

QUARTERLY ACTIVITIES REPORT PERIOD ENDING 30 June 2019

CENTRAL CEMENT & LIME (CCL) PROJECT

- Mining Lease application was submitted to the Mineral Resources Authority (MRA) and represents the final key milestone in the statutory permitting and approvals process for the project to be “shovel” ready¹
- Commenced project finance (debt and equity) process with Morgans/KPMG for the CCL project²
- Progressed product offtake negotiations both in PNG and Australia for the clinker, cement and quicklime products
- Paul Mulder and Kevin Savory (CEO Lime & Cement) met with the recently appointed Prime Minister of PNG (Hon. James Marape) and other senior ministers including the Treasurer (Hon. Sam Basil) in Port Moresby to brief them on the CCL project along with MRL’s other projects in PNG - **refer to accompanying letter to shareholders for further details of this meeting**
- Above meeting covered Mayur’s strategy of import replacement, developing in-country capacity in downstream value adding industry and the Company’s wider portfolio including the Lae Enviro Energy Park (EEP) power generation project, coal and the Orokolo Bay industrial mineral sands project
- Positive feedback and support was received and Mayur is well positioned to help the new National Government achieve their long-term development goals for the country

OROKOLO BAY PROJECT & INDUSTRIAL SANDS PORTFOLIO

- Completed 450 auger hole infill drilling program at Orokolo Bay for the definitive feasibility study activities with samples in transit from PNG to Australia for preparation and lab test works
- Successful renewal of the Orokolo Bay (EL2305) Exploration Licence obtained, including relevant conditions for the proposed bulk sample pilot plant phase
- Orokolo Bay bulk sample pilot plant status update:
 - Completed front-end engineering design, commenced detailed engineering and continued procurement
 - Commenced construction in China with joint venture partner China Titanium Resources Holdings under the terms of the existing earn in agreement³
 - Commenced recruitment of key national staff for the bulk sampling operation
 - Landowner negotiations ongoing
 - Further magnetite dense media separation (DMS) laboratory tests underway
 - Plan to begin operations in Q1CY2020 subject to receipt of final project approvals

¹ Refer to ASX release dated 3 July 2019 – Mining Lease lodged for CCL Project

² Refer to ASX release dated 18 July 2019 – MRL appoints CCL project financing team

³ Refer to ASX release dated 7 January 2019 for terms of the arrangement with CTRH to earn up to 49% in the Industrial sands portfolio

- Commenced data collation on Amazon Bay (EL2556) with initial assessment indicating the tenement could host a significant vanadium-bearing resource which warrants further investigation

POWER GENERATION

- Mayur Power Generation PNG Limited signed a Memorandum of Agreement (MOA) with Kumul Petroleum Holdings Limited regarding the establishment of a 50/50 joint venture for the development of PNG Energy Generation Solutions (PEGS) to target the use of domestic energy resources for in country power generation⁴
- New senior team appointments for power and energy division of the business, with Tim Crossley (Executive Director of MRL) as Acting CEO and Bill Williams as Senior Energy Head. Mr Williams has long-term energy sector experience which includes power project development in PNG⁵
- Reinvigoration of stakeholder engagement for Lae Enviro Energy Park (EEP) Project, including re-engagement with Prime Minister James Marape, senior ministers, and EPC contractors
- Since the progression of the Lae Power Project last year from the Ministerial Economic Committee, Mayur has been asked to provide the requisite data to enable the PNG Government to prepare a National Executive Council (NEC) submission along with briefing respective sponsor Ministers. An NEC approval will be a key overriding approval governing the project's progression and a Power Purchase Agreement (PPA) being executed

COAL EXPLORATION PROJECTS

- Following completion of further field mapping and sampling across the coal exploration portfolio in Gulf Province, a regional geological mapping model has been generated. A resource/reserve drilling program is under development with expected mobilisation in August 2019

COPPER & GOLD EXPLORATION PORTFOLIO

- Basilaki and Sideia (EL2095) - Data captured from an aeromagnetic and radiometric survey across Sideia Island has been processed and interpreted. Several possible drill targets have been identified. Next steps are being discussed. Further extension to the option agreement may be considered by the funding partner
- Successful granting of Konos (EL2591) licence in New Ireland Province. This is a prospective greenfield copper-gold porphyry/skarn exploration project. A prospecting and sampling program is due to commence early August 2019
- Feni (EL2096) – large near-surface epithermal gold and porphyry copper potential with a current inferred JORC gold resource of 19.9Mt @ 1.01 g/t Au (650,000 Oz). Mobilisation activities for the next phase of drilling remain on hold, while landholder access negotiations continue

⁴ Refer to ASX announcement dated 10 May 2019

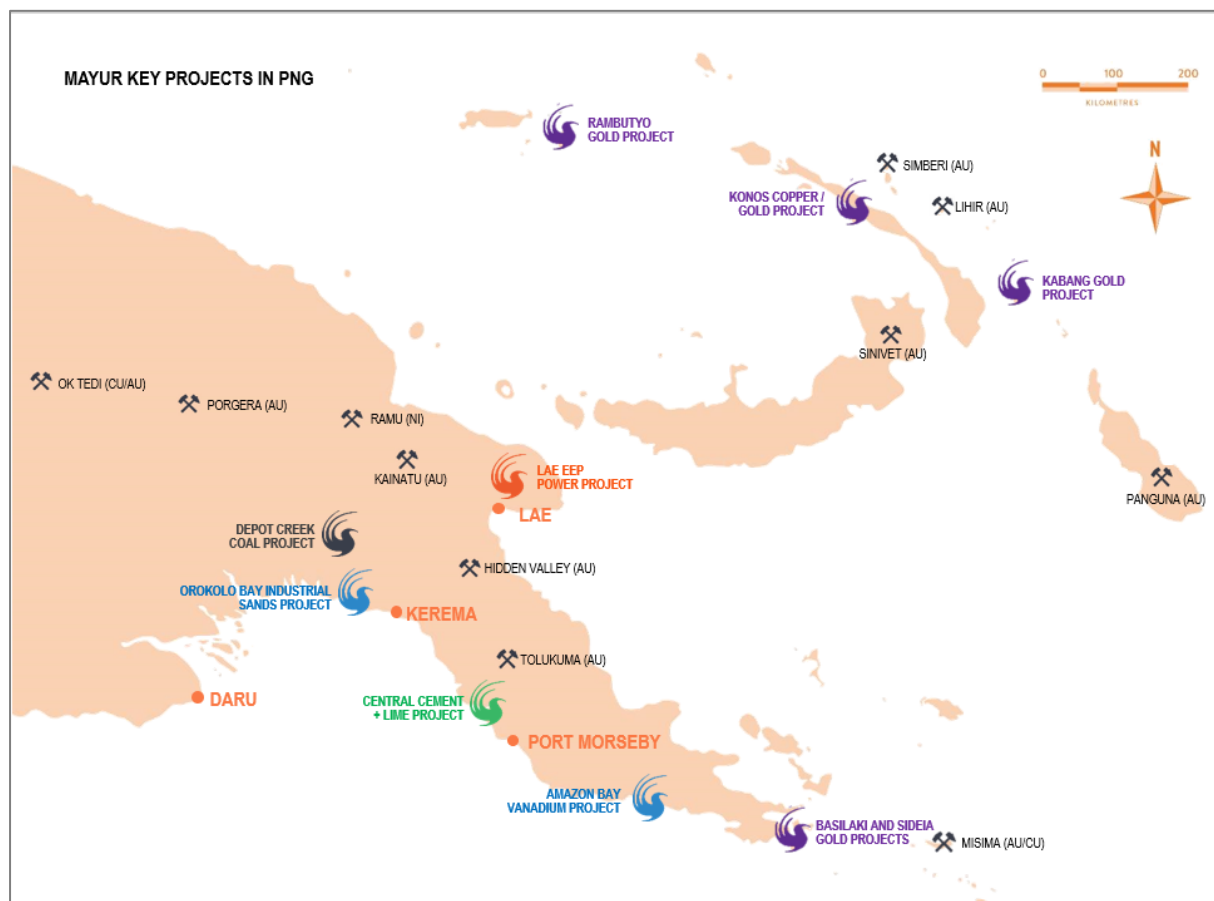
⁵ Refer to ASX announcement dated 25 June 2019

- Rambutyo (EL2594) – planning for a field mapping and surface sampling program across the island targeting a greenfield porphyry gold and possible collapsed caldera deposit at two major intersecting geological structures. Anomalies identified from previously sampled gold stream sediment results - some of the highest stream sediment samples ever recorded in PNG

CORPORATE

- Acquisition of minority interests to consolidate 100% ownership of power and energy resources portfolio⁶
- Cash at bank totaled \$2.80 million as at 30 June 2019
- Subsequent to the above, MRL completed a capital raise in July 2019 to raise a total of \$9.7m⁷

PROJECTS MAP



⁶ Refer to ASX release dated 25 June 2019

⁷ Refer to ASX release dated 3 July 2019

TENEMENT INTERESTS

During the quarter the Company received notification from the MRA regarding the renewal of Exploration License (EL) 2305 (Orokolo Bay Project) and the granting of EL 2591 (Konos Copper Gold project) in New Ireland province.

In addition to the above as shown in table 1 below, six EL's continue to progress through the statutory assessment and renewal process (EL 2150, 2267, 2268, 2297, 2095, 2096) as prescribed by the PNG Mining Act.

The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

As at 30 June 2019 the Company had interests in the following tenements, all located in Papua New Guinea:

	EL nr	Province	Commodity focus	Ownership at end of quarter	Km ²
1	2095*	Milne Bay	Copper / Gold	100%	75
2	2096*	New Ireland	Copper / Gold	100%	95
3	2594	Manus	Copper / Gold	100%	522
4	2591	New Ireland	Copper / Gold	100%	252
5	2150*	Gulf	Industrial Mineral Sands	100%^	307
6	2266	Gulf	Industrial Mineral Sands	100%^	634
7	2267*	Gulf	Industrial Mineral Sands	100%^	1,279
8	2268*	Gulf	Industrial Mineral Sands	100%^	1,279
9	2269	Western	Industrial Mineral Sands	100%^	638
10	2297*	Gulf	Industrial Mineral Sands	100%^	1,279
11	2304	Gulf	Industrial Mineral Sands	100%^	269
12	2305	Gulf	Industrial Mineral Sands	100%^	259
13	2556	Milne Bay	Industrial Mineral Sands	100%^	1,408
14	2303	Central	Limestone	100%	256
15	1873	Gulf	Coal	100%^	256
16	1874	Gulf	Coal	100%^	256
17	1875	Gulf	Coal	100%^	314
18	1876	Gulf	Coal	100%^	317

Table 1 - Exploration Licence list (*ELs currently under renewal; ^all industrial mineral sands ELs are subject to the JV farm in deal with CTRH; ^^ 100% following acquisition per ASX announcement dated 25 Jun 2019)

ASX Code: MRL

Directors:

Rob Neale
(Chairman)
Paul Mulder
(Managing Director)
Tim Crossley
(Executive Director)
Frank Terranova
(Non-Executive Director)
Lu Kee Hong
(Non-Executive Director)

Company Secretary (Australia):

Jonathan Hart
Phone: +61 413 890 032

Ordinary shares:

151 million (30 June 2019)

Office locations:

Australia
(principal administrative office):
Level 7, 300 Adelaide St,
Brisbane, Qld 4000
Phone +61 7 3157 4400

Singapore (registered address):
80 Robinson Road, #02-00
Singapore 068898

Website:

www.mayurresources.com

ARBN 619 770 277

ABOUT MAYUR RESOURCES

Mayur Resources is an ASX-listed company focused on the development of natural resources in Papua New Guinea. The maturation of Mayur's 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. Mayur's unique portfolio of projects, many in close proximity to world-class producing mines, are located on or near to the coast enabling ease of access for development and future seaborne markets once in operation.

COMPETENT PERSONS STATEMENT

Statements contained in this announcement relating to Mineral Resources and Ore Reserves estimates for the **Central Cement and Lime Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Rod Huntley, who is a member of the Australian Institute of Geoscientists. Mr. Huntley has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Huntley qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Huntley is an employee of Groundworks Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Huntley takes responsibility for the form and context in which this initial Ore Reserves Estimate prepared for the Central Cement and Lime Project appears

Statements contained in this announcement relating to Mineral Resource estimates for the **Orokolo Bay Industrial Sands Project and the Feni (Kabang) Gold project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Orokolo Bay Project and Feni Gold appears.

Statements contained in this announcement relating to Mineral Resource estimates for the **Depot Creek Coal Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Neill Biggs, who is a member of the Australian Institute of Geoscientists. Mr. Biggs has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Biggs qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Biggs is an employee of Resolve Geo Pty Ltd contracted as a consultant to Mayur Resources and consents to the use of the matters based on his information in the form and context in which it appears. As a competent person Mr Biggs takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek Coal Project appears.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are no guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Announcement, except where required by law and existing stock exchange listing requirements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAYUR RESOURCES LTD

ARBN

619 770 277

Quarter ended ("current quarter")

30 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,730)	(6,979)
(b) development	-	-
(c) production	-	-
(d) staff costs	(257)	(979)
(e) administration and corporate costs	(594)	(1,925)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	67
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,572)	(9,816)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(227)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(227)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options	230	320
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (<i>repayment of Loans from Shareholders as disclosed in the Prospectus dated 21 July 2017</i>)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	230	320

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,128	12,499
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,572)	(9,816)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(227)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	230	320
4.5	Effect of movement in exchange rates on cash held	11	21
4.6	Cash and cash equivalents at end of period	2,797	2,797

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,797	5,128
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,797	5,128

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	\$132
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 *During the quarter the Company made payments totalling \$132,085 to Directors (comprising \$35,588 paid to Non-Executive Directors and \$96,496 to Executive Directors) as payment of the cash component of Director remuneration for the period 1 JApril 2019 to 30 June 2019*

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	\$Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	1,365
9.2	Development	-
9.3	Production	-
9.4	Staff costs	241
9.5	Administration and corporate costs	349
9.6	Other – Equity Raising ^^	(9,000)
9.7	Total estimated cash outflows	(6,745)

^^ On 3 July 2019, the Company announced to the ASX that it had completed an option underwriting agreement and institutional placement to raise \$9.7 million before costs. The amount reflected above represents the \$9.7 million placement proceeds net of estimated transaction costs and after deducting \$230,000 in option exercise monies received prior to 30 June 2019.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	Nil	N/A	N/A
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	Nil	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

(Director/~~Company secretary~~)

Date: 31 July 2019

Print name: Paul Mulder

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.