MayurResources

ASX RELEASE
18 June 2018

Exploration update: Field mapping identified 185 coal occurrences at surface at the Depot Creek project

HIGHLIGHTS:

- **Detailed coal mapping programme completed over an area of approximately 10 km^2 with a number of previously unidentified seams mapped**
- **Surface outcrops located including 5 outcrops greater than 3 m in thickness**
- **Provides the basis of a drill programme to update the current Depot Creek JORC Resource[1]**

Mayur Resources Ltd (ASX:MRL) is pleased to announce that its PNG subsidiary Waterford Ltd has completed a detailed coal mapping program across the south east areas of the Depot Creek project in Gulf Province (EL1875). This work has returned excellent results in identifying approximately 185 new coal occurrences at surface being located, mapped in a localised area of 10 km^2 as shown in figure 1. Samples are being transported to Australia for coal quality analysis.

Image 1 - newly identified coal outcrop at surface on EL1875

[1] Refer to Prospectus dated 21 July 2017 and the Depot Creek Project JORC Report. Except as set out in this Announcement, MRL confirms that it is not aware of any new information or data that materially affects the information included in the Depot Creek JORC Statement

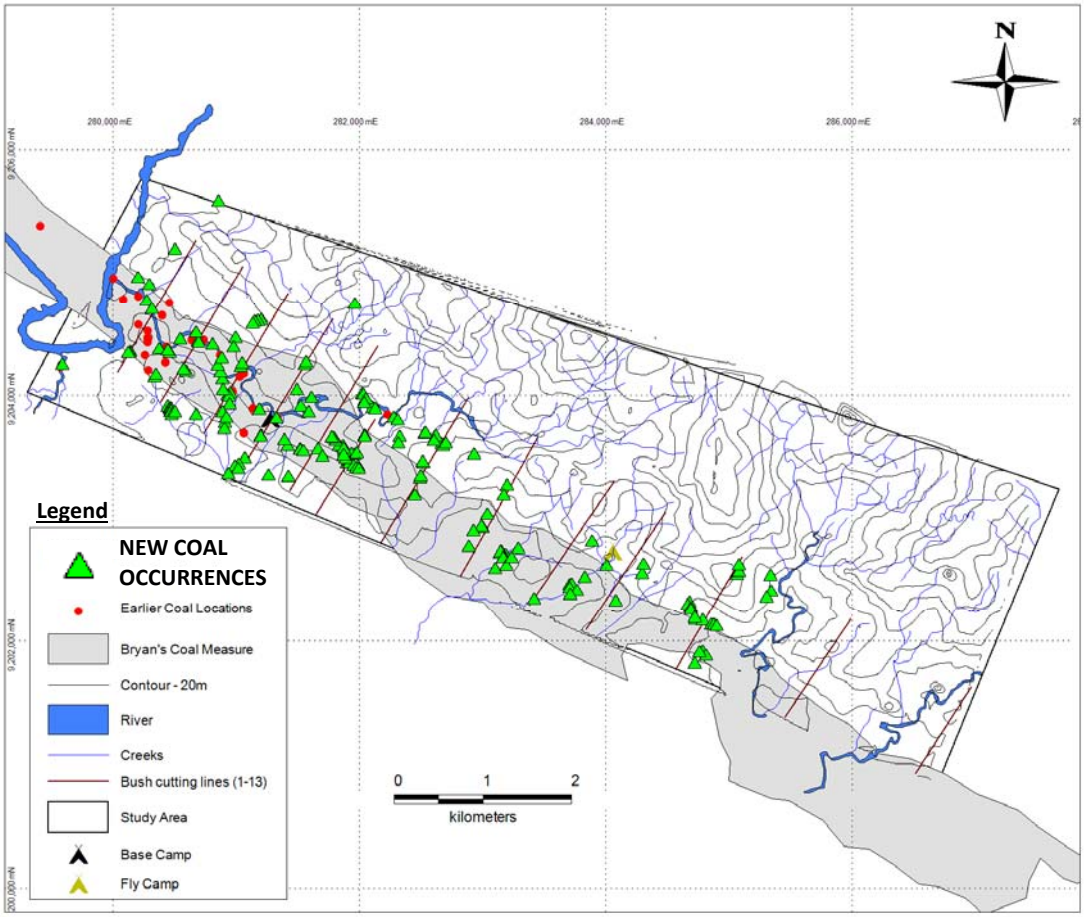
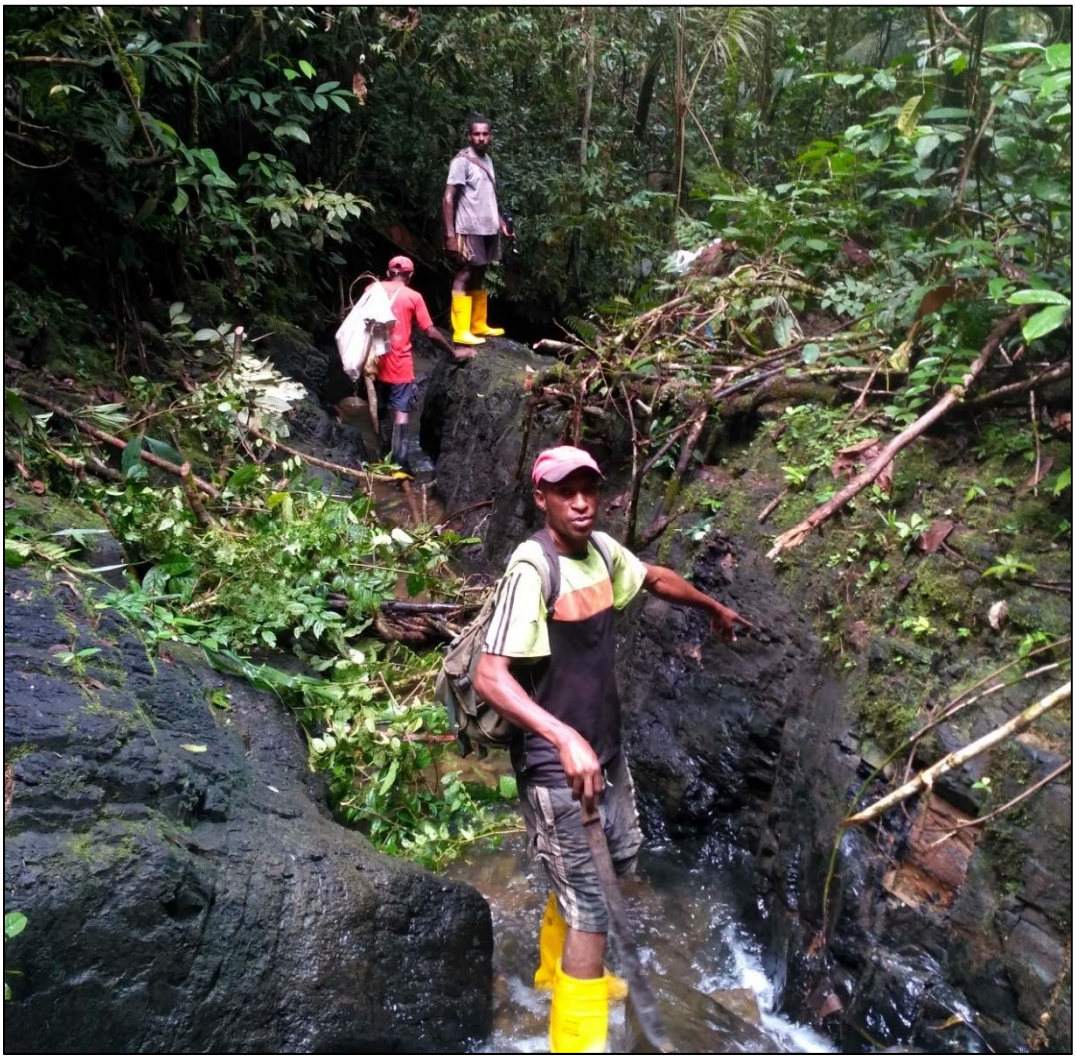


Figure 1 – Depot Creek EL1875 coal occurrence mapping – new locations (green triangles)

Managing Director, Mr Paul Mulder commented "the outcome of this recent reconnaissance is very encouraging in confirming the addition of newly identified seams at surface at Depot Creek, and with so much coal outcropping in such close proximity at surface provides numerous options for follow up drill targets on the licence"



Images 2 - 4 - photos of recently completed field mapping and examples of newly identified coal outcrop at surface

The reconnaissance program will inform the design and execution of a follow up infill and expansion drilling program at Depot Creek and with more detailed reconnaissance could provide sufficient confidence to commence an early stage low cost small scale crop-line mining, river barging and transhipment export operation. In parallel with this further mapping will be conducted in the coming months across the wider exploration licence portfolio as shown in Figure 2 below. The objective is to upgrade and delineate further JORC coal resources and potentially expand the independent coal Exploration Target of up to 210 million tonnes within the portfolio[2].

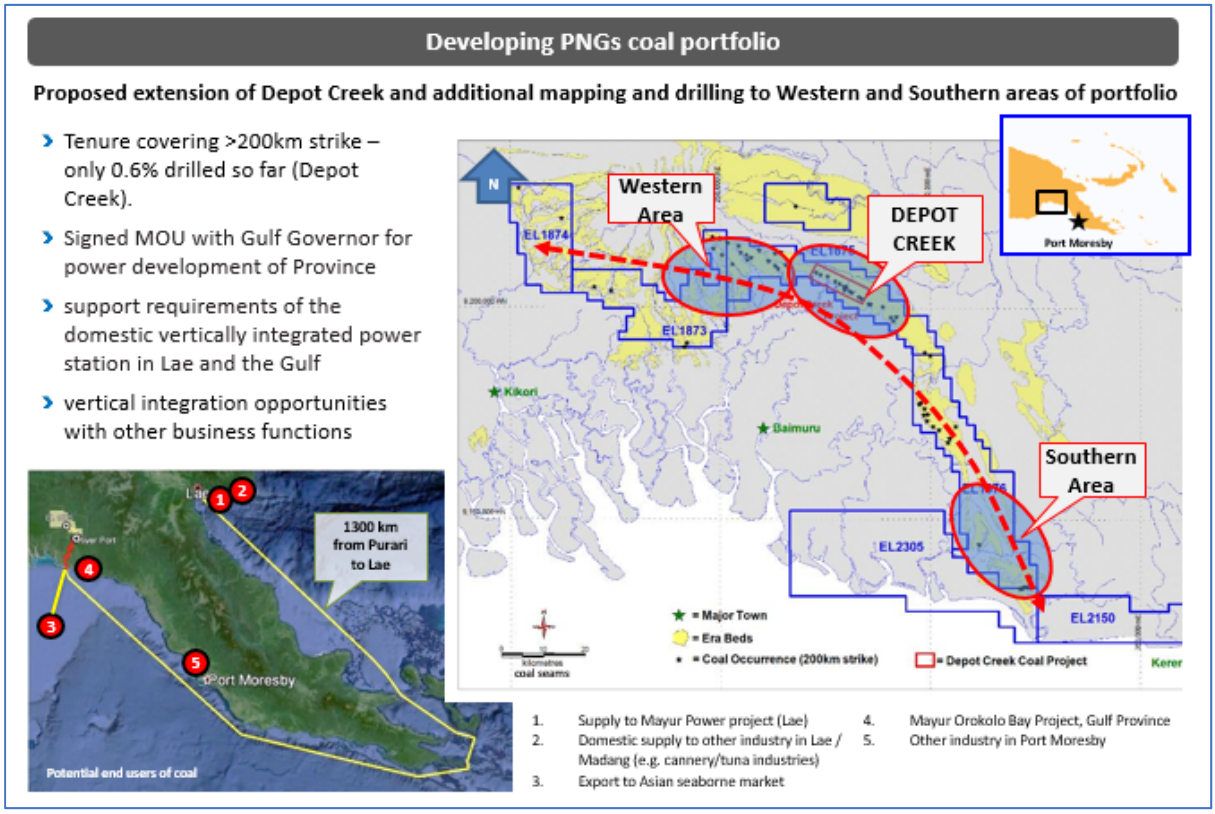


Figure 2 – overview of MRLs coal portfolio in PNG and Depot Creek in EL1875

All the above-mentioned work forms part of the programme contemplated by the Company's capital raise in April 2018, together with the initiatives outlined in the Memorandum of Agreement (MOA) with the Gulf Governor that contemplates the displacement of imported oil / fuel oil for power generation with use of comparatively cleaner domestic coal[3]. With the continued recovery and robustness of international coal prices, Mayur is now seeing a potential new opportunity to establish a direct ship export business.

Competent Persons Statement

Statements contained in this presentation 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.

[2] Refer to Prospectus dated 21 July 2017 and the Depot Creek Project JORC Report. Except as set out in this Announcement, MRL confirms that it is not aware of any new information or data that materially affects the information included in the Depot Creek JORC Statement

[3] Refer to ASX announcement dated 8 December 2017

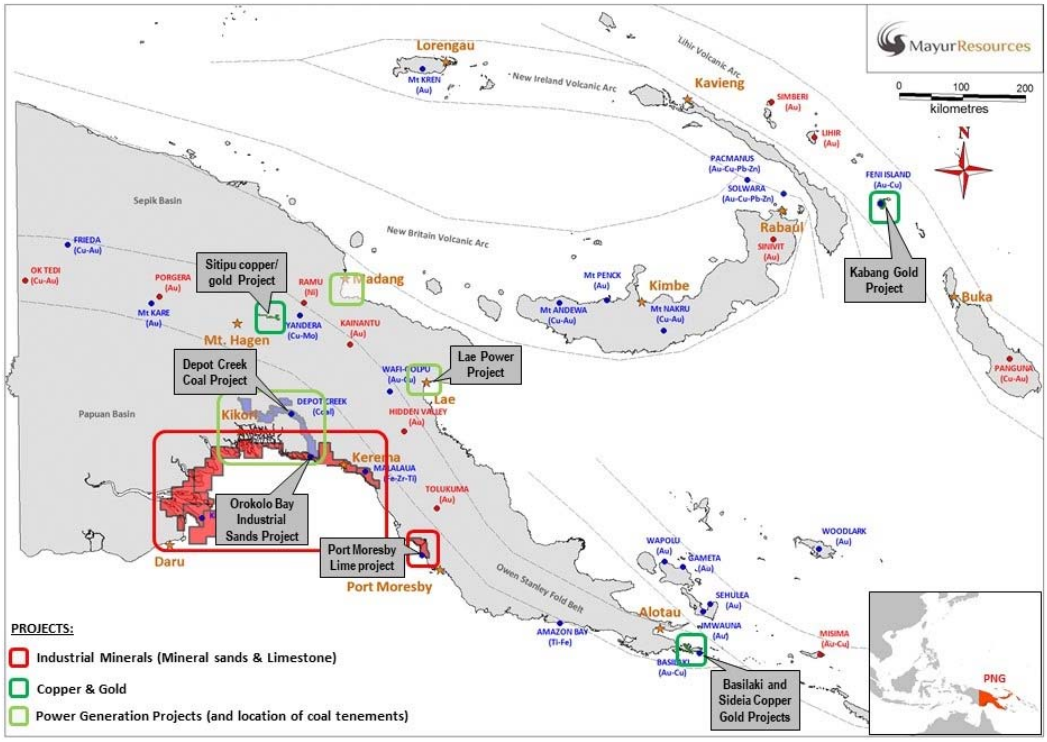
About Mayur Resources

Mayur Resources is a diversified mineral exploration, development and energy company operating in Papua New Guinea (PNG) across three main divisions:

(a) Industrial Minerals (construction sands, magnetite sands, heavy mineral sands and limestone) The Company is advancing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. A pre-feasibility study has been completed which identified an opportunity to establish a project producing fine grain construction sands, titanomagnetite (iron sands) and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The next steps include preparation of a Definitive Feasibility Study and construction of a pilot demonstration plant. The other key project in this portfolio is the Port Moresby Limestone Project, located close to the national capital, which seeks to produce high grade limestone together with the development of a vertically integrated downstream processing quicklime and clinker / cement plant for domestic (import replacement) and export markets.

(b) Copper and Gold. The Company holds the Feni Island Project in New Ireland Province as well as the prospective Basilaki/ Sideia project in Milne Bay Province and the Sitipu project located in the Eastern Highlands region of the prolific Owen Stanley Fold Belt.

(c) Power Generation. The Company is developing a vertically integrated domestic power project at PNG's second largest city of Lae. A detailed Power Purchase Agreement has been submitted to PNG Power, the state-owned power entity, for a 52.5MW (net) power facility (with future scalability to 200MW. A definitive feasibility study has been completed for the Lae project that contemplates the use of multi fuels (Enviro Energy Park) including renewables and potentially coal from the Company's Depot Creek project in Gulf Province.



Enquiries

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JORC Code, 2012 Edition – Table 1 (Depot Creek EL1875 Mapping Programme 2018)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Full outcrops representatively channel sampled across the ply. • Multi ply seams separately channel sampled. • Grab sampled where channel not practical. • Samples double bagged in plastic and marked. • Sample locations recorded and photographed. • All outcrops measured for dip and strike. • All mapping and sampling controlled using an approved site work procedure
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• N/A
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• N/A
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or*	• N/A

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• N/A
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Scheduled for an accredited laboratory sample Proximate Analysis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Verification of significant outcrops on site by a senior representative of the company.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All mapping locations, including all coal occurrences were logged using a GPS and transferred to a database for checking on site.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Key observation lines were pre-planned, taking into account known existing outcrops, terrain and targeting for a future drill program.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Key observation lines were pre-planned, taking into account known existing outcrops and geological information.
Sample security	• *The measures taken to ensure sample security.*	• Samples are stored in secured stores and locked transport container to ALS (for redistribution after customs / quarantine clearance). • Sample transport and transfer is supervised by the Mayur Security Manager in PNG. • All samples are tracked using a physical Sample Traveller to keep track of custody and location.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sample preparation, transport and database observed by a senior company representative.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration License EL1875 held by Waterford Ltd, a PNG incorporated entity and subsidiary of MRL
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Refer to previous JORC Inferred Resource as referred to in the above announcement

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Coal hosted in Shu Coal Measures (Bryan, 1975) siltstones and overlying sandstone sequence.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• N/A

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A • Coal quality to be analyses on delivery to certified laboratory.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• True Coal thickness measured where possible. If the top or bottom of the coal could not be identified to cover, this point was noted.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of*	• N/A

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• N/A
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further mapping planned to the South East. • Drilling to be planned using the updated mapping information.

Section 3 Estimation and Reporting of Mineral Resources

N/A

Section 4 Estimation and Reporting of Ore Reserves

N/A

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

N/A