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BAWDWIN EXPLORATION POTENTIAL

“Bawdwin is considered to be in a very unique position in that it may be the only ‘Tier 1’ scale VMS deposit in the world that has not had any modern exploration programs or modern drilling, either searching for extensions to the known deposits, or on the regional targets.”¹

Exploration Potential Highlights

- The Bawdwin concession has hardly been explored other than the known lodes.
- There are a number of high priority exploration targets on the current concession which have strong potential for new base metal orebodies and which require modern systematic exploration programs.
- Modern systematic exploration programs will be undertaken once the Bawdwin acquisition has been completed.
- 5,000 metre RC and Diamond drilling program progressing well with first assays pending



Newly discovered and untested gossan above the upper Bawdwin village. Image: Valentis Services

¹ Valentis Services: Bawdwin Exploration Review and Future Strategy November 2017

Myanmar Metals Limited (“MYL” or “the Company”) is pleased to provide shareholders with this summary of a recently completed Exploration Review and Future Strategy Report (the “Valentis Exploration Report”). The report was commissioned by MYL’s partner and current tenement owner Win Myint Mo (“WMM”) and prepared by specialist in-country geological group Valentis Services Limited (“Valentis”) regarding the exploration potential of the Bawdwin concession.

The Valentis Exploration Report contains a summary of all historical exploration completed on the Bawdwin project, a compilation of previous reviews and exploration reports, and a review of targets with recommended exploration programs.

The Bawdwin Mine has had a long and prosperous mining history. The mine has historic production dating back to the first Chinese mining in the 15th century. Historical exploration has predominantly been focused on defining the current known lodes and extensions to them. Regional exploration in the Bawdwin district has never been given a high priority by miners. MYL’s technical consultants and Directors believe the region has considerable exploration upside.



*Gossan near the upper Bawdwin village (L) and base metal sulphides exposed in the ER valley (R).
Images: Valentis Services*

There are a number of high priority exploration targets on the Bawdwin concession which have strong potential for the discovery of new base metals deposits and which require modern systematic exploration programs. These targets include:

- At least 30 known gossan outcrops which have similarities to the original gossans above the known lodes at Bawdwin;
- At least 30 known shallow historical mine adits situated outside of the known mine environs, with several containing substantial base metal sulphide intersections;
- Several areas of base metals mineralisation outcropping on the concession outside of the known lodes; and
- Base metals intersections in the small number of historical regional drill holes which were never followed up.

The exploration potential is highly relevant and reflects the great potential for resource growth at Bawdwin.

Chairman and CEO John Lamb said:

“While our unswerving focus is on exercising the Bawdwin Option and developing a new mine at Bawdwin, significant shareholder value can be added from extending the known resource and discovering new resources on the concession.”

“As Bawdwin is a VMS-style deposit, we expect repeated occurrences of wide, high-grade lenses similar to those already known at Bawdwin, to occur along the main controlling structures. The Valentis Exploration Report highlights the considerable exploration upside yet to be investigated at Bawdwin.”



Copper “seep” in the ER valley, approx. 1km southeast of the Bawdwin mine. Image: Valentis Services



Historical Chinese adits in the ER valley (L) and Gold Hole valley (R)



Azurite in hand specimen, ER Valley

1. Key Attributes for Discovery

A number of key project attributes combine to provide strong confidence that the Bawdwin concession may host multiple base metals deposits, potentially with similar grades and size to the known lodes at Chinaman, Shan and Meingtha.

These attributes include:

1. A substantial lateral area and thickness of favourable 'mine host' stratigraphy, displaying intense alteration in several regional locations which needs to be investigated with detailed geological mapping;
2. The occurrence of at least 30 known gossan outcrops which may provide surface indications of concealed base metals lodes, as evidenced by the gossans above the Chinaman, Meingtha and Chin lodes. None of the regional gossans have been sampled or drilled and it is probable that not all gossan outcrops have been located within the concession area. For example, a reconnaissance traverse in May 2017 located an unknown and un-sampled gossan on a ridge to the east of, and above the upper Bawdwin village less than 200 metres from the dwellings.
3. At least 30 known shallow Chinese mine adits exist on the concession and outside of the 'mine environs', with several mines containing substantial base metals mineralisation of substantial grade and thickness. No modern sampling or drilling of these prospects has been completed.
4. Outcropping base metals mineralisation is noted in Bawdwin Tuff within the upper and lower ER Valley, and also in Gold Hole Valley.
5. A total of only 30 regional exploration drill holes (i.e. not targeting the Chinaman, Shan or Meingtha lodes or extensions to them) have been completed over a 20-year period from 1956 to 1983 and no exploration drilling has been undertaken since 1983.
6. Evidence of base metals mineralisation in several drill holes completed by the Canadian International Development Agency ('CDIA') and by the German Geological Mission ('GGM') in the 1970's.
7. Significant geophysical and geochemical anomalies have been defined. Many of these anomalies were not investigated with drilling at the time, and none have been verified by modern geochemical or geophysics programs, which are now exponentially more sensitive and accurate than the techniques of the 20th Century.
8. Evidence of long-lived extensive longitudinal and cross faulting in the concession area, which are considered by most previous workers and reviewers to be a major key to controlling the base metals mineralisation in the district.

2. Bawdwin Exploration Background

The Bawdwin project is unique in that very little exploration drilling has been undertaken on the project in the past. The last drilling program was completed in 1983, 27 years before the open pit mining ceased production.

The geometry and metal grade of the three main Pb-Zn-Ag lodes (Chinaman, Shan and Meingtha) was established and well documented during the first period of modern mining at Bawdwin in the late 1800's to the early 1900's, following the extensive Chinese period of

underground mining. The long history of the mine, strong understanding of the base metal lodes, host geology and structure and the rich metal grades all contributed to the lack of modern exploration through much of the 1900's. This was further exacerbated by provision of a long-term mine plan (>20 years at any one time) which did not need to be continuously extended by defining new ore sources with prospecting and exploration

The lack of modern exploration provides an opportunity for MYL and its partners to review and prioritise all Pb-Zn-Ag prospects which were defined historically and to apply modern exploration techniques to these prospects for the first time, aimed at the discovery of new minerals deposits

The application of electrical geophysics (Electromagnetics, Induced Polarisation, Controlled Source AMT) has been employed throughout much of the world in the past 50 years and has been highly successful in the discovery and prospect-scale delineation of base metals (Pb, Zn, Ag, and Cu) deposits. There have not been any modern electrical geophysics surveys completed at Bawdwin, with the last published survey being a Sirotem EM survey in the 1950's.

The application of modern core drilling to define sub-surface geology and structure, combined with downhole geophysics and specialist logging techniques has resulted in a wealth of information being obtained from single drill holes. The ability to use this information to plan follow up programs quickly and efficiently has resulted in large cost savings compared to historical drilling methods.

Large VMS base metals deposits, with similarities to Bawdwin, occur throughout the world with variable metal types and grade. Some deposits are lead, silver and zinc rich, while others are copper rich and may have gold associated with them, separate from the lead and zinc, but in the same region.

The Bawdwin region does not have any history of gold exploration and this may be considered in future programs.

The Bawdwin deposit also contains significant amounts of primary copper mineralisation which has not been exploited in the past due to processing issues. The 2017 Bawdwin Inferred Mineral Resource contains an estimate for copper resources contained in the lodes and the Company therefore intends to explore for copper as well as other base metals mineralisation in future exploration programs.

3. Previous Exploration Programs and Reviews

A desktop and field review of the historical Bawdwin exploration programs has been completed.

The current exploration database comprises a limited number of hardcopy and digital reports containing plans and diagrams and no digital database exists. The review of the historical hardcopy data supports a full conversion of the available data held on site into digital formats for analysis with 3D GIS computer software. This analysis can then be used to categorise and prioritise all exploration targets and to define detailed programs and budgets.



Bawdwin Concession – Location of Exploration Targets. Image: Valentis Services

Several geological mapping programs have been completed at Bawdwin and although the quality of the mapping is generally high, none of this data has been digitally captured for use in vector form, apart from direct scans.

No modern geophysics or geochemistry programs have been undertaken at Bawdwin since 1958.

A total of only 30 regional exploration drill holes (i.e. not targeting the Chinaman, Shan or Meingtha lodes or extensions to them) have been completed intermittently at Bawdwin over a 27-year period from 1956 to 1983 and no exploration drilling has been undertaken since 1983.



Oxidised base metal sulphides in a historical adit, Gold Hole Valley. Image: Valentis Services

Summary

This background serves to confirm the massive and completely untapped exploration potential that exists at Bawdwin.

The Company looks forward to being able to plan and undertake significant exploration programs in the future. This will provide a long-term mining future to not only the Company and its investors but also to the people of Myanmar and in particular the local community at Bawdwin.

Update on Current Drilling Program

MYL is also please to confirm that the current 5,000 metre RC and Diamond drilling program aimed at upgrading the classification of the open-pittable part of the Bawdwin resource to "Indicated" in accordance with the JORC Code 2012 edition is progressing well with first assays to be reported shortly.



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Forward Looking Statements

The announcement 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.

Competent Persons Statement

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The Information contained in this announcement has been presented in accordance with the JORC Code. The information in this report that relates to Geology and Exploration Results is based, and fairly reflects, information compiled by Mr Geoff Lowe, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Lowe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Lowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.