



# MYANMAR METALS LTD

## ASX ANNOUNCEMENT

Date 17 April 2020

ASX Code: MYL

### BOARD OF DIRECTORS

Mr. John Lamb  
Executive Chairman, CEO

Mr. Rowan Caren  
Executive Director

Mr. Jeff Moore  
Executive Director

Mr. Paul Arndt  
Non-Executive Director

### ISSUED CAPITAL

Shares 1,769 m.

Unlisted Options 62 m.

# INVESTOR UPDATE

## Highlights

- **Positive engagement with Myanmar Government on Production Sharing Agreement continues.**
- **Definitive study and government permitting activities continue for expected completion in 2020**
- **The impact of COVID-19 on financial markets may lead to some delay in project financing with construction expected to commence in 2021**
- **Pilot-scale mining of near-surface oxide and transitional ores is to commence in coming months with processing at a local processing plant**
- **\$15.3M in cash at quarter-end with no debt**
- **Expenditure reduced to ensure the Company remains strongly financially capable to absorb any COVID-19 related impacts**
- **COVID-19 has not affected the Bawdwin mine site, BJV and its site-based clinical staff are conducting temperature checks and are restricting access by non-residents and non-employees.**

Myanmar Metals Limited (ASX: MYL) (“Myanmar Metals” or “The Company”) is pleased to provide an update for investors on the impact of the COVID-19 pandemic, and the Company’s plans to develop the Bawdwin Mine in Myanmar.

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Executive Chairman John Lamb stated:

*“COVID-19 may impact our ability to commence mining operations at Bawdwin in our expected time frame, as a result of restrictions now in place in Australia and around the world.*

*Despite the global uncertainties created by the impact of the pandemic I am pleased with the recent progress made with the Government in Production Sharing Agreement negotiations. The impact of the Coronavirus on travel to and from Myanmar and on the Bawdwin approvals process has been mitigated as much as possible by the continuing commitment and efforts of our local partners, but there may be some delay in this process due to travel and workforce restrictions and the Company will continue to provide updates to the market on progress.*

*Thanks to our cost-saving measures and healthy balance sheet, the Company is well-placed to progress the Bawdwin project, despite any delays which may arise from the pandemic.*

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### **Government Approvals**

Although the Myanmar public service is taking prudent measures as a COVID precaution, negotiations on the Production Sharing Agreement (PSA) and approval for the MIC foreign investment permit continue with positive engagement.

The Board still anticipates receipt of the Myanmar Investment Commission (MIC) foreign investment permit in 2020.

### **Project Finance and Offtake Sales Agreements**

Border closures in both Australia and Myanmar and substantially reduced airline schedules will restrict some planned activities, for so long as they are in place.

Site visits by foreign travellers, including potential project financiers and offtakers, will not resume until medical advice supports their ability to travel safely.

These restrictions may likely delay the project financing process, negotiation of offtake sales agreements and the commencement of construction until 2021, with first production from the Bawdwin concentrator two years later.

### **Bawdwin Operations**

Currently, there is no impact of COVID-19 at Bawdwin mine site, other than precautionary social distancing measures put in place to protect the health and well-being of employees and residents at Bawdwin, and throughout the wider community. Non-residents and non-employees are presently restricted from visiting Bawdwin and routine temperature checks are being conducted.

BJV maintains its medical clinic at Bawdwin with two doctors from ISOS on site and those health care workers are actively working within the local community to help mitigate the impact of the COVID-19 virus and prevent its transmission into the local community. Local isolation rooms have been established.

Normal site care and maintenance activities continue unaffected.

### **Pilot-Scale Mining Operations**

A pilot-scale mining program, led by MYL's partners, targeting near-surface oxide and transitional ores is to commence in the coming months. The oxide ore in particular is expected to result in poorer metallurgical recoveries than sulphide ore if it were to be processed through the full scale Bawdwin processing plant, therefore its removal is of some benefit to future operations. The ore will be processed at a local processing plant for the production of lead and zinc concentrates. The financial and operational terms of the project are yet to be finalised, however, all capital investment required in the project will be financed by MYL's partners.

Although very small in scale (approximately 5% of the planned production capacity of Bawdwin operations), this pilot-scale mining project provides a beneficial practical exercise as it will engage local participation, provide valuable information on productivity, labour relations, costs for minor works and local contractors, processing and transport efficiency, border processes and costs and the mechanics of calculating and remitting government production share.

### **Study Progress**

All site-based tasks related to the Definitive Study are complete and no further fieldwork by foreign consultants is needed. The study will be completed in Australia by MYL and its consultants and will then be independently reviewed.

Final sign-off and publication of the study will follow a peer review process and the granting of the MIC permit which, as noted above, the Board considers will still occur during 2020.

In-country engagement with the Myanmar Government regarding the MIC Permit Application and PSA negotiations continue to be positively advanced by MYL's partners EAP and WMM.

### **Cash Position and Cost Reductions**

At 31 March 2020 MYL's cash position was \$15.3 million with no debt.

The Company has acted to reduce expenditure and has reduced wages, directors' and consultants' fees. Similarly, the BJV has reduced its forecast expenditure for the remainder of the year.

By these measures, MYL has reduced its cash burn rate and the Board is satisfied that current cash reserves are sufficient to maintain operations for the medium term.

Authorised for release to the ASX by



John Lamb

Executive Chairman and CEO

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## **About Myanmar Metals Limited**

Myanmar Metals Limited (ASX: MYL) is an explorer and mine developer listed on the Australian Securities Exchange. MYL intends to become a leading regional base metals producer and is well positioned to realise this goal, based on the Tier 1 Bawdwin project resources, world class exploration potential, strategically advantageous project location, management team with experience and depth, highly capable local partners and a strong balance sheet with supportive institutional shareholders.

The Company holds a majority 51% participating interest in the Bawdwin Project in joint venture with its two local project partners, Win Myint Mo Industries Co. Ltd. (WMM) and EAP Global Mining Co. Ltd. (EAP).

The Bawdwin Joint Venture (BJV) intends to redevelop the world class Bawdwin Mineral Field, currently held under a Production Sharing Agreement (PSA) between WMM and Mining Enterprise No. 1, a Myanmar Government business entity within the Ministry of Natural Resources and Environmental Conservation.

The Company has the exclusive option to acquire up to an 85% interest in Locrian Precious Metals Limited – a company which holds two integrated exploration licence applications in eastern Shan State at Tarlay and Mongywang. The application areas are considered to have potential for both deeper mesothermal gold bearing veins, as well as for shallow level “epithermal” gold systems.