

NATION BUILDING IN

PAPUA

NEW GUINEA

Paul Mulder  
Managing Director

24 August 2020

[mayurresources.com](http://mayurresources.com) ASX:MRL



# Nation building in Papua New Guinea

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.

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Papua New Guinea*

2 ASX: MRL



## Corporate overview

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### Share price

\$A0.50

21 August 2020 close  
52 week high 65c, low 15c

### Shares on issue

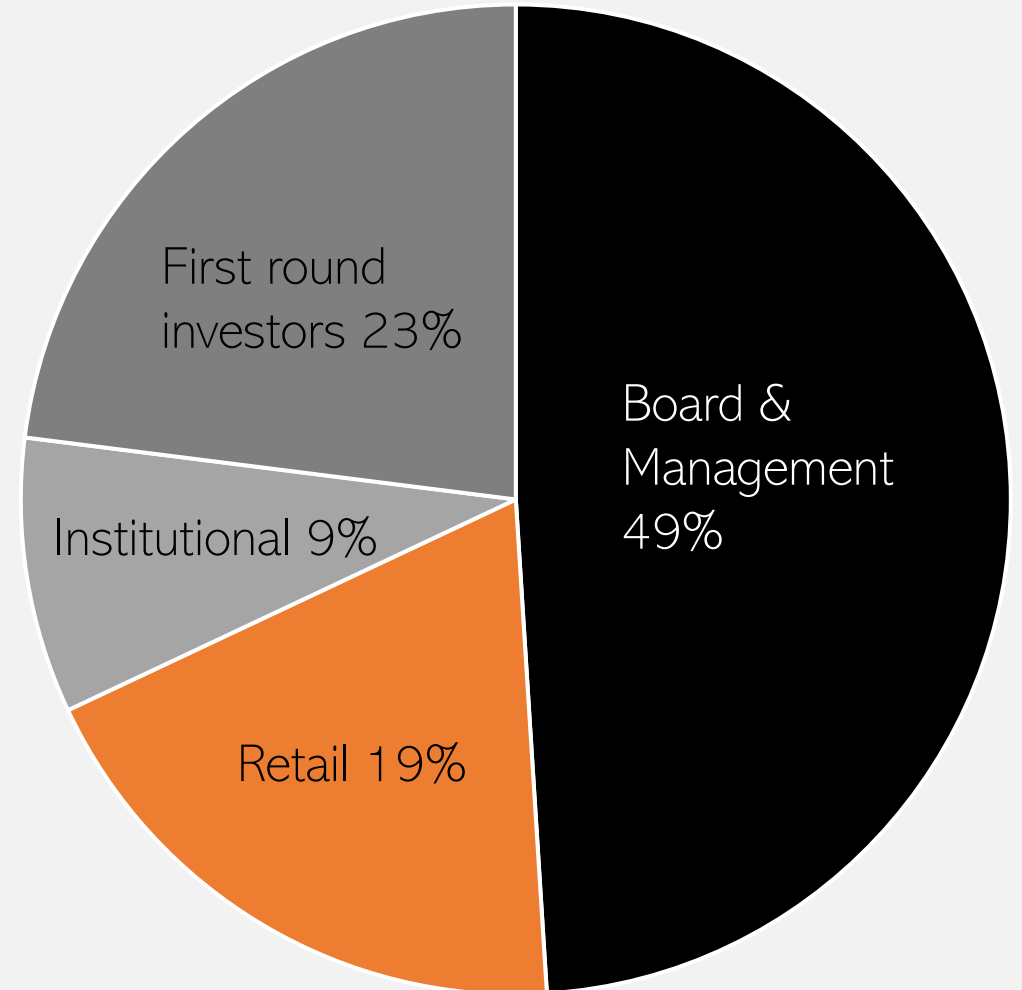
179m

### Options (unlisted)

13.5m

### Market capitalisation

\$96m fully diluted basis





# Primary projects

Mayur has a unique portfolio of projects under development in close proximity to world scale producing mines.

All projects are coastal or in close proximity to the coast for easy development access and future access to seaborne markets.

-  Cement & Lime
-  Industrial sands
-  Coal
-  Energy generation
-  Precious metals

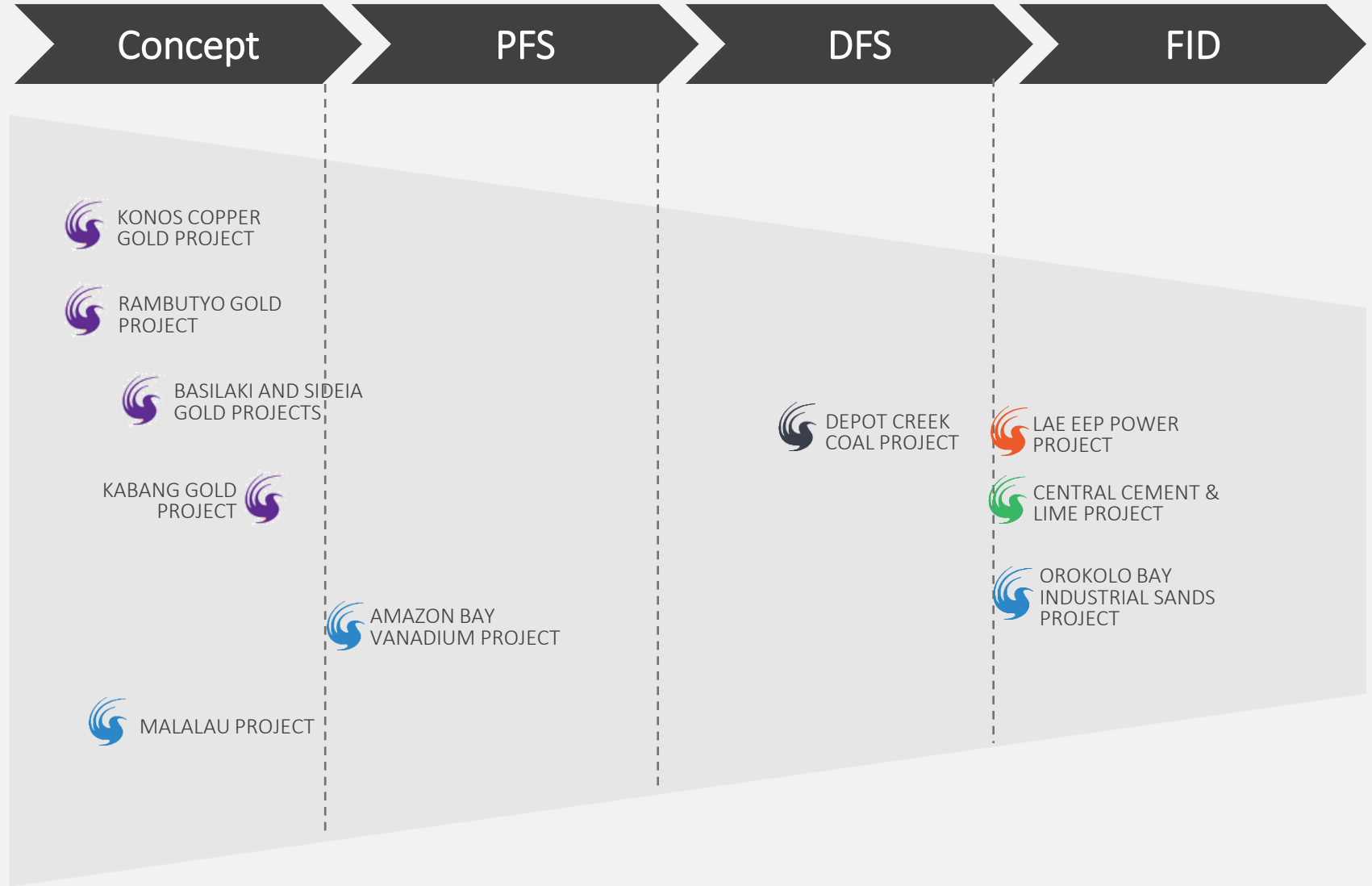
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# Project pipeline

A comprehensive pipeline of nation building projects across business divisions.

-  Precious metals
-  Industrial sands
-  Coal
-  Energy generation
-  Cement & Lime



# Leadership

An experienced management team with an impressive track record of initiating, developing and managing major resource projects in various jurisdictions over multiple years



**Paul Mulder**  
MANAGING DIRECTOR

Former MD (Coal) at Hancock Prospecting where he led the development of a \$15bn mine port and rail project. Prior to this Paul worked for BHP Billiton for 13 years in steel, coal and iron ore divisions in various senior management positions.



**Rob Neale**  
CHAIRMAN

Former MD and CEO of New Hope Corporation, Chairman and Non-Executive Director of WestSide Corporation, Director of Northern Energy Corporation, Independent Non-Executive Director of Planet Gas Limited, and Non-Executive Director of Bridgeport Energy.



**Tim Crossley**  
EXECUTIVE DIRECTOR

Former deputy CEO of ASX-listed Gloucester Coal, and President and COO at BHP Billiton's West Australian Iron Ore business. Tim also held the position of Executive GM of carbon steel materials for Hancock Prospecting's Roy Hill Project.



**Frank Terranova**  
INDEPENDENT DIRECTOR

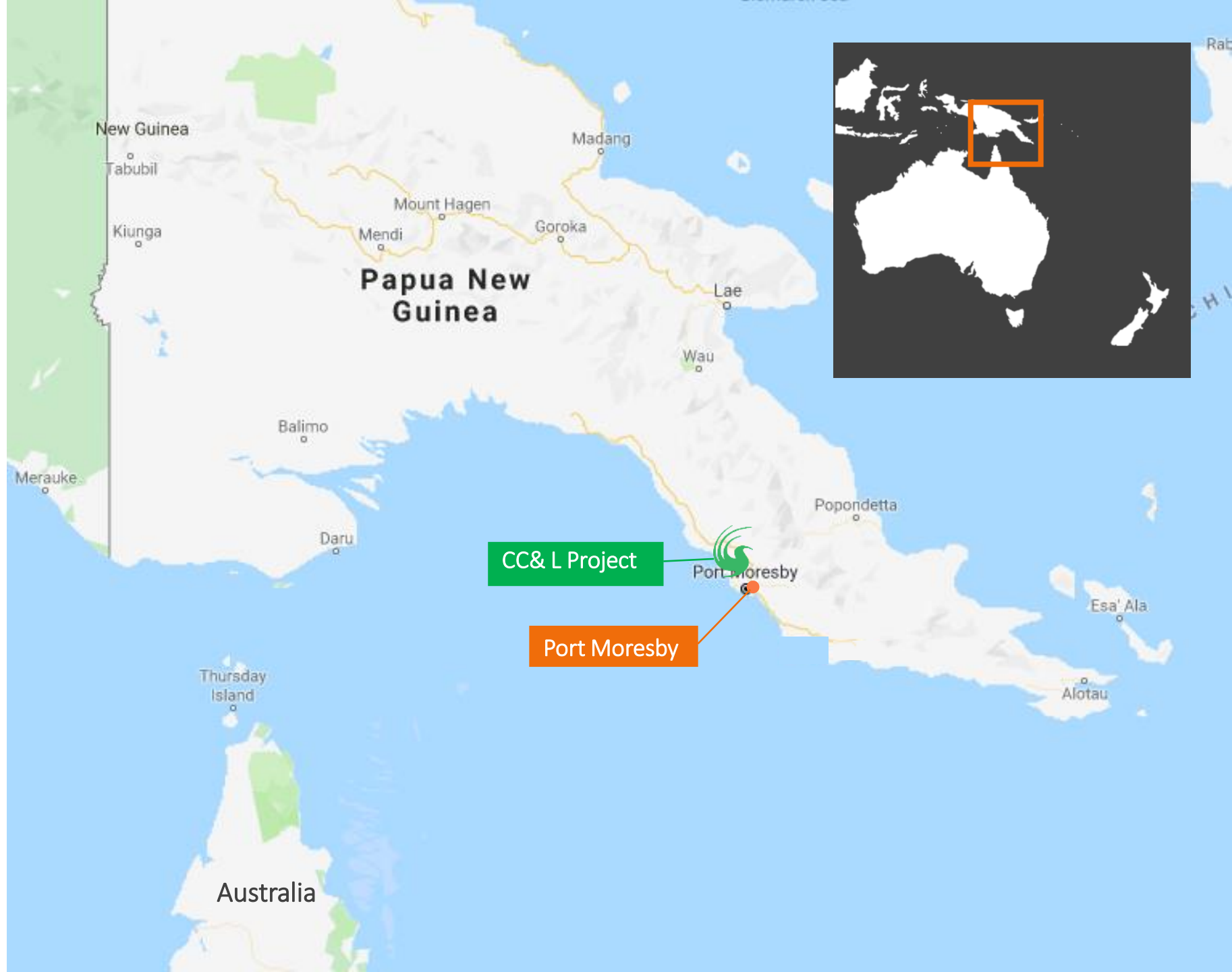
A Chartered Accountant with extensive experience as a director and executive for a wide range of Australian and international publicly listed companies, including Normandy Mining, Queensland Cotton, Allied Gold, and PolyMetals Mining. He is currently an Executive Director of AUSA Resources.

## Central Cement & Lime Project

# Project location

Only 25km from PNG capital.

The Central Cement & Lime (CCL) project is 25km from Port Moresby, and adjacent to the PNG LNG Plant.





# Central Cement & Lime Project

PNG's first cement and lime project.

- ✓ Construction Bids received.
- ✓ Mining Licence granted in August 2020.
- ✓ Full support from State, Provincial Governments & Landowners.
- ✓ Environmental approvals in place.
- ✓ Import replacement for PNG + export products to service growing Australian and Pacific markets.
- ✓ Project de-risked with very attractive economics.
- ✓ Scalable growth pathways.
- ✓ Coal & Gas fuel supply lines in place.

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## Central Cement & Lime Project

# Resources

### 30-year production life

A 382Mt Maiden JORC Resource with Proven and Probable Reserves have been certified on the granted Mining Licence across two deposits (Kido and Rea Rea) at the CCL project which has an estimated production life of 30 years and a resource base for 100+ years.





## Central Cement & Lime Project

# Market metrics

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### Growing market demand

All clinker and cement is imported into PNG and no domestic quicklime production to supply largest user (ie. Lihir Mine).

Mayur CCL project will displace clinker and cement imports into PNG meeting domestic demand, whilst also supplying clinker, cement and lime to the Australia and Pacific Islands export markets.

### Clinker production

0.82mtpa

Material that is suitable for cement manufacture

### Australian clinker market

~10mtpa

Imports 4.2mtpa

### Cement production

0.90mtpa

### PNG & Australian cement market

~11.6mtpa

Imports ~1.5mtpa

### Quicklime production

0.20mtpa

### PNG & Australian quicklime market

~2.3mtpa

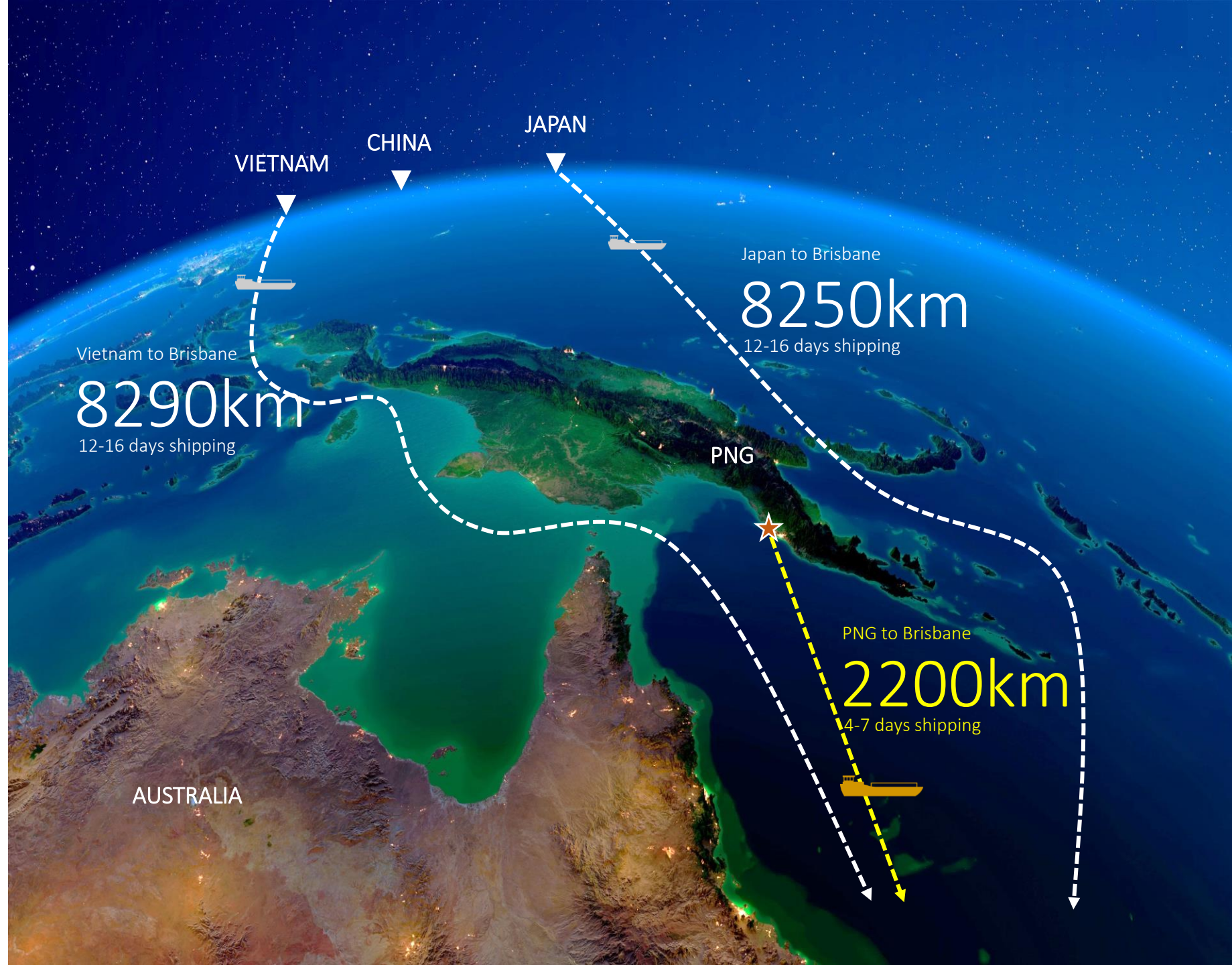
Imports ~0.3mtpa



Central Cement & Lime Project

# Natural freight advantage

Mayur is significantly closer to the Australian East Coast than its international competitors.





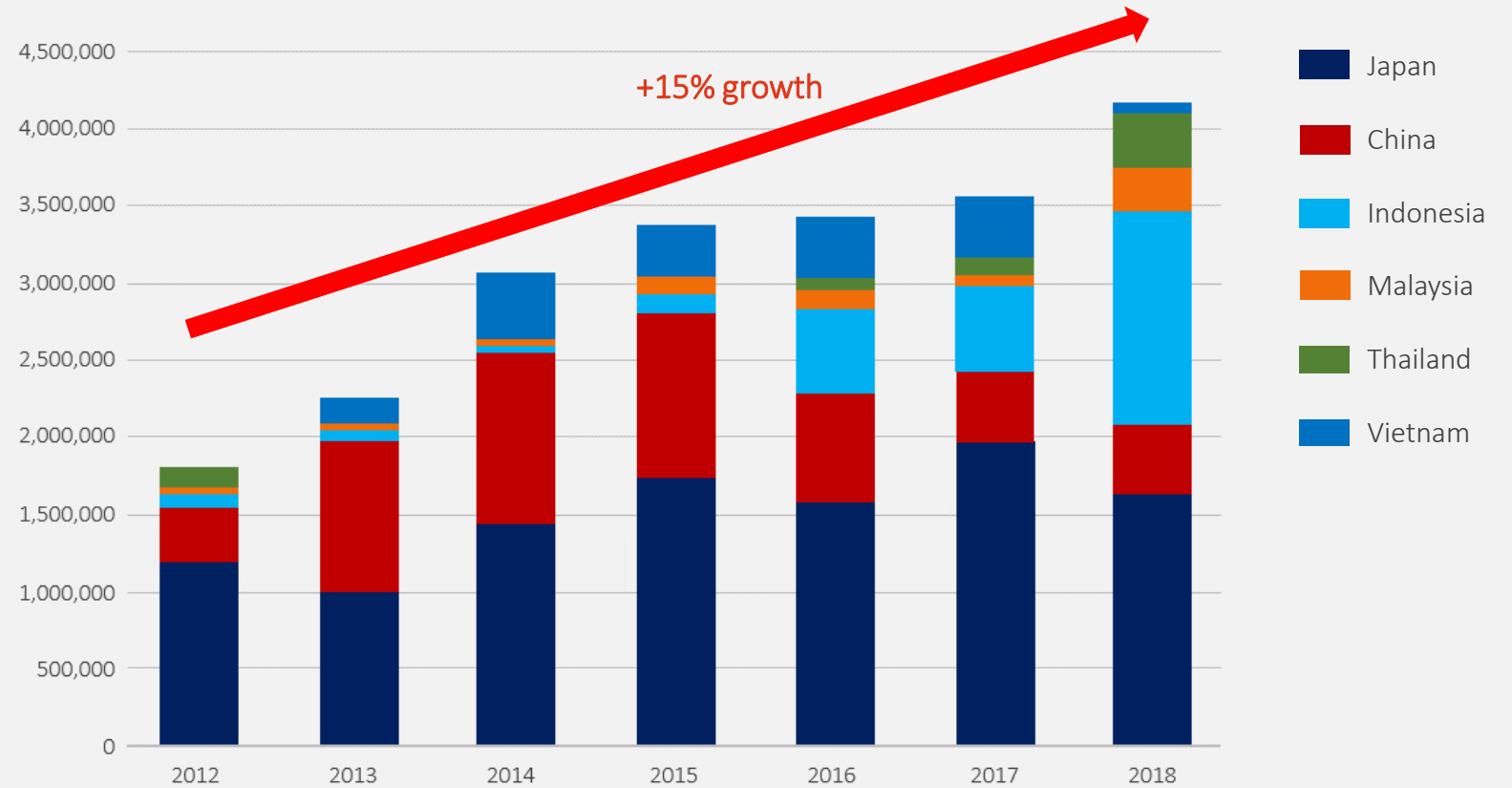
Central Cement & Lime Project

# Growing Australian clinker imports

Australian clinker imports have grown by 15% per year since 2012, representing a structural change.

Australian clinker production is declining with only 4 clinker kilns now operating in Australia.

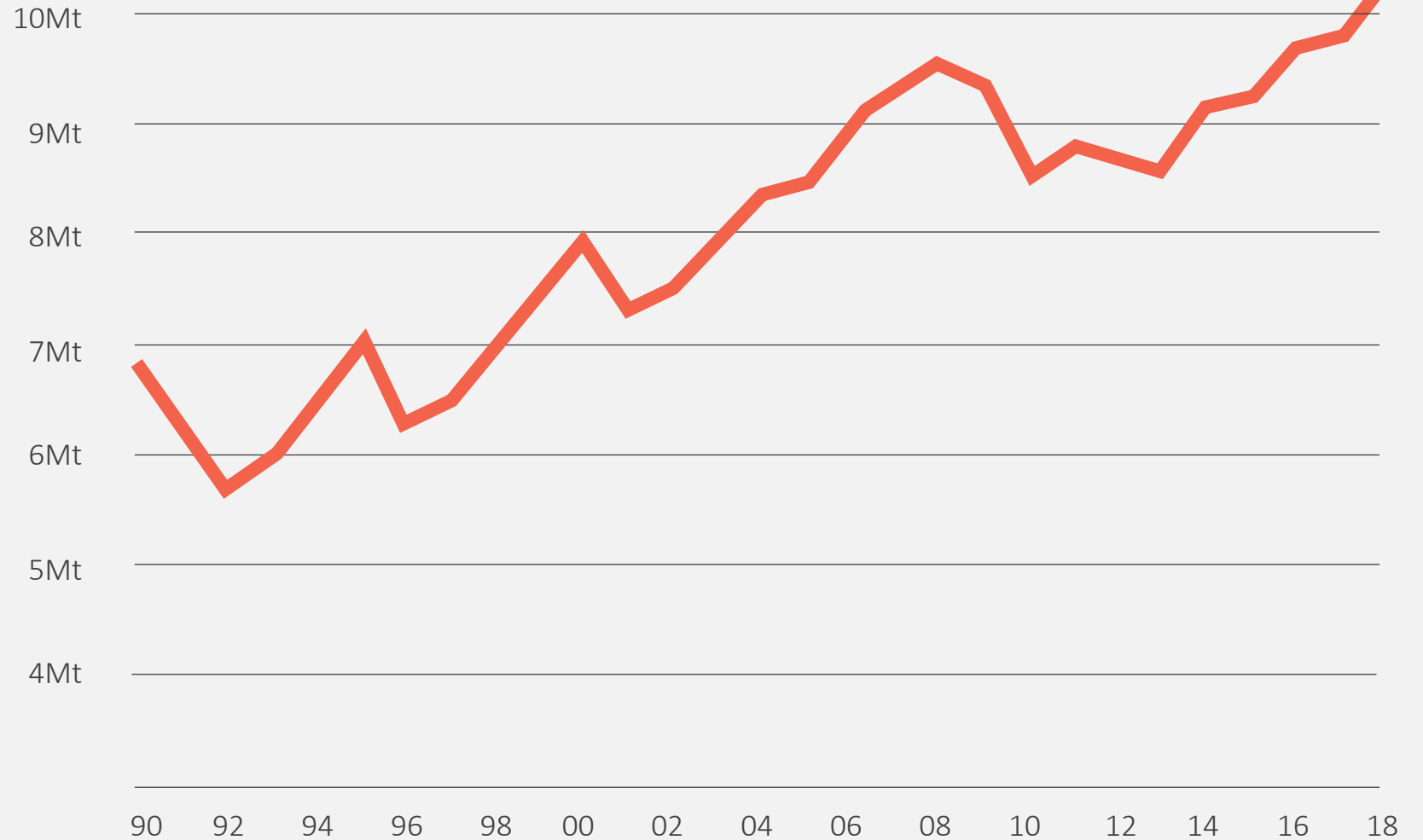
Clinker imports into Australia (tonnes)



Central Cement & Lime Project

# Growing Australian cement consumption

Cement consumption in Australia continues to follow upward trajectory.



Cement Consumption in Australia (Mtpa)

## Central Cement & Lime Project

# Australia looking to overseas lime

Alcoa's decision in June to not renew its supply contract of domestic lime, after having supplied Alcoa for 50 years, 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.

# Adbri shares plunge after Alcoa ends lime contract



**Brad Thompson**  
Reporter

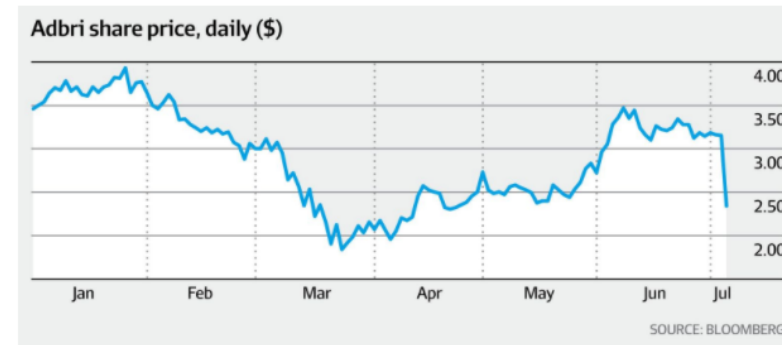
Jul 3, 2020 - 12.59pm



Adbri is reeling after US aluminium giant Alcoa opted to turn its back on local sourcing of lime for its three alumina refineries in Western Australia.

Alcoa's decision not to renew a long-standing supply contract with [Adbri-owned Cockburn Cement](#) saw more than \$515 million stripped from the value of the company formerly known as Adelaide Brighton.

The Adbri share price had nosedived to \$2.35 by the close on Friday, down just over 25 per cent from its closing price on Thursday.



It is understood up to 50 jobs, including contractors, are at risk as Alcoa looks to source lime from overseas.

### RELATED QUOTES

ABC \$2.38 ▲ 0.21%

1 year 1 day



Updated: Aug 21, 2020 - 1.29pm. Data is 20 mins delayed.

[View ABC related articles](#) →



## Central Cement & Lime Project

# PNG economy driving strong demand for cement

PNG government, corporate investment, and State aid & international development are all contributing to a strong pipeline of asset focused construction projects.

PUBLIC	
PROJECT	VALUE (US\$)
National highway rehabilitation	~3.0BN
National rural electrification roll out program	~1.7BN

Total ~\$4.7B

PRIVATE	
PROJECT	VALUE (US\$)
Papua LNG	~13.0B
Pasca A Gas	~350M
P'nyang Gas	~6.0B
Central Cement & Lime	~330M
Woodlark Gold Mine	~135M
Wafi-Golpu initial capital investment	~2.8B
Wafi-Golpu remainder of life capital investment	~2.6B
Frieda River	~7.0B

Total ~\$32.2B

INTERNATIONAL/STATE AID	
PROJECT	VALUE (US\$)
China Belt and Road Investments	~3.5B
Australia's Social Infrastructure and Transport Sector Programs	~530M
PNG Electrification Partnership	~1.7B

Total ~\$5.7B

## Central Cement & Lime Project

# Phase 1 - Investor based project metrics

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For further detailed information on the DFS and associated JORC Resources / Reserve refer to ASX announcement dated 24 January 2019 – ‘DFS complete for Central Cement and Lime Project’. 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 continue to apply and have not materially changed. The DFS has also considered various sensitivity analysis to such metrics.

UNGEARED

NPV (@9%)

US\$352m

Internal Rate of Return (IRR)

23.9%

Payback period

5.2 years

GEARED

NPV (@9%)

US\$397m

IRR

39.5%

Payback period

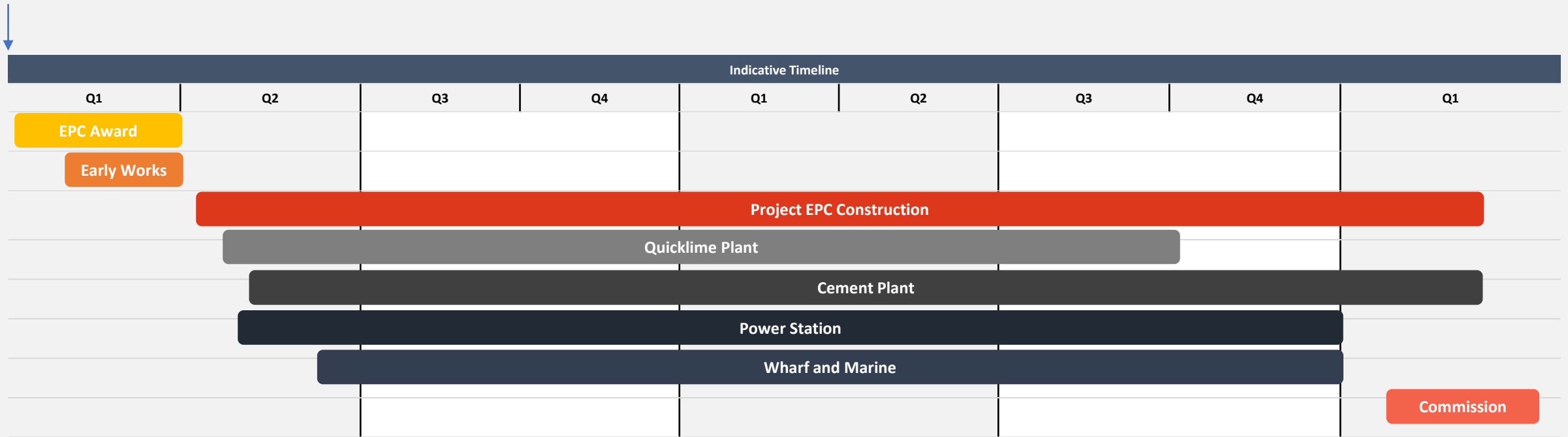
3.2 years

Central Cement & Lime Project

# Project schedule

Mayur is currently assessing an option to fast-track the lime kiln in advance of the clinker and cement.

Today



Contingent on individual work stream completion, the development of the Project is expected to adhere to the above schedule.



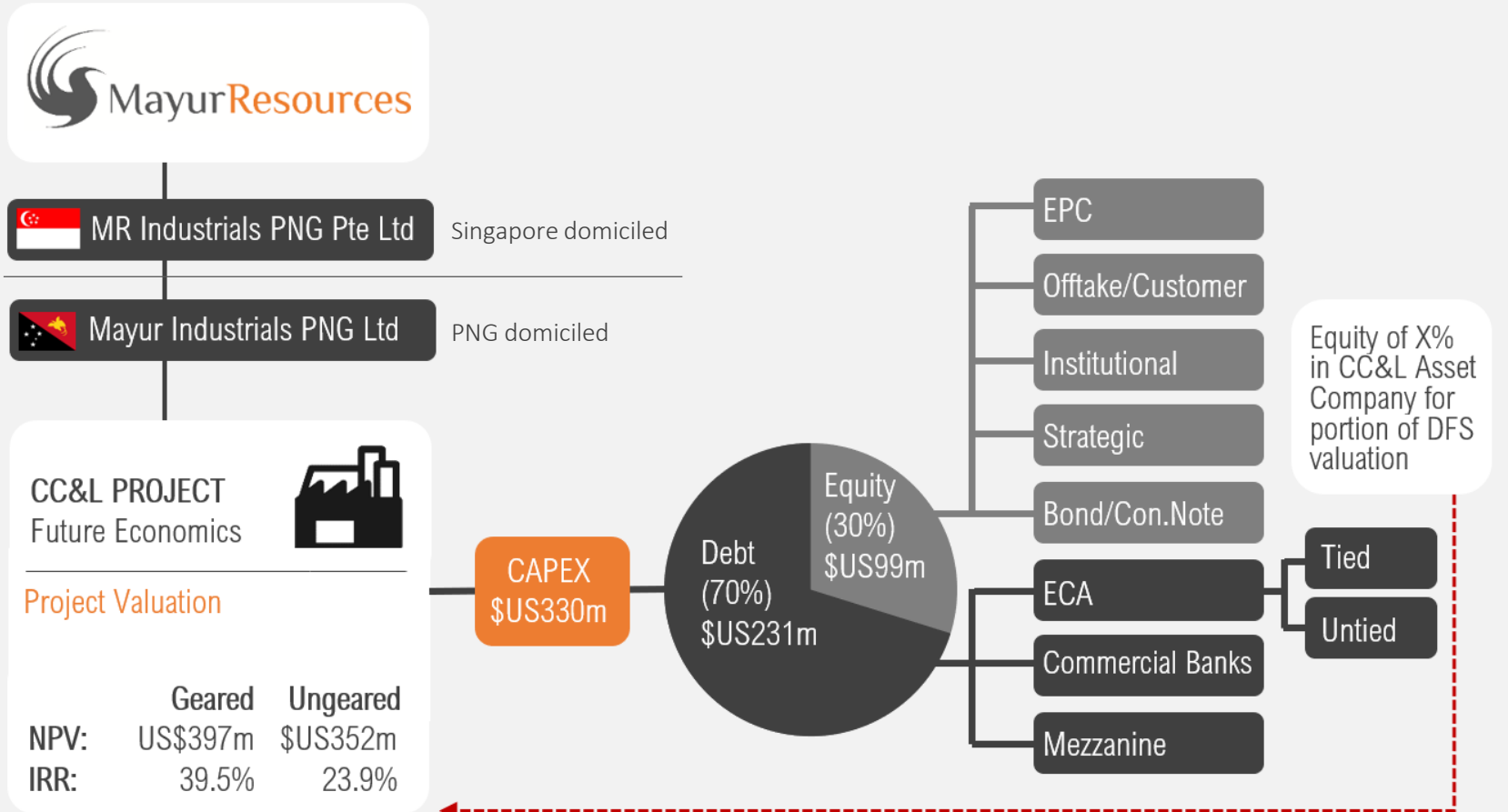
## Central Cement & Lime Project

# Funding plan

New equity from strategic investor(s) and non-recourse debt will be contributed at project level.

For further detailed information on the DFS and associated JORC Resources / Reserve refer to ASX announcement dated 24 January 2019 – ‘DFS complete for Central Cement and Lime Project’. 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 continue to apply and have not materially changed. The DFS has also considered various sensitivity analysis to such metrics.

## Project Financing Plan



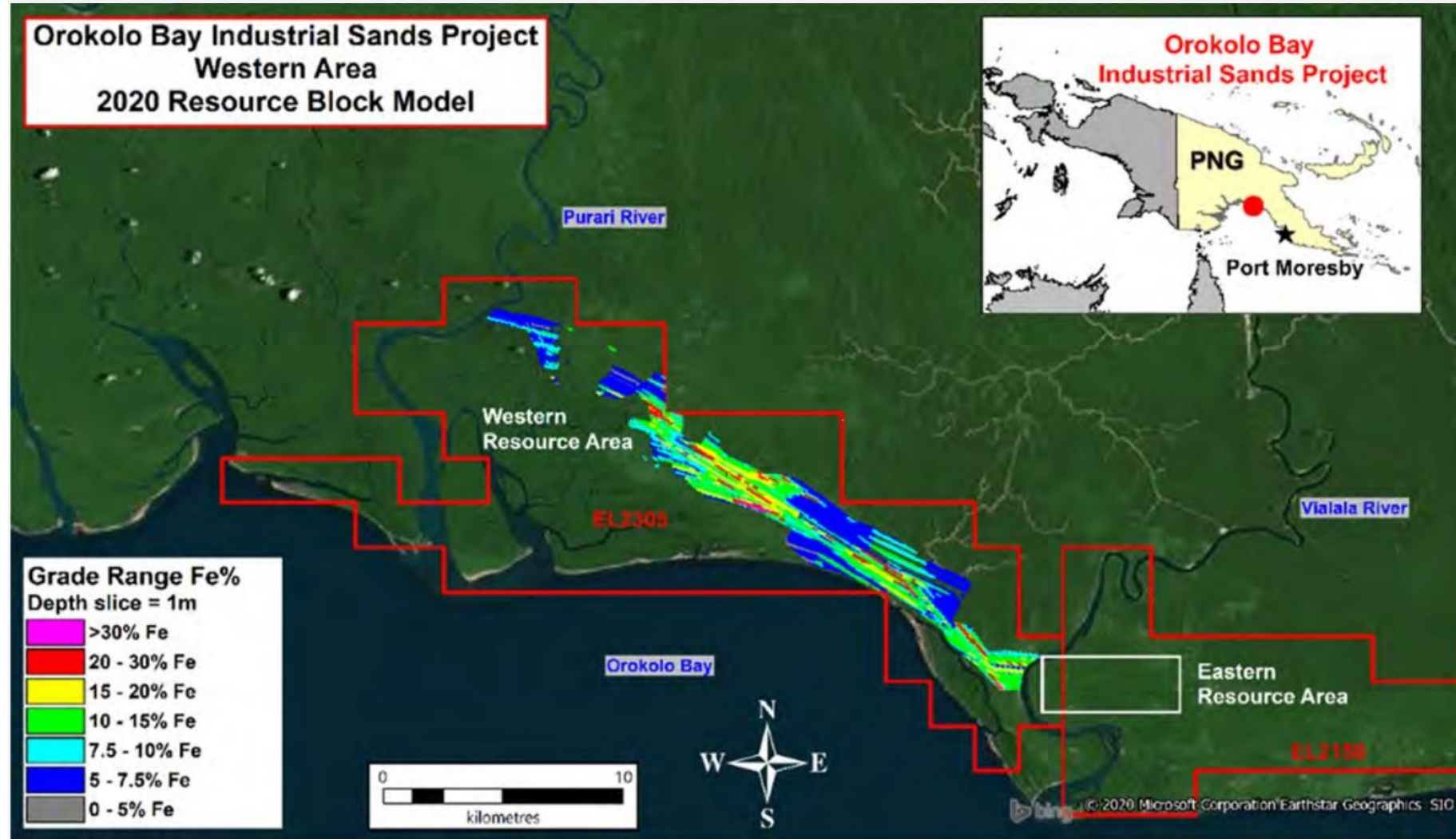
Project funded at asset level, not MRL parent level.

# Orokelo Bay Industrial Sands Project

~USD\$60m in annual revenue once in full production.

- ✓ Pre-Feasibility Study completed.
- ✓ Definitive Feasibility Study on track to be released in September with Mining Lease application to follow shortly thereafter.
- ✓ Full Funding agreement on 51%/49% JV basis with CNTI.
- ✓ Offtake secured
- ✓ Environmental approval secured
- ✓ 51% of Net Present Value (NPV) of Pre-Feasibility Study of USD106m (post tax, using a 10% discount rate).

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## Orocolo Bay Industrial Sands Project

# Project update

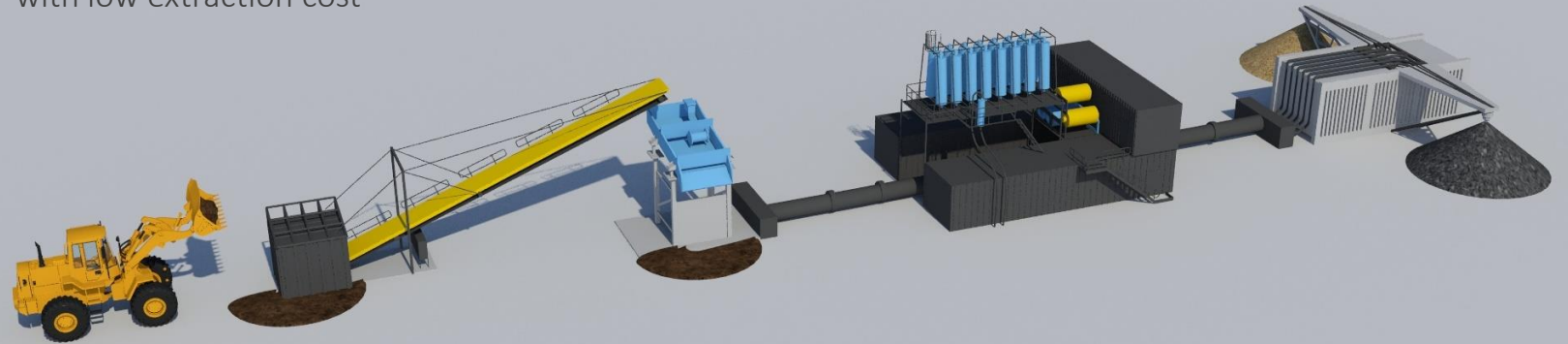
Finalising equipment procurement and mobilisation plans for bulk sampling pilot plant.

Landowner agreements signed for bulk sampling area.

Targeting bulk sampling pilot plant construction in Q1 2021 (mobilisation delayed due to COVID).

JORC Resources (Magnetite) 243 Mt and Reserves 30.6Mt, Construction sand Resource of 112.8Mt and 15.2Mt Reserves.

Mining - onshore, excavators and gravity/magnetic processing; 15-year LOM, mineralisation at surface with low extraction cost



The barge arrives at the Orocolo Bay Industrial Sands Project with equipment for site enabling works for the pilot plant.



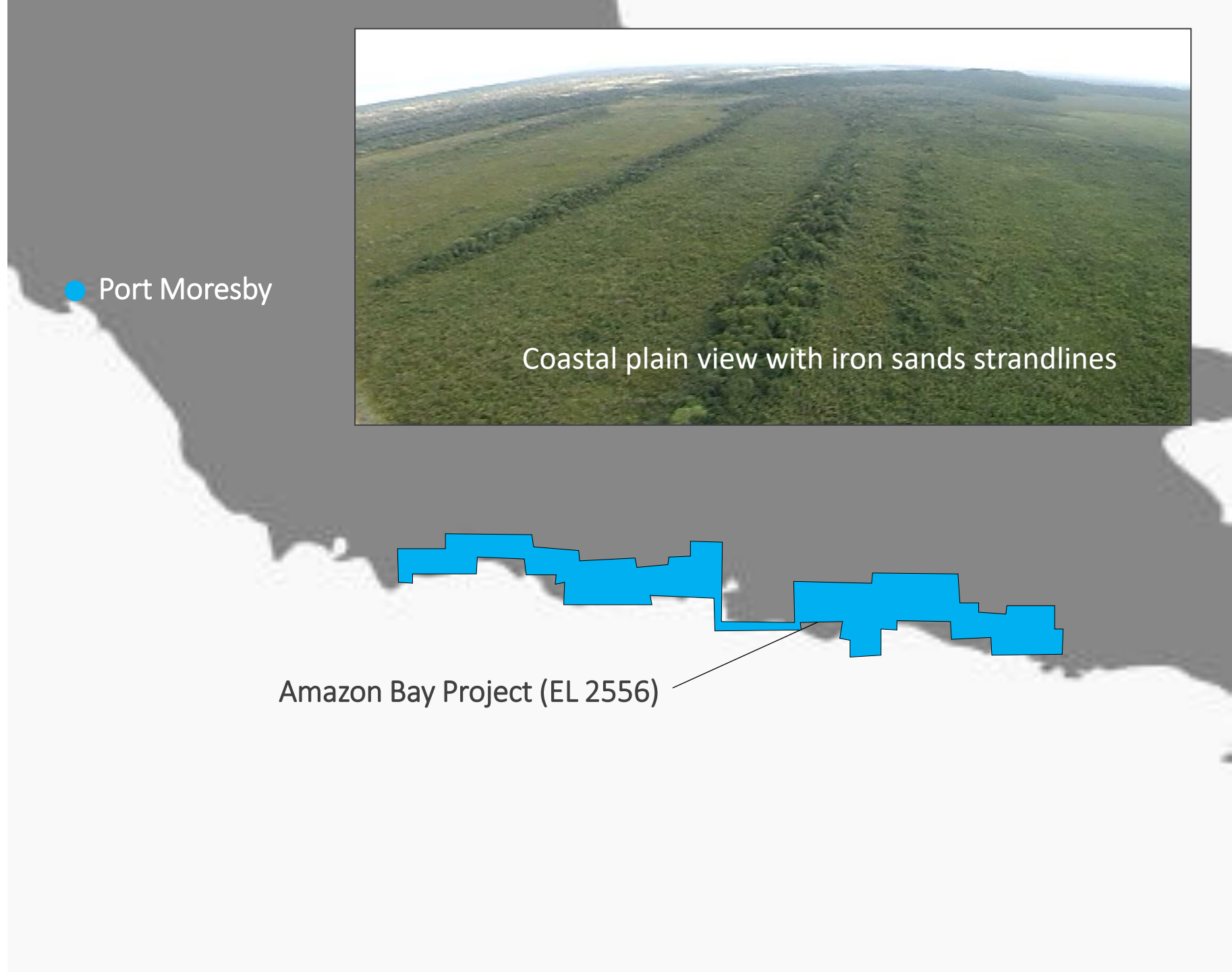


# Amazon Bay Industrial Sands Project

## Three high value product streams

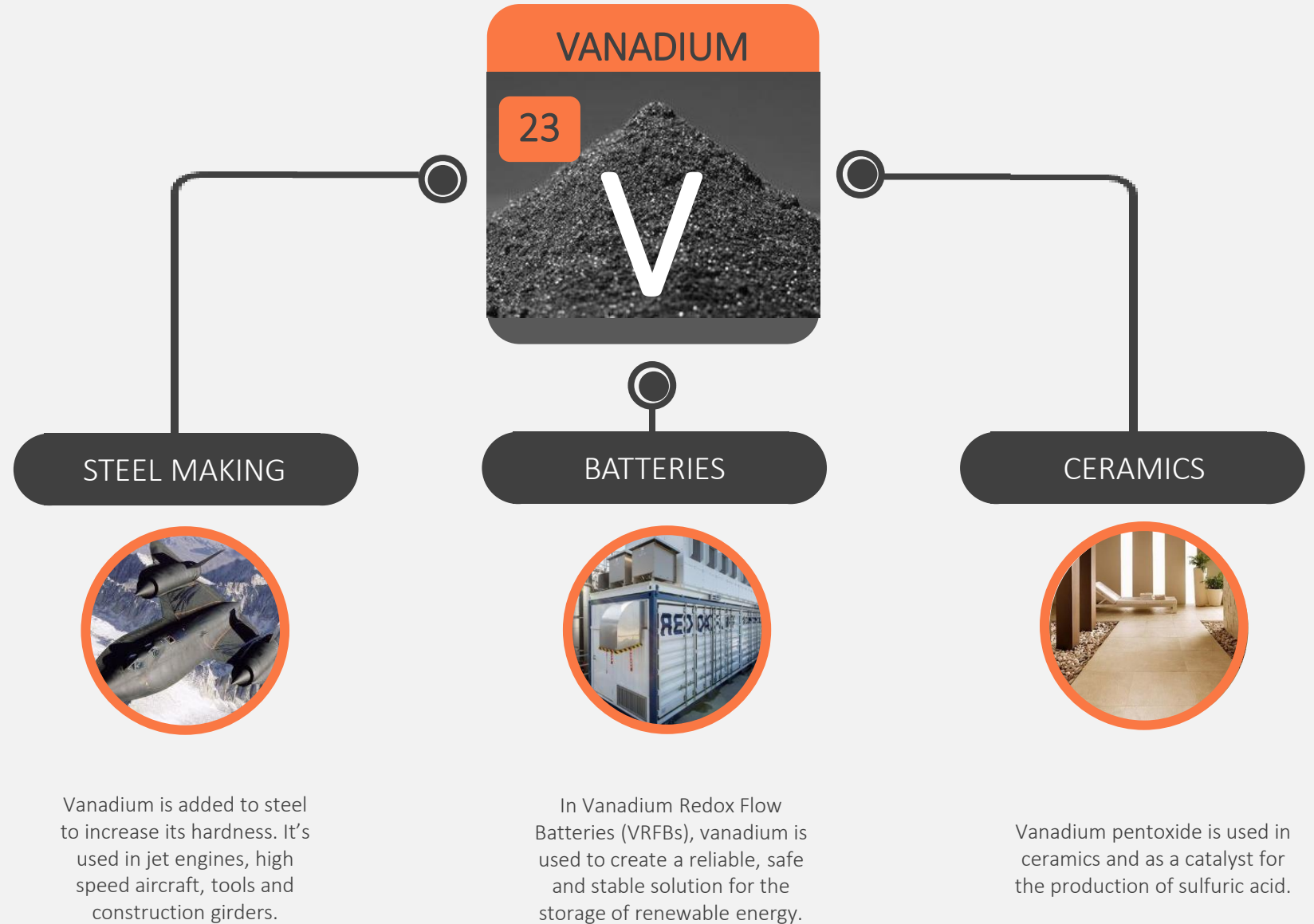
Large area with multiple heavy mineral strandlines with the potential to host globally significant resources of vanadium-titanium-magnetite (VTM sands).

Historical test work has produced a heavy mineral concentrate grading 1.02%  $V_2O_5$ ; 50.7% Fe and 20.0%  $TiO_2$ .



# A vanadium–titanium–iron investment opportunity

The steel industry currently accounts for 90% of total vanadium demand for use in alloying but the growing market opportunity is Vanadium Redox Flow Batteries (VRFB), which are cost-competitive with lithium-ion batteries and are technologically superior due to their longer life and improved chemical stability.



# Depot Creek Coal Project

**+210Mt regional  
Exploration Target**

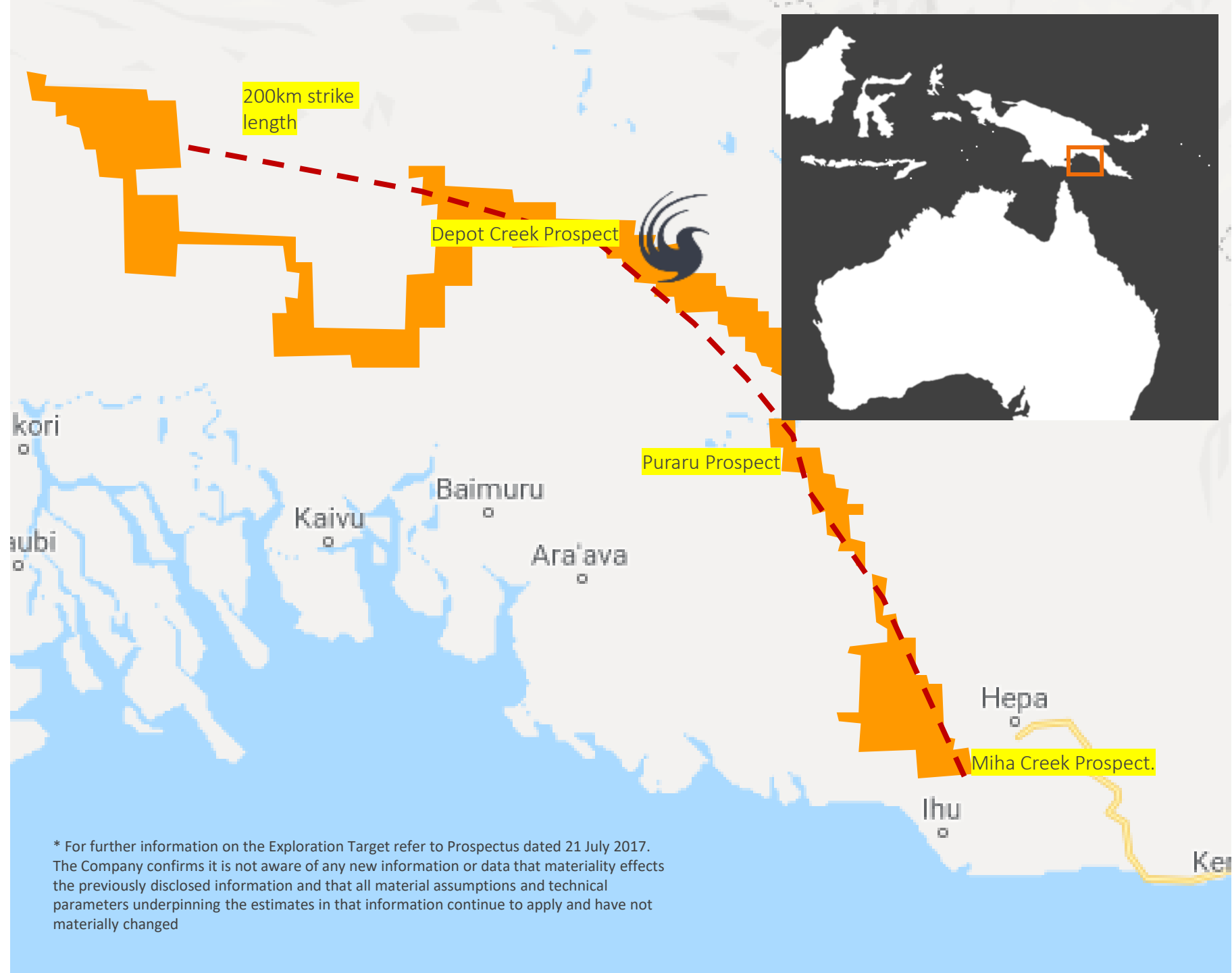
Licences in close proximity to rivers and coast for access to the seaborne markets (domestic and export)

PNG Coal provides drastic reduction in power prices (cleaner than liquid fuels energy).

Q4 2019 - Completed 45holes (backpack drilling) of the current Depot Creek JORC Resource. Updated JORC Resource report due shortly.

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# Lae Enviro Energy Park (EEP) Project

52.5MW power station with future scalability to 200MW

100% owned.

Assist PNG in meeting its electrification target of 70% by 2030.

Provide industry with access to reliable, affordable and sustainable base load power.





## Lae EEP Project

Plant takes solar, biomass woodchip, coal and produces steam by-product.

Current reliance on diesel and HFO for power generation.

40-50% of electricity is diesel fired at a cost of over 30 US cents/kWh.

EEP to provide power at 9 – 12.7 US cents kWh.

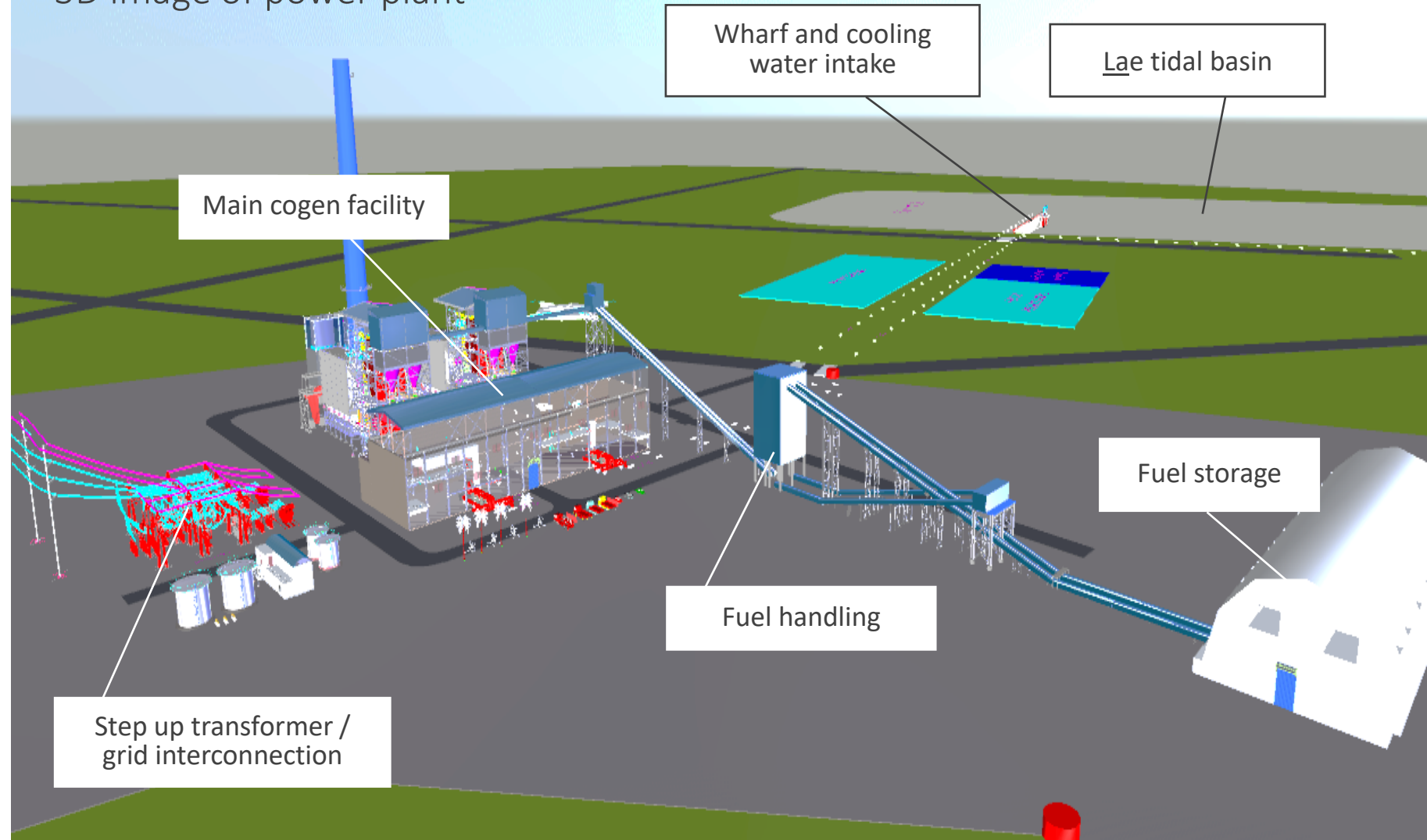
HOA with Kumul Petroleum also examining dual fuel facilities of gas and coal.

Significant demand for by-product steam and fly ash.

Significant Ministerial support in place – waiting on Government approvals from the State (Provincial Government in full support).

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## 3D image of power plant



# Copper & Gold Projects

Assets located in a proven geological address - the Pacific Rim 'ring of fire'.

Geological rationale based on finding and developing epithermal (volcanic arcs setting) and porphyry systems.

Mayur is assessing a spinout and joint venture merger process of these assets into a new publicly-listed copper/gold focused exploration and development company.

## RAMBUTYO

- Gold anomalism in stream sediments
- Targets defined. Ready to commence scout drilling

## KONOS

- Completed regional geochemical sampling program and awaiting lab results.

## KABANG (FENI)

- Ongoing liaison with landowners and the Mineral Resources Authority as part of tenement renewal process

## BASILAKI & SIDEIA

- Geophysics data from the Sideia aeromagnetic and radiometric survey being reprocessed



# Competent Person's Statement

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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 Mineral Resource estimates for the Orokolo Bay Industrial Sands Project and the Feni (Kabang) Gold project are based on, and fairly represents, information and supporting documentation prepared by Mr. Simon Tear, who is a member of the Australian Institute of Geoscientists. Mr. Tear has sufficient and relevant experience that specifically relate to the style of mineralisation. Mr Tear qualifies as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Tear is an employee of H&S Consultants 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 Tear takes responsibility for the form and context in which the Mineral Resource Estimate prepared for the Orokolo Bay Project and Feni Gold appears.

Statements contained in this announcement 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.

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