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Mayur submits mining lease application for PNG's first iron and industrial minerals operation.

Mayur Resources Limited (ASX:MRL) is a step closer to developing Papua New Guinea's first iron and industrial minerals project, announcing today it has lodged a Mining Lease (ML) application for its Orokolo Bay Project in Gulf Province.

The application concerns the full-scale development of the project which has a planned saleable production rate of 0.5 million tonnes per annum (Mtpa) of vanadium titano-magnetite (VTM) and Dense Medium Separation magnetite, 1 Mtpa of high grade silica construction material and 8,000 to 10,000 tpa of a zircon rich heavy mineral concentrate.

PNG's Mineral Resources Authority (MRA) in Port Moresby will now review the application which is supported by the Definitive Feasibility Study (DFS) completed in September 2020, as well as land ownership studies.

Mayur Resources Managing Director, Mr Paul Mulder, said it was the final step for the project to be fully consented and shovel ready.

"As Mayur's second project to be advanced to final legislative approval in PNG, Orokolo is a simple, onshore, near-surface mining and processing operation with no requirement for grinding or chemical processing and a capital cost of only US\$22m. We therefore anticipate being able to work quickly with the MRA on this assessment," Mr Mulder said.

"We've already secured funding for the project which will not require further dilution and is exposed to an attractive forward-looking earning profile from next year."

The financial analysis in the DFS used a pricing assumption for the VTM product based on a conservative long-term iron ore price of US\$66.30/t (62% Fe CFR China). This compares to a current iron ore price above US\$150/t which Mr Mulder described as offering a "major potential upside to the economics of the project".¹

"In addition to the supportive iron pricing, and subsequent to the completion of the DFS, considerable work has also been undertaken and continues to be progressed to assess the suitability of the Orokolo Bay material to supply Singapore's construction sector that imports huge amounts of this material," he said.

"This potential opportunity is in addition to the supply of material to the Sydney market."

Mr Mulder said he was also excited by the opportunity to establish a commercial-scale, mechanised sago harvesting operation post-mining (with sago being the main local food staple).

"Our plan is to provide the community with sustainable employment and revenue opportunities that will continue well beyond the life of the mine, where sago production can serve both local demand and also be transported and sold in the larger Port Moresby market," Mr Mulder said.

¹ 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 continue to apply and have not materially changed.



“The MRA’s consideration of our application will occur in parallel with Orokolo’s pilot plant bulk sampling activities, for which the key plant and equipment is awaiting shipment into PNG.

“Construction of the pilot plant and the full-scale operation may overlap depending upon the timing of the mining lease approval process and the easing of COVID-19 travel and transport restrictions into PNG,” he said.

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

Mayur Resources is an ASX-listed company focused on the development of natural resources in Papua New Guinea. The maturation of our diversified asset portfolio, which spans industrial minerals, power generation, coal, copper and gold, will contribute to nation-building and job creation in a country experiencing a significant growth trajectory. Our unique portfolio of projects, many in close proximity to world scale producing mines, are either coastal or near the coast for easy development and access to future seaborne markets.