

13 December 2021

## Mining Lease granted for Orokolo Bay Mineral Sands project

Mayur Resources Limited's (ASX:MRL) 100% owned subsidiary company, Mayur Iron PNG Ltd's ("Mayur") Orokolo Bay Iron and Minerals Sands Project ("Orokolo Bay" or the "Project") in Papua New Guinea (PNG), is a major step closer to production with the PNG Government announcing today it has granted the project a 20-year Mining Lease (ML).

The grant is the final statutory approval required to allow full-scale production of a multi-product operation, that is slated to produce 0.5 million tonnes per annum (Mtpa) of magnetite, 1 Mtpa of high-grade construction sand, and up to 10,000 tpa of zircon concentrate with its target markets being Japan, Australia, China and Singapore.

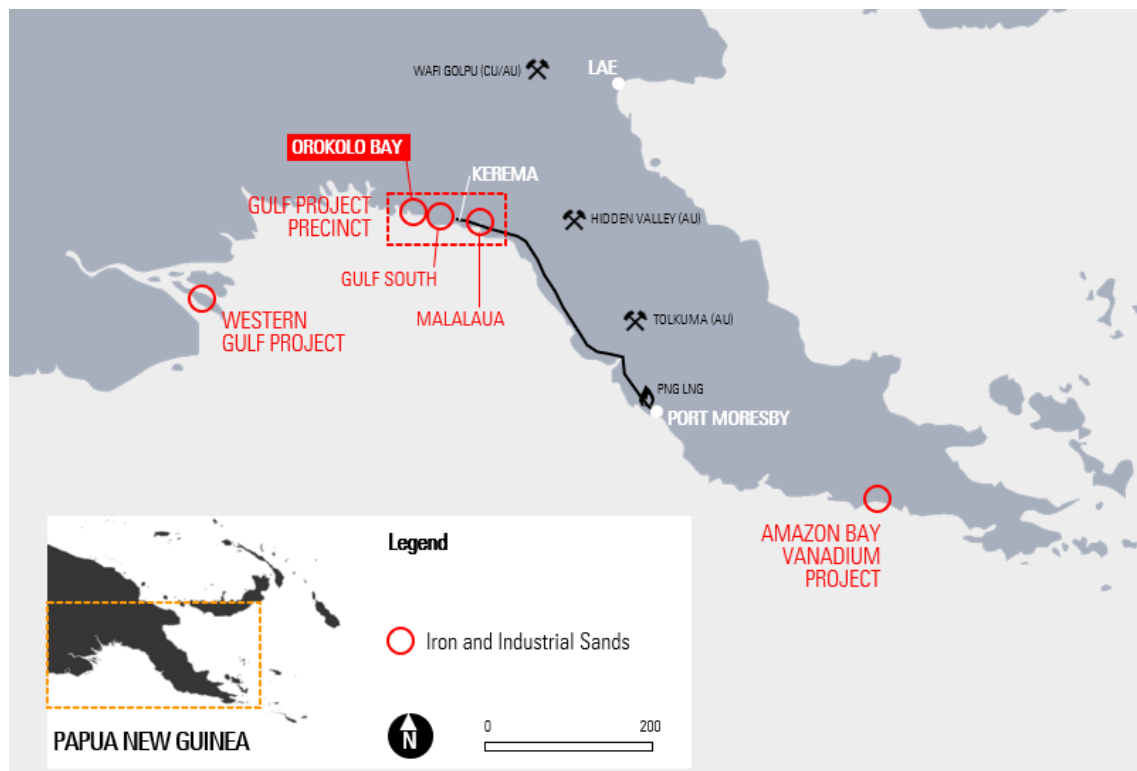


Figure 1: Location of the Orokolo Bay Iron and Industrial Sands project

Nation building  
in Papua New Guinea

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Mayur Managing Director, Mr Paul Mulder, said first delivery of magnetite into the seaborne iron ore market was on track for the second half of 2022, with other products of construction sands and zircon to be shipped once initial magnetite shipments had been made. Remaining COVID considerations are to be managed through a construction and operational plan that has received approval from the PNG State Police Commissioner, Mr David Manning. The company is looking to further mitigate any potential future international covid travel constraints by the appointment of resident in country PNG mining services contractors to undertake project construction activities and operations.

Orokolo Bay will produce 3 different products and thus remains an attractive global Quartile 1 cost producer when these product streams are combined, as demonstrated by the Definitive Feasibility Study (“DFS”) that was completed in late 2020. The DFS was conservative when it adopted a magnetite price that was discounted off the Iron Ore Price for 62% CFR China Platts Index price of US\$66.30 per tonne.

“Orokolo Bay is to be the flagship of our iron and industrial sands business that is planned to be listed on the ASX in 2022 as Ortus Resources Limited. Having a suite of products provides another level of insulation from any singular shift in commodity prices as valuable by-products of construction sand and zircon provide additional revenue for marginal cost,” Mr Mulder said.

“The Project will be a simple, onshore, near-surface mining and processing operation 4 kilometres inland from the ocean with direct access to the ocean via the large Purari River. Orokolo requires a small amount of ripping, no blasting, has no grinding requirements nor chemical processing, that is combined with a very low (planned) capital cost of only US\$21 million.

“Mayur first identified Orokolo Bay ten years ago and since that time we have diligently de-risked the project through Concept, Pre-feasibility and Definitive Feasibility Studies, supported geologically with over 1,400 drill holes with assays every 0.5 metre interval, and subsequent detailed multiple metallurgical/mineral processing trials via drill hole and bulk samples. Such works provides us with a high level of confidence that Orokolo Bay will offer strong returns for shareholders and PNG stakeholders alike,” he said.

Mr Mulder said the grant of the ML complemented the earlier receipt of an environmental permit from the Conservation and Environmental Authority for a period of 25 years.

“With all approvals in place, EPC construction bids received and site development camp established the company can now look to expeditiously progress the projects financing and remaining development activities to achieve first production in 2022.”

“In getting this far we are also very grateful to all of the landowners and stakeholders that have supported the development and in particularly those that have been affected by COVID in recent times. We look forward to working with the local Landowners on the already communicated direct employment, spin off jobs / businesses and other benefits and liaise with these Landowners, the Local Member, the Provincial Administration and the Mineral Resources Authority in this regard and formalise this via an MOU” he said.

Ortus Resources Chairman, Mr Richard Seville, said that “Our plan is to provide the Landowners and surrounding community with sustainable employment and revenue opportunities through a mechanised commercial scale post-mining sago production operation that will serve both local demand and also be transported and sold in the larger Port Moresby market.”



PNG's Mining Minister, Mr Johnson Tuke, agreed the project promised considerable upside and diversified the country away from traditional copper and gold projects. "In these challenging times, any new project that can diversify our economy, and develop a new export for PNG is most welcomed by the PNG Government," he said.

PNG's Gulf Governor, Honourable Chris Haieveta said "I have worked with Mayur from the commencement of my term as Gulf Governor, agreeing to create jobs on a sustainable long-term basis in Gulf Province whilst at the same time, the developer (Mayur), committing to contribute to local infrastructure such as Aid Posts, Schools, Air Strips and rehabilitate and/or establish connecting roads. Mayur having mapped and ascertained Landowner rights, committed to meaningful and sustainable post mining rehabilitation and land use i.e. via mechanised Sago is the type of developer we want in Gulf Province. Mayur has committed to ensure that adequate compensation of landowners for their resources in the immediate and long term is made via spin off jobs, direct employment and an opportunity for equity, which is what myself and other members of parliament representing our people want to see. Not all understand, but large or small resource projects take a very minimum of several years to get progressed to this point and the majority fail to get to this stage, however a long term aligned arrangement between the developer, Landowners and PNG State and Provincial Governments will ensure its success" he said.

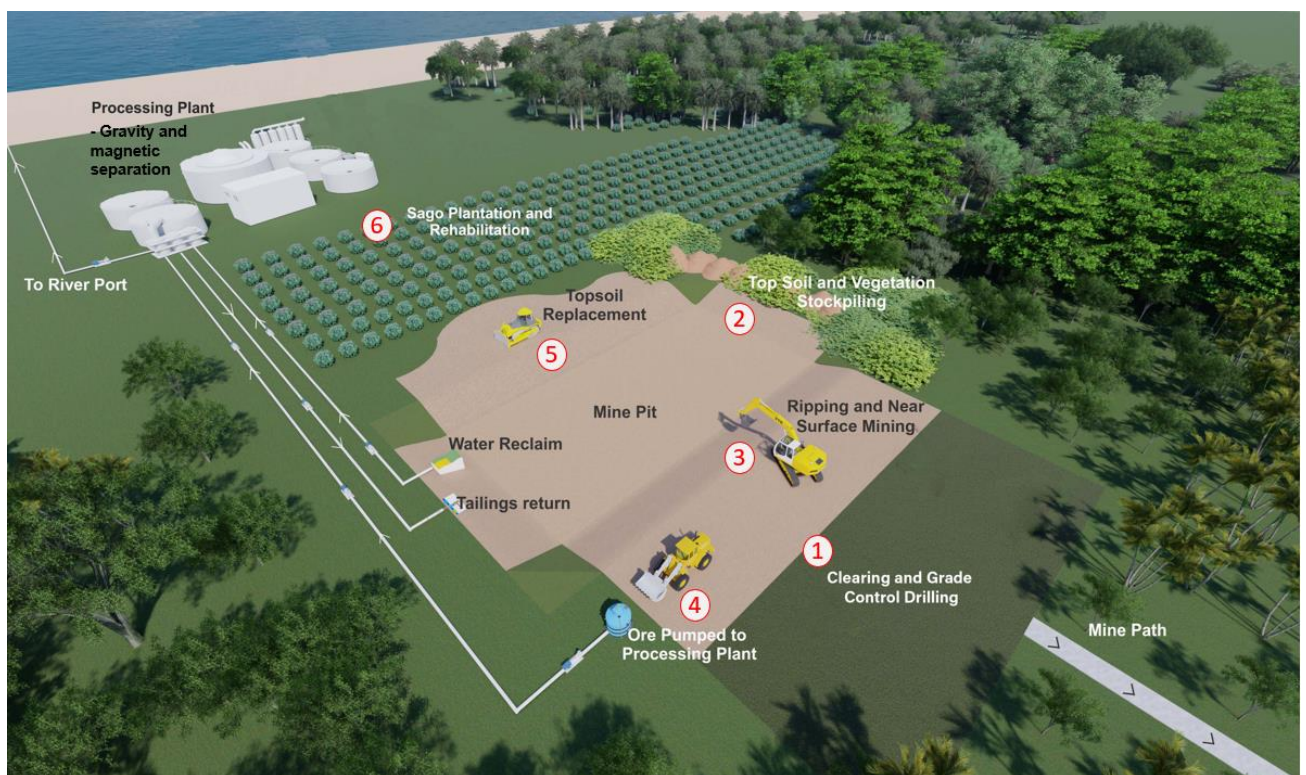


Figure 2: Artist's impression of the Orokolo Iron and Industrial Sands operation

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

Mayur Resources is focused on the development of natural resources in Papua New Guinea. Our diversified asset portfolio spans iron sands, lime and cement, battery minerals and renewable 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 strategy is to serve PNG and the wider Asia Pacific region's path to decarbonisation by developing mineral projects that deliver higher quality, lower cost, and "net zero" inputs for the mining and construction industries, as well as constructing a renewable energy portfolio of solar, wind, geothermal, carbon mitigation, and battery storage.

Mayur is committed to engaging with host communities throughout the lifecycle of its projects, as well as incorporating internationally recognised Environmental, Social and Governance (ESG) standards into its strategy and business practices.

## ABOUT MAYUR IRON

A business division of Mayur Resources, Mayur Iron is responsible for the development of the company's iron sands and industrial minerals portfolio in Papua New Guinea. Mayur Iron's flagship project is the Orokolo Bay Project which will produce a number of products including titano-magnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.