsite renewable energy system into Phase 1 as part of an updated Feasibility Study and has appointed renewable power specialist VECKTA to assess and optimize the opportunity.


Mr Mulder said Mayur’s renewables target aligned with the company’s broader strategic ambitions.

“Mayur’s goal is to be a supplier of choice of lime products as a key commodity consumable input in the processing of the rapidly growing green facing battery minerals sector including nickel, lithium, cobalt, copper and rare earths,” Mr Mulder said.

“Importantly, this move to reduce our carbon footprint from day one aligns with the broader ESG commitments made by many of our downstream customers who are also seeking to reduce emissions across their respective supply chains.”

Leverage Special Economic Zone Status .

As part of the strategic review, Sicap, supported by VECKTA, assessed the renewable potential of the CCL Project site and identified more than 500 megawatts (MW) of solar PV potential within the Special Economic Zone that the project resides in. The Special Economic Zone also brings additional tripartite Mayur, Provincial Government and Landowner opportunities in multi-faceted business and manufacturing establishment that Mayur will be involved in economically directly or indirectly.

ACTION
04 **Simplify and de-risk the business** 

The Mayur Board is reviewing a number of options to simplify its business and reduce its compliance costs associated with a company structure that spans the three jurisdictions of PNG, Singapore and Australia. Major initiatives include reviewing the value of the Singapore corporate holding structure and progressing the planned spin out of Mayur’s Iron and Industrial Sands business as Ortus Resources and seeking CCL Project financing through the Australian Government debt financing initiatives.



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

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.

ABOUT VECKTA

VECKTA is the Energy Transition Market Platform. VECKTA integrates the world's most advanced energy system engineering tools with an end-to-end marketplace to integrate and accelerate the development of distributed energy systems (DES) and microgrid projects. VECKTA empowers businesses and communities to quickly and easily baseline their energy situation today, customise a solution specific to their needs (cost, reliability and/or emissions) and then seamlessly engage and contract the best equipment, services, and capital providers in the market to finance, deploy and operate it sustainably and profitably.

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ABOUT SIECAP

Formed in 2007, Siecap is a specialist project management and advisory firm providing a full range of corporate, capital project and operational services which assist clients to optimise cost, increase performance and manage risk.

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