

Quarterly Report



mayurresources.com

Highlights

Corporate

- Completed a capital raise of \$2.5 million via a placement to professional and sophisticated investors, securing funding to provide working and development capital
- Chairman Mr Rob Neale retired from the Board, having been an advisor and Director of Mayur for over five years

Central Cement & Lime Project

- Appointed industry veteran Mr Trent Alexander as Chief Operating Officer of the Company's lime and cement business, and to lead its flagship CCL project
- Ongoing liaison with key government and community stakeholders for the Memorandum of Agreement and Development Forum to formalise the agreed framework for benefits sharing for the CCL Project
- Continued the quicklime prioritisation strategy with updated EPC bids for the quicklime plant expansion to 2 kilns and a standalone quicklime definitive feasibility study as Phase 1 of the CCL project
- Further marketing progress with the execution of several new commitment letters of support for quicklime product offtake

Iron & Industrial Sands

- Mayur Iron, the Company's iron and industrial sands business to be rebadged as Ortus Resources with a planned listing on the ASX in late 2021
- Ortus will be led by Mr Richard Seville and Mr Simon Slesarewich, as Chairman and CEO respectively
- Successful community wardens hearing held at Orokolo Bay for the Mining Lease with the final Mining Lease grant assessment being conducted by the Mineral Resources Authority (MRA)

Power & Lae Enviro Energy Park Project

- Ongoing liaison with the State Negotiation Team to negotiate and finalise the Power Purchase Agreement (PPA) for the Lae Power Project
- Continued to assess a range of renewable energy opportunities in PNG both as standalone energy projects and as projects to support Mayur's mining and industrial projects. As these assessments become more mature, the market will be updated accordingly

Overview

As Papua New Guinea navigates the COVID pandemic the company continues to innovate and adjust to mitigate the effect of ongoing international travel restrictions. Given the advanced stage of Mayur's projects, it has been possible to progress key activities at both the Central Cement and Lime Project and the Orokolo Bay Project. Community engagement and government relations activities has been successfully maintained by its experienced in-country team with remote support from Brisbane head office.

The Company completed a capital raise of \$2.5 million in May 2021 to provide added funding for project development and the reorganisation of Mayur's iron and industrial minerals business via the spin out of Ortus Resources being led by Simon Slesarewich and Richard Seville as Chair. With the iron ore market still very strong a strong leadership team in place and the Orokolo Bay project largely through its key development steps the Board has determined that the planned spinout should proceed in earnest.

Mr Trent Alexander, a cement and lime industry veteran, was appointed as COO of the lime and cement business, with a focus on the phase 1 of the Central Cement and Lime (CCL) Project being the delivery of the quicklime plant and associated infrastructure. Work has continued in developing a 'decarbonisation pathway' for the project with the aspiration of being Asia's lowest carbon producer for the products it produces.

Mayur's vision to provide PNG with more affordable and reliable energy remains a clear pillar of future value for the company. The vision for our Energy and Power Generation business is to support PNG's transition to renewables, and to help the PNG government deliver its target of increasing the electrification rate from 13% to 70% of the population by 2030.

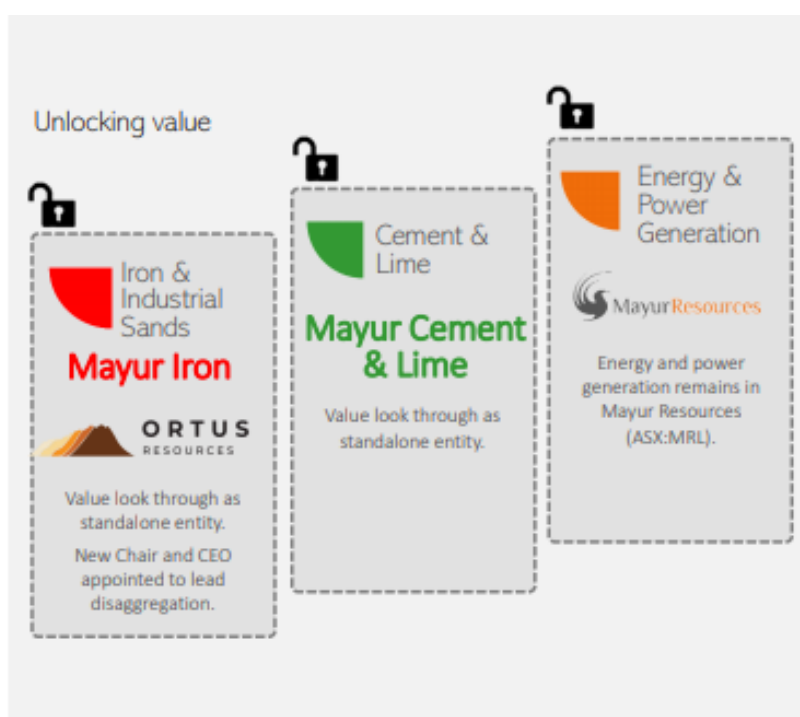
During the quarter Adyton Resources (in which MRL retains 43% shareholding) successfully completed a large exploration drilling programme at the Gameta gold project on Fergusson Island, whilst also mobilising to commence drilling copper and gold targets on Feni Island located between the islands of Lihir and Bougainville*.

Chairman Mr Rob Neale retired from the Board, having overseen Mayur's transition from a private to a public company via its IPO in 2017 and the continued successful development of its portfolio. Mayur Non-Executive Director and Chair of the Audit and Risk Committee Mr Frank Terranova assumed the role of interim Non-Executive Chairman.

The company made payments totalling approximately \$0.11 million to related parties representing remuneration paid to Directors.



Executing Disaggregation Strategy



*for more information visit Adyton Resources website <https://adytonresources.com/>

Projects

Central Cement & Lime Project

The proposed Central Cement and Lime (CCL) Project is a vertically integrated manufacturing facility with the ability to meet 100% of PNG's cement, clinker and quicklime requirements, displacing imports into PNG, and penetrate nearby export markets in Australia and the South Pacific. The co-located quarry, plant site and deep draft wharf will enable very low operating costs. The company is currently working on a number of initiatives to significantly reduce the projects carbon footprint and become the lowest carbon cement and lime producer in the region.

Mr Trent Alexander was appointed as COO of the cement and lime business, bringing experience of senior positions with market leaders such as Brickworks, Hanson, Adelaide Brighton and Orica, having managed both the delivery and operations of concrete manufacturing facilities and quarries, as well as key team member delivering Queensland's first independent bulk cement import terminal.

Trent has been engaging directly with key investors and product customers (for quicklime, hydrated lime and crushed limestone). A range of letters of support have been received from quicklime customers in PNG and for the Australian market. Interest is being driven by demand from traditional markets of gold processing, water treatment and road stabilisation and the rapidly growing 'battery facing' minerals sector including nickel, cobalt, copper, alumina, rare earths, and lithium that requires use of lime for processing.

A Definitive Feasibility Study (DFS) has been drafted the quicklime plant as a standalone phase of the CCL Project (phase 1), with the clinker and cement facilities being preserved for future development (phase 2).

This phase 1 quicklime only DFS is a subset of the previous DFS, released in 2019 that contemplated the concurrent delivery of the quicklime, cement and clinker facilities, but now seeks to double quicklime production capacity from 1 kiln (200,000 tpa) to 2 kilns (400,000 tpa).

The procurement strategy for the project has continued with the Engineering, Procurement and Construction (EPC) scope adjusted to reflect the additional production capacity.

Following the completion of an initial study to assess the potential for renewable power sources for the project, a progressive 'decarbonisation plan' has been developed with the goal of being Asia's lowest carbon lime and cement producer well before 2030 via a range of initiatives.

Stakeholder engagement has continued with our in-country community liaison team conducting various meetings in preparation for the Development Forum to formalise the benefits-sharing agreement with the government and landowners.



A 3D visualisation of Mayur's Central Cement & Lime Project.

Orokolo Bay Iron & Industrial Sands Project

The Orokolo Bay Industrial Sands Project in PNG will produce a number of products including titano-magnetite, DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.

Rebranding as Ortus Resources and plan to production

Since their appointments earlier in the year Richard Seville and Simon Slesarewich continue to progress the plan to spin out the company's iron and industrial mineral sands assets into a "pure play" industrial sands business in a structure that is attractive to investors seeking such pure play exposure.

As a first step this business will assume a new identity as Ortus Resources. A development plan has now been put in place to bring Orokolo Bay into production in 2022, and concurrently IPO Ortus Resources.

The definitive feasibility study confirmed the project will produce a post-tax (real) NPV of US\$131 million* (10% discount rate).

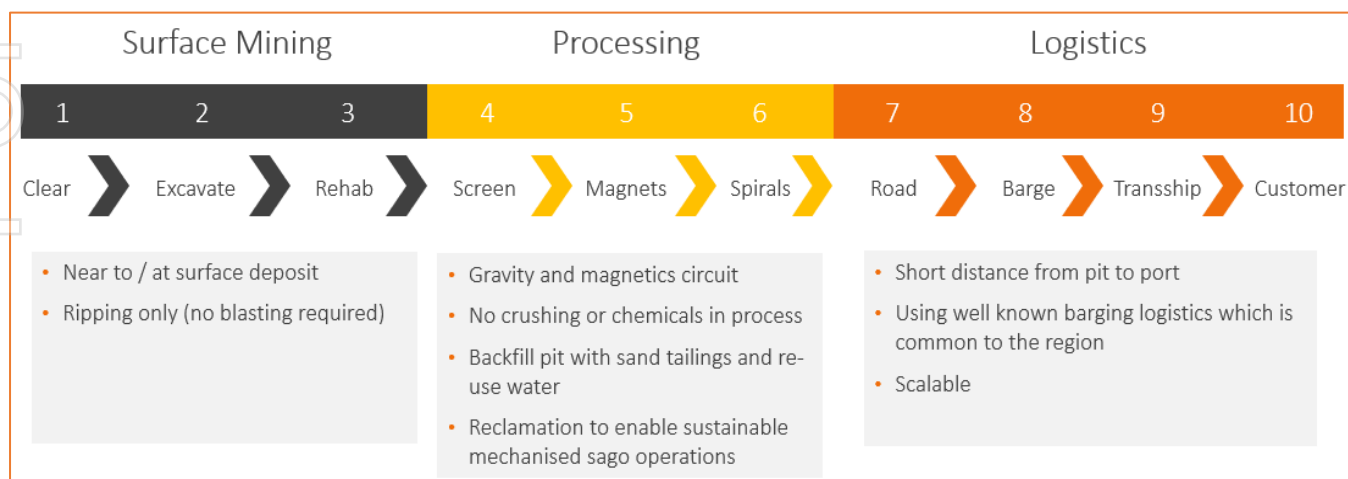
The project's robust financials stated above are based on an iron ore price of US\$66 per tonne (62%Fe) that is deemed conservative with recent iron ore spot prices well above US\$200/t. With a plan in place to commence production there is potential for a significant increase in revenue and profitability for the project should the current iron ore pricing environment prevail.

Successful Wardens Hearing for Mining Lease

During the quarter a wardens hearing was conducted with the community at Orokolo Bay with representation from the Mineral Resources Authority (MRA) as part of the Mining Lease assessment process. The next step is for the MRA to finalise their assessment and recommendation which is anticipated to occur in the coming quarter.

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 magnetite, 1 Mtpa of sought-after construction sand and up to 10,000 tpa of a zircon rich heavy mineral concentrate.

Orokolo Bay Project – simple Mine to Market value chain



* 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 on continue to apply and have not materially changed.

Enviro Energy Park (EEP) Project

Mayur's proposed 52.5MW EEP Project concerns an integrated power station utilising a mix of traditional thermal energy, solar, biomass woodchip, that will generate more reliable and far cheaper electricity than existing alternatives while providing a co-generated steam to adjacent industrial users who are currently burning diesel for their steam needs. Being adjacent to the city of Lae, the EEP will also provide steam by-product for nearby industrial users, and the future dual fuel systems will also enable the utilisation of gas.

The EEP aims to deliver drastically reduced power costs, enhanced reliability, energy security and improvement in the environmental footprint of power generation in the region by displacing the current reliance on diesel and heavy fuel oil in Lae.

Following the directive of PNG Governments National Executive Committee, and conditional approval for the project, a State Negotiating Team has been assembled to finalise the Power Purchase Agreement (PPA) for the Lae EEP project and associated negotiations are ongoing.

The Lae EEP aligns with the goal of PNG's newly formed National Energy Authority (NEA) that wishes to see the introduction of a least cost energy project for the Ramu grid. This would improve the energy diversification mix for the Ramu network and introduce a new base price structure to drive competition and bring down prices from other Independent Power Producers (IPP).

The joint venture with the local Lae University (UNITECH) focuses on maximising the use of renewable sources and technology through the EEP. Discussions are continuing with the Australian Government on how their emission reduction commitment in the Pacific can also assist the EEP.

In addition to the Lae EEP project the company continues to assess a range of renewable energy opportunities in PNG both as standalone energy projects and as projects to support the company's mining and industrial projects. As these opportunities become more mature, the market will be updated accordingly.

Tenement Interests

As at 30 June 2021 the Company had interests in the Exploration Licences (EL) as listed in Table 1, all located in Papua New Guinea. In addition to this the Company holds 100% of Mining Lease (ML) 526 for the CCL Project.

Table 2 shows the ELs held by Adyton Resources Corporation (TSXV: ADY), with MRL retaining a 43% ownership in Adyton Resources.

As noted in the table, various Exploration Licences are under renewal, and are progressing in accordance with the regulatory processes as prescribed by the PNG Mining Act.

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 licence not being granted in the ordinary course of business.

	EL number	Province	Commodity Focus	MRL Ownership	Area Km2
1	2150*	Gulf	Industrial mineral sands	100%^	256
2	2304*	Gulf	Industrial mineral sands	100%^	256
3	2305	Gulf	Industrial mineral sands	100%^	256
4	2556*	Central	Industrial mineral sands	100%^	697
5	1875	Gulf	Thermal energy	100%	256
6	1876	Gulf	Thermal energy	100%	154
7	2599	Gulf	Thermal energy	100%	48
8	2303	Central	Limestone	100%	256
9	2616	Central	Limestone	100%	55

Table 1 - Exploration Licences (*EL under renewal; ^all industrial mineral sands ELs subject to the JV farm in deal with CRTH)

	EL number	Province	Commodity Focus	MRL Indirect Interest	Area Km2
1	2095*	Milne Bay	Copper / gold	43%	150
2	2096*	New Ireland	Copper / gold	43%	95
3	2594*	Manus	Copper / gold	43%	522
4	2591*	New Ireland	Copper / gold	43%	252
5	2546	Milne Bay	Copper / gold	43%	38
6	2549	Milne Bay	Copper / gold	43%	102
7	2572*	Milne Bay	Copper / gold	43%	126
8	2408*	East New Britain	Copper / gold	43%	249

Table 2 - Exploration Licences held by Adyton Resources Corporation in which MRL has an indirect interest through its 43% ownership interest in Adyton Resources Corporation (*EL under renewal)

Company profile

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 sands, lime and cement and power generation, will contribute to nation-building and job creation in a country which has lagged the pace of development compared to many of its Asian peers but is now poised to experience a significant growth trajectory. Mayur's unique portfolio of projects, are located on or near to the coast enabling ease of access for development and seaborne markets.

Directors:

Non-Executive Chairman (Interim) - Frank Terranova
 Managing Director - Paul Mulder
 Executive Director - Tim Crossley
 Non-Executive Director – Hubert Namani
 Non-Executive Director - Wee Choo Peng

ASX Code: MRL

Company Secretary (Australia):

Jonathan Hart
 Phone: +61 413 890 032

Ordinary shares: 217 million (30 June 2021)

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



Disclaimer

Competent Person's 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 Ore Reserves for the **Oroko Bay Mineral Sands Project** Western Area are based on, and fairly represents, information and supporting documentation prepared by Mr Troy Lowien, a Member of The Australasian Institute of Mining and Metallurgy. Mr Lowien qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Lowien 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 Lowien takes responsibility for the form and context in which this initial Ore Reserves Estimate prepared for the Oroko Bay Project Western Area appears.

Statements contained in this announcement relating to Mineral Resource estimates for the **Depot Creek Project** are based on, and fairly represents, information and supporting documentation prepared by Mr. Kerry Gordon, a Member of The Australasian Institute of Mining and Metallurgy. Mr. Gordon has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Gordon qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Gordon is an employee of Verum 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 Gordon takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Depot Creek 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MAYUR RESOURCES LIMITED

ARBN

619 770 277

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (twelve months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(206)	(780)
	(e) administration and corporate costs	(220)	(1,443)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(11)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	38
1.8	Other - costs relating to the spin out of Copper and Gold assets	-	(545)
1.9	Net cash from / (used in) operating activities	(427)	(2,741)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	17	(467)
	(d) exploration & evaluation (if capitalised)	(1,035)	(2,596)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (twelve months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash held by subsidiary at time of disposal	-	(98)
2.6	Net cash from / (used in) investing activities	(1,018)	(3,161)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	7,976
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(299)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	2,486	7,677

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,521	2,987
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(427)	(2,741)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,018)	(3,161)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (twelve months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,486	7,677
4.5	Effect of movement in exchange rates on cash held	(23)	(223)
4.6	Cash and cash equivalents at end of period	4,539	4,539

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	4,539	3,521
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,539	3,521

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

113

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(427)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,035)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,462)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	4,539
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	4,539
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.11

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Not applicable.

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Not applicable.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not applicable.

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.

Date: 30 July 2021

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.