

Quarterly Report

Ending 30 September 2021



mayurresources.com

Highlights

Corporate

- Appointment of new Chairman (Mr Charles Fear) and Independent Director (Mr Chris Indermaur)
- Strategic review undertaken to position Mayur for future growth and value realisation via delivery of near term cashflow, continuing to advance core projects, whilst increasing exposure to the low carbon economy and simplifying the Mayur story
- Entire senior management team back in country spending several weeks on the ground at key project sites

Central Cement & Lime

- Offtake support received from blue chip end users for circa 400,000 tonnes per annum (tpa) being the entirety of the Quick lime kilns output for Phase 1 of CCL Project
- Offtake support received for over 1 million tpa of clinker and cement for Phase 2 of the CCL Project
- Granting of a Special Economic Zone (SEZ) over an area of 52 km² that includes the full CCL project site underlining Government support and that 'PNG is open for business'
- SEZ licence enables Mayur to develop other industry within the SEZ, including renewable energy and for which a study for large scale solar (>500 MW) has commenced with renewable energy consulting firm VECKTA

- Several site visits completed including engagements with local community and a range of PNG stakeholders

Iron & Industrial Sands

- Orokolo Bay site visit completed by Mayur team led by Mr Simon Slesarewich and proposed contractor delivery partners for the project to conduct pre-construction survey work
- Proposed spin out of the Company's iron and industrial sands portfolio into a new entity (Ortus Resources) remains on strategy, however timing has been delayed to 2022 due to volatility in iron ore prices

Renewables

- Established Mayur Renewables to address opportunities around clean energy within Mayur's portfolio as well as the identification of new renewable power and carbon mitigation opportunities in PNG and the Pacific Region

Overview

A highlight of the quarter was that the Company's senior management team was able to travel to PNG and visit the key sites at both the Central Cement and Lime Project and the Orokolo Bay Project, as well as engaging with key government and local stakeholders.

This has reinvigorated community engagement and government relations activities following the period of disruption caused by the COVID pandemic.

The CCL project has received significant support from potential product offtakers for limestone, quicklime, hydrated lime clinker and cement. Meanwhile the granting of Special Economic Zone (SEZ) status confirms support for the CCL project from Provincial and State Governments and highlights that PNG is open for business.

The reorganisation of Mayur's iron and industrial minerals business via the spin out of Ortus Resources remains on foot however the timing of this transaction has been reviewed considering recent trends in the iron ore market do not offer conditions conducive to maximising value at this point in the cycle.

During the quarter Adyton Resources (in which MRL retains 43% shareholding) released several excellent assay results from drilling at Fergusson Island and copper and gold targets on Feni Island located between the islands of Lihir and Bougainville*.

The Company welcomed incoming Chairman Mr Charles Fear and Independent Director, Mr Chris Indermaur. Mr Fear replaced acting Chairman Mr Frank Terranova who retired from the board having served the Company since its IPO in 2017.

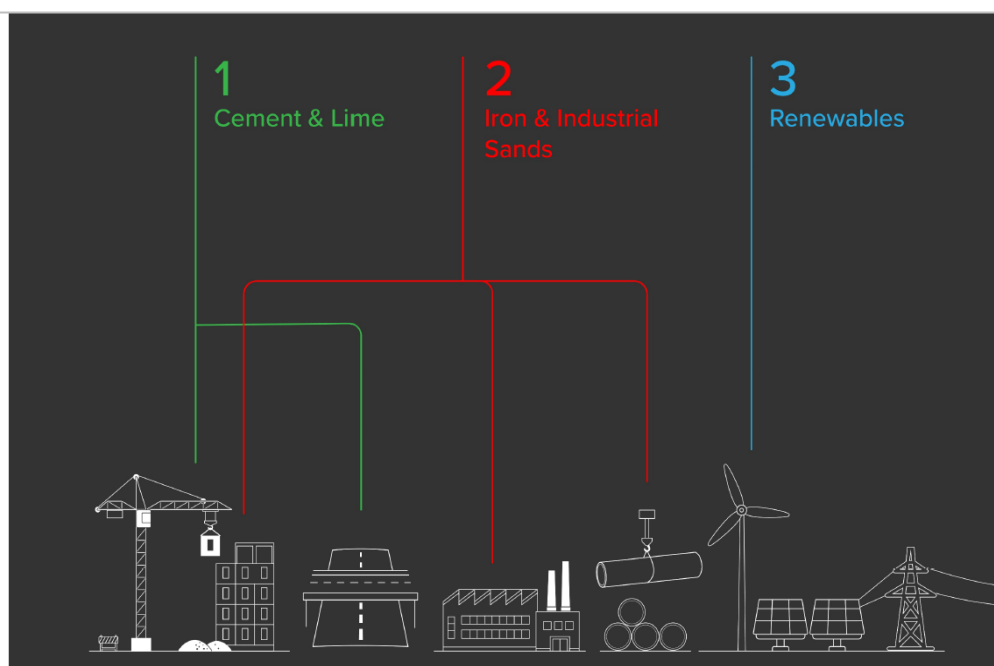
The strategic direction for Mayur has also been reviewed to focus on early cashflow opportunities, renewable energy, carbon reduction and reduced complexity of the business.

October 2021 Strategic Review (Refer to the ASX release dated 26 October 2021 for further details)

Positioning for Value Realisation

Mayur Resources is an ASX-listed company focused on the development of natural resources in **Papua New Guinea**.

Delivering our diversified asset portfolio, which spans **cement & lime**, **iron & industrial sands**, and **renewable energy & clean fuels** that will contribute to nation-building and job creation in a country experiencing a significant growth trajectory.



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 to 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.

Letters of support received for 100% of lime production

Offtake support was obtained from blue chip users for the entirety of the Phase 1 project incorporating dual high-capacity Quick lime kilns (circa 400,000 tpa) being a key milestone for Phase 1 of the fully approved CCL project. Letters of support have been received from prospective customers in PNG and Australia, including blue chip end users and traders of quicklime and hydrated lime products.

In addition to the quicklime and hydrated lime, Mayur also received a formal expression of interest to supply up to 700,000 tpa of high-grade limestone to a large end user in the Pacific region, and over 1 million tpa of clinker and cement by potential long term off takers as a demonstration of intent, subject to conditions precedent. These in principle commitments will be crucial for investors and financiers for the project.

Phase	Products	Letters of Support Volumes (tpa)
1	Quicklime / Hydrated Lime	400,000*
	Limestone	700,000*
2	Clinker & Cement	1,000,000

*refer to ASX announcements dated 13 August 2021 and 25 August 2021



A 3D visualisation of Mayur's vertically integrated Central Cement & Lime Project.

The process to secure strategic JV equity partner(s) to assist with co-development for Phase 1 has continued. Interest is being driven by demand from traditional markets of gold processing, water treatment and road stabilisation and the rapidly growing 'battery facing' minerals sector including nickel, cobalt, copper, alumina, rare earths, and lithium that requires the use of lime for processing.

Special Economic Zone granted covering 52 km²

Mayur was granted an SEZ licence over the entirety of the CCL Mining Lease area (52 km²) that provides various fiscal incentives and benefits. As the holder of the SEZ licence Mayur can develop other industry within the SEZ, including renewable energy. A study for large scale (>500 MW) solar has commenced with VECKTA leveraging its proximity to Port Moresby and PNG LNG.

Site visits and Community Engagement Continues

Mr Trent Alexander has recently been in PNG and to the CCL site to meet with key stakeholders in preparation for the Development Forum to formalise the benefits-sharing agreement with the government and landowners.

The company's commitment to net zero is to be via the use of renewable energy, carbon technology and carbon offsets, with the goal of being Asia's first carbon neutral lime and cement producer.



Trent Alexander, Mayur's Lime & Cement COO, on site at Kido quarry location

Orokolo Bay Iron & Industrial Sands Project

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

Spin out of Ortus Resources

The plan remains to continue with the disaggregation strategy for Mayur's Iron and Industrial Sands with Orokolo Bay positioned as the flagship asset for new entity "Ortus Resources" to be listed on the ASX in 2022.

The development plan put in place to bring Orokolo Bay into production in 2022 remains valid. The project economics for Orokolo Bay remain robust despite the recent volatility in iron ore prices given the definitive feasibility study NPV forecast of US\$131 million (post-tax (real), 10% discount rate*) was based on an average life of mine iron ore price of US\$66 per tonne (62%Fe).

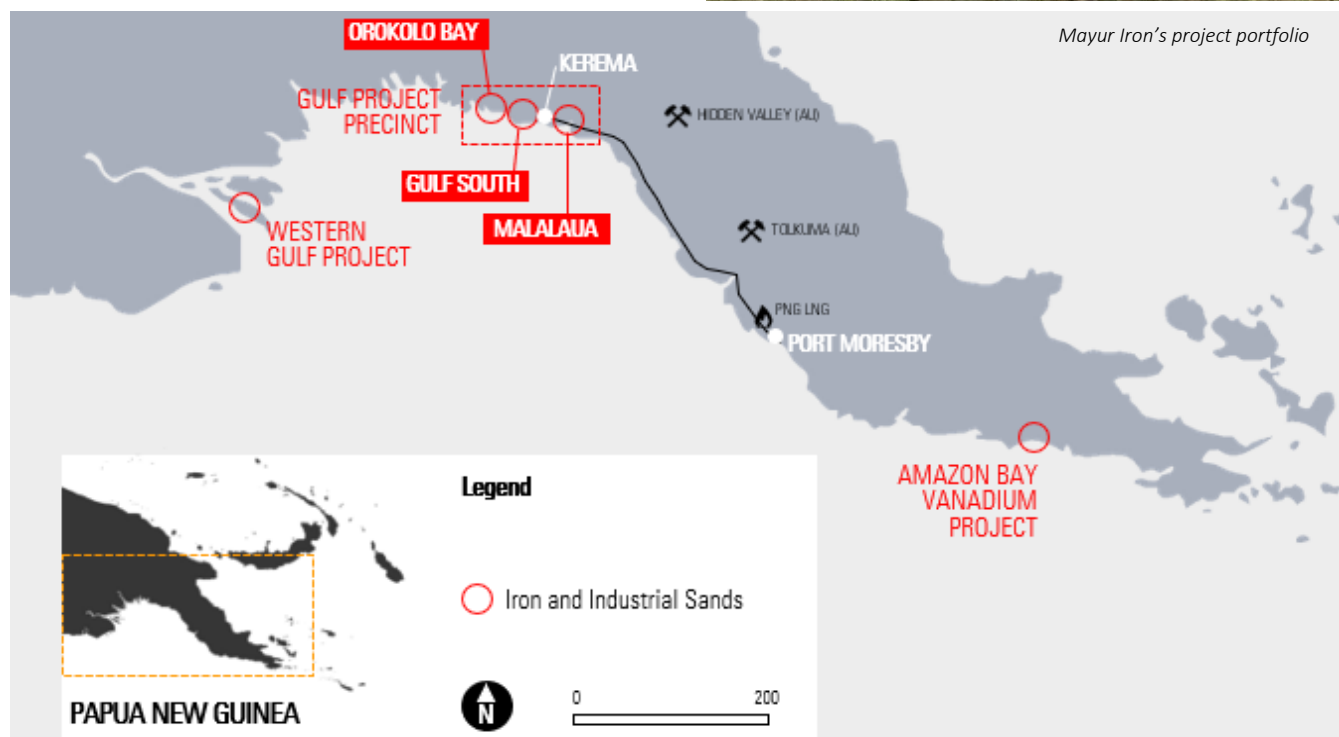
The Mining Lease application assessment process has been slightly delayed due to COVID, with the Mineral Resources Authority (MRA) moving to skeleton staff during October. It is anticipated that the MRA will resume business as usual in the coming quarter.

Site visits conducted by senior management

During the quarter Mr Simon Slesarewich visited site and conducted engagement with the community at Orokolo Bay and proposed contractor delivery partners for the project to conduct pre-construction survey work.

During the trip a detailed bathymetric survey was undertaken of the sections of the Muro and Purari Rivers that will form the barging route for the transport of the mine products. Initial results indicate that the proposed route is far deeper than expected, allowing a refinement of the barging model that should reduce handling costs.

Simon Slesarewich, Mayur Iron CEO, and Peter Harry (Community Affairs Officer) on site at Orokolo Bay Project



* 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.

Strategic Review & Pivot to Renewables

Strategic Review

A strategic review has been undertaken in order to address common points of investor feedback, changing market dynamics of resources and other factors that will affect Mayur's business, as well as encompassing early observations and feedback from the refreshed Board.

Mayur completed a strategic review of its structure, project portfolio and development plans. The result was a clear pathway for cash flow was set and a new initiative to establish a renewable energy focussed subsidiary, whilst 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
4. Simplify and de-risk the business

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:

- Large scale (>500MW) solar photovoltaic (PV).
- Geothermal power.
- Energy storage.
- Carbon mitigation / carbon offsets.
- Leveraging solar and geothermal for development of green hydrogen and ammonia opportunities.

As part of the strategic review a desktop study identified more than 500 megawatts (MW) of solar PV potential within the 52km² area of the Special Economic Zone, in which the CCL project resides. A range of other renewable opportunities are being assessed and the market will be updated accordingly.

Strategic Review – Key Outcomes (Refer to the ASX release dated 26 October 2021 for further details)

01	02	03	04
Focus on near term cashflow opportunities	Establish Mayur Renewables clean energy platform	Develop a carbon neutral lime and cement business	Simplify and de-risk the business
			
○ Priority to establish reliable cashflow as early as possible. ○ Focus on bringing Orokolo Bay into production in 2022 ○ Focus on development of the Quicklime kilns and infrastructure (Phase 1 of the CCL Project) and its Special Economic Zone (SEZ) ○ Pursue logical M&A opportunities that are value accretive and offer near term to immediate cashflow bias	○ Mayur Renewables (new entity) to pursue renewable power and carbon forest mitigation opportunities ○ VECKTA appointed to review renewable potential in existing portfolio ○ Evaluate clean energy opportunities around Geothermal, Solar, Wind and Hydro power opportunities	○ Pursue a renewable electrical power target of 30% to 50% for the Quicklime Project (CCL Phase 1) and offset surplus carbon ○ Leverage renewable potential of Mayur's SEZ, located within 25 km of Port Moresby and 5 km of PNG LNG ○ Target becoming Asia Pacific's first carbon-neutral Lime and Cement producer	○ Seek strategic partnerships to co-develop and de-risk advanced projects ○ Progress Iron & Industrial Sands Spinout (Ortus Resources IPO) ○ Review appropriate corporate structuring ○ Evaluate most logical options for traditional thermal energy assets ○ Review opportunities to mitigate perceived PNG risk

Tenement Interests

As at 30 September 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.

Table 2 shows the ELs held by Adyton Resources Corporation (TSXV: 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%	694
5	1875	Gulf	Thermal energy	100%	256
6	1876	Gulf	Thermal energy	100%	256
7	2599	Gulf	Thermal energy	100%	48
8	2303	Central	Limestone	100%	256
9	2616	Central	Limestone	100%	55

Table 1 - Exploration Licences

	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%	259
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 iron and industrial sands, lime and cement and renewable energy, will contribute to nation-building and job creation in a country which has lagged the pace of development compared to many of its Asian peers but is now poised to experience a significant growth trajectory. Mayur's unique portfolio of projects, are located on or near to the coast enabling ease of access for development and seaborne markets.

Directors:

Independent Non-Executive Chairman – Charles Fear
 Managing Director - Paul Mulder
 Executive Director - Tim Crossley
 Independent Non-Executive Director – Chris Indermaur
 Independent Non-Executive Director – Hubert Namani
 Independent Non-Executive Director - Wee Choo Peng

ASX Code: MRL

Company Secretary (Australia):

Kerry Parker
 Phone: +61 7 3157 4400

Ordinary shares: 222 million (30 September 2021)

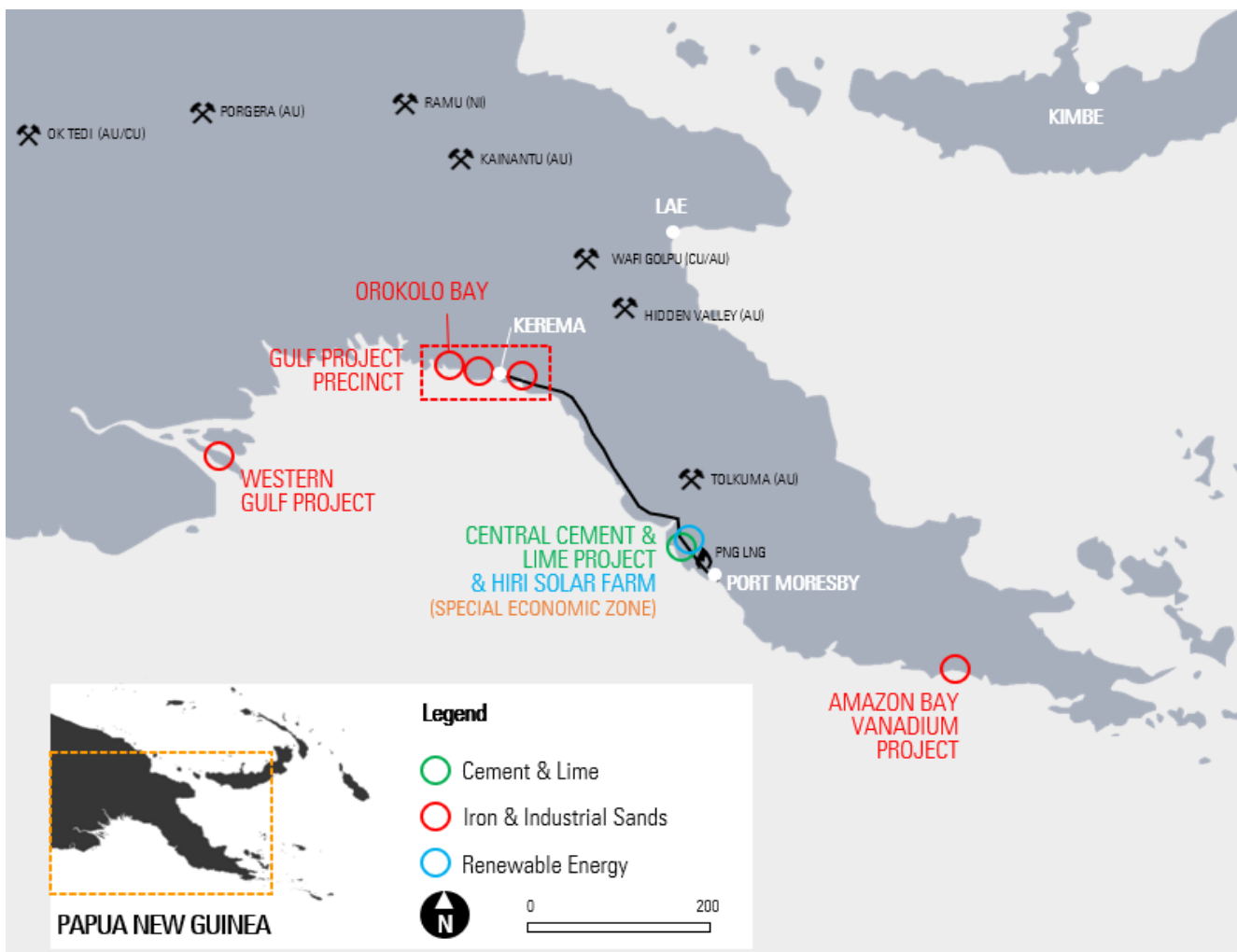
Office locations:

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 **Oroko 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 Oroko Bay Project Western Area 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")

30 SEPTEMBER 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (three 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	(210)	(210)
	(e) administration and corporate costs	(227)	(227)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other - costs relating to the spin out of Copper and Gold assets	-	-
1.9	Net cash from / (used in) operating activities	(438)	(438)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(20)	(20)
	(d) exploration & evaluation (if capitalised)	(1,059)	(1,059)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (three 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	-	-
2.6	Net cash from / (used in) investing activities	(1,079)	(1,079)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,539	4,539
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(438)	(438)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,079)	(1,079)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (three months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(41)	(41)
4.6	Cash and cash equivalents at end of period	2,981	2,981

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	2,981	4,539
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)	2,981	4,539

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**

96

-

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	-
---	---

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.

Not applicable

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(438)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,059)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,497)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,981
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,981
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.00

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: 28 October 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.