

## Letters of Intent signed for product offtake from Orokolo Bay Industrial Sands project

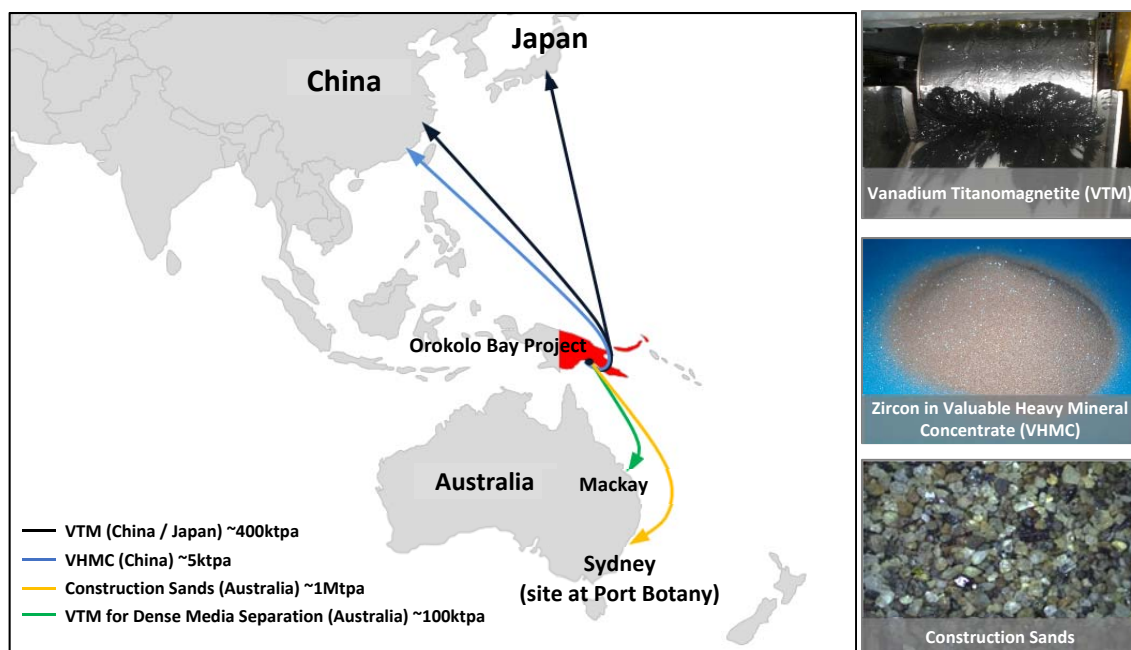
### HIGHLIGHTS:

- **3 non-binding letters of intent signed with customers in China for vanadium titanomagnetite (VTM) sands, and 2 for valuable heavy mineral concentrate (VHMC) from the Orokolo Bay project**
- **In addition to the iron (magnetite) units, the VTM product provides other value in use minerals for steel making**
- **Forms part of the marketing and offtake strategy for the project and the first export of magnetite and mineral sands from Papua New Guinea**

**Mayur Resources Ltd (ASX:MRL)** is pleased to announce that it has further diversified its order book of potential future customers with the signing of non-binding LOIs for material volumes of vanadium titanomagnetite sand (iron sands) and VHMC products from the Orokolo Bay Industrial Sands Project in Gulf Province. This is in addition to LOIs already in place, including one for VTM with a large Asian conglomerate<sup>1</sup>.

These LOIs confirm the intent of the parties to enter into long term legally binding arrangements for the provision of product from Orokolo Bay. The initial requirement is for bulk samples at a commercial scale for acceptance testing from the temporary trial pilot plant. If these commercial scale test(s) are successful a commercial framework for long term binding sale and purchase offtake agreements will be agreed and shall apply when the project is in full scale operational production.

The Orokolo Bay Industrial Sands Project contemplates mining a mineral sand ore body located at surface, with subsequent gravity and magnetic processing to yield various products as outlined below:



<sup>1</sup> Refer to Prospectus dated 21 July 2017

MRL Managing Director, Paul Mulder stated “the signing of these LOIs is encouraging and underpins the interest from the market for the product as we continue to advance the Orokolo Bay project. Following the completion of the infill drilling programme in the bulk sample pilot test area earlier in the year, we now look forward to re-validating the product specification, and the finalisation of the pilot plant equipment procurement<sup>2</sup>.

We are continuing to progress the design and implementation of the pilot trial production plant in close coordination with the Mineral Resources Authority (MRA) under the Environmental permit that was issued for the bulk sampling programme at Orokolo Bay, as we progressively develop the Orokolo Bay resource as a new mineral province for PNG.”

These LOIs will complement those that are already in place for use of the VTM by end users in Asia for steel making, and separately for use as Dense Media Separation (DMS) for coal washing in Queensland, Australia<sup>3</sup>.

Mr Mulder added “our product marketing for the Orokolo Bay Industrial Sands Project is gathering momentum. We will now continue to progress test work and commercial discussions with end users in the Sydney market for the construction sands product, to be imported into Sydney at our highly strategic site at Port Botany.”

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<sup>2</sup> Refer to announcement 16 February 2018 on completion of Orokolo Bay Project Pilot Plant infill drilling programme

<sup>3</sup> Refer to MRL Prospectus dated 21 July 2017

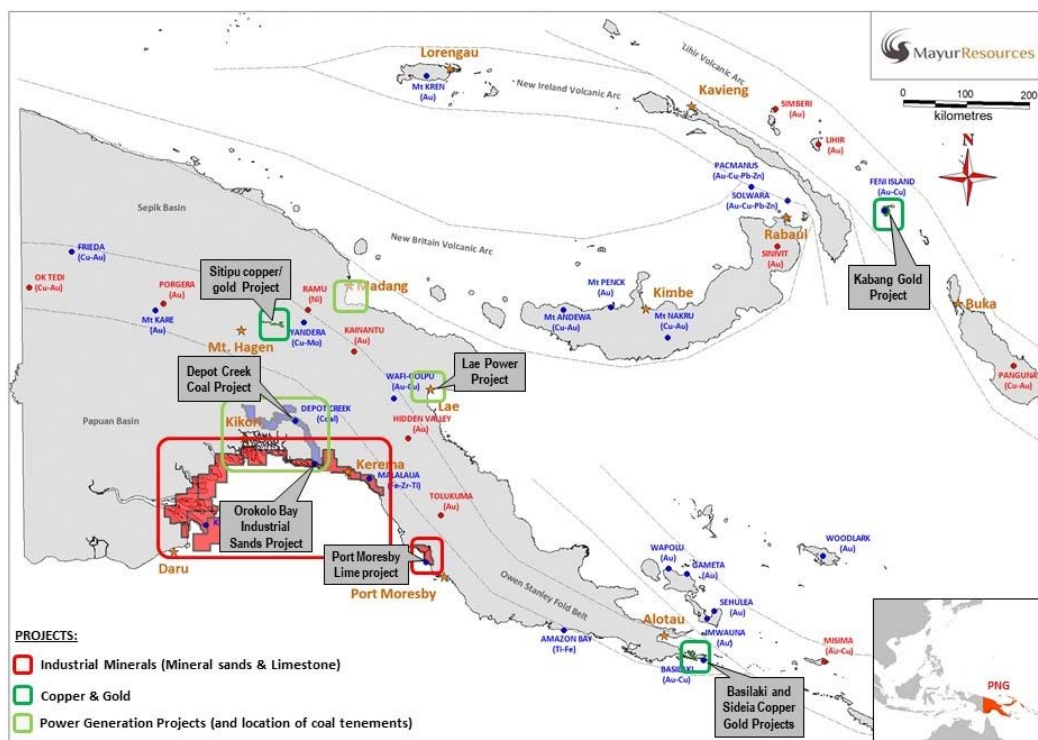
## About Mayur Resources

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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