

Myanmar Metals Limited

(formerly Top End Minerals Limited)

ABN 48 124 943 728

Annual Financial Report For the year ended 30 June 2017

Contents	Page
Directors' Report	1
Auditor's Independence Declaration	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14
Directors' Declaration	37
Independent Auditor's Report	38

Your directors present their report together with the financial statements of the Company for the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

John Lamb – appointed 19 June 2017**Non-Executive Chairman****B. Surv(IT) | Grad.Dip.Man | MBA | M.AusIMM(CP) | GAICD**

Mr Lamb is an experienced business leader in the mining, construction, forestry and transport sectors. His career of over 25 years includes Chief Executive roles for Shaw Contracting (civil construction) and Lloyds North (transport and forest services); general management roles at the Rosebery (underground polymetallic) and Century (open cut zinc/lead) mines and many years of business and technical management, principally in the minerals sector.

John Lamb has built and managed mining operations throughout Australia and has served as a director on the boards of industry bodies, regional land management councils, a large pastoral company and several small businesses. He has consulted widely in the fields of business improvement, risk management and strategic planning.

A qualified surveyor, he also holds degrees in management and business; is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and an Order of Merit Graduate of the AICD Company Directors course.

Mr Lamb was a director of the Tasmanian Minerals and Energy Council for six years, operates a private business consultancy and is chairman of business broking firm Tasmania Invest.

During the last three years, Mr Lamb has not served as a director of any other listed company.

Jeffrey Moore – appointed 19 June 2017**Non-Executive Director****B.SC, MAUSIMM, MGSA**

Mr Moore is a geologist with extensive technical, managerial and project finance experience in exploration and mining for publicly listed companies.

During his career, he has generated and managed projects for commodities including precious metals, base metals, diamonds, nickel and industrial minerals throughout Australia, Central and South America, Africa and Asia.

Jeffrey has held previous directorships with Allied Gold Limited from 2004 to 2008, Abra Mining Limited from 2006 to 2011 and is currently Chairman of Riedel Resources Limited (ASX: RIU). He is also a corporate member of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia.

During the last three years, Mr Moore has also served as a director of the following listed company:

- Riedel Resources Limited*

* denotes current directorships

Rowan Caren – appointed 19 June 2017**Non-Executive Director and Company Secretary****B Com, CA**

Mr Caren has 25 years commercial experience as a Chartered Accountant, having qualified with PricewaterhouseCoopers in 1992. He has been involved in the minerals exploration industry for over twenty years and in 2004 created a specialist company secretarial and advisory consultancy, Dabinett Corporate Pty Ltd. He has provided financial and corporate services to several listed and unlisted companies involved in the resources sector. Mr Caren graduated with a Bachelor of Commerce (Accounting) from the University of Western Australia and is a Member of the Institute of Chartered Accountants in Australia.

During the last three years, Mr Caren has also served as a director of the following listed company:

- Arrowhead Resources Limited (appointed 24 April 2015, resigned 16 December 2015)

Mordechai Gutnick – resigned 19 June 2017

Mr Gutnick is a businessman. He was appointed a Director of the Company on 2 December 2015 and resigned on 19 June 2017.

During the last three years, Mr Gutnick has also served as a director of the following listed companies:

- Merlin Diamonds Limited
- Golden River Resources Corporation (OTC: US) *;
- Quantum Resources Limited (resigned 3 December 2015).

* denotes current directorships

Peter Lee – resigned 19 June 2017

Mr Lee has over 30 years commercial experience. He was appointed a Director of the Company on 30 April 2012 and resigned on 19 June 2017.

During the last three years, Mr Lee has also served as a director of the following listed companies:

- Golden River Resources Corporation (OTC: US) *
- Quantum Resources Limited (resigned 29 May 2015).

* denotes current directorships

Dr David Tyrwhitt - resigned 19 June 2017

Dr Tyrwhitt has more than 50 years' experience in the mining industry. Dr Tyrwhitt was appointed a Director of the Company on 31 March 2015 and resigned on 19 June 2017.

During the last three years, Mr Tyrwhitt has also served as a director of the following listed companies:

- Merlin Diamonds Limited*;
- Northern Capital Resources Corp
- Golden River Resources Corporation*;
- Hawthorn Resources Limited*
- Legend International Holdings Inc (OTC:US).

* denotes current directorships

Joseph Gutnick -Director - resigned 8 July 2016

Mr Gutnick is a businessman.

Share Options

Details of unissued ordinary shares under option are as follows:

	<u>Number of options</u>	<u>Exercise price</u>	<u>Expiry date</u>
Listed options	197,810,624	3 cents	31 December 2019
Unlisted options	Nil		

2,939,960 (2016: Nil) ordinary shares were issued during the financial year as a result of the exercise of listed options. There are no unpaid amounts on the shares issued.

Interests in the Shares, Options and Convertible Notes of the Company

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report:

	Fully Paid Ordinary Shares	Share Options	Convertible Notes
Directors			
John Lamb	500,000	-	-
Jeffrey Moore	375,000	-	-
Rowan Caren	250,000	-	-
Mordechai Gutnick	-	-	-
Peter Lee	1,575,000	500,000	-
David Tyrwhitt	-	-	-
	<u>2,700,000</u>	<u>500,000</u>	<u>-</u>

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity during the financial year was mineral exploration. There has been no significant change in the nature of these activities during the financial year, other than a focus on mineral exploration in Myanmar.

Review of operations

During the year;

- The Company re-focused on mineral exploration after investigating the acquisition of two non-mineral opportunities in the first half of 2016;
- Obtained an option to acquire 60% stake in Cornerstone Resources (Myanmar) Limited ("CRML"), owner of the Lashio Zinc Refinery and the (non-operational) Longh Keng mine. The option lapsed in August 2017,
- Company has secured an option to take an interest of up to 85% in the Bawdwin Zn-Pb-Ag-Cu Mine in Myanmar, in partnership with current owner Win Myint Mo.
- Yandal Investments provided US\$1.5 million to the Company in the form of a convertible loan which was applied to the cost of the Bawdwin option fee; and
- The Board of the Company was replaced on 19 June 2017.

Operating results for the year

Net loss attributable to equity holders of the Company for the year ended 30 June 2017 was \$5,016,037 (2016: \$2,059,540). Basic loss per share was 1.69 cents (2016: 1.7 cents). The net loss for the current year has been significantly impacted by the impairment of a loan made to a related party (\$1,346,851), the option fee paid for the CRML Share Option (\$678,555) which subsequently lapsed, the impairment of exploration and evaluation expenditure carried forward (\$491,817) and convertible note conversion costs which were variations to the terms of convertible notes to encourage immediate conversion and the abandonment of pre-emptive capital raising rights (\$740,571).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company to the date of this report, not otherwise disclosed in this report.

Significant events after balance date

Other than as follows, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature, which in the opinion of the Directors of the Company, has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company:

- The Company changed its name from Top End Minerals Limited to Myanmar Metals Limited;
- The Company raised \$3 million by the issue of 75,000,000 shares at an issue price of 4 cents per share;

- The Company issued 5 million shares and 2,500,000 listed options to Yandal Investments Pty Limited, pursuant to the terms of the convertible loan; and
- The Company issued 3 million shares to a consultant.

Likely developments and expected results

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Company's operations in subsequent financial years not otherwise disclosed in this Report.

Environmental legislation

The exploration activities of the Company are conducted in accordance with and controlled principally by Australian state and territory government legislation. The Company has exploration land holdings in the Northern Territory. The Company employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. In addition, as required under various state and territory legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in our exploration activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify the following current officers of the Group, Mr Lamb, Mr Moore and Mr Caren, against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to insure the current directors and officers for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. The total amount of premium paid was \$15,000.

Directors' Meetings

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows: Please update table.

Director	Directors' Meetings	
	A	B
John Lamb	1	1
Jeffrey Moore	1	1
Rowan Caren	1	1
Mordechai Gutnick	8	9
Peter Lee	9	9
David Tyrwhitt	8	9
Joseph Gutnick	-	-

A - meetings attended

B - meetings held whilst a director

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, Grant Thornton, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is located on page 9 of this report and forms part of this directors' report for the year ended 30 June 2017.

Non-Audit Services

During the year, Grant Thornton, the Company's auditor, has not performed any other services in addition to their statutory duties. A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

Details of the amounts paid to the auditor of the Company, Grant Thornton, and its related practices for audit services provided during the year are set out in Note 17.

Remuneration report

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

*Key Management Personnel*Directors

John Lamb	Non-Executive Chairman
Jeffrey Moore	Non-Executive Director
Rowan Caren	Non-Executive Director
Mordechai Gutnick	Former Director
Peter Lee	Former Director
David Tyrwhitt	Former Director
Joseph Gutnick	Former Director

The Remuneration Report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration for the year ended 30 June 2017
- C. Service agreements
- D. Share-based compensation

A. Principles used to determine the nature and amount of remuneration*Remuneration philosophy*

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its compensation framework:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation;
- significant portion of executive compensation 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration may consist of fixed remuneration and variable remuneration.

Fixed Remuneration

The newly appointed Board of Directors intends to review fixed remuneration annually. The process will consist of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. Each current director will also be paid for time spent in addition to that ordinarily expected of a non-executive. This will be remunerated at an agreed hourly rate.

Variable Remuneration

Each of the current directors holds shares. The board intends to adopt an incentive scheme, subject to shareholder approval. This scheme will be designed to provide a strong incentive for key management personnel to act in the best interests of all shareholders.

Remuneration Reviews

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel. The Board of Directors will assess the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct. No remuneration consultants were used.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the General Meeting held on 18 August 2017 when shareholders approved an aggregate remuneration of \$250,000 per year. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

With effect from when the new directors were appointed in June 2017, each director receives a fee for being a director of the company. The fee for each Non-Executive Director is \$36,000 per annum plus superannuation. The fee for the Non-Executive Chairman is \$72,000 per annum plus applicable superannuation. Any services provided by the Non-Executives that are in addition to those of a Non-Executive will be charged at \$1,600 per day plus applicable GST.

The compensation of directors for the period ended 30 June 2017 is detailed below in Table B.

Senior manager and executive director remuneration

There are currently no executives who are not also directors.

B. Details of remuneration for the year ended 30 June 2017

Directors		Primary benefits		Post employment	Equity	Total	%
		Salary & Fees	Non Monetary Benefits	Superannuation	Shares		Performance related
		\$	\$	\$	\$		
John Lamb ¹	2017	15,600	-	570	-	16,170	-
	2016	-	-	-	-	-	-
Jeffrey Moore ¹	2017	5,400	-	285	-	5,685	-
	2016	-	-	-	-	-	-
Rowan Caren ¹	2017	25,950	-	285	-	26,235	-
	2016	-	-	-	-	-	-
Mordechai Gutnick ²	2017	-	-	-	160,800	160,800	-
	2016	-	-	-	-	-	-
Peter Lee ²	2017	-	-	-	160,800	160,800	-
	2016	-	-	-	-	-	-
David Tyrwhitt ²	2017	-	-	-	-	-	-
	2016	20,000	-	1,900	-	21,900	-
Joseph Gutnick ³	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Total Directors		46,950	-	1,140	321,600	369,690	
		20,000	-	1,900	-	21,900	

1. Appointed 19 June 2017.

2. Resigned 19 June 2017

3. Resigned 8 July 2016.

4. AXIS Consultants Pty Ltd ("AXIS") provided key management personnel services, including the services of Mr Mordechai Gutnick, Mr Peter Lee and Mr Joseph Gutnick, to the Company. These amounts are included within total management services of \$477,465 (2016: \$213,046).

C. Service agreements

The Company was managed by AXIS Consultants Pty Ltd ("AXIS Consultants") pursuant to a Service Deed dated 31 August 2009 until the Service Deed was terminated on 19 June 2017. In accordance with the arrangement with AXIS Consultants, AXIS Consultants provided company secretarial, finance, geology, exploration, IT and other services to the Company. AXIS Consultants is a proprietary company. Based on ASIC records as at 28 September 2017, the sole director of AXIS Consultants is Mr David Tyrwhitt and the Company Secretary is Mr Peter Lee. Mr Tyrwhitt and Mr Lee were directors of the Company, along with Mr Mordechai Gutnick, until 19 June 2017.

Each of the current directors has entered into a Non-Executive Director Service Deed which sets out the minimum monthly fees.

D. Share-based compensation

During the financial year shares were issued to each of Mr Mordechai Gutnick and Mr Peter Lee, both former directors.

Directors	Fully Paid Ordinary Shares	Share Value	Value included in remuneration
Mordechai Gutnick	3,000,000	0.0536	160,800
Peter Lee	3,000,000	0.0536	160,800
	<u>6,000,000</u>		<u>321,600</u>

There were no options granted as equity compensation benefits under a long-term incentive plan to key management personnel, during the financial year. No performance conditions were imposed on the shares at the discretion of the former Board of directors.

E. Compensation options: Granted and vested during the year

No compensation options were granted to key management personnel during the year.

F. Shares issued on Exercise of Compensation Options

No shares were issued upon exercise of compensation options by key management personnel during the year.

G. Convertible Notes held by Key Management Personnel

No convertible notes were held by key management personnel during the year.

H. Option holdings of Key Management Personnel - Unlisted

No unlisted options were held by key management personnel during the year.

I. Shareholdings of Key Management Personnel

Shareholdings of Key Management Personnel as at the end of the year.

	Balance at 1 July 2016	Acquired	On exercise of Options	Disposed	Balance at 30 June 2017
Directors					
John Lamb	-	-	-	-	-
Jeffrey Moore	-	-	-	-	-
Rowan Caren	-	-	-	-	-
Mordechai Gutnick	-	3,000,000	-	-	3,000,000
Joseph Gutnick	60,993,457	-	-	-	60,993,457
Peter Lee	-	3,000,000	-	-	3,000,000
David Tyrwhitt	-	-	-	-	-
	60,993,457	6,000,000	-	-	66,993,457

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

J. Option holdings of Key Management Personnel – Listed (expiring 31 December 2019)

	Balance at 1 July 2016	Options Expired	Bonus Options Issued	Disposed	Balance at 30 June 2017	Vested and exercisable at 30 June 2017
Directors						
John Lamb	-	-	-	-	-	-
Jeffrey Moore	-	-	-	-	-	-
Rowan Caren	-	-	-	-	-	-
Mordechai Gutnick	-	-	1,500,000	-	1,500,000	1,500,000
Joseph Gutnick	-	-	30,496,728	-	30,496,728	30,496,728
Peter Lee	-	-	1,500,000	-	1,500,000	1,500,000
David Tyrwhitt	-	-	-	-	-	-
	-	-	33,496,728	-	33,496,728	33,496,728

K. Interest Paid or Payable to Key Management Personnel on Convertible Notes and Other Loans

No interest was paid or payable on convertible notes held by key management personnel during the year.

L. Loans with Key Management Personnel

No loans have been provided to key management personnel during the year.

M. Other Transactions and balances with Key Management Personnel

As at 30 June 2016, the Company – under the control of the former Board – had advanced a total of \$3,875,839 to Axis Consultants Pty Limited ("Axis Consultants"). Based on ASIC records as at 28 September 2017, the sole director of AXIS Consultants is Mr David Tyrwhitt and the Company Secretary is Mr Peter Lee. Mr Tyrwhitt and Mr Lee were directors of the Company, along with Mr Mordechai Gutnick, until 19 June 2017. Mr Peter Lee, Mr Mordechai Gutnick and Mr Joseph Gutnick were employees of Axis Consultants.

Recovery of the amount advanced had been fully provided for in the Company's accounts as at 30 June 2016, by way of an impairment provision. Therefore, as at 30 June 2016, there existed significant doubt as to the recoverability of the Axis advance. The AXIS Consultants advance is not secured.

Notwithstanding the provisions made for non-recovery of the AXIS Consultants advance, the Company, under the control of the former Board, continued to advance funds to AXIS Consultants in the 2017 financial year. By 19 June 2017, when the Board was replaced, the Company had advanced AXIS Consultants a total of \$5,222,690. Recovery of this entire AXIS Consultants advance had been fully provided for as at 30 June 2017.

There are no other transactions or balances between the company and key management personnel.

N. Amounts payable to Key Management Personnel at year end

There are no amounts payable to key management personnel at year end.

Signed in accordance with a resolution of the directors



Rowan Caren
Director

Perth, 29th September 2017

Level 1
10 Kings Park Road
West Perth WA 6005

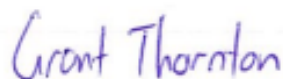
Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To the Directors of Myanmar Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Myanmar Metals Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner - Audit & Assurance
29 September 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	<i>Note</i>	2017 \$	2016 \$
Revenue			
Net finance income	2	399,016	273,283
Employee benefits expense		(566,757)	(88,166)
Audit fees	17	(21,153)	(40,270)
Depreciation expenses		-	(620)
Exploration impaired	8	(491,817)	(18,267)
Other expenses		(1,473,641)	(688,343)
Conversion costs - convertible notes	10	(740,571)	-
Impairment of option fee	3	(678,555)	-
Impairment of related party loan	6	(1,346,851)	(1,448,592)
Finance Expense	3	(95,708)	(48,565)
Loss before income tax expense		(5,016,037)	(2,059,540)
Income tax expense	4	-	-
Loss before income tax expense		(5,016,037)	(2,059,540)
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the year attributable to the owners of Myanmar Metals Limited		(5,016,037)	(2,059,540)
Loss attributable to members of Top End Minerals Limited		(5,016,037)	(2,059,540)
Total comprehensive loss attributable to members of Myanmar Metals Limited		(5,016,037)	(2,059,540)
Basic loss per share (cents per share)	5	(1.69)	(1.70)
Diluted loss per share (cents per share)	5	(1.69)	(1.70)

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	<i>Note</i>	2017	2016
		\$	\$
<u>Assets</u>			
<i>Current Assets</i>			
Cash and cash equivalents	12	28,930	94,235
Other receivables	6	67,195	21,349
Total current assets		96,125	115,584
<i>Non-current Assets</i>			
Other financial assets	18	1,973,165	-
Plant and equipment	7	-	-
Exploration and evaluation expenditure	8	-	418,102
Total non-current assets		1,973,165	418,102
Total assets		2,069,290	533,686
<u>Liabilities</u>			
<i>Current Liabilities</i>			
Trade and other payables	9	381,834	328,624
Borrowings	10	2,648,201	-
Total current liabilities		3,030,035	328,624
<i>Non Current Liabilities</i>			
Borrowings	10	-	585,699
Total non current liabilities		-	585,699
Total liabilities		3,030,035	914,323
Net assets		(960,745)	(380,637)
<u>Equity</u>			
Share capital	11	17,513,827	13,181,576
Share Based Payments Reserve	11	64,000	-
Other contributed equity	11	777,194	737,516
Accumulated losses		(19,315,766)	(14,299,729)
Total equity		(960,745)	(380,637)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<u>Cash flows from operating activities</u>			
Payments to suppliers and employees (inclusive of GST)		(726,122)	(736,031)
Interest received		-	158
Net cash used in operating activities	12	(726,122)	(735,873)
<u>Cash flows from investing activities</u>			
Payments for exploration expenditure		(73,715)	(61,178)
Option fees paid		(674,334)	-
Loans advanced to related party	16	(1,971,700)	(1,820,470)
Loans repaid by related party	16	546,500	613,100
Repayments by other entities		50,000	275,267
Payment to other entities		(50,000)	(244,046)
Net cash used in investing activities		(2,173,249)	(1,237,327)
<u>Cash flows from financing activities</u>			
Loan from former director	16	-	3,980
Loan repaid to former director	16	-	(3,980)
Loan advanced by other entity		125,000	564,000
Proceeds from convertible note		500,000	712,000
Proceeds from issue of equity securities		2,389,624	620,000
Equity securities issue transaction costs		(180,558)	(7,176)
Net cash used in financing activities		2,834,066	1,888,824
Net decrease in cash and cash equivalents		(65,305)	(84,376)
Cash and cash equivalents at 1 July		94,235	178,611
Cash and cash equivalents at 30 June	12	28,930	94,235

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Share Based Payments Reserve	Other contributed equity	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2015	12,556,805	-	-	(12,240,189)	316,616
Loss for the period	-	-	-	(2,059,540)	(2,059,540)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period, net of tax	-	-	-	(2,059,540)	(2,059,540)
Equity component of convertible note issued in period	-	-	737,516	-	737,516
Issue of shares	638,455	-	-	-	638,455
Transaction costs arising from share issue	(13,684)	-	-	-	(13,684)
Total transactions with owners	624,771	-	737,516	-	1,362,287
Balance at 30 June 2016	13,181,576	-	737,516	(14,299,729)	(380,637)
Balance at 1 July 2016	13,181,576	-	737,516	(14,299,729)	(380,637)
Loss for the period	-	-	-	(5,016,037)	(5,016,037)
Other comprehensive loss for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period, net of tax	-	-	-	(5,016,037)	(5,016,037)
Transactions with owners, recorded directly in equity:	-	-	-	-	-
Equity component of convertible note issued in period	-	-	39,678	-	39,678
Transfer to share based payments reserve	-	64,000	-	-	64,000
Issue of shares	4,512,809	-	-	-	4,512,809
Transaction costs arising from share issue	(180,558)	-	-	-	(180,558)
Expiry of options	-	-	-	-	-
Total transactions with owners	4,332,251	64,000	39,678	-	4,435,929
Balance at 30 June 2017	17,513,827	64,000	777,194	(19,315,766)	(960,745)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

Myanmar Metals Limited (formerly Top End Minerals Limited) (the 'Company') is a company domiciled in Australia. The financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company only and have not been consolidated with any other entity. The principal accounting policies adopted in preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

The company is an ASX listed public company, incorporated in Australia.

The financial report was authorised for issue on 29 September 2017.

(b) Adoption of new and revised standards

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations and, therefore, no material change is necessary to the Group's accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. The Directors have determined that only one Standard is relevant to the Company and has assessed as follows:

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 9 <i>Financial Instruments</i>	AASB 139 Financial Instruments: Recognition and Measurement	<p>AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:</p> <ul style="list-style-type: none"> a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows. b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> – the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) – the remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> <ul style="list-style-type: none"> – classification and measurement of financial liabilities; and – derecognition requirements for financial assets and liabilities. <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.</p> <p>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p> 	1 January 2018	<i>The Company is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.</i>

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that management has made in the process of applying the Company's accounting policies in these financial statements and that have a significant effect on the amounts recognised in the financial statements.

- The carrying value of Exploration and Evaluation assets and the required impairment charge. The policy for estimating the value is as described note 1(u) below. Based on anticipated future cash flow budgets, management has estimated that there are uncertainties as to whether certain tenement areas of interest will be pursued. Management has taken a prudent approach and estimated that all relevant balances should be impaired;
- The carrying value of receivables and the required impairment charge. Management has raised an impairment charge of \$1,346,851 on its related party loan as presented in the Statement of Profit or Loss and Other Comprehensive Income. It has booked this charge based on its estimate of the likelihood of collecting the amounts as at 30 June 2017;
- The carrying value of the Company's borrowings that include an option to convert to ordinary shares, where the instrument is determined to be a compound instrument. The carrying value is estimated using discounted cash flows at market rates, determined by the company based on loans that do not carry the conversion option. The discount rate estimated by management is 20%;
- The carrying value of the Company's derivative financial instruments and of share options issued, which are determined using a Black Scholes pricing model and include key estimates such as a volatility rate of 100% (estimated based on the volatility of comparable companies) and a risk free rate (estimated based on average government bond yields).

(d) Share-based payment transactions

The Company measures the cost of equity-settled share-based payments at fair value at the grant date using an option pricing model, taking into account the terms and conditions upon which the instruments were granted.

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(f) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 90 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Profit or Loss and Other Comprehensive Income.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) De-recognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Impairment of financial assets

The Company assesses at each balance date whether a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(j) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(k) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(l) **Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

All plant and equipment has been fully depreciated before the commencement of the financial year.

(m) **Financial assets**

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, and, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

The financial asset categories that are relevant to the Company are as follows:

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) *Available-for-sale investments*

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(n) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(q) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(r) **Share-based payment transactions**

(i) Equity settled transactions:

The Company has provided benefits to directors of the Company in the form of share-based payments, whereby directors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with the directors is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an option pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price and liquidity of the shares of Myanmar Metals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met, as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 5).

(s) **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) **Earnings/(loss) per share**

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(u) **Exploration, evaluation and development expenditure**

Exploration, evaluation and development expenditure in relation to separate areas of interest for which rights of tenure are current, are capitalised in the period in which they are incurred and are carried at cost less accumulated impairment losses. The cost of acquisition of an area of interest and exploration expenditure relating to that area of interest are carried forward as an asset in the Statement of Financial Position so long as the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation expenditure is assessed for impairment when facts and circumstances suggest that their carrying amount exceeds their recoverable amount and where this is the case, an impairment loss is recognised. Should a project or an area of interest be abandoned, the expenditure will be written off in the period in which the decision is made.

Once an area of interest enters a production phase all capitalised expenditure in relation to that area of interest is transferred to Development Expenditure. Capitalised Development Expenditure is not amortised. Capitalised Development Expenditure is assessed for impairment when the facts and circumstances suggest their carrying amount exceeds their recoverable amount and where this is the case, an impairment loss is recognised. Once a proven and probable reserve is determined, all capitalised expenditure is transferred to Oil and Gas Properties.

(v) **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

(w) **Borrowings**

As demonstrated in Note 10, the company has issued borrowings with options granted to the holder to convert borrowed amounts at a fixed price for a fixed number of shares. Given these terms, the Company accounts for the transaction as follows:

- (i) the Company determines the initial measurement of the borrowings balance by deducting the face value of the loaned amounts by its fair value;
- (ii) the Company determines the fair value noted above using discounted future cash repayments. The discount rate is estimated as the interest rate at which the Company would be charged for a similar loan with no conversion option (see Note 1(c));
- (iii) The company records the borrowings initially at the fair value noted in (ii) above;
- (iv) the difference between the face value and fair value of the borrowings noted above is booked to Other Contributed Equity.
- (v) the amounts recorded as borrowings are then re-measured by amortising its carrying value straight-line to the date of maturity using the discount rate noted in (ii) above (i.e. using the effective interest rate method);
- (vi) the movements in the carrying value as a result of the application of the effective interest rate method are booked to Finance Expense in the Statement of Profit or Loss and Other Comprehensive Income.

(x) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

A noted change is the re-statement of \$737,516 as at 1 July 2017, which was previously categorised as *Issued Capital* (now changed to *Share Capital*) within *Equity*, re-classified to *Other Contributed Equity*. The reason for this re-statement is due to the nature of the transaction. The balance is the equity portion of a convertible note and thus should be distinguished from *Share Capital* accordingly. The result is an increase to *Share Capital* and an increase to *Other Contributed Equity* by \$737,516 as at 1 July 2016. The prior period re-statement has no other impact on the financial statements nor does it impact any period prior to 1 July 2016. Thus, no further adjustments or re-statements are required.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

y) Going Concern

The Company incurred a net loss of \$5,016,037 for the year ended 30 June 2017. As at 30 June 2017 the Company had cash reserves of \$28,930, net current liabilities of \$2,933,910 and net liabilities of \$960,745.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the company to raise additional capital in the future;
- exercise of the Bawdwin Option; and
- the successful exploration and subsequent exploitation of the Company's tenements;

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate for the following reasons:

- To date the Company has funded its activities through issuance of equity securities and convertible notes or loans. It is expected that the Company will be able to fund its future activities through further issuances of equity securities, convertible loans and notes;
- The Company raised \$3 million by way of a placement of shares in August 2017;
- The existing convertible notes and convertible loans which are convertible into shares at conversion prices significantly less than current market value, therefore it is anticipated that these liabilities will not be settled in cash; and

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 2: REVENUE

	2017	2016
	\$	\$
Sundry income	-	681
Interest income	-	158
Interest income - Related party	399,016	272,444
Total revenue	399,016	273,283

NOTE 3: FINANCE EXPENSE AND IMPAIRMENT OF OPTION FEE

	2017	2016
	\$	\$
Interest on Convertible Notes	(57,625)	-
Borrowing costs	(37,933)	(901)
Bank charges	(150)	(34)
Total finance expense	(95,708)	(935)

	2017	2016
	\$	\$
Impairment of option fee ⁽¹⁾	(678,555)	-
Total impairment of option fee	(678,555)	-

⁽¹⁾ During the period, the company obtained an option to acquire 60% stake in Cornerstone Resources (Myanmar) Limited ("CRML"), owner of the Lashio Zinc Refinery and the (non-operational) Longh Keng mine. The option lapsed in August 2017 and the balance paid for the option was expensed accordingly.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 4: INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the company or entities as they have recorded losses for income tax purposes for the year.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

	2017	2016
	\$	\$
Total tax expense comprises		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
Reconciliation between tax expense and pre-tax accounting profit		
Loss before tax	(5,016,037)	(2,059,540)
Income tax benefit on loss at Australian tax rate of 27.5% (2016: 30%)	1,379,410	617,862
Impairment expense	(186,603)	-
Convertible note expenses	(228,732)	-
Other non-deductible expenses	(346,194)	(57,279)
Provision for loan receivable	(370,384)	(687,814)
Movement in other temporary differences	48,198	(3,599)
	295,695	(130,830)
Current year losses for which no deferred tax asset was recognised	(295,695)	130,830
Income tax expense	-	-

Deferred tax assets and liabilities	Assets		Liabilities	
	2017	2016	2017	2016
	\$	\$	\$	\$
Accrued income	-	-	(117,199)	(149)
Capitalised exploration and evaluation expenditure	-	-	-	(300,143)
Other accruals	24,750	698,974	-	-
Capital raising costs	141,771	571	-	-
Tax losses	3,580,693	3,214,081	-	-
Deferred tax assets/(liabilities)	3,747,214	3,913,626	(117,199)	(300,292)
Set off of deferred tax liabilities	(117,199)	(300,292)	117,199	300,292
Net deferred tax assets	3,630,015	3,613,334	-	-
Net deferred tax assets not recognised	3,630,015	3,613,334	-	-
Net deferred tax assets	-	-	-	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

	2017	2016
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	13,020,703	10,713,604
Potential tax benefit @ 27.5%	3,580,693	2,946,241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 5: LOSS PER SHARE

	2017	2016
	\$	\$
Basic loss per share	(1.69)	(1.70)
Diluted loss per share	(1.69)	(1.70)

diluted loss per share is as follows:

	2017	2016
	\$	\$
Loss attributable to ordinary share holders (basic)	(5,016,037)	(2,059,540)
Loss attributable to ordinary share holders (diluted)	(5,016,037)	(2,059,540)

The weighted average number of shares used for the purposes of calculating diluted loss per share reconciles to the number used to calculate basic loss per share as follows:

	2017	2016
	Shares	Shares
Weighted average number of shares		
Basic loss per ordinary share denominator	297,261,472	133,131,821
Effect of share options on issue ⁽¹⁾	-	-
Diluted loss per ordinary share denominator	297,261,472	133,131,821

- (1) The Company has 197,810,624 listed options (2016: nil), as detailed in Note 11. Given the Company is loss making, the exercise of these options are anti-dilutive and have no effect on the diluted loss per ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 6: TRADE AND OTHER RECEIVABLES

	2017	2016
	\$	\$
Receivables due from related party	5,222,690	3,875,839
Provision for impairment of loan	(5,222,690)	(3,875,839)
Other receivables	40,033	14,909
Prepayments	27,162	6,440
	67,195	21,349

Related Party Loans

As at 30 June 2016, the Company – under the control of the former Board – had advanced a total of \$3,875,839 to Axis Consultants. Recovery of the amount advanced had been fully provided for in the Company's accounts as at 30 June 2016, by way of an impairment provision. The AXIS Consultants advance is not secured.

Notwithstanding the provisions made for non-recovery of the AXIS Consultants advance, the Company, under the control of the former Board, continued to advance funds to AXIS Consultants in the 2017 financial year. By 19 June 2017, when the Board was replaced, the Company had advanced AXIS Consultants a total of \$5,222,690. Recovery of this entire AXIS Consultants advance had been fully provided for as at 30 June 2017.

**Movement in amount due from related party -
AXIS Consultants Pty Limited**

	2017
	\$
Opening Balance	3,875,839
Amounts advanced during the year	1,971,700
Amounts repaid during the year	(546,500)
Management fees and direct charges offset against the amount outstanding	(477,365)
Interest charged	399,016
Closing Balance	5,222,690

Movement in impairment provision

Opening Balance	(3,875,839)
Impairment	(1,346,851)
Closing Balance	(5,222,690)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 7: PLANT AND EQUIPMENT

	Office equipment \$	Total \$
Cost		
Balance at 1 July 2015	20,995	20,995
Additions	(7,395)	(7,395)
Disposals	-	-
Transfers & other movements	-	-
Balance at 30 June 2016	13,600	13,600
Balance at 1 July 2016	13,600	13,600
Additions	-	-
Disposals	-	-
Transfers & other movements	-	-
Balance at 30 June 2017	13,600	13,600
Accumulated depreciation		
Balance at 1 July 2015	(17,782)	(17,782)
Depreciation for the year	(620)	(620)
Transfers & other movements	4,802	4,802
Balance at 30 June 2016	(13,600)	(13,600)
Balance at 1 July 2016	(13,600)	(13,600)
Depreciation for the year	-	-
Transfers & other movements	-	-
Balance at 30 June 2017	(13,600)	(13,600)
Carrying amounts		
At 1 July 2016	-	-
At 30 June 2017	-	-
At 1 July 2015	-	-
At 30 June 2016	-	-

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

	2017 \$	2016 \$
Balance at beginning of year	418,102	369,394
Expenditure incurred	73,715	66,975
Amount written off	(491,817)	(18,267)
Carrying amount at end of year	-	418,102

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 9: TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade payables	221,321	222,426
Accruals	160,513	106,198
Total trade and other payables	381,834	328,624

NOTE 10: BORROWINGS

Current

		2017	2016
		\$	\$
Unsecured loans		125,000	-
Convertible loan	(a)	1,111,626	-
Derivative liability	(a), (b)	895,510	-
Convertible notes	(c)	516,065	-
Total current borrowings		2,648,201	-

Non Current

		2017	2016
		\$	\$
Convertible notes	(d)	-	585,699
Total non current borrowings		-	585,699

- (a) On 18 June 2017, the Company entered into the Convertible Loan whereby the lender advanced directly to the owner of the Bawdwin leases an option fee of US\$1.5 million. The Loan bears interest at the rate of 10% pa and is repayable on or before 17 June 2018. Yandal has the right to request repayment at any time before that date however such request may be declined by the Company if the board of directors believe that the repayment would cause, or would be reasonably likely to cause, an insolvency event for the Company. The Lender may elect to convert the amount owing under the Convertible Loan into shares at a conversion price of 4 cents per share at any time during the term. The amount classified as a derivative liability is \$895,510 and accrued interest at 30 June 2017 is \$11,971. The Convertible Loan is secured by the Company's rights under the Bawdwin Option. See Note 18 for more details on the Option. The Company confirms that no conversion shares were issued during the year.
- (b) The derivative financial liability pertains to a conversion option for the loan as outlined in 10(a) above. Treatment of the option as an embedded derivative arises due to the option being in a foreign currency and, in that respect, the holder does not receive a fixed number of shares at a fixed price – these items fluctuate depending on exchange rates. The derivative is initially valued at its fair value on the date of issuance of the loans and then re-valued at period end with any gains or losses on fair value flowing through "other expenses". The derivative financial liability's fair value is estimated using a Black Scholes pricing model with the key estimates being the volatility of the company (100%) and the risk free rate (1.70%). The resulting value is 0.018 cents. The loan balance as derived in Note 10(a) is recorded at amortised cost using the effective interest method, with interest charges recorded as finance costs. The loan portion is initially determined by deducting the face value of the loan by the fair value of the derivative financial instrument.
- (c) On 22 November 2016, the Company issued 500,000 10.00% convertible notes, with a face value of \$1.00 each, for total proceeds of \$500,000 and an expiration date of 12 months from the date of issue. The amount classified as equity (Other Contributed Equity) is \$39,678 and accrued interest at 30 June 2017 is \$55,743. The notes are convertible into fully ordinary shares at conversion price of 2 cents, at any time at the option of the holder subject to the requirements of the Corporations Act 2001 and the ASX listing Rules. The Convertible notes are unsecured.
- (d) On 19 February 2016, the Company issued notes with a face value of \$600,000, convertible to 12,000,000 shares at a price of \$0.05. In or about October 2016, the company changed the terms of the conversion to be more favourable to the holder in order to induce conversion. The notes were then converted in two tranches, 19,999,950 shares at a price of \$0.02 and 14,285,728 shares at a price of \$0.014. This settled all balances owed. The loss incurred by the company in inducing the conversion has been recorded in the Statement of Profit or Loss and Other Comprehensive Income, described as *Conversion costs – convertible notes* in the amount of \$740,571.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 11: EQUITY

Share capital	June 2017 No. shares	June 2016 No. shares	June 2017 \$	June 2016 \$
Balance at beginning of year	163,840,144	131,917,368	13,181,576	12,556,805
Share Placement 24 December 2015 @ .02 cents		31,922,776		638,455
Conversion of notes 31 August 2016 @ .016 cents ⁽¹⁾	39,700,376		-	
Share Placement 08 September 2016 @ 0.008 cents	12,500,000		100,000	
Conversion of Notes 17 October 2016 @ 0.0311 cents	19,999,950		547,064	
Share Placement 30 November 2016 @ 0.022 cents	100,000,000		2,200,000	
Incentive share plan 30 November 2016 @ 0.0536 cents	6,000,000		321,600	
Consulting and promotional fees 2 December 2016 @ 0.036 cents	3,870,071		139,400	
Conversion of Notes 2 December 2016 @ 0.0510 cents	14,285,728		677,546	
Listed options exercised @ 0.03	2,939,960		88,199	
Consulting fees @ 0.0653	5,000,000		315,000	
Investor relation fees @ 0.062	2,000,000		124,000	
Transaction costs arising on share issues			(180,558)	(13,684)
Balance at end of year	370,136,229	163,840,144	17,513,827	13,181,576

- (1) The conversion of this note has nil impact on share capital as the initial recording of the equity component of the note was recorded in Other contributed equity in prior periods and it is not the policy of the Company to transfer equity balances from Other contributed equity to Share capital upon conversion of the note.

Holders of ordinary shares are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders are fully entitled to any proceeds of liquidation subject to prior entitlement.

Other contributed equity	June 2017 \$	June 2016 \$
Balance at beginning of year ⁽¹⁾	737,516	-
Equity component of convertible note ⁽²⁾	39,678	737,516
Balance at end of year	777,194	737,516

- (1) The opening balance relates to the equity component of a mandatorily convertible note issued in the second half of the 2016 financial year

Options over ordinary shares	June 2017 No. options	June 2016 No. options	June 2017 \$	June 2016 \$
Balance at beginning of year	-	-	-	-
Bonus Options ¹	192,298,084		-	
Options issued to consultants in respect of services provided ²	2,000,000		-	
Options exercised ³	(2,939,960)		-	
Balance at end of year	191,358,124	-	-	-

- (1) Free attaching options issued at nil cost.
(2) Options issued with a fair value of \$0.032 each, being the closing market price for the class of options trading on ASX on the date of issue, treated as a share based payments expense.
(3) Proceeds of option exercise taken to equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 11: EQUITY - continued

	June 2017	June 2016
	\$	\$
Share Based Payments Reserve		
Balance at beginning of year	-	-
Options issued to consultants in respect of services provided ¹	64,000	-
Balance at end of year	64,000	-

(1) Options issued with a fair value of \$0.032 each, being the closing market price for the class of options trading on ASX on the date of issue, treated as a share based payments expense.

NOTE 12: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank and on hand	28,930	94,235
Cash and cash equivalents	28,930	94,235
Cash and cash equivalents in the statement of cash flows	28,930	94,235

Reconciliation of cash flows from operating activities

	2017	2016
	\$	\$
Loss for the year	(5,016,037)	(2,059,540)
<i>Adjustments for</i>		
Depreciation	-	620
Impairment of loan to related party	1,346,851	1,448,592
Impairment investment	678,555	-
Securities issued for services rendered	862,000	-
Interest earned offset capitalised	(399,016)	(272,444)
Interest on convertible notes accrued	67,714	-
Management fees capitalised	477,365	213,046
Convertible note costs capitalised	740,571	-
Exploration impaired	491,817	18,267
	(750,180)	(651,459)
Change in trade and other receivables	(45,846)	(580)
Change in trade and other payables	69,904	(83,834)
Net cash used in operating activities	(726,122)	(735,873)

NOTE 13: CONTINGENCIES

The Company has no contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 14: COMMITMENTS

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of parts or the whole of tenements deemed non-prospective. Should the Company wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

	2017	2016
	\$	\$
Due within one year	93,962	84,719
Due later than one year and not later than five years	88,346	192,310
Due later than five years	-	-
	182,308	277,029

NOTE 15: FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the entity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company does not operate internationally and therefore its exposure to foreign exchange risk arising from currency exposures is limited. The Company is not exposed to equity security price risk and holds no equity investments. The Company is not exposed to commodity price risk as the Company is still carrying out exploration.

Interest rate risk

Interest rate risk arises from investment of cash at variable rates. Any excess funds are kept in a cash on deposit account and transferred to the operating account as required. The Company's income and operating cash flows are not materially exposed to changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2017	2016
	\$	\$
Variable rate instruments		
Cash and cash equivalents	28,930	94,235
	28,930	94,235

An increase of 100 basis points (decrease of 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2012. The following table summarises the sensitivity of the Company's financial assets (cash) to interest rate risk:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 15: FINANCIAL INSTRUMENTS (cont.) – Interest Rate risk (cont.)

	Profit or loss			Equity	
	Carrying amount	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$	\$	\$	\$	\$
30-Jun-17					
Variable rate instruments					
Cash and cash equivalents	28,930	289	(289)	289	(289)
	28,930	289	(289)	289	(289)
30-Jun-16					
Variable rate instruments					
Cash and cash equivalents	94,235	942	(942)	942	(942)
	94,235	942	(942)	942	(942)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents held with the bank and financial institutions, receivables due from other entities. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The maximum exposure to credit risk is the carrying amount of the financial asset.

The maximum exposure to credit risk at the reporting date was:

	2017	2016
	\$	\$
Cash and cash equivalents	28,930	94,235
Other Receivables	-	14,909
Loan Receivables	-	-
	28,930	109,144

The aging of the Company's loans and receivables at the reporting date was:

	At 30 June 2017		At 30 June 2016	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Current	-	-	14,909	-
31 – 60 days	-	-	-	-
61 – 90 days	-	-	-	-
91 days and over	5,222,690	(5,222,690)	3,875,839	(3,875,839)
	5,222,690	(5,222,690)	3,890,748	(3,875,839)

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk arises from operational commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management aims at maintaining flexibility in funding by regularly reviewing cash requirements and monitoring forecast cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 15: FINANCIAL INSTRUMENTS (cont.) - Credit risk (cont.)

The following are the contractual maturities of financial liabilities:

	Carrying amount \$	Total contractual cash flows \$	6 months or less \$	6 to 12 months \$	1 to 3 years \$
30-Jun-17					
Financial liabilities					
Trade and other payables	381,834	381,834	381,834	-	-
Loans - other	2,648,201	2,565,827	550,000	2,015,827	-
	3,030,035	2,947,661	931,834	2,015,827	-
30-Jun-16					
Financial liabilities					
Trade and other payables	328,624	328,624	328,624	-	-
Loans - other	585,699	780,000	-	-	780,000
	914,323	1,108,624	328,624	-	780,000

Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value determined in accordance with the accounting policies referred to in note 1. Fair value approximates carrying value due to the short-term nature of these instruments.

Capital management

The Company's policy in relation to capital management is for management to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Company's need for additional funding by way of either share placements or loan funds depending on market conditions at the time. Management defines working capital in such circumstances as its excess liquid funds over liabilities, and defines capital as being the ordinary share capital of the Company. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 16: RELATED PARTY TRANSACTIONS

Key management personnel

Details to disclosures relating to key management personnel are set out in the Remuneration Report of the Directors' Report. A summary of these transactions are as follows:

	2017	2016
	\$	\$
Primary benefits (salaries and fees)	46,950	20,000
Post-employment benefits	1,140	1,900
Share based payments	321,600	-
Total	369,690	21,900

Transactions with related parties

Transactions between the Company and other entities during the years ended 30 June 2017 and 2016 consisted of;

- AXIS Consultants Pty Ltd ('AXIS'), a company of which Mr David Tyrwhitt is a director and Mr Joseph Gutnick was a Director, provided key management personnel services to the Company for the year. Services provided by AXIS Consultants Pty Limited were pursuant to the Services Agreement between the Company and AXIS Consultants Pty Limited.
- Loans advanced to AXIS Consultants Pty Limited by the Company.
- Loans advanced to the Company by directors and associates of directors.

	Transaction value for the		Balance outstanding at	
	year ended 30 June		30 June	
	2017	2016	2017	2016
	\$	\$	\$	\$
AXIS Consultants Pty Limited				
<i>Receivable/(Payable) to other entity</i>				
Advance to other entity	1,971,700	1,820,470	5,222,690	3,875,839
Repayment by other entity	(546,500)	(613,100)	-	-
Management services paid	467,804	213,046	-	-
Management services rendered	(467,804)	(213,046)	-	-
Expenses incurred by other entity	(9,561)	(31,222)	-	-
Interest revenue accrued	399,016	272,444	-	-
Impairment provision	(1,346,851)	(1,448,592)	(5,222,690)	(3,875,839)

The following terms of the Axis balances and transactions have led management to conclude that, for accounting purposes, the Company does not transact with Axis at arms-length:

The unsecured advances are made to Axis with no set date of repayment. The interest rate on monies advanced during the year ranged from 8.70% to 8.8%% (2016: 8.80% and 9.05%). This compares to management's assessed interest rate that it would apply to loans provided to arm's length parties of 20%. There were no formal loan agreements entered into. The nature of the consideration provided in settlement of the loan and to be provided in the future to settle outstanding balances is a combination of provision of services and repayment in cash.

The gross fair value of the loan has not been recognised on the financial report at the fair value that would be recorded were the loan to have been between to arm's-length parties. However, this recording is not deemed material to the financial statements given that the loan is fully impaired and the net effect on the financial statements is nil. Therefore, any required adjustments to record the loan at its fair value would not be material to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Myanmar Metals Limited
(formerly Top End Minerals Limited)

NOTE 16: RELATED PARTY TRANSACTIONS (continued)

Directors and Associates of Directors	Transaction value for the year ended 30 June		Balance outstanding at 30 June	
	2017	2016	2017	2016
	\$	\$	\$	\$
<i>Receivable/(Payable) to other entity</i>				
Advance to other entity	-	34,890	-	-
Repayment by other entity	-	(34,890)	-	-

There were no formal loan agreements in place. There is no fixed repayment date for the loans between the parties. The interest rate charged during the 2016 year ranged from 8.7% to 8.8%.

NOTE 17: AUDITORS' REMUNERATION

	2017	2016
	\$	\$
Audit services		
2017 - Grant Thornton Audit Pty Ltd		
2016 - BDO		
Audit and review of financial reports	21,153	40,270
Other services		
2017 - Grant Thornton Audit Pty Ltd		
2016 - BDO		
Taxation compliance services	-	7,055
	21,153	47,325

NOTE 18: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

In June 2017, the Company secured an option to purchase an interest of up to 85% in the Bawdwin Zn-Pb-Ag-Cu Mine in Myanmar, in partnership with current owner Win Myint Mo. The option fee paid was USD 1,500,000 of which has been translated to AUD as at the date of payment and recorded as at that value (\$1,973,165) and treated as an Available for Sale financial instrument with fair value gains or losses flowed through Other Comprehensive Income ("OCI"). This financial instrument represents the only financial asset or liability that is measured at fair value. The instrument is assessed as a Level 2 input – with reference to inputs other than quoted prices included within Level 1 (quoted prices in active markets for identical assets or liabilities) that are observable for the asset or liability, either directly or indirectly. However, there were no required fair value adjustments through Other Comprehensive Income given, under the principles of materiality; there has been no indicated material change in fair value of the instrument since its initial measurement through to 30 June 2017.

In addition to an exclusive right of purchase of up to 85% of the Bawdwin Zn-Pb-Ag-Cu Mine, as holder of the option, the Company has a right of exploration of the relevant Bawdwin Zn-Pb-Ag-Cu Mine. Per the signed option agreement, the option period will expire in November 2017 and thus is classified as a Current Asset in the Statement of Financial Position.

NOTE 19: EVENTS AFTER THE REPORTING DATE

Other than as follows, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature, which in the opinion of the Directors of the Company, has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company:

- The Company changed its name from Top End Minerals Limited to Myanmar Metals Limited;
- The Company raised \$3 million by the issue of 75,000,000 shares at an issue price of 4 cents per share;
- The Company issued 5 million shares and 2,500,000 listed options to Yandal Investments Pty Limited, pursuant to the terms of the convertible loan; and
- The Company issued 3 million shares to a consultant.

NOTE 20: SEGMENT REPORTING

During the year, the Company operated predominantly in one reportable business segment, managed by one segment manager and in one geographical location. The operations of the consolidated entity consist of minerals exploration, within Australia. No exploration expenditure was incurred in relation to the CRML Option or the Bawdwin Option in Myanmar prior to 30 June 2017. The only costs incurred were related to due diligence undertaken in respect of the Options.

The information disclosed in the financial statements is the same information utilised in internal reporting by the chief operating decision maker. Accordingly, no additional quantitative or qualitative disclosures are required.

Directors' Declaration

1. In the opinion of the directors of Myanmar Metals Limited (formerly Top End Minerals Limited) (the "Company"):
 - a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
 - b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
 - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors.



Rowan Caren
Director

29 September 2017



Grant Thornton

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report to the Members of Myanmar Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Myanmar Metals Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Myanmar Metals Limited, is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(y) to the financial report, which notes a net asset deficiency of \$960,745, loss before income tax of \$5,016,037 and net operating cash reserves of \$28,930. These conditions, along with other matters set forth in Note 1(y), indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets Note 8	
<p>At 30 June 2017 the carrying value of Exploration and Evaluation Assets was \$Nil (2016: \$418,102) with an impairment of \$491,817 (2016: 18,267) recognised in the Statement of Profit or Loss and Other Comprehensive Income.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the level of estimation and management judgement involved in the valuation of exploration and evaluation assets.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; reviewing management's area of interest considerations against the requirements of AASB 6; conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> tracing material projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's cash-flow forecast models and budgeted expenditure; understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and assessing the appropriateness of the related disclosures within the financial statements.

Convertible notes and derivative liability Note 10	
<p>At 30 June 2017 the Company has outstanding convertible notes of \$1,627,691 and a derivative liability of \$895,510. In addition notes were converted to equity during the year resulting in an expense on conversion of \$740,571.</p> <p>In accordance with AASB 139 <i>Financial Instruments Recognition and Measurement</i> the company issued a \$USD 1,500,000 convertible note that would meet the definition of a hybrid Instrument.</p> <p>Being a hybrid financial instrument, the Company is required to calculate the fair value of the derivative financial liability component of the instrument utilising complex risk adjusted valuation techniques, with the remaining balance of the fair value determined to be the debt component.</p> <p>This area is a key audit matter due to the complex valuation techniques required to estimate the derivative financial liability and the management assumptions required in the calculation.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • agreeing the details of convertible notes issued to secure note deeds; • understanding the terms of the notes and considering the appropriateness of the accounting treatment; • testing the mathematical calculations and agreeing amounts recorded to supporting evidence where notes were converted; • challenging managements approach and assumptions in determining the fair value of the derivative liability through reference to market data and tested the mathematical accuracy of the calculation; and • assess the carrying and fair values of both the debt and derivative components of the notes upon issue and outstanding at 30 June 2017 and the reasonableness of the assumptions.
Related party loan Note 6 and 16	
<p>During the year the Company advanced \$1,971,700 to a related party, AXIS Consulting Group. At 30 June 2017, \$5,222,690 remained outstanding and has been fully impaired.</p> <p>In accordance with AASB 124 <i>Related Party Disclosures</i>, these transactions are required to be adequately disclosed and treated in accordance with AASB 139 <i>Financial Instruments Recognition and Measurement</i>, which requires the loan to be measured at fair value determined based on transactions between parties operating at arm's length.</p> <p>This is a key audit matter due to the significance of the amounts withdrawn from the Company by a related party and the management judgement required in respect to the fair value and recoverability of the loan.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • obtaining the loan agreement dated 31 May 2017 and agreeing the loan balance to the amount recorded in the general ledger; • agreeing funds withdrawn and repaid by AXIS Consulting during the year to bank statements; • agreeing service charges to invoices from AXIS Consulting and considering whether these are in accordance with the loan agreement; • re-calculating the interest accrued on the loan for the year; • understanding and challenging management's assessment of the recoverability of the loan balance by considering available evidence and contradictory evidence; and • assessing the adequacy of disclosures in the Financial Statements in respect to related party transactions.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf . This description forms part of our auditor's report.

Report on the Remuneration Report

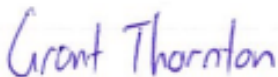
Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 5 to 9 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Myanmar Metals, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner - Audit & Assurance

Perth 29 September 2017