

14 December 2021

Mayur executes term sheet for supply of magnetite to Leading Japanese Trading House

Mayur Resources Limited (ASX:MRL) continues to progress its Orokolo Bay Iron and Industrial Sands project ("Orokolo Bay") in Papua New Guinea towards production with the execution of a Term Sheet agreement with a leading Japanese Trading House, for the supply of magnetite on behalf of Asian Steel mills.

The non-binding Term Sheet contemplates the parties agreeing to negotiate and finalise commercial sales and purchase contracts, following the satisfaction of various buyer and seller conditions, including test results and the sale of a trial shipment, following the project's planned commissioning in 2022.

Managing Director of Mayur Resources, Mr Paul Mulder described the agreement as a critical step in the delivery of the Orokolo Bay project which has a nameplate capacity of 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.

"Whilst we are unable to announce full details around the Term Sheet, due to confidentiality provisions, we see this support as a great vote of confidence in our Orokolo Bay project with blue chip customers continuing to engage with Mayur to source magnetite for their steel making purposes," Mr Mulder said.

"This deal contributes to the momentum we've made recently at Orokolo Bay with the grant of the 20-year Mining Lease as announced yesterday. The project is on track for development and commencement of operations next year. Orokolo Bay is the flagship asset in the planned spin out of our iron and industrial sands business on the ASX, to be named Ortus Resources Limited."

Chief Executive Officer of Mayur's Iron and Industrial Sands business, Mr Simon Slesarewich, said that Mayur was continuing to engage with a range of other Asian offtakers and he remained confident in the ability to secure further sales support. "Orokolo remains an attractive fully permitted and shovel ready development with the ability to produce multiple products providing protection through the various iron ore pricing commodity cycles, and this de-risking is highly valued by customers. Customers have confirmed they have been disappointed that various magnetite swing producers, with similar products as Orokolo Bay, entered the market during an environment of elevated iron ore prices and now with reduced pricing have exited the market."

"We look forward to bringing Orokolo Bay into production in 2022 and we will use this agreement as an important catalyst to complete the funding requirements for construction now that we have the Mining Licence, which includes the listing of Ortus Resources on the ASX in 2022."

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

Mayur Resources Limited 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. A Definitive Feasibility Study has been completed for a 100-percent owned project which has an initial CAPEX of US\$20.4 million to establish a simple mining and processing operation, with a forecast pay back of just over one year and a mine life of over 15 years.