

Development Funding Secured for Orokolo Bay Industrial Sands Project

10 February 2025

Mayur Resources Limited (ASX:MRL) (**Mayur**) is pleased to announce the execution of definitive agreements with Pacific Unison Holdings Limited (**Pacific Unison**) for the construction and operation of the Orokolo Bay Industrial Sands Project (the **OBP** or **Project**), located in Gulf Province, Papua New Guinea.

The execution of these agreements follows the previously announced terms sheet signed in December 2024¹ and represents a significant milestone in the development of the Project. After more than a decade of planning and work completed at OBP, the agreement with Pacific Unison enables OBP to become a producing asset, aligning with Papua New Guinea's economic and social development goals. While the current focus is on the production of magnetite, this initiative enhances the nation's internal capabilities and may, in the future, provide the opportunity to use domestically produced magnetite as the key raw material - a development that would mark a first for PNG.

Highlights

- Commitment of up to USD 11.2 million from Pacific Unison, which is expected to fully fund the construction and commissioning of the OBP magnetite only plant, with targeted commencement of production in Q4 2025 with an annual output target of 500,000 tonnes of Magnetite².
- Mayur retains 100% equity ownership of the Project and 50% of all future profits while Pacific Unison leads the required funding, construction and development of the OBP. This arrangement enables Mayur to focus its funding and resources on the development of its flagship Central Cement and Lime Project, located in PNG, whilst retaining 50% of all future profits from the OBP, while Pacific Unison funds 100% of the required capital development funding.
- Bringing the OBP into production alongside the Central Cement and Lime Project reflects Mayur's commitment to developing the 'building blocks' of a nation within Papua New Guinea – which includes iron, cement, lime, construction sand and other vital building materials.
- Successful development of Orokolo Bay will provide the opportunity to develop the broader portfolio of industrial sands projects and potentially lay the foundation for other downstream processing and production industries.

Commenting on the execution of these agreements, Paul Mulder, Managing Director of Mayur Resources, said:

"Identifying and securing the right long-term partner has taken some time, however via the execution of these definitive agreements, we feel confident in the rapid development of the Orokolo Bay Project up to a nameplate production capacity of 500,000 tonnes of Magnetite per annum². We feel the parties are well aligned in the commercial arrangements and have a shared vision for the Project's significant economic and community outcomes not only during production, but also in post-mining industries being established in the agriculture sector."

"Bringing the Orokolo Bay Project into production alongside our flagship Central Cement and Lime Project will generate attractive cashflows and importantly, compliments Mayur's commitment to developing the building blocks within PNG – ***domestically produced and affordable downstream iron, cement/lime are the key pillars that will build PNG***, and also displace imports and set up an export industry."

¹ ASX Announcement 5 December 2024: Mayur Resources Signs Binding Term Sheet for Development of Orokolo Bay

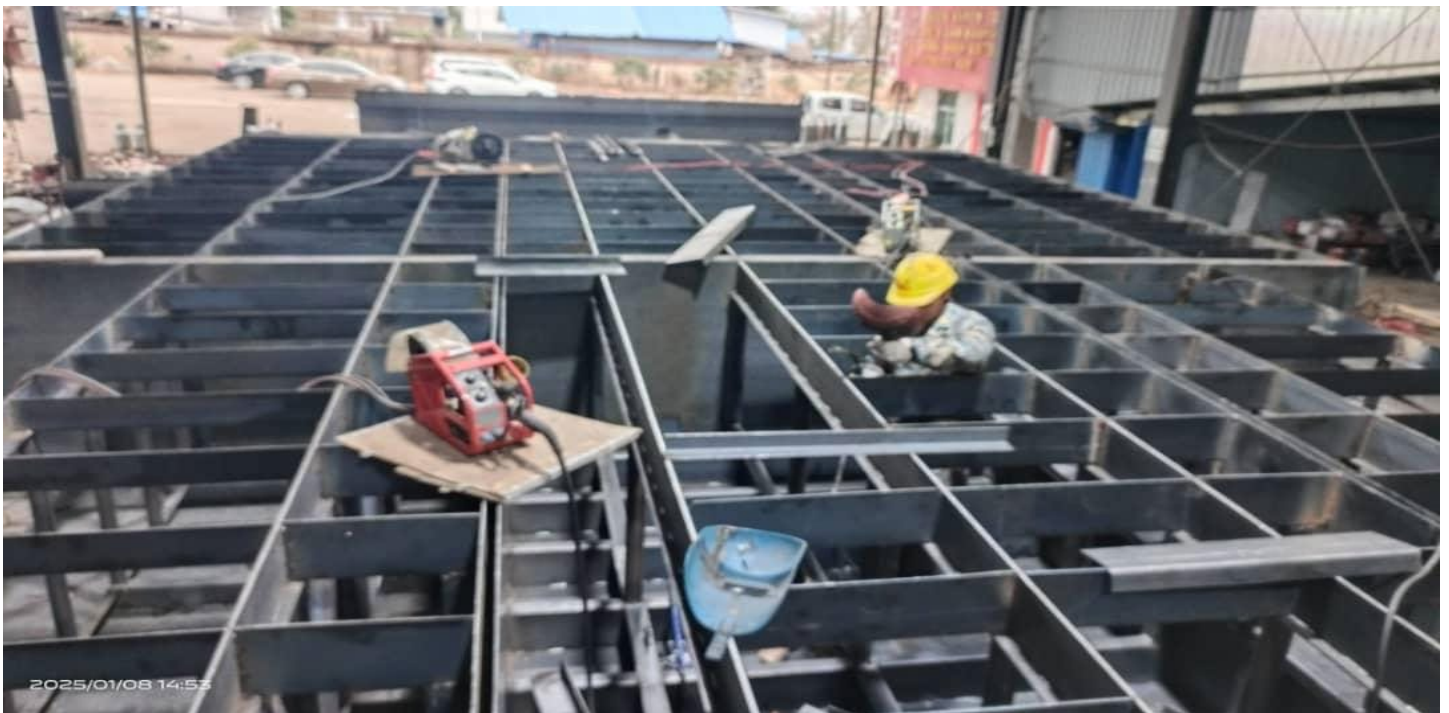
Hon. Chris Haieveta, Governor of Gulf Province said:

“As Governor of Gulf Province, I am proud to reaffirm my full support for the Orokolo Bay Project, a gulf province-building initiative I have championed since taking office. It is a transformative project that will drive economic growth, create over 130 direct and 450 indirect jobs, and create province-building capacity using local skills and resources. This marks a pivotal step for PNG having its own domestic iron ore resources for export, but to also consider development of PNG’s own small-scale iron and steel industry, being a critical ingredient to build our nation, alongside cement.”

About the Orokolo Bay Project

The OBP is situated within Mining Lease 541 (ML 541) and Exploration Licence 2305 (EL 2305) and is the primary Project within Mayur's industrial sands portfolio.

The Project is fully permitted and offshore construction of equipment is already underway. Initial production targeted to commence late calendar 2025.



Above: Barge construction for the Orokolo Bay Project already underway.

Broader Mineral Sands Portfolio Synergy

The signing of these agreements and partner Pacific Unison already commencing construction works has laid the foundation for Mayur advancing its broader portfolio of higher-grade titanium and vanadium mineral sands projects in PNG. These projects, including Amazon Bay and Kiwai Island, are distinguished by their superior grades of critical minerals, which are essential for large-scale power generation and battery storage solutions. Titanomagnetite, a key resource in these projects, offers unique advantages due to its dual composition of titanium and iron, making it highly sought after in industries such as aerospace, renewable energy, and advanced manufacturing. Similarly, vanadium plays a critical role in vanadium redox flow batteries (VRFBs), which are increasingly being deployed for grid-scale energy storage due to their exceptional efficiency, scalability, and long lifespan. It also acts as a key ingredient to strengthen steel.

Next Steps

As stated, construction and procurement activities have already commenced, funded by Pacific Unison.

Simultaneously, Mayur will maintain active engagement with local communities, having already established a construction camp, and manage all regulatory requirements to ensure the Project's execution proceeds smoothly, and aligns with broader PNG Government economic and development goals. This agreement reflects Mayur's dedication to delivering value to its shareholders while contributing to Papua New Guinea's economic growth and sustainable development.

A summary of the material terms of the definitive agreements is annexed.



Above: Village campsite infrastructure under construction.

ENDS

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² The Company notes that the nameplate capacity is a potential capacity derived from the DFS, last updated in April 2022, a summary of which was released on 23 January 2024. All material assumptions underlying the production targets and forecasts within that document continue to apply and have not materially changed noting that PacUn funding is for development of the Magnetite product with other contemplated products in the DFS reserved for the expansion phase of the OBP. The Company additionally notes that the specific obligation of Pacific Unison is to deliver a project capable of production at this level.

About Mayur Resources

Mayur Resources Limited is focused on the development of natural resources and renewable energy in PNG. Mayur's diversified asset portfolio spans iron and industrial sands, lime, cement, nature-based forestry carbon credits, battery minerals and renewable power generation (geothermal and solar). Mayur also holds an approximate interest of 19.6% 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 targeted "carbon neutral" inputs for the mining and construction industries, as well as constructing a renewable energy portfolio of solar, wind, geothermal, nature-based 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 Pacific Unison Holdings Limited

Pacific Unison Holdings Limited (PacUn) is a private company incorporated in Papua New Guinea with business activities that include construction works, civil engineering design, hydro power projects, contract mining, building design, structural, mechanical, and electrical engineering services, and project delivery.

PacUn is focused on capacity building and supports nation building across PNG to achieve the country's growth and industrials aspirations.

Site Location



Annexure A: Summary of Material Terms of Agreements

Term	Summary
Parties	<ul style="list-style-type: none"> Mayur Iron PNG Limited a wholly owned subsidiary of Mayur Resources Limited, domiciled in Papua New Guinea (MIPNG) Pacific Unison Holdings Limited domiciled in Papua New Guinea (PacUn)
Agreements	<p>The Parties have entered into various agreements relation to the Orokolo Bay Project owned by MIPNG (the OBP) comprising their cooperation, including:</p> <ul style="list-style-type: none"> a joint co-operation agreement; a sales and marketing agreement; and a mining services agreement. <p>(together, the Agreements).</p>
Agreements Scope	<p>PacUn will invest up to USD 11.2 million (comprising USD 10 million in expected funding and up to an additional USD 1.2 million in an over-run facility) to fund the OBP's construction and initial operations to achieve a minimum annual production capacity of 500,000 tonnes of magnetite.</p> <p>Subject to the successful completion of construction works:</p> <ul style="list-style-type: none"> PacUn will be granted a life-of-mine right to a mining services contract from MIPNG exclusively limited to the OBP (ML541 and EL2305); and PacUn will be granted an option to jointly collaborate with Mayur on the marketing of the product of the OBP.
Governance of OBP	<p>All works shall be conducted on an open-book and fully auditable basis.</p> <p>PacUn and MIPNG will establish an executive board (committee) intended to manage the OBP, with each of PacUn and MIPNG having the right to nominate two members to this board. This board will have strategic, construction, and operational oversight of the OBP within the parameters set by the Agreements. In the event of a dead lock that subsists for thirty days, MIPNG will have a casting vote.</p>
Community Engagement	<p>Mayur remains responsible for the engagement and management of landowners and community.</p>
Profit Sharing	<p>Net Profits generated from the OBP shall be distributed between MIPNG and PacUn on a 50/50% basis.</p> <p>All works conducted by PacUn will be charged at cost with no margin applied by PacUn or its related entities.</p> <p>Additionally, the Parties have agreed to a progressive return of the USD 500,000 upfront commitment fee contemplated in the term sheet. Payments returning that fee will be made by Mayur to PacUn progressively towards construction commencing.</p>
Ownership	<p>MIPNG will continue to own the OBP. PacUn will own all plant and equipment (being fixed assets) that it acquires for the OBP.</p>
Right of First Refusal on Other Projects	<p>Subject to PacUn meeting all obligations to MIPNG under the Agreements, MIPNG will grant PacUn a right of first refusal over the development, operation, or acquisition of any future mineral sands projects owned or controlled by MIPNG.</p>
Mining Services Agreement	<p>All works conducted by PacUn will be charged at cost with no margin applied by PacUn or its related entities. PacUn will manage life-of-mine mining services, including overseeing the safe and efficient extraction, mining, processing, and logistics operations.</p>
Sales and Marketing Agreement	<p>MIPNG will establish a subsidiary for the purpose of managing the sales and marketing of OBP output. PacUn will be granted an option to own up to 49% of this entity and have rights to its management on similar terms to the governance of the OBP generally.</p>

Term of Agreements	<p>The co-operation between the parties will remain in force for the operating life of the OBP. MIPNG has the right to terminate the co-operation for convenience however may be required to buy out PacUn from its ownership of fixed assets.</p> <p>The termination provisions are otherwise on terms that Mayur considers are standard for contracts of this nature.</p>
Governing Law	<p>The agreements are to be governed by either the laws of Singapore or Queensland, Australia (depending on the specific provisions of each of the Agreements).</p>
Other Material Terms	<p>All other material terms of the Agreements are on terms customary for agreements of a similar nature.</p>