

31 October 2017

Manager Companies  
Australian Securities Exchange  
Level 6, 20 Bridge Street  
Sydney NSW 2000

*By E-Lodgement*

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## REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2017

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- The name of the Company was changed to Myanmar Metals Limited (ASX:MYL), the constitution was revised and modernised, the registered office was relocated from Melbourne to Perth and a new website was launched in September 2017
- MYL aims to become a significant regional metals producer with a substantial asset base in Myanmar focusing on zinc, lead, silver and copper
- John Lamb appointed as CEO and Executive Chairman October 2017
- Share Placement completed in August 2017 raising \$3m at \$0.04 per MYL share to fund due diligence activities on the world-class Bawdwin Pb/Zn/Ag/Cu mine
- Drilling results announced in September 2017, which validated historical records and tested “halo” zones adjacent to existing open pit and underground working
- Maiden JORC 2012 compliant Mineral Resource estimate announced in October 2017: 41.4 million tonnes grading 7.5% Pb, 3.5% Zn, 0.33% Cu, 178g/t Ag in the Inferred classification and ranking amongst the world’s best undeveloped base-metal deposits
- CSA Global Scoping Study to assess an open-pit mine development at Bawdwin and to provide a basis for Myanmar Government permitting is underway and expected mid-November
- Shareholding structure beginning to mature with Mark Creasy’s Yandal Investments now the largest shareholder after conversion of its two outstanding loans into MYL ordinary shares



*Figure 1: Bawdwin open pit, Shan plateau. Image: MYL, October 2017*

**Forward Looking Statements**

*The commentary provided in this report contains certain statements, which may constitute “forward –looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.*

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## MYANMAR UPDATE

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### DEVELOPMENT STRATEGY

As previously announced, the Company retains an Option to take a controlling interest in the Bawdwin zinc/lead/silver/copper polymetallic mine lease held by Win Myint Mo Industries Co Ltd.

During the quarter the Company also completed assessment of its option to acquire 60% ownership of Cornerstone Resources (Myanmar) Limited (CRML) from current shareholders but allowed that option to lapse due to the absence of a proven long-term feedstock for the Lashio zinc refinery.

The Board continues to progress MYL’s strategy as outlined in the June 2017 Quarterly Report:

1. Short-medium-term production of metal concentrates (principally lead/zinc/silver) from a potential open pit at Bawdwin;
2. Long-term production of metals concentrates from the Great Bawdwin Mine if successful modern exploration shows that Bawdwin can be reopened as a safe, modern, high-productivity underground mine; and
3. Local and regional exploration and acquisition to grow the company’s resource base and footprint in Myanmar.

### BAWDWIN ZINC-LEAD-SILVER-COPPER MINE

*(MYL option to acquire up to 85%)*

As announced on 24 May 2017, **MYL** retains an exclusive option to acquire the majority interest in the Bawdwin Zn-Pb-Ag-Cu Mine Lease in Shan State. The concession is currently held by Win Myint Mo Industries Co Ltd (**WMM**).

The Bawdwin Mine lease covers 38 km<sup>2</sup> including the Bawdwin Mine and the Bawdwin Volcanic Complex. It is a polymetallic system similar to that seen at Rosebery in Tasmania and has in the past been compared to that mine.

There is potential for near-term production from an open pit developed on near-surface mineralisation as well as for long-term production from high-grade underground lenses.

Bawdwin is strategically located only 160km from the Chinese border on the Mandalay to Yunnan highway, providing an outstanding overland logistics corridor.

**Bawdwin is considered to be one of the largest underdeveloped high-grade Zn-Pb-Ag-Cu deposits globally.**

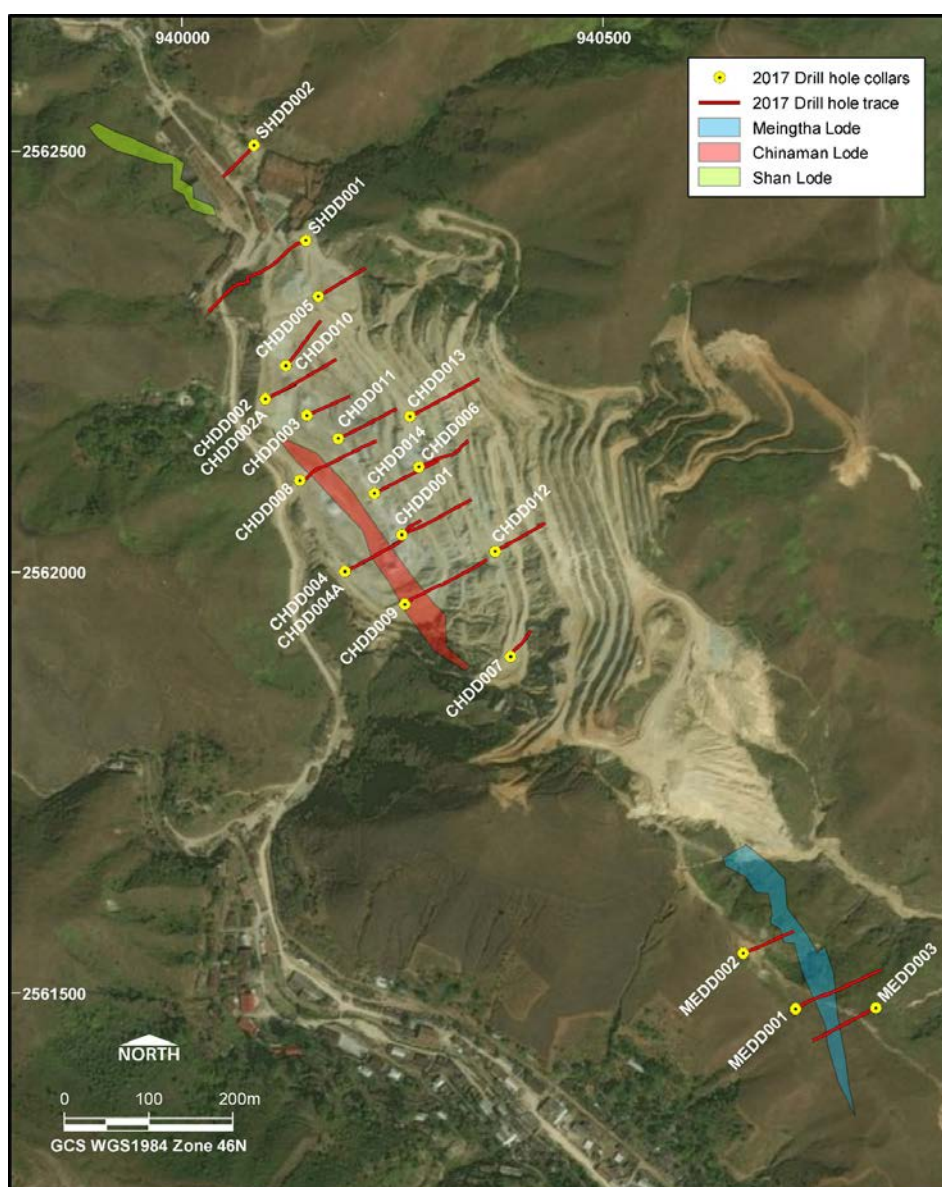
## **Diamond Drilling and Channel Sampling Results**

Results of a diamond drilling programme commissioned by WMM in 2016 and completed in July 2017 (by Valentis Resources and Titeline Drilling) were made available to MYL under the terms of the option agreement and were announced to the market on 14 September 2017. Despite targeting remnant and low-grade “halo” mineralisation these results underscore the enormous potential at Bawdwin.

### ***Highlights***

- First drilling completed at Bawdwin since the 1980’s
- Diamond drilling programme totalled 21 holes for 2,965.6 metres supported by channel sampling in the shallow open pit (*see Figure 2 for locations*)
- Mineralisation confirmed outside of the known high-grade lodes that supported the historic mine, extending to surface in the open pit
- CSA Global site assessment of geology and development options completed in August 2017
- New Mineral Resource estimate and JORC Resource Report completed in October 2017
- **Drilling results** include (*note the intervals are down-hole length, not true width; and are as announced by MYL on 14 September 2017*):
  - \* CHDD001 - 25.3m at 9.5% Pb, 2.5% Zn and 189 g/t Ag from 56.5m;
  - \* CHDD001 - 2.2m at 2.3% Cu, 121 g/t Ag, 1.07% Ni and 0.42% Co from 86.8m;
  - \* CHDD001 - 17.0m at 15.4% Pb, 5.7% Zn, 319 g/t Ag, 0.9% Cu, 0.15% Ni and 0.39% Co from 104m;
  - \* CHDD002A - 6.6m at 2.4% Cu, 1.8% Pb, 123 g/t Ag, 0.56% Ni and 0.25% Co from 81.6m;
  - \* CHDD003 - 4.3m at 2.1% Cu, 1.2% Pb and 75 g/t Ag from 64.35m;
  - \* CHDD003 - 10.3m at 20.5% Pb, 2.2% Zn, 0.5% Cu, 540 g/t Ag, 0.12% Ni and 0.28% Co from 50.6m;
  - \* CHDD004 - 9.3m at 8.2% Pb, 4.9% Zn and 73 g/t Ag from 64.35m;
  - \* CHDD008 - 30.5m at 11.5% Pb, 7.5% Zn and 291 g/t Ag from 102.5m;
  - \* CHDD009 - 8.0m at 1.4% Cu, 4.8% Pb, 1.5% Zn and 222 g/t Ag from 41m;
  - \* CHDD009 - 10.8m at 9.9% Pb, 16.9% Zn and 251 g/t Ag from 51.5m;
  - \* CHDD011 - 12.0m at 1.0% Cu, 4.7% Pb, 2.6% Zn and 292 g/t Ag from 16m;
  - \* CHDD011 - 4.0m at 2.3% Cu, 1.9% Pb and 133 g/t Ag from 48.6m;
  - \* SHDD001 - 10.0m at 5.6% Pb, 6.3% Zn and 159 g/t Ag from 219.7m; and
  - \* SHDD001 - 11.0m at 12.0% Pb, 4.5% Zn and 299 g/t Ag from 227.7m.
- **Channel sampling results** include (*note the intervals are along-channel length, not true width; and are as announced by MYL on 14 September 2017*):
  - \* B12 - 8.0m at 5.0% Pb, 15.9% Zn and 180 g/t Ag from 3.7m;
  - \* B29 - 11.5m at 5.25% Pb, 8.32% Zn and 73 g/t Ag from 22m;
  - \* B109 - 8.0m at 19.5% Pb, 4.7% Zn, 0.4% Cu and 293 g/t Ag from 8.5m;
  - \* CH002 - 9.0m at 17.6% Pb, 5.2% Zn, 0.7% Cu and 472 g/t Ag from 0m;

- |           |   |
|-----------|---|
| * CH004 - | 11.9m at 7.2% Pb, 5.2% Zn, 1.1% Cu and 126 g/t Ag from 0m;        |
| * CH004 - | 10.7m at 8.0% Pb, 7.2% Zn, 1.5% Cu and 250 g/t Ag from 16.8m;     |
| * CH005 - | 7.5m at 4.5% Pb, 13.3% Zn and 129 g/t Ag from 21m;                |
| * CH006 - | 7.5m at 5.1% Pb, 7.6% Zn, 0.6% Cu and 350 g/t Ag from 31.5m;      |
| * CH009 - | 8.0m at 6.4% Pb, 17.0% Zn and 142 g/t Ag from 0m;                 |
| * CH007 - | 14.0m at 6.9% Pb, 5.4% Zn, 0.4% Cu and 321 g/t Ag from 3m;        |
| * CH010 - | 25.0m at 16.3% Pb, 14.6% Zn, 0.3% Cu and 560 g/t Ag from 22m; and |
| * CH011 - | 8.5m at 5.1% Pb, 12.1% Zn and 129 g/t Ag from 5m.                 |



## **Maiden JORC Code 2012 Compliant Resource Statement**

During the Quarter CSA Global, with support from Valentis Resources, prepared a mineral resource estimate pursuant to the JORC Code 2012 edition. This was announced to the market by MYL on 17 October 2017.

### ***Highlights***

- Maiden Mineral Resource estimate reported under JORC Code 2012 edition.
- Total Inferred Mineral Resources of 41.4 Mt at 7.5% Pb, 3.5% Zn, 0.33% Cu and 178g/t Ag at a cut-off of 2.0% Pb.
- Estimate based on 56,008 metres of historical underground sampling supported by a diamond drilling program of 21 holes for 2,965.6 metres and a channel sampling programme in the shallow open pit of 43 channels for 669 metres.
- Mineral Resource represents the extensive mineralised 'halo' around the high-grade lodes that were historically mined underground.
- Drilling and channel sample results announced to ASX on 17 September 2017 highlight the extensive high-grade mineralisation that occurs within the halo zone.
- The Mineral Resource estimate provides the key input to the ongoing Scoping Study to assess an open-pit mine development strategy at Bawdwin and provide a basis for Myanmar Government permitting.

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*"This initial resource of over 40 million tonnes with excellent grades puts the project, the Company and its partners in a great position to confidently move ahead with economic evaluation and Myanmar Government permitting of a new mine development."*

*– John Lamb, Chairman and CEO*

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### ***Bawdwin Mineral Resource Estimate***

CSA Global was retained by MYL to assess the geology and resources of the project, to complete a Mineral Resource estimate and to undertake an initial scoping study for open-pit development on the deposit.

This JORC Code 2012 compliant Inferred Mineral Resource estimate for the Bawdwin deposit was announced by MYL on 17 October 2017 and was accompanied by the necessary **Competent Persons statements** and **JORC Table 1** which are not repeated here. The resource estimate is presented in Table 1 below and depicted in long-section in Figure 3 below (coloured to show silver grades).



Area	Oxidation	Tonnage ('000 t)	Pb (%)	Zn (%)	Cu (%)	Ag (ppm)
<b>Shan</b>	Transition	657	3.3	0.2	0.75	84
	Fresh	14,811	8.1	3.5	0.42	184
	<b>Total</b>	<b>15,468</b>	<b>7.9</b>	<b>3.4</b>	<b>0.43</b>	<b>180</b>
<b>China</b>	Oxide	67	9.0	1.1	0.27	140
	Transition	1,539	5.6	1.4	0.57	147
	Fresh	18,866	7.4	4.1	0.20	177
	<b>Total</b>	<b>20,472</b>	<b>7.3</b>	<b>3.9</b>	<b>0.23</b>	<b>174</b>
<b>Meingtha</b>	Oxide	8	2.1	0.1	0.23	164
	Transition	222	5.7	1.1	0.16	198
	Fresh	5,264	7.2	2.8	0.43	181
	<b>Total</b>	<b>5,494</b>	<b>7.1</b>	<b>2.7</b>	<b>0.42</b>	<b>182</b>
<b>Total</b>	Oxide	75	8.3	1.0	0.27	142
	Transition	2,418	5.0	1.1	0.58	134
	Fresh	38,941	7.7	3.7	0.32	180
<b>Total</b>		<b>41,434</b>	<b>7.5</b>	<b>3.5</b>	<b>0.33</b>	<b>178</b>

Table 1: Bawdwin Inferred Mineral Resource Estimate (2% Pb cut-off)

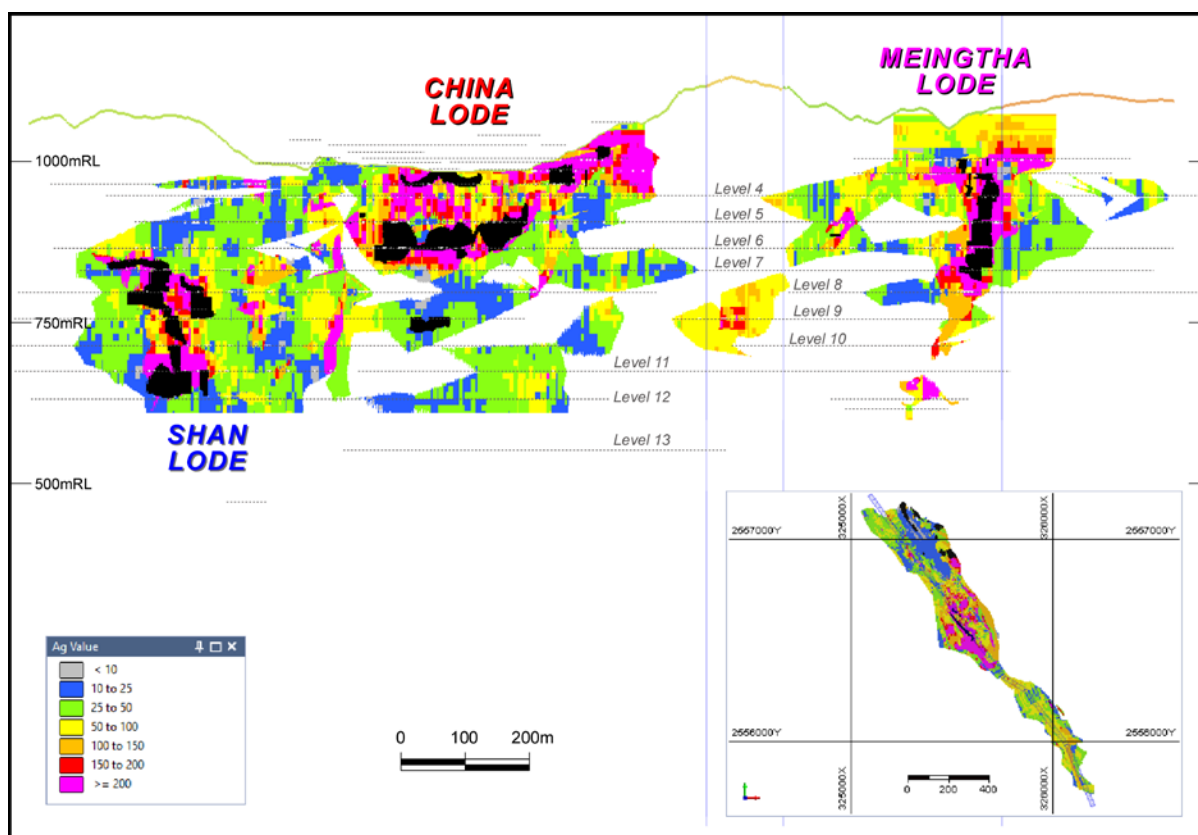


Figure 3: Long section through the Pb block model for the Shan, China and Meingtha lodes. Mined stopes are in black. Image: CSA, October 2017

A summary of the information used in the resource estimation follows:

### ***Drilling and Channel Sampling***

The Mineral Resource estimate is based largely on historical underground channel sampling but with support from the 2017 programme of diamond core drilling and channel sampling in the open pit. The historical sampling was completed systematically and routinely during the period of active mining at Bawdwin and samples were assayed by wet chemical methods at the mine laboratory. There are no records of QAQC procedures or analyses. Access to the sampled drives is no longer possible so check sampling cannot be undertaken. The data and associated documentation are considered adequate to support reporting of an Inferred Mineral Resource.

Additional information regarding sampling and analysis is provided in **JORC Table 1** which was attached to the ASX release dated 17 October 2017.

### ***Geological Interpretation***

The Bawdwin deposit is hosted within an Early Ordovician volcanic and intrusive complex termed the Bawdwin Volcanic Centre.

The deposit is a structurally controlled massive to disseminated sulphide deposit hosted largely within the Bawdwin Tuff and to a lesser extent within the Pangyun Formation sediments and rhyolitic porphyry. The main controlling Bawdwin Fault zone comprises a complex northwest-trending, southwest-dipping, array of faults, splays and relays.

Massive mineralisation occurs in dilational structural zones as veins and breccias, with semi-massive to disseminated sulphide mineralisation and stockwork sulphide veining occurring in the intervening silicified lithic breccia (Bawdwin Tuff).

Sulphide mineralisation at Bawdwin is characterised by argentiferous galena, sphalerite, and pyrite together with smaller amounts of chalcopyrite, covellite, tetrahedite, gersdorffite, and cobaltite. Copper mineralisation occurs with lead and zinc but also separately where it can be associated with nickel and cobalt. Sulphides are generally coarse grained in massive lodes and when disseminated in altered tuff.

The historically-mined China, Meingtha and Shan lodes lie along 4 km of strike of the Bawdwin Fault zone, with offsets by later faults. The mined lodes were probably not uniform zones of massive sulphide but zones of mineralised structures and intervening strongly mineralised breccias and stockworks. The most extensive 'halo' mineralisation is up to 150 metres wide in the footwall of the main China Lode. This encompasses mined stopes in the footwall of the China Lode and is characterised by high-grade veins, breccias, stockworks and shear zones and extensive zones of disseminated mineralisation associated with silicification of the lithic breccia host (Bawdwin Tuff). The zone is interpreted to reflect a relay zone extending north towards the Shan Lode where it is poorly tested by underground sampling and drilling.

A 3D model developed by Valentis included the Bawdwin Tuff, major faults, high-grade "lode" mineralisation and lower-grade "halo" mineralisation. The model was reviewed by CSA Global and the high-grade zones were re-modelled based on interpretation of level-plan geological and assay data, supported by recent drilling. The model was also supported by open-pit mapping and channel sampling.

### ***Cut-off Grades***

Classical statistical analysis was carried out twice for the mineralised zones. The first study was carried out to meet the following objectives:

- To determine a cut-off grade for interpretation of mineralisation
- To assess grade distribution characteristics.

Review of the histograms and probability plots indicate that a 3.5% Pb cut-off grade is suitable for interpretation of the high-grade lodes and 0.5% Pb for mineralised halos.

### ***Estimation Methodology***

The historical underground data and modern diamond drilling and pit mapping were used to develop a new interpretation of the Bawdwin deposit using Micromine software. Wireframes of the major lodes were developed based on plan view interpretation for all developed underground levels. Additionally, all wireframes were adjusted to include the results of 2017 diamond drilling and open pit channel sampling.

Major individual base metal lodes were modelled using a nominal 3.5% Pb cut-off. A “halo” zone of mineralisation enveloping the lodes was modelled with a nominal 0.5% Pb cut-off.

Volume block models were created within each defined mineralisation domain. All models were flagged according to mineralisation type and wireframe name. This flagging was subsequently used to interpolate grades separately for each body and to exclude “contamination” with grades from adjacent models. After flagging, the models for each mineralisation type were combined. Therefore, the values of some blocks were updated (overwritten) during integration. The blocks above the topographic surface were then removed.

Lead, silver, zinc and copper grades were interpolated into the empty block model using ordinary kriging (OK). A “parent block estimation” technique was used. The OK process was performed at different search radii until all cells were interpolated. The search radii were determined following evaluation of the semivariogram parameters.

### ***Classification Criteria***

The Mineral Resource has been classified in accordance with guidelines contained in the JORC Code 2012 Edition. The Inferred Mineral Resource classification is based on drill hole sampling, open pit channel and historical underground channel sampling. Existing data is believed to be sufficient to imply but not verify geological and grade continuity due to the absence of QAQC information for the historical underground data. The Inferred classification has considered all available geological and sampling information and the classification level is considered appropriate.

### ***Maiden JORC 2012 Resource Rates as Global Tier One***

Despite relating to remnant mineralisation from historical mining and surrounding lower-grade remnant ore, the Bawdwin resource joins a very small number of global base metal deposits in the first tier. These are deposits that combine the attributes of low-cost (amenable to open cut or large-scale underground mining); high-grade (above 10% zinc-equivalent); and large-scale (above 30 million



tonnes). The Board expects Bawdwin's position amongst its global peers to improve further when exploration commences on the site.

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*"Bawdwin was one of the world's great mines and was a world-class deposit in full production before being interrupted by World War 2. It stands to reason that it is still a great deposit: I am not surprised that the maiden JORC Code 2012 resource has jumped into the top echelon of lead-zinc-silver resources globally." – John Lamb, Chairman and CEO*

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### **Board Site Visit**

The Board, accompanied by Dr. Neal Reynolds from CSA Global and U Kyi Htun, Chief Geologist for partner company Win Myint Mo, visited the site in early October. In addition to reviewing the surface expression of the deposit and mining infrastructure on the site; the Board saw the social, environmental, logistical and energy setting of the site.

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*"One aspect that stood out was the great respect and affection that our partner company, Win Myint Mo, commands in the region. The Board is delighted to be working alongside them and appreciates the reduction in sovereign risk that such a partnership provides." – Jeff Moore, Non-Executive Director*

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Figure 4: (L-R): Jeff Moore, MYL; Neal Reynolds, CSA; U Kyi Htun, WMM; John Lamb, MYL.  
(Image: MYL October 2017)

### **Scoping Study (In progress)**

CSA Global was retained by MYL to complete a scoping study to assess the technical and economic viability of developing an open-pit mine and associated infrastructure at Bawdwin (and Namtu). The study is well underway at the date of this report and completion is expected mid-November.

The aims of the study are to demonstrate that a profitable and technically feasible open cut mine can be established at Bawdwin; to determine the likely extents of that open cut mine and its infrastructure

requirements; estimate an annual mining and processing schedule and associated operating costs; estimate the capital cost requirements for the site; and outline key areas for further study leading into a bankable feasibility study post-exercise of the Bawdwin Option.

Conceptually, the Board envisages an open pit mine production of 1.5-2.0 Mtpa of ore for treatment at a concentrator most likely located at Namtu. The mine would maximise the use of existing infrastructure and be developed in accordance with contemporary Australian mining practices. Good standards of social and environmental stewardship are hallmarks of the Directors' previous roles and are fundamental values for MYL.



*Figure 5: Railway to Namtu and historical ore-loading facility (Image: MYL, October 2017)*

### **Exploration Upside**

Bawdwin is vastly underexplored, having received little attention with modern techniques. The historically known mineralisation consists of three principal polymetallic sulphide lodes: China, Meingtha and Shan; along a 4km strike length. Potential exists at Bawdwin for a much larger mineralised system than presently known to exist, including undefined potential for copper-rich zones that were encountered but not of interest during historical mining.

Bawdwin is generally considered a 'structurally modified' VMS (Volcanogenic Massive Sulphide) deposit. Deposits of this kind are often large mineralised systems and can yield multiple high-grade lenses along a considerable strike length, as seen at well-known VMS mines such as Rosebery (Tasmania), Golden Grove (WA) and Neves Corvo (Portugal).

Bawdwin was a world-class mine when in production and occurs in a volcanic complex that has never experienced systematic modern exploration and is considered to have high potential for discovery of more high-grade lodes.

It is considered one of the largest underdeveloped high- grade Zn-Pb-Ag-Cu deposits globally and there is a great opportunity for **MYL** and its partner **WMM** to unlock considerable future value.

## OTHER PROJECTS – AUSTRALIAN EXPLORATION

The Company conducted an internal review of its Australian holdings during the quarter and took steps to ensure that these remain in good standing.

A summary follows:

### PROPERTY DESCRIPTION AND OWNERSHIP

Technical research commissioned by the Board in August-September 2017 shows that the Company currently holds three granted exploration licences and four licence applications.

MYL has an interest (100%) in the non-diamond assets for two granted licences and four applications via a Minerals to Rights Deed (MRD) and holds one tenement outright with the rights to all minerals on that tenement. The MRD is related to several prior agreements.

The current tenements (*granted and pending, see Table 2*) cover an area of approximately 2,500 km<sup>2</sup>. Figure 6 shows the area covered by the current tenements.

*Table 2: Mineral Tenements*

Title ID	Status	Party name	Granted	Expires	MYL Interest	Blocks
EL30051	Granted	Top End Minerals Ltd	2014-05-16	2020-05-15	100%	91
EL26206	Granted	Merlin Diamonds Ltd	2008-03-19	2019-03-18	100% (non-diamonds)	33
EL10189	Granted	Merlin Operations Pty Ltd	2002-07-23	2019-07-22	100% (non-diamonds)	28
EL28066	Application	Merlin Diamonds Ltd			100% (non-diamonds)	
EL28067	Application	Merlin Diamonds Ltd			100% (non-diamonds)	
EL28068	Application	Merlin Diamonds Ltd			100% (non-diamonds)	
EL6532	Application	Rio Tinto Exploration Pty Ltd			100% (non-diamonds)	

#### **EL30051 – Myanmar Metals Limited 100% - granted; and**

#### **EL26206 – Merlin Diamonds Ltd 100% (MYL non-diamond rights) – granted**

The Arnhem Land tenement EL30051 is located about 200 kilometres east-northeast of Katherine, in the Arnhem Region of the Northern Territory. The tenement was granted on 16 May 2015 and is due to expire on 15 May 2020. The licence occurs in the northern region of the McArthur Basin of the Northern Territory which is a Mesoproterozoic to Paleoproterozoic age tectonostratigraphic block. There are two known base metal mineral occurrences on the tenement; The Swamp and Galena Hill.

Significant work has been completed on the adjacent tenement (EL26206). Work area restrictions are in place on EL26206 due to the discovery of aboriginal sites.

Due to the timing of the changes in management and administration of the Company requested that an extension of time to submit the annual activities report for EL30051 be allowed and this was

granted on 30 August 2017. The deadline to submit the report was extended until 1 October 2017 and the report has now been submitted.

EL26206 consisting of 33 blocks (110km<sup>2</sup>) is due to expire on 18 March 2019.

### **EL10189 – Merlin Operations Pty Ltd 100% (MYL non-diamond rights) – granted**

EL10189 is in the Southern Roper Gulf Region of the Northern Territory, within the Paleozoic to Neoproterozoic intracratonic sedimentary Georgina Basin. The Georgina Basin is host to numerous deposits of sedimentary phosphate including the Wonarah phosphate deposit and several lead-zinc occurrences are located along the southern margin.

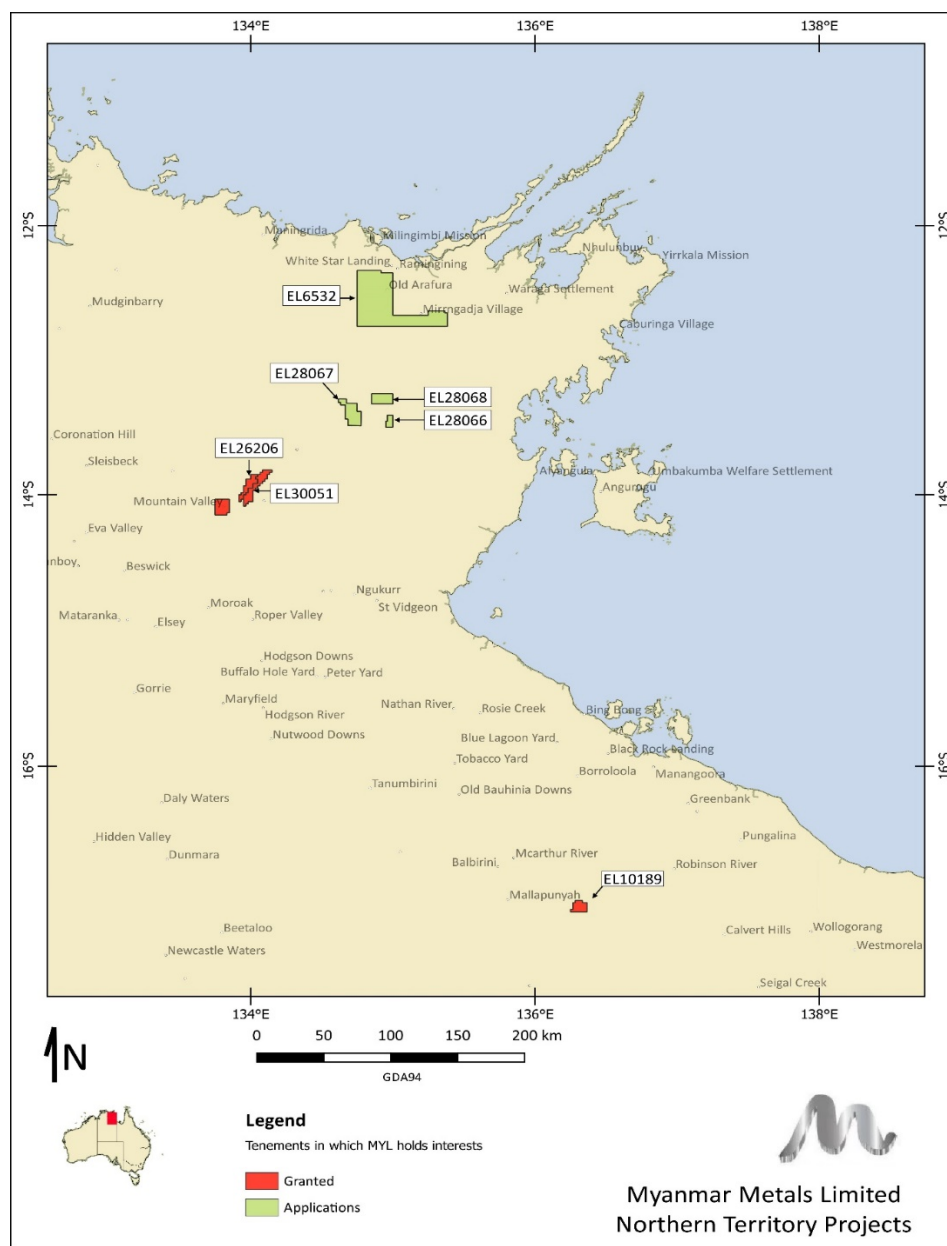


Figure 6: NT projects location map showing the status of tenements as listed in Jun 2017 Quarterly Report, and Mineral Rights Deed tenements (18 Sep 2007) associated with the Yamarra Project Farmin Agreement (27 Aug 2007) – granted tenements in red, applications in hatched green. GDA94 MGA zone 53



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## CORPORATE UPDATE

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### APPOINTMENT OF CEO AND EXECUTIVE CHAIRMAN

During the Quarter the Board secured the services of Mr John Lamb as Executive Chairman and Chief Executive Officer. Mr Lamb's appointment was made effective 1 October 2017 and was endorsed by shareholders at the AGM on 23 October 2017.

Mr Lamb has acted as Non-Executive Director and Chairman since joining the Board in June 2017. In making a permanent commitment as an employee of the company, Mr Lamb demonstrates his strong belief in the Company and in the Bawdwin Project.

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*"I am delighted to take up this key leadership role. Opportunities to develop orebodies like Bawdwin come along only very rarely in anyone's career and we have already built a strong base upon which to deliver that opportunity." – John Lamb, Chairman and CEO*

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Mr Lamb's career of thirty years includes technical and management roles in base metals and gold mines, both open cut and underground, throughout Australia. He was General Manager of the Century Zinc mine (2007-2009) which was the second-largest zinc producer in the world at that time; Deputy General Manager (2006-2007) and later General Manager (2009-2011) of the Rosebery Zn-Pb-Ag-Cu-Au polymetallic mine which is like the Bawdwin deposit and has operated for over 80 years.

Mr. Lamb has also led a civil construction company; and a heavy transport and logistics company, as Chief Executive Officer and served as a director of the Tasmanian Minerals and Energy Council for 6 years. He is a Chartered Professional member of the Australasian Institute of Mining and Metallurgy and a Graduate Member of the Australian Institute of Company Directors. He holds degrees in Surveying, Management and Business.

### STRATEGIC FOCUS

The Board is strongly positive about the company's prospects and reaffirms to shareholders the company's strategic focus, which has three limbs:

1. Zinc and lead, together with commonly associated minerals such as copper, silver and gold to be the company's **commodity focus**. These metals are experiencing good market performance and are within the company's areas of expertise.
2. Myanmar to be the company's **geographic focus**; and
3. The mining, production and sale of metals (from exploration, through project development and processing), either as concentrate or in ingot form, to be the company's **operating focus**.

The company's very clear strategic aim is to become a **regionally significant metals producer based in Myanmar**.

The Board is confident that with its expertise in these areas, the calibre of the asset under consideration, the great market interest in Myanmar; and the strong forward prospects for the selected commodities, the Company will be strongly positioned for success.

## CHANGE OF NAME

Shareholders voted to change the name of the company to Myanmar Metals Limited at an Extraordinary General Meeting of shareholders held in Perth on 18 August 2017.

The change reflects the undivided focus of the company and the energy with which the Board, management and our partners and advisors have undertaken to pursue it.

## OTHER CORPORATE ACTIVITIES

During the quarter the Company launched a new web page [www.myanmarmetals.com.au](http://www.myanmarmetals.com.au) and relocated the registered office to Perth, Western Australia. The constitution was upgraded and modernised and was approved by shareholder at the EGM held on 18 August 2017.

A placement of 75 million ordinary shares at \$0.04 was made in August, raising \$3 million for ongoing due diligence activities. Shareholder approval was given at the August EGM for a further placement of 100 million shares.

Immediately prior to the date of this report, Mark Creasy's Yandal Investments converted both of its convertible loans into MYL ordinary shares. A total of 82,505,328 shares were issued to Yandal giving it a total shareholding of 87,505,328 shares being approximately 16% of the adjusted capital of 548,499,057.

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*"The conversion of these loans into shares is a vote of confidence in Bawdwin and in Myanmar Metals Limited. The Board is delighted to welcome Mark Creasy's Yandal Investments as the Company's largest shareholder and looks forward to developing a safe and profitable modern mining operation at Bawdwin" – Rowan Caren, Non-Executive Director, CFO and Company Secretary*

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Figure 7: Mark Creasy (Yandal), John Lamb (MYL) and Peter Sheppeard (CCC)  
Image: CCC, October 2017



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## NEXT STEPS

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The Company will continue its fast pace of activity in the next quarter with the following key activities planned:

- Completion of the Bawdwin Scoping Study, CSA Global
- Commencement of formal discussions regarding planning and permitting with the Myanmar Government
- Further discussions with potential equity partners for the development of the Bawdwin project
- Investor presentations and a further placement of shares as approved by shareholders on 17 August 2017
- Payment of the “further option fee” of USD1.5 million due by 21 November 2017
- Commencement of metallurgical and environmental studies based on findings in the scoping study

The Board looks forward to another successful quarter and thanks the company’s shareholders, partners and advisors for their ongoing support.



**JOHN LAMB**

Executive Chairman and Chief Executive Officer



*Figure 8: Tiger Tunnel Portal. Image: MYL, October 2017*

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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

**Name of entity**

**MYANMAR METALS LIMITED**

**ABN**

48 124 943 728

**Quarter ended ("current quarter")**

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(232)	(232)
(b) development	-	-
(c) production	-	-
(d) staff costs	(30)	(30)
(e) administration and corporate costs	(281)	(281)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(543)</b>	<b>(543)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(27)	(27)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(27)</b>	<b>(27)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	3,000	3,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(308)	(308)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(100)	(100)
3.7 Transaction costs related to loans and borrowings	(5)	(5)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>2,587</b>	<b>2,587</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	29	29
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(543)	(543)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(27)	(27)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,587	2,587
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,046</b>	<b>2,046</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,046	2,046
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,046</b>	<b>2,046</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
119
-

Fees and salary paid to directors of the entity and their associates

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify) see below

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
-	-
-	-
2,473	2,473

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Yandal Investments Pty Limited US\$1,500,000, equivalent to A\$1,973,165, interest at 10% pa, secured over the Company's rights under the WMM option, convertible into shares at \$0.04 per share, repayable 17 June 2018. Converted into shares in October 2017.

Yandal Investments Pty Limited \$500,000 – interest at 10%pa, repayable no later than 23 November 2017, unsecured, convertible into shares at \$0.02 per share. Converted into shares in October 2017.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	342
9.2 Development	-
9.3 Production	-
9.4 Staff costs	56
9.5 Administration and corporate costs	258
9.6 Other (provide details if material) – extend Bawdwin option	1,950
<b>9.7 Total estimated cash outflows</b>	<b>2,606</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	See Table 1 to quarterly report	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### Compliance statement

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



Sign here: .....  
(Director/Company Secretary)

Date: 31 October 2017

Print name: ROWAN CAREN

**Notes**

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