

**ASX RELEASE**

8 December 2017

MOA signed with Gulf Provincial Government for nation building developments

HIGHLIGHTS:

- **MOA signed between Mayur and Gulf Provincial Government for development of the Province's natural resources under an exclusive license**
- **Mayur's extensive mineral exploration portfolio in Gulf Province includes industrial minerals and coal**
- **MOA provides for an exclusive license to investigate, study, develop and export value add products to contribute to the nation building of PNG**

Mayur Resources Ltd (ASX:MRL) has signed an Memorandum of Agreement with the Gulf Provincial Government regarding the development of mineral and energy resources and associated downstream / vertical integration opportunities in the province.

Gulf Province is home to huge natural resources wealth but has seen no direct benefit from this and remains one of the most deprived parts of PNG. Mayur has an extensive foot print of mineral exploration tenure in Gulf Province that includes the Orokolo Bay Industrial Sands project (titano-magnetite, construction sands, zircon, ilmenite) and a pipeline of other similar projects.

Gulf Province is also home to huge energy resources including the Elk Antelope and Pasca gas deposits being developed by major oil and gas multinationals. The Province's energy resources also include low ash, low sulphur coals at surface within Mayur's tenure that extends for over 200km, the most advanced being Mayur's Depot Creek coal project.

The purpose of this MOA is to provide an exclusive development licence and framework for cooperation in the strategic development of these natural resources and the vertical integration opportunities that flow from this to provide benefits to all stakeholders including jobs and improved standards of living.

Mayur's unique portfolio of mineral resources can help to diversify PNGs resource based economy that has been historically dependent on copper and gold extraction, with limited in country value add. Mayur is seeking downstream opportunities such as steel, petro chemicals, cement and other applications.

Managing Director Mr. Paul Mulder said: "all of these mineral resources together with access to domestic energy supply of natural gas and coal provides a unique opportunity for Mayur to partner with the Provinces (starting with the Gulf Province) to enable us to showcase the benefits of integrated nation building industrial development"

Gulf Provincial Governor, Chris Haiveta said “we have a lot at stake in the success of Mayur’s plans. We are therefore committed to facilitate these industrial developments and do all we can to see these plans come to fruition”.

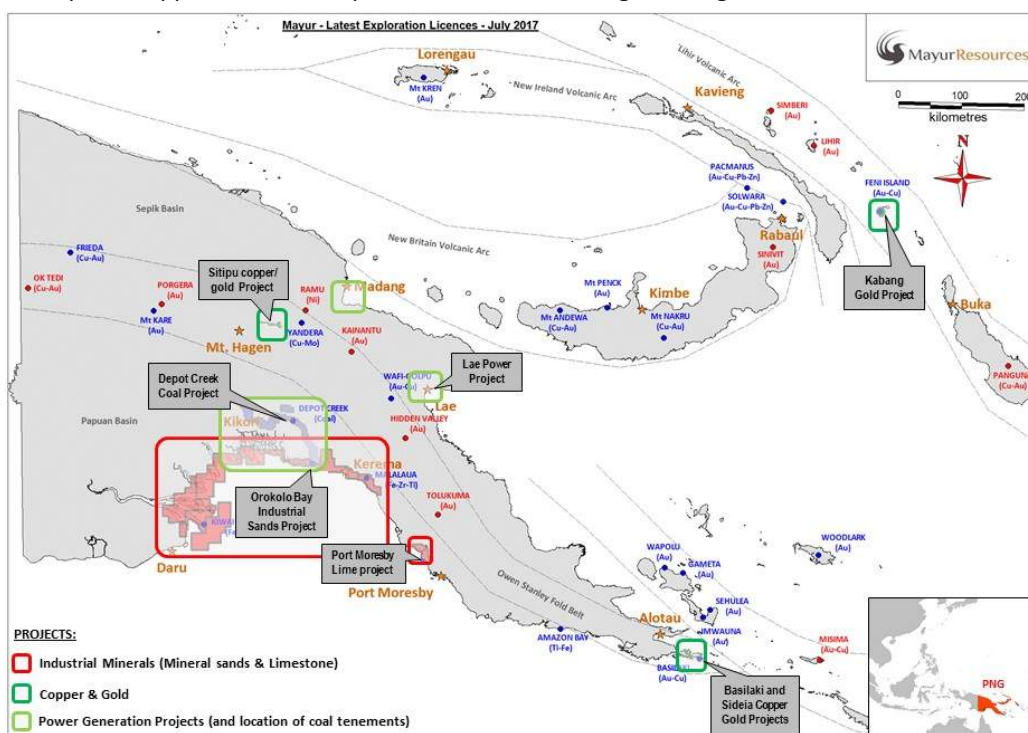


Mayur Managing Director (Paul Mulder) and Gulf Provincial Governor (Hon Chris Havieta) signing MOA, 7 December 2017

******For further details refer to attached Media Release******

About Mayur Resources

Mayur has been operating since 2011 with the purpose of acquiring, exploring and developing mineral and energy development opportunities in Papua New Guinea and neighbouring countries.



Over the last 5 years Mayur has established an impressive portfolio of projects that includes:

- Industrial Minerals.** (construction sands, magnetite sands, heavy mineral sands and limestone) The Company is focusing its efforts on developing the Orokolo Bay Industrial Sands Project along the southern coast of PNG. Following the delineation of a JORC Resource, a Pre-Feasibility Study was completed based on a low-cost mining operation using a combination of excavators and simple gravity and magnetic mineral processing. The PFS also identified the opportunity to establish a multi-product mine that could produce fine grain construction sands, titanomagnetite (iron ore), industrial magnetite and a zircon-rich Valuable Heavy Mineral Concentrate by-product. The Company has secured a permit to export up to 200,000 tonnes of material that may enable the company to begin bulk sample shipments for customer testing by December 2018. The other key project in this portfolio is the Port Moresby Limestone Project which seeks to develop a multi-product lime based business for both domestic and export markets.
- 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. The company is undertaking or planning exploration activities at each of the projects.
- Coal and Power.** The Company has delineated PNG's first JORC coal Resource at Depot Creek in the Gulf Province and has been developing a vertically integrated domestic power project at PNG's second largest city of Lae. A definitive feasibility study has been completed for a project that utilizes domestic coal from Depot Creek together with other renewable fuel sources to power a 52.5MW (net) power facility at Lae (with future scalability to 200MW). The Company has, via PNG Ports, secured an Environmental Approval from the Conservation and Environmental Protection Authority in PNG, to construct the power facility and on the request of PNG Power, the state-owned power entity, has submitted a detailed Power Purchase Agreement (PPA).

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Media Release Thursday 7 December 2017

**Gulf Province establishes Pillar 1 of Nation Building Industrialisation
Agenda for PNG - MOA Executed**

Gulf Provincial Governor Mr Chris Haiveta and Mayur Resources (Mayur) Managing Director Mr. Paul Mulder today signed a Memorandum of Agreement (MOA) for an Exclusive Licence to develop a vertically integrated resource, energy and Industrial complex in the gulf that will also support in parallel other provinces energy needs such as in Port Moresby, Lae and Madang.

This unprecedented nation building industrial development plan will establish integrated industries to value add utilising PNG local resources and generating completely new domestic and international industrial sectors.

Governor Haiveta said our country is in an energy crisis and we continue to send foreign currency offshore and import foreign liquid fuels that are far higher cost and far higher polluting than using our own domestic energy sources. Unlike other Asia Pacific countries around PNG, all whom are using their domestic energy and industrial resources (where they possess them) – PNG is importing most of our energy and nation building products even such things as cement, lime and diesel, that enriches the lives of other countries rather than our own. Our Prime Minister has advocated cheap, reliable accessible energy whilst doing this in an environmentally beneficial manner that improves our current state. The Prime Minister also is heavily advocating to diversify our economy and value add.

Governor Haiveta said the MOA with Mayur will utilise extensive resources it has discovered in the Gulf such as Iron Sands, Zircon, Ilmenite, Coal and high grade Silica Sands for domestic value add and export opportunities. This will be done whilst leveraging favourable port areas in the Gulf and the domestic market obligation for gas for a petrochemicals industry.

You will not find one credible economist that will not acknowledge that to come out of the 3rd World with globally competitive heavy industry, manufacturing and industrial development a country must have access to cheap reliable energy. We are committed to this whilst improving the current environmental foot print

Governor Haiveta said. The time for talking about this concept is over we need action, we need growth, we need employment, we need industry, we need prosperity and we only get this by having access to cheap, reliable power.

We have been left behind over the last 40 years by the Asian Pacific countries as they have adopted this policy already. Politicians that spend time in their electorates know clearly that change will not happen without this ingredient of cheap reliable and accessible power. It has held our manufacturing, industrial and heavy industry back as well as creation of hundreds of thousands of jobs. Gulf today has taken the next step to commit to utilise its gas, iron coal and other mineral sand resources and bring us out of the dark and poverty – our plans are nothing different (arguably less ambitious) compared to what Japan, Australia, New Caledonia, West Papua, Vietnam, Malaysia, Philippines, Indonesia, Thailand etc have slated for decades to come.

We must recognise that Queensland alone has created 280,000 jobs and over AUD\$45 billion of value per year from its resources industry where coal makes up 68% of that. Gulf has 200 kilometres of low sulphur, low ash coal sitting at surface in the ground and we are getting exactly zero benefit from it – not one job, not one dollar of taxes, not one value added product, not one dollar of benefit to landowners for their families health and education, but every other nation around PNG for many decades to come will. This changes today.

One just has to consider the South African company Sasol that employs 30,000 people and now worth some USD\$20 billion being the first company in the world to produce oil from coal. Sasol uses its coal to vertically integrate and capture value for South Africa producing a range of product streams, including liquid fuels, chemicals and low-carbon electricity. Some of the products it produces by utilising its coal is in petrochemical processing such as Industrial heating fuels, Naptha, and illuminating paraffin Transport Fuels, (petrol, diesel & jet fuels), Lubricants and lubricant base oils, Liquefied petroleum gas,(LPG), Automotive lubricants, Industrial Lubricants, Greases, Cleansers and degreasers, Automotive fuels and Burner fuels. Why can't PNG also embrace similar technologies and create an industry that provides value add products for our own needs and also internationally export such products into the surrounding region.

We continue to talk about diversifying our economy away from a limited number of natural resources of Copper, Gold and Oil & Gas. The time for talking has passed we now must take advantage of all domestic energy and industrial resources. Gulf Province has between 18 – 20 tcf of undeveloped hydrocarbon reserves including Elk Antelope and Pasca Fields and will look to take advantage of our Domestic Market Obligation allocation of gas and utilise such gas resources for petrochemical industry, heavy industry, vertically integrated downstream industry such as quicklime, cement and Urea whilst powering such industry with our 'in province' coal resources. We are behind the times and our people expect employment, health, education, security and prosperity and this is not unreasonable based upon what the Gulf Province has to offer.

The quality of our local energy resources is better than what our first world neighbours use and our combined commitment with Mayur to embrace world leading technology in Enviro Energy Parks blending a number of energy sources being biomass, solar, coal, co generated heat, DMO gas and where applicable wind and geo thermal will enable us to strike the right balance between environmental emission reduction whilst having cheap energy, globally competitive manufacturing and in country vertically integrated downstream industries. I applaud what Mayur are proposing in Lae and am happy Gulf Province will be able to assist the Morobe Province with some of their energy requirements rather than them importing liquid fuel/diesel from Asia.

Mayur Managing Director, Mr Paul Mulder said Mayur Resources with its extensive foot print has been meticulously working for over five years to explore several minerals in the region (Gulf, Central and Western Province) where support to diversify the economy and mineral base has come from the Prime Ministers office from inception. The most advanced and ready to exploit are Iron, Zircon, Ilmenite, and high grade Silica Sands, high quality thermal Coal and high quality Limestone. All of these resources together with access to domestic energy supply of natural gas and coal, provides a unique opportunity for Mayur in partnership with the provinces (starting in the Gulf), to enable us to showcase the benefits of integrated nation building industrial development. This will stem foreign currency being sent offshore, value add via generating a large number of long term employment opportunities in country, but also provide basic nation building infrastructure materials like Steel, Lime and Cement coupled with cheap and reliable electricity supply through diversified energy sources. At the very core PNG needs this cheap reliable energy as it is not possible to advance being reliant upon whether or not the next LNG or copper gold project progresses. We take our role and responsibility in sustainable development seriously and work diligently with all stakeholders for a sustainable outcome that benchmarks some of the examples the Governor has mentioned today.

Governor Haiveta concluded we as the Provincial Government have a lot of stake in the success of Mayur's plans. We are therefore, committed to facilitate these industrial developments and shall participate on a Public Private Partnership basis together where we are determined to do everything in our power to see the plans come to fruition. Teredau, the future site of an international port into the Highlands (Paia) and the Provincial Head Quarters of Kerema have been identified as the first locations to implement this plan.

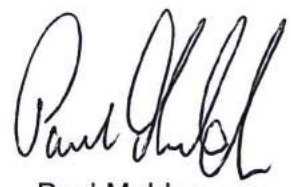
Gulf Province have all the ingredients to be very prosperous and we need to combine our resources, with cheap energy and competitive labour for success. We have at our finger tips the ability to improve our lives, health, education, wealth and prosperity by simply utilising the extensive resources we have in our Province and do it in a way that can use the latest environmental technology and by learning from other developed 1st world countries journey such as Australia and Japan. This approach ensures the successful creation of a prosperous Gulf Province.



Signing of MOA, December 2017

File


Hon. Chris Haiveta, MP
Governor
Gulf Province


Paul Mulder
Managing Director
Mayur Resources