

6 July 2022

Binding offtake supports Orokolo Bay development

HIGHLIGHTS

- Binding offtake agreement executed for the sale of magnetite product from the fully permitted construction ready Orokolo Bay Iron and Industrial Sands Project.
- Offtake covers 300,000 tonnes per annum for a 3-year period, with an option to extend for a further year, at market linked pricing.
- Complements magnetite offtake term sheet executed with leading Japanese trading house in December 2021.
- Order book confirms an important enabling pillar for the development and financing of the Orokolo Bay project

Mayur Resources Limited (ASX:MRL) (**Mayur** or the **Company**) has executed a binding offtake agreement (**Agreement**) with titanium pellet producer Qingdao Shinebest (**Shinebest**) for the sale of vanadium titanomagnetite (magnetite) product (**Product**) from the Orokolo Bay Iron and Industrial Sands Project (**Orokolo Bay** or the **Project**).

The Agreement replaces and improves the previously announced offtake with Shinebest, including increasing the contracted volume and term (*see MRL ASX release dated 13 March 2019*).

The Agreement is conditional upon entering operations by 30 June 2023, and a subsequent trial shipment of 30,000 tonnes performing to the satisfaction of Shinebest (as specified in the Agreement).

The key terms of the Agreement include :

- Annual contract minimum volumes of 300,000 tonnes ($\pm 10\%$) of Product for an initial 3-year period, with the ability to mutually extend the term by a further year (total 4 years);
- Product pricing formula based on the prevailing Platts 62% Fe iron ore pricing index (IODEX) with the application of a discount factor to adjust for the iron and titanium quality of the Product;
- Pricing subject to a floor price mechanism, whereby if IODEX is below US\$60 per tonne then there is no obligation to supply Product under the Agreement;
- Agreed Product quality and specifications, as well as bonus and penalty payments that are standard for an Agreement of this nature;
- CIF delivery terms apply; and
- Force Majeure and other internationally recognised standard commercial terms apply.



Mayur Managing Director, Mr Paul Mulder, commented, *“We are pleased to have revised our Agreement with Shinebest for approximately 60% of planned production from our fully permitted and construction ready Orokolo Bay Iron and Industrial Sands Project. Combined with the term sheet we executed with a leading Japanese trading house in December last year, the significant majority of the expected magnetite production from Orokolo Bay is now under some form of offtake agreement. The execution of this agreement with Shinebest provides investors, financiers and other stakeholders, future revenue certainty in continuing to progress the projects construction plans, with funding partners in the private and public space.”*

**This announcement was authorised by Mr Paul Mulder, Managing Director of Mayur Resources Limited.
For more information:**

Paul Mulder
Managing Director
Phone +61 (0)7 3157 4400
info@mayurresources.com

Michael Vaughan
Fivemark Partners
Mobile: +61 422 602 720
michael.vaughan@fivemark.com.au

ABOUT MAYUR

Mayur Resources Limited is focused on the development of natural resources and renewable energy 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, forestry carbon credit estates, 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 SHINEBEST

Shinebest was established in 2004, and is a company specializing in research, production and sales of furnace maintenance / protecting solvent and titanium concentrates. It is the largest deep-processing enterprise of tailing re-utilization of vanadium-titanium magnetite ore in northern China. Shinebest has a well-established relationship with the steel making industry and has won wide recognition based on its product quality.