

HIGHLIGHTS

- **22-hole diamond drilling campaign completed at Port Moresby Limestone Project.**
- **382 mt Maiden JORC Resource for Port Moresby Limestone Project announced on 10 January 2018.**
- **Significant progress made on Company’s ‘PNG Nation Building Agenda’ following execution of MOA with Gulf Provincial Government and MOU with Kumul Petroleum.**
- **Maiden diamond drilling campaign commenced at Basilaki copper gold project.**

ADVANCING PNG’s ‘NATION BUILDING’ INDUSTRIALISATION AGENDA

Mayur Resources Limited (ASX: MRL) is pursuing a strategy of advancing PNGs nation building agenda via the development of the country’s rich natural resources inventory. This is based on establishing several development pillars as follows:

PILLAR 1	PILLAR 2	PILLAR 3
COORDINATED DEVELOPMENT OF MINERAL AND ENERGY RESOURCES	DIVERSIFICATION OF PNG’S MINERAL WEALTH	DEVELOPMENT OF DOMESTIC DOWNSTREAM VERTICALLY INTEGRATED INDUSTRY

Table 1 – MRLs strategic pillars to advance PNG Nation Building agenda

As part of Pillar 1, the Company announced on 7 December 2017 that it had entered into a Memorandum of Agreement (MOA) with the Gulf Provincial Government. Gulf Province is situated adjacent to Central Province and is home to extensive mineral and energy resources. MRL has extensive mineral exploration interests in Gulf Province and intends to leverage the proximity of plentiful, cheap and accessible domestic energy to industrial mineral resources to deliver various development opportunities for the region.

The foundation of Pillar 1 was reinforced on 10 January 2018 when the Company announced that it had executed a Memorandum of Understanding (MOU) with Kumul Petroleum regarding the sourcing and supply of gas for its proposed vertically integrated lime and cement business at Caution Bay located 25km north of Port Moresby and adjacent to the PNG LNG Plant.

INDUSTRIAL MINERALS - PORT MORESBY LIMESTONE PROJECT

The project comprises two separate limestone deposits (Kido and Lea Lea) that are located on the coast north of Port Moresby and in close proximity to the Exxon PNG LNG downstream processing plant and LNG export facility.

The project has the potential to generate significant benefits for PNG, providing a domestically produced replacement for imported quicklime and cement and the creation of important new industry close to the capital of Port Moresby. In addition, there is an opportunity to export quicklime, cement and limestone to the Pacific region and Australia.

During the December 2017 quarter, the Company completed its 22-hole drilling campaign at the Port Moresby Limestone project (EL2303). The drilling campaign was conducted across the Kido and Lea Lea deposits for a total of 1,592.5 metres reaching depths up to 151 metres. The drilling demonstrated a high level of geological continuity over much of the project area.

Following the completion of subsequent assaying, petrological test works MRL engaged Groundwork Plus to undertake a resource estimation study. The Resource estimate, that was released to the ASX on 10 January 2018 is summarised in the table below¹:

Area	Category	CaO cut off %**	Tonnes	CaO %	Al ₂ O ₃ %	SiO ₂ %
Lea Lea	Measured	52%	61,000,000	53.4	0.6	1.65
Kido	Measured	52%	144,000,000	53.6	0.62	1.77
Total	Measured	52%	205,000,000*	53.5	0.61	1.73

INDICATED MINERAL RESOURCE ESTIMATE*

Area	Category	CaO cut off %**	Tonnes	CaO %	Al ₂ O ₃ %	SiO ₂ %
Lea Lea	Indicated	50%	117,000,000	51.8	0.9	2.7
Kido	Indicated	50%	11,000,000	51.5	0.6	1.1
Total	Indicated	50%	128,000,000	51.8	0.9	2.6

INFERRED MINERAL RESOURCE ESTIMATE*

Area	Category	CaO cut off %**	Tonnes	CaO %	Al ₂ O ₃ %	SiO ₂ %
Lea Lea	Inferred	48%	7,000,000	48.1	1.1	2.5
Kido	Inferred	48%	42,000,000	48.4	1	1.8
Total	Inferred	48%	49,000,000	48.3	1	1.9

*Minor rounding errors apply pursuant to JORC 2012. **The cut-off grade for the Measured Mineral Resource is based on a commonly accepted CaO grade for the production of lime and quick lime.

Table 2 - Port Moresby Limestone Project – JORC Resource Statement

It should be noted that the work by Groundwork Plus is at a Mineral Resource Estimate level where further works will be undertaken with the objective to have sufficient information to support the estimation of ore reserves. Further work and appropriate studies are required before Mayur will be able to estimate any Ore Reserves or, to provide any assurance of an economic development case being viable. Additionally, this further work may or may not result in the upgrade of the Mineral Resources to Ore Reserves.

The delineation of the maiden JORC Resource for the Port Moresby Limestone Project is a key milestone in diversifying PNG's mineral wealth beyond copper and gold and forms part of Pillar 2 of the Company's PNGs nation building agenda. The JORC resource also provides the foundation to

¹ Port Moresby Limestone Project JORC Resource as disclosed in the ASX Announcement dated 12 January 2018.

develop a domestic and export lime and cement business based in Caution Bay (Central Province). It is anticipated that there will be a downstream value add opportunity to service PNG's domestic quicklime and cement needs along with other lime products as well as develop an export industry to supply to such countries as Australia and other Asia Pacific jurisdictions.

INDUSTRIAL MINERALS – OROKOLO BAY PROJECT & OTHER PROJECTS

The Company has progressed planning for the upcoming production drilling programme for the Orokolo Bay Industrial Sands Project located along the southern coast of PNG (EL2305 and EL2150).

As outlined in the Prospectus, funds raised through the IPO are being used to undertake a Definitive Feasibility Study to enable a Final Investment Decision for the Orokolo Bay Project and to construct a bulk sampling pilot plant at the site.

As the first step in this programme an auger drilling campaign is scheduled to commence in the March 2018 quarter. This programme has the objective to upgrade the existing JORC Resource² and identify the preferred location for a pilot plant for bulk sampling. This will then enable the implementation of a small-scale pilot plant to process a bulk sample of titanomagnetite product for shipment to potential offtake partners in Q1 2019.

Field exploration involving sampling and geochemical analysis is also being planned for the other tenements in the mineral sands portfolio, this includes the Malalaua project (EL2304).

COPPER & GOLD PROJECTS

The Company commenced its maiden diamond drilling programme on the Basilaki Copper Gold project (EL2095) in Milne Bay Province, PNG. The drilling programme is to be funded by a large scale North American copper gold developer / operator pursuant to a letter of agreement that provides the Funding Partner with an option to enter into a formal joint venture.

It is planned that the drilling programme will comprise up to 8 drill holes totalling approximately 1,500 metres and is to be completed prior to the expiry of the Funding Partner's option on 31 March 2018. The drill holes are pursuing both copper and gold targets that were identified by a combination of surface mapping, sampling, induced polarisation and previous magnetic surveys.

The Company is also in preliminary discussions with other potential partners to advance the Feni project (EL2096).

POWER GENERATION & COAL PROJECTS

The Company is in continuing discussions with PNG Power Ltd, the state-owned power company regarding the Power Purchase Agreement proposal that was submitted to PNG Power Ltd for the development of a 52.5MW (net) power facility at the Port of Lae (with future scalability to 200MW). Following the conclusion of the national elections in mid-2017 this has involved various meetings and briefings with key political and industry stakeholders.

The proposed power station at Lae is designed to be a multi fuel generation facility intending to use coal from the Depot Creek Coal project (EL 1875) where the Company has delineated PNG's first coal

² Orokolo Bay JORC Resource as disclosed in the Prospectus dated 21 July 2017

JORC Resource³, together with other renewable power sources with the objective of providing a new lowest cost, reliable and environmentally sustainable power supply for PNG. The Company's power tariff is anticipated to be 30 – 50% cheaper⁴ than recent tariffs in Lae that are in excess USD 20 cents per kWh.

No field work was undertaken on the coal exploration licenses during the quarter, however preparation commenced for an additional drill program to be conducted in Q2 2018 in order to expand and further define the existing resource base.

The Company is continuing to work with Era Resources towards the development of a power plant to supply Era's Yandera project in Madang Province. The Company has supplied technical and commercial inputs for the supply of up to 200MW for the Yandera PFS. The Company anticipates holding further discussions with Era pending the completion of this PFS and advancement to DFS stage.

CORPORATE

On 21 December 2017 the first of four tranches of Loyalty Options and Broker Options vested (subject to the option holder satisfying the vesting conditions).

As at 31 December 2017 the Company had the following options on issue:

	Loyalty Options		Broker Options		Total Options
	Unvested	Vested	Unvested	Vested	
On issue at 30 September 2017	19,404,145	-	1,337,856	-	20,742,001
Vested on 21 December 2017	(3,298,383)	3,298,383	(334,464)	334,464	-
Expired on 21 December as vesting conditions not satisfied	(1,552,653)	-	-	-	(1,552,653)
On issue at 31 December 2017	14,553,109	3,298,383	1,003,392	334,464	19,189,348

As at 15 January 2018, the Company had received cash of \$408,242 pursuant to the exercise of 729,004 Loyalty Options.

TENEMENT LIST

As at 31 December 2017 the Company had interests in the following tenements, all located in Papua New Guinea:

³ Depot Creek JORC Resource as disclosed in the Prospectus dated 21 July 2017

⁴ Based on between 50-200MW of net power generation being installed

	EL nr	Province	Commodity focus	Ownership at end of quarter	Km ²
1	2040	W Highlands	Copper / Gold	100%	123
2	2095	Milne Bay	Copper / Gold	100%	150
3	2096	New Ireland	Copper / Gold	100%	191
4	2150	Gulf	Industrial Minerals	100%	614
5	2266	Gulf	Industrial Minerals	100%	1,269
6	2267	Gulf	Industrial Minerals	100%	2,558
7	2268	Gulf	Industrial Minerals	100%	2,558
8	2269	Western	Industrial Minerals	100%	1,279
9	2297	Gulf	Industrial Minerals	100%	2,558
10	2303	Central	Industrial Minerals	100%	481
11	2304	Gulf	Industrial Minerals	100%	539
12	2305	Gulf	Industrial Minerals	100%	518
13	1873	Gulf	Coal	89%	484
14	1874	Gulf	Coal	89%	348
15	1875	Gulf	Coal	89%	631
16	1876	Gulf	Coal	89%	638

Table 3 - Exploration Licence list

TENEMENT MAP

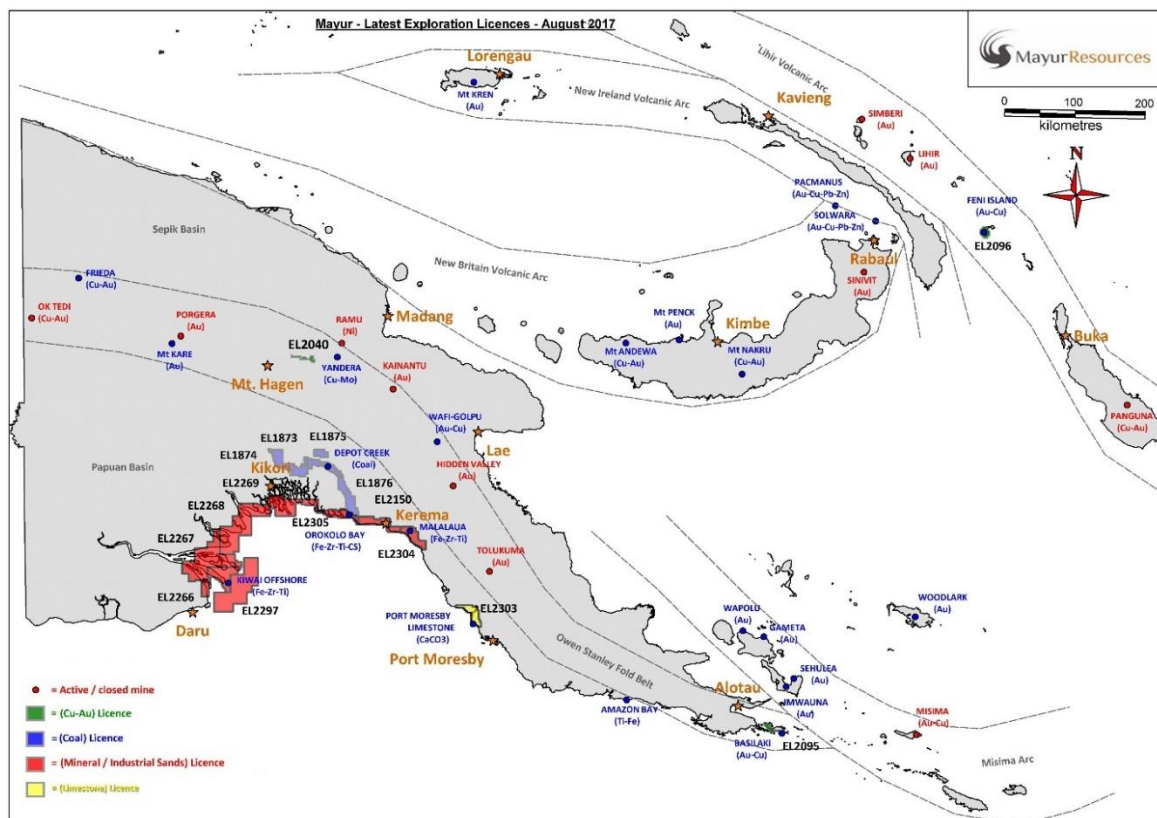


Figure 1- Exploration Licence map

About Mayur Resources

Ries as ASX Code : MRL

Directors:

Rob Neale
(Chairman)
Paul Mulder
(Managing Director)
Tim Crossley
(Executive Director)
Frank Terranova
(Non-Executive Director)
Paul McTaggart
(Non-Executive Director)
Lee Wei Hsiung
(Non-Executive Director)

Ordinary shares: 133.8 million

Office locations:

Australia (principal
administrative office):
Level 7, 300 Adelaide St,
Brisbane, Qld 4000
Phone +61 7 3157 4400

Singapore (registered
address):
80 Robinson Road, #02-00
Singapore 068898

Website:

www.mayurresources.com

Email:

info@mayurresources.com

Contact:

GM Jonathan Rees
Phone: +61 3157 4400
info@mayurresources.com

ARBN 619 770 277

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.

Mayur listed on the ASX on 21 September 2017 and prior to this established a diverse portfolio of projects that includes the following:

(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 ore), industrial magnetite and a zircon-rich Valuable Heavy Mineral Concentrate by-product. A Definitive Feasibility Study is being prepared and planning for construction of a pilot demonstration plant. The other key project in this portfolio is the Port Moresby Limestone Project, close to the national capital, which seeks to produce high grade limestone for domestic 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. The company is undertaking or planning exploration activities at each of the projects.

(c) 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 multi fuel project including renewable fuels and coal from Depot Creek to power a 52.5MW (net) power facility at Lae (with future scalability to 200MW). The Company has secured an Environmental Approval from the Conservation and Environmental Protection Authority in PNG to construct the power facility in Lae and Mayur has submitted a detailed Power Purchase Agreement to PNG Power, the state-owned power entity.

COMPETENT PERSONS STATEMENT

Statements contained in this announcement relating to Mineral Resource estimates for the Port Moresby Lime and Aggregate 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 decades of sufficient and relevant experience (including PNG) that specifically relate to the delineation of limestone deposits. The type and method of assay testing used to obtain the results reported in this announcement (provided by ALS Global) were set by Mr Huntley in advance of this exploration campaign taking place. 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 and is 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 Mineral Resource Estimate prepared for the Port Moresby Lime and Aggregate Project appears.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in the announcement including, without limitation, statements regarding future plans or objectives of Mayur Resources Ltd are forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

Mayur Resources Ltd cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law and existing stock exchange listing requirements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MAYUR RESOURCES LTD

ARBN

610 770 277

Quarter ended ("current quarter")

31 DECEMBER 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,508)	(2,485)
(b) development		-
(c) production		-
(d) staff costs	(295)	(295)
(e) administration and corporate costs	(226)	(296)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	7
1.5 Interest and other costs of finance paid		-
1.6 Income taxes paid		-
1.7 Research and development refunds		-
1.8 Other (provide details if material)		-
1.9 Net cash from / (used in) operating activities	(2,023)	(3,069)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	15,523
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(140)	(2,982)
3.5	Proceeds from borrowings	-	753
3.6	Repayment of borrowings (<i>repayment of Loans from Shareholders as disclosed in the Prospectus dated 21 July 2017</i>)	-	(2,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(140)	11,294

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,920	502
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,023)	(3,069)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(140)	11,294
4.5	Effect of movement in exchange rates on cash held	6	36
4.6	Cash and cash equivalents at end of period	8,763	8,763

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,763	10,920
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,763	10,920

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	255
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 During the quarter the Company made payments totalling \$255,000 to Directors as payment of the cash component of Director remuneration for the period 1 July 2017 to 31 December 2017.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	\$1,026
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

During the quarter the Company made payments totalling \$1.026 million to Siecap Pty Limited pursuant to a Development Services Agreement entered into between the Company and Siecap. Paul Mulder and Tim Crossley who are Executive Directors of the Group are shareholders of both Siecap and Mayur. Siecap provides services on a "cost plus" basis under the Development Services Agreement on arm's length terms that have been independently verified to be commercially fair and reasonable to Mayur.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	1,809
9.2	Development	-
9.3	Production	-
9.4	Staff costs	178
9.5	Administration and corporate costs	150
9.6	Other	-
9.7	Total estimated cash outflows	2,137

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	Nil	N/a	N/a
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil	Nil	N/a	N/a

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

(Director/Company secretary)

Date: 31 January 2018

Print name: Paul Mulder

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.