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PNG grants Mayur historic 20-year mining lease for Central Cement & Lime Project

Mayur Resources' Central Cement & Lime Project (CCL) in Papua New Guinea (PNG) is a major step closer to development with the PNG Government announcing today it has granted the project a 20-year mining lease.

This grant is the final statutory approval required to allow construction to begin on the vertically integrated manufacturing facility which is 25km north-west of Port Moresby and has the potential to meet 100% of PNG's cement, clinker and quicklime requirements, displacing Asian imports.

The project's co-located quarry, plant site and deep draft wharf will enable very low operating costs while providing direct access to both seaborne domestic and export markets such as Australia and other South Pacific nations.

Mayur Chairman, Mr Rob Neale, described the mining lease grant as one of the most important milestones achieved by the company since listing in 2017.

"Our vision to build PNG's first integrated cement and lime project has become a lot clearer with the passing of our last legislative requirement, the project is now effectively 'de-risked' and 'shovel-ready'," Mr Neale said.

Mayur Managing Director, Mr Paul Mulder, said the project was critical to PNG's nation building agenda.

"With a number of multi-billion-dollar resource and infrastructure projects in the pipeline in PNG, we expect that the demand for cement, a key ingredient of concrete, will increase dramatically," Mr Mulder said.

"Aside from construction, Mayur's lower cost, locally produced cement could also be used to build higher quality and longer lasting concrete roads in PNG while large volumes of quicklime are currently imported for road stabilisation and by the gold mining industry for metal recovery.

Mr Mulder added seismic shifts in Australia's lime industry meant PNG's closest neighbour also provided a major market opportunity.

"Adbri's announcement in June that Alcoa was not renewing its supply contract of domestic lime, after having supplied Alcoa for 50 years, in our opinion is a clear indicator that markets are hungry to source and utilise superior quality, higher performing products, even from abroad, thus diversifying and lowering their total costs and increasing effectiveness of their consumable input products" he said.

Mr Mulder said construction bids had already been received for the project while a Definitive Feasibility Study completed early last year confirmed not only strong project economics but also significant benefits to PNG according to a report by global independent economics consultants FTI Consulting.

*Nation building
in Papua New Guinea*



“The project is expected to boost GDP through at least 360 new direct permanent jobs, a cumulative increase in indirect jobs of 10,100 over the life of the project and an annual project value add of K608 million (AUD 243 million) by 2050 and an increase in corporate taxes of K162 million (AUD 65 million),” the report noted.

PNG’s Mining Minister, Mr Johnson Tuke, agreed the project promised considerable upside for his country.

“In these challenging times, any new project that can diversify our economy, drastically reduce costs, improve supply chain reliability for PNG as a nation, and bring in an additional source of mining/manufacturing export revenue will be most welcome by the PNG Government,” Mr Tuke said.

“Mayur has worked with the Mineral Resources Authority and my department for the last 14 months, since their Mining Lease application was submitted and a robust process has been followed to get to this milestone.

“We will now work with Mayur on the project’s Memorandum of Understanding to capture the commitments already made to ensure landholders are involved in construction and operations and project contributions go towards improving the living standards of landholders,” he said.

Central Province Governor, Mr Robert Agarobe said ‘the geographic location of the project raised its value well beyond additional taxes and royalties, promising an overall better quality of life for his Province’.

“As Governor of Central Province, I support the 20-year approval provided by the state which provides a ‘fair go’ for developers to generate better economic and social outcomes for my region and our country,” Mr Agarobe said.

“We’ve worked closely with Mayur over a long time to ensure the project creates new jobs, spin-off businesses for local landowners, and new regional facilities such as new gardens, power and water.”

Mr Agarobe said the project was a critical step to expanding vertically integrated downstream processing industries in Central Province which utilised PNG’s own mineral resource base.

“Cement is critical to infrastructure and construction and using our own domestic resources rather than paying for imports will deliver cheaper building products for PNG, many thousands of additional jobs, increased living standards and a reduction in the foreign currency we have had to send offshore,” he said.

“The increase in trade relations with Australia out of Central Province is also very encouraging and my Provincial Government will provide its full support in helping Mayur to establish a new cheap, reliable and high-quality quicklime, clinker and cement supply option for our closest neighbour.”

In early March, Mayur announced it had secured all the necessary landholder compensation agreements required for the development of the project after hosting positive Mining Warden’s Hearings last year and conducting a thorough community consultation program over more than two years.

Mr Mulder said the project hosted a certified 382 million tonne maiden JORC resource at the project site across two deposits, Kido and Lea Lea, with a very large area still yet to even be drilled.

“Our production profile utilises 30 years of quarried resources with another 100 years of JORC resource yet to be allocated, providing large scale ramp up scope, without even needing to drill another hole. The project also has a 25-year environmental permit and a social licence we don’t take for granted,” he said.

Meanwhile, ongoing investor and debt financing due diligence is continuing with potential strategic funding partners for the US\$350 million project which has a target annual Phase 1 production of 1.65 million tonnes (Mt) cement/clinker and initially 200,000t quicklime. The company has previously confirmed that if demand and relevant approvals are confirmed expansions could quickly be on the horizon.



“The grant of the mining lease is a great outcome for all our stakeholders and we’d like to thank the PNG Government for its willingness to support and work with industry to strike a balance between sustainable resource development and conservation, whilst acknowledging Government departments and particularly landowners who we very much look forward to solidifying an exciting future together,” Mr Mulder said.

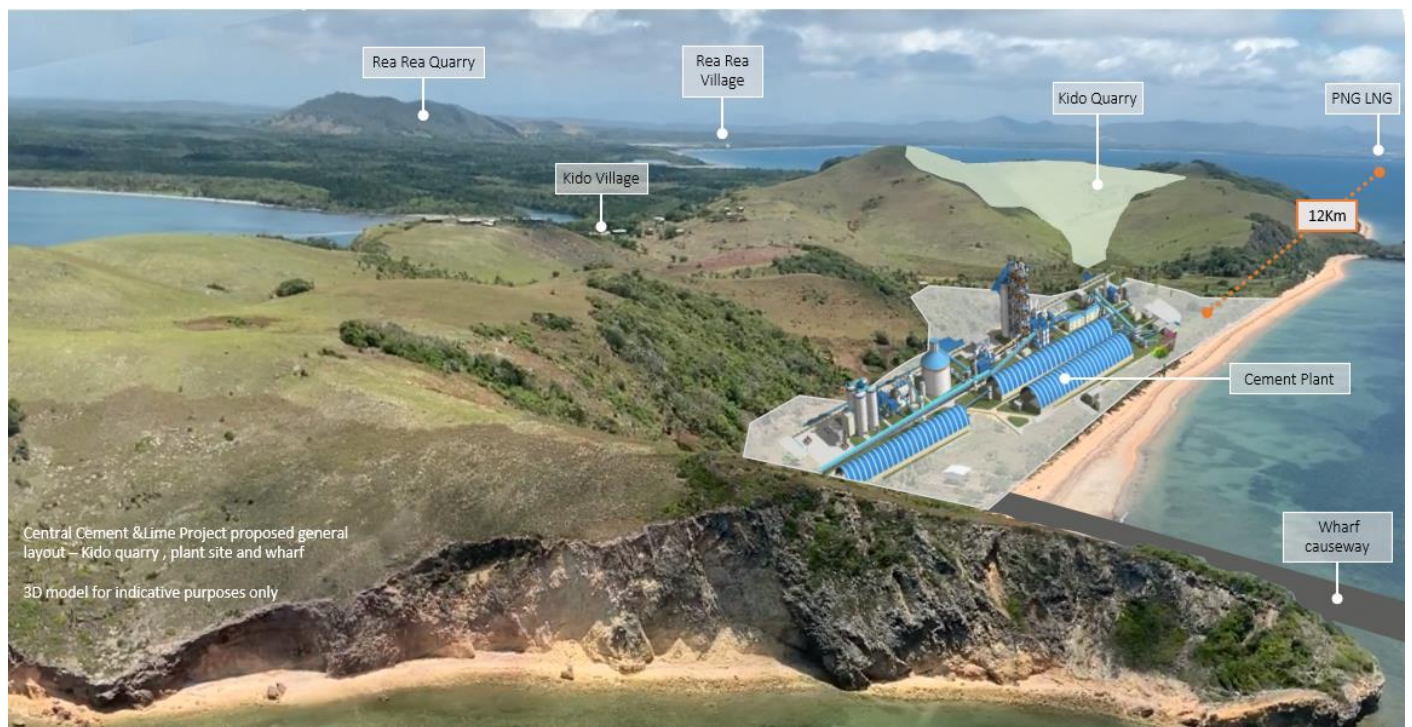
With the CCL project moving closer to development, he added that Mayur would provide an additional update in the coming months in regard to corporate development and Board restructure initiatives.

This announcement was authorised by Mr Paul Mulder, Managing Director of Mayur Resources Limited.

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ABOUT CENTRAL CEMENT AND LIME (CC&L) PROJECT

The CC&L Project, which is located on the coast 25km north-west of Port Moresby in PNG, is a quicklime and clinker/cement manufacturing facility. A Definitive Feasibility Study has been completed for the 100-percent Mayur owned project which has a target output of 1.65Mt cement/clinker and 200,000t quicklime for supply to PNG, Australia and the South Pacific at much lower cost than Asian exporters. A 382Mt Maiden JORC Resource has been certified across two deposits (Kido and Lea Lea) at the project site. The project’s production profile utilises 30 years of resource with another 100 years of resource yet to be allocated.

ABOUT MAYUR RESOURCES

Mayur Resources is an ASX-listed company focused on the development of natural resources in Papua New Guinea. The maturation of our 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. Our unique portfolio of projects, many in close proximity to world scale producing mines, are either coastal or near the coast for easy development access and future access to sea borne markets.