



MYANMAR METALS^{LTD}
Suite 1, 9 Havelock Street
West Perth 6005 Western Australia
West Perth 6872 Western Australia

25 August 2021

Dear Shareholder

2021 General Meeting

Myanmar Metals Limited (ASX: MYL) (MYL or the Company) advises that a General Meeting (Meeting) will be held in person at Level 8, Exchange Tower, 2 The Esplanade, Perth, 6000, Western Australia on Friday, 24 September 2021 at 11:00am (AWST).

In accordance with the Corporations Act 2001 (Cth) as amended by The Treasury Laws Amendment (2021 Measures No. 1) Bill 2021, the Company will not be sending hard copies of the Notice of General and Explanatory Memorandum to Shareholders. Instead, Shareholders can view and download the Notice of General Meeting and accompanying Explanatory Memorandum on the Company's website at <https://myanmarmetals.com.au/> or from the ASX website at www.asx.com.au.

With regards to the COVID-19 pandemic, the Company will adhere to all social distancing measures prescribed by government authorities at the Meeting, and Shareholders attending the Meeting will need to ensure they comply with the protocols. We are concerned for the safety and health of Shareholders, staff and advisers, so we will put in place certain measures including social distancing requirements.

If Shareholders wish to attend the Meeting they will need to contact the Company Secretary by email at info@myanmarmetals.com.au, in order for the Company to ensure it is able to maintain compliance with COVID-19 related restrictions applicable as at the Meeting date.

Please contact the Company should you be unable to attend the Meeting physically but wish to have the opportunity to participate.

As a precaution in relation to COVID-19, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Meeting.

Shareholders are strongly encouraged to vote by lodging the proxy form attached to this letter, in accordance with the instructions set out in the proxy form, by no later than 11:00am (AWST) on Wednesday, 22 September 2021 (being at least 48 hours before the Meeting).

Yours sincerely

Rowan Caren
Company Secretary

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MYANMAR METALS LIMITED

ACN 124 943 728

NOTICE OF MEETING

**A General Meeting of the Company will be held at Level 8,
Exchange Tower, 2 The Esplanade, Perth, 6000, Western
Australia on Friday 24 September 2021 at 11 am (AWST)**

The Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their broker, investment adviser, accountant, solicitor or other professional adviser prior to voting.

**Should you wish to discuss any matter please do not hesitate to contact the Company Secretary,
Rowan Caren, by telephone on +61 8 6147 8100.**

MYANMAR METALS LIMITED

ACN 124 943 728

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Myanmar Metals Limited (**Company**) will be held at Level 8, Exchange Tower, 2 The Esplanade, Perth, 6000, Western Australia on Friday 24 September 2021 at 11 am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice. We recommend shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday 22 September 2021 at 5pm (AWST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

Trading of the Company's securities on ASX remains in voluntary suspension, pending discussions with ASX regarding reinstatement to quotation following the announcement dated 17 August 2021 titled "MYL Enters into Binding Agreements for Divestment of Bawdwin Interest".

AGENDA

1. Resolution 1 – Approval of Disposal of Main Undertaking

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 11.2 and for all other purposes, Shareholders approve and authorise the Company to dispose of the Company's interest in the Bawdwin Project, being its main undertaking, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the acquirer of the Company's main undertaking and any other person who will obtain a material benefit as a result of the disposal of the Company's main undertaking (except a benefit solely in their capacity as a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, the Company will not disregard a vote if it is cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution in that way;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. Resolution 2 – Approval of Consolidation

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

"That, subject to shareholders approving Resolution 1 and pursuant to and in accordance with section 254H of the Corporations Act, the Listing Rules and the Constitution and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:

- (a) every 10 Shares be consolidated into 1 Share; and
- (b) all Options on issue be consolidated in accordance with Listing Rule 7.22.1,

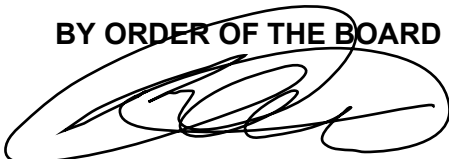
and where this consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction up or down to the nearest whole number."

3. Resolution 3 – Change of Company Name

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a **special resolution**:

"That, subject to shareholders approving Resolution 1 and pursuant to and in accordance with section 157(1) of the Corporations Act for all other purposes, Shareholders adopt Mallee Resources Limited as the new name of the Company on the terms and conditions in the Explanatory Memorandum."

BY ORDER OF THE BOARD



Rowan Caren
Company Secretary

Dated: 25 August 2021

MYANMAR METALS LIMITED

ACN 124 943 728

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 8, Exchange Tower, 2 The Esplanade, Perth, 6000, Western Australia on Friday 24 September 2021 at 11am (AWST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice.

The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 – Approval of Disposal of Main Undertaking
Section 4	Resolution 2 – Approval of Consolidation
Section 5	Resolution 3 – Change of Company Name
Schedule 1	Definitions
Schedule 2	Pro Forma Balance Sheet (unaudited)

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with this Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited to attend the Meeting at the place, date and time set out above or, if they are unable to attend the Meeting, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11am (AWST) Wednesday 22 September 2021, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Resolution 1 – Approval of Disposal of Main Undertaking

3.1 Background

The Company acquired an option in relation to the Bawdwin Mine Project (**Project**) in 2017 and exercised that option to acquire its interest in the Project in 2018. Since then, the Company has significantly advanced the proposed Bawdwin Mine development through multiple technical studies. As part of these activities, the Company, either directly or via its wholly-owned Myanmar operating subsidiary, Bright Mountain Resources Myanmar Co., Ltd. (**BMR**), entered into:

- (a) an option agreement on 22 May 2017, pursuant to which the Company acquired an option in relation to the Project (**Option Agreement**);
- (b) an operating agreement on 13 June 2018, pursuant to which an unincorporated joint venture was established in respect of the Project, whereby the Company acquired an interest in the Project via BMR’s participation in the joint venture and the Company agreed to various obligations pursuant to the joint-venture nature of the Project (**Operating Agreement**); and
- (c) a “Deed Regarding the Role of BJV Company Limited and Related Obligations – Bawdwin Joint Venture” on 15 September 2020, pursuant to which BJV Co., Ltd. (**BJV**) was designated as the intended incorporated joint venture vehicle for future phases of the project and the joint venture participants agreed to vary the terms of the Operating Agreement (**Side Deed**).

The mineral permitting framework in Myanmar is administered by the Ministry of Natural Resources and Environmental Conservation (**MONREC**) under mining legislation. A separate layer of investment permitting also applies to mineral production projects under investment laws. Investment permitting is administered by the Myanmar Investment Commission (**MIC**).

MONREC implements much of the practical granting and administration of mineral production permits – including the collection of the government share under fiscal regimes - via State-owned enterprises controlled by MONREC. Mining Enterprise No. 1 (**ME1**) is the relevant MONREC-controlled State-owned enterprise for the Project.

The current concession for the Project comprises a Production Sharing Agreement between Win Myint Mo Industries Co. Ltd. (**WMM**) and ME1.

The Company’s interest in the Bawdwin Project is held via BMR. BMR is a participant in a legally binding contractual joint venture arrangement with WMM, and EAP Global Mining Co., Ltd. (**EAP Global**) under the Operating Agreement. BMR (and consequently the Company) and EAP Global are required to fund a Definitive Study (**Study**) and BMR (via the Company) is required to procure binding commitments for financing of the future development of the Project. Definitive financial estimates cannot be determined at this time and BMR and EAP Global therefore cannot complete the Study at this time. The requirement to complete the Study is subject to a timeline which has been extended until December 2021 due to events beyond the reasonable control of BMR and EAP Global.

The Project joint venture has principally been operated through BJV as an operating, services and procurement vehicle. Shares in BJV are held as follows:

	No.	%
BMR	51,000	51
WMM	24,500	24.5
EAP Global	24,500	24.5
	100,000	100

For further information on the Project, please refer to the Company's website and announcements on the ASX platform.

By way of summary, the following key project milestones have been achieved over the past four years.

ASX Release Date	Milestone
24 May 2017	Myanmar Metals secured option over Bawdwin project
17 October 2017	Maiden JORC Inferred Resource estimate 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.
19 December 2017	Scoping Study completed
28 March 2018	Secured EAP Global, a company with strong affiliations to one of Myanmar's largest and most respected industrial companies, as a project-level investor
19 June 2018	Myanmar Metals exercised its option to acquire a 51% participating interest in Bawdwin
20 September 2018	China Pit Scoping Study completed
6 May 2019	PFS Completed. Declaration of maiden JORC Probable Ore Reserve of 18.4 Mt at 6.4% lead, 169g/t silver and 3.4% zinc
22 March 2021	Updated Indicated and Inferred Mineral Resource estimate of 100.8 Mt at 4.0% Pb, 3.1 Oz/t (97 g/t) Ag, 1.9% Zn and 0.2% Cu

A State of Emergency (**SOE**) was imposed in Myanmar on 1 February 2021. The State Administration Council (**SAC**), established on 2 February 2021, served as the highest executive and administrative authority in Myanmar from 2 February until 1 August 2021. On 1 August 2021, the SAC declared and appointed itself as the "Provisional Government of the Republic of the Union of Myanmar" (**PGOM**). Since early February 2021, new Ministers and senior officials have been appointed to a large number of Ministerial and public service roles, including at MONREC. As part of that process, in March 2021 the MIC was reconstituted.

Opposition to the SAC/PGOM, and the security measures it has implemented in response to protests and the civil disobedience movement, has escalated. A number of small civilian militia resistance groups have formed around Myanmar leading to open armed conflicts and resistance Pro-SAC/military civilian militia groups have also recently increased activities in response to the anti-SAC civilian militias. There are also clashes amongst ethnic armed organizations (EAOs), and between the EAOs and the Myanmar military - particularly in northern Shan State (where the Project is located).

Prior to the imposition of the SOE, the Company was confident that the approval process for the Project was progressing in a positive direction and that a conclusion to the process was imminent. The Company had briefed the previous MIC Chairman, in the presence of the Australian Ambassador to Myanmar, on the project as recently as 28 January 2021. Subsequent to February 1, 2021, the Company has communicated with officials from MONREC in respect of approval for the proposed new Production Sharing Agreement (**PSA**) for the Project, which would underlay an application for an investment permit from the MIC in respect of the intended development of the Project. The negotiations have not materially progressed since that time.

In addition, a further wave of COVID-19 is impacting the region and has had a very serious impact on Myanmar since late July. Definitive figures are difficult to identify due to limits on availability of data. The effect of the continuing civil disobedience movement – as well as the heightened level of security incidents and instability - on public health infrastructure and services has significantly exacerbated the situation in Myanmar

The Company has undertaken a detailed review of its assets and operations in Myanmar. The Board has formed a view that the procurement of project finance in the near term by the Company would be extremely problematic and realistically unlikely. Furthermore, progress to the next approval stage – granting of a foreign investment permit by the MIC – would require that the Company evidence sources of adequate funding for the project to the Myanmar Government.

Consequently, the Board considers that the Company can neither progress, nor indefinitely sustain its Myanmar operations without the realistic prospect of further and ongoing funding.

Having undertaken the detailed review, the Board considered the objective of maximising shareholder value in light of the:

- (d) heightened operating risks in Myanmar;
- (e) low likelihood of being able to raise the project finance required; and
- (f) other stakeholder issues.

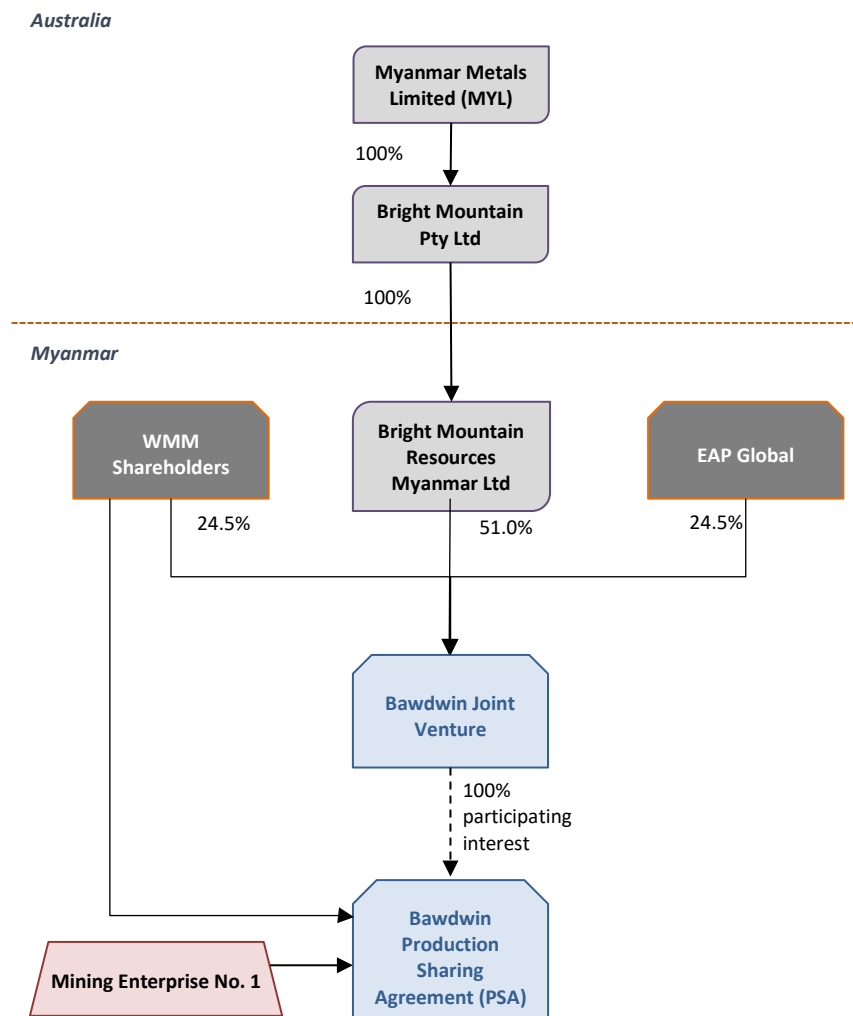
The Company has previously advised that it had made the decision to seek to exit from Myanmar and the Project and undertook to evaluate international and in-country interest in acquiring the Project.

For further information on the above, please refer to the Company's Quarterly Activities report dated 21 July 2021.

On 16 June 2021, the Company advised that it had received a non-binding, conditional proposal from Yintai Gold Co. Ltd. (**Yintai**) to acquire all of the ordinary shares on issue in the Company for a cash consideration of A\$0.035 per share, representing a total consideration of A\$66.5 million (the **Yintai Proposal**). It is important to note that at this time there has been no formal offer from Yintai capable of being accepted by MYL shareholders, nor is it certain that a formal offer capable of acceptance will be made. Given the number of conditions imposed by Yintai in relation to provision of an offer - including a site visit, the completion of further legal, technical and financial due diligence to Yintai's satisfaction and final internal investment approvals - there is no guarantee that a formal offer will be made by Yintai. It should be noted that site based due diligence enquiries may present a logistical challenge at this time due to the political situation in Myanmar and restrictions on travel due to the COVID-19 pandemic.

Whilst the Company welcomes Yintai's interest and has assisted in its due diligence and approval processes, the Board considers that the Yintai Proposal may take significant time to complete and is highly uncertain in terms of outcome. Yintai has not yet undertaken a site visit.

3.2 Project ownership structure



3.3 Transaction

On 17 August 2021 the Company announced details of a binding transaction to divest its interests in the Bawdwin project to WMM. The Company together with:

- BMR;
- the majority shareholders of WMM (being the **Majority Holders**);
- WMM;
- BJV; and
- EAP Global and its related company, East Asia Power (Mining) Co., Ltd. (**EAP Mining**),

(together, the **Parties**) has entered into definitive agreements to transfer certain of its interests in the Project to WMM and to terminate Project agreements for a total consideration of US\$30,000,000 conditional on Shareholder approval and any other required regulatory approvals (the **Transaction**). As at the date of this Notice, the Company is not aware of any other regulatory approvals that will be required.

The Transaction is comprised of the following agreements:

- Firstly, the “Binding Agreement - Bawdwin Option Agreement and Related Agreements and Making of Associated Payments” between the Parties (other than EAP Global and BJV) (**Binding Agreement - Option Agreement**).

Under the Binding Agreement - Option Agreement, the Company will receive US\$16,875,000 in reimbursement of expenditures by the Company and BMR in

respect of the Project. This payment will be made as consideration for the termination of the Option Agreement and other agreements related to the Option Agreement and the initial grant and exercise of the Company's option to acquire an interest in the Project. The Company and BMR confirm that upon receipt of the payment of US\$16.875 million neither of them will have any continuing rights or interests pursuant to the Project save for those under the Operating Agreement and the Side Deed (which rights are in turn subject to the Binding Agreement – Operation Agreement, as detailed below).

- (b) Secondly, the “Binding Agreement - Bawdwin Operating Agreement and Transfer of IP” between the Parties (other than EAP Mining) (**Binding Agreement - Operating Agreement**).

Under the Binding Agreement - Operating Agreement:

- (a) BMR will receive a total of US\$13,125,000 comprised of:
- (i) US\$51,000 from WMM as consideration for the sale to it of all the BJV shares held by BMR; and
 - (ii) US\$13,074,000 from BJV in relation to outstanding loans made by BMR to the Project (as provided to, and utilised by, BJV on behalf of the Project);
- (b) BMR will transfer all of its shares in BJV to WMM;
- (c) the Company, BMR and EAP Global will confirm the transfer of all rights and interests held by any of them in the intellectual property related to the Project (**Project Intellectual Property**) to BJV, and BJV will in turn transfer all rights and interests held by it in the Project Intellectual Property to WMM;
- (d) the Operating Agreement and the Side Deed will be terminated; and
- (e) the Company and BMR confirm that on termination of the Operating Agreement and Side Deed neither of them will have any continuing rights or interests in the Project save for those under the Option Agreement (which rights are in turn subject to the Binding Agreement – Option Agreement, as detailed above).

The Company will have no interest in or obligations relating to the Project following completion of the Transaction (**Completion**).

Please see Section 3.4 for an explanation of the consequences of Resolution 1 being approved or not approved.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

3.4 Listing Rule 11.2

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to dispose of its main undertaking. The Transaction is a disposal of the Company's main undertaking for these purposes.

Resolution 1 seeks the required shareholder approval to the Transaction under and for the purposes of Listing Rule 11.2.

If Resolution 1 is passed and the other conditions precedent to the Transaction (described below) are satisfied or waived, the Company will be able to proceed with the Transaction and:

- (a) MYL will receive a total of US\$16,875,000;
- (b) BMR will receive a total of US\$13,125,000;
- (c) within 40 Business Days, the Company will no longer have funding obligations in the Project; and
- (d) the Company will no longer have an interest in the Project.

Refer to Section 3.6 for further details regarding the material terms of the Transaction.

If Resolution 1 is not passed, the Company will not be able to proceed with the Transaction and:

- (a) the Company will maintain its interest in the Project;
- (b) the Company will have to continue to fund the Project;
- (c) there will be no certainty as to when, or if, permitting processes for the Project can be completed; and
- (d) the Company may seek alternative opportunities to dispose of the Project.

3.5 Advantages and disadvantages of the Transaction

The Board believes that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Board considers that the certainty and relatively short time to completion offered by the Transaction is a compelling reason to recommend it to Shareholders;
- (b) the Company will be able to focus on, and apply the proceeds from the Transaction towards sourcing new opportunities which the Board believes will add value to Shareholders;
- (c) the Company's future operations will not be reliant upon obtaining key permits and approvals in an increasingly challenging operating environment in Myanmar;
- (d) the Transaction will have no dilutionary impact on Shareholders;
- (e) the Company can preserve its existing cash resources (US\$11.4 million at 30 June 2021) rather than continue to contribute funding to the Project;
- (f) the Company will not exhaust its existing cash resources on a project that it does not expect to be able to develop (either within reasonable timeframes or at all);
- (g) the Company can exit from a region with high political uncertainty and difficult access to project finance; and
- (h) If the Company's securities remain suspended on ASX for a continuous period of greater than two years, the Company will be removed from the official list of ASX.

The Board believes that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Transaction involves the Company disposing of its main undertaking, which may not be consistent with the investment objectives of all Shareholders;
- (b) approximately US\$13,125,000 of the consideration will be received by BMR, the Company's Myanmar subsidiary. The Company and BMR will then seek to repatriate those funds to Australia. This process may take an extended period of time to complete due to the operating environment in Myanmar;
- (c) if the Resolution is passed, it is anticipated that the Yintai Proposal will not proceed; and
- (d) if the Company enters into any subsequent transaction, it is likely to need to re-comply with Chapters 1 and 2 of the Listing Rules, which will entail significant associated re-compliance costs.

3.6 Specific information required by ASX

Pursuant to and in accordance with section 7.2 of ASX Guidance Note 12, the following information is provided in relation to Resolution 1.

(a) **Parties**

The parties to the Transaction are the Company, BMR, WMM, BJV, the Majority Holders, EAP Global and EAP Mining.

(b) **Material terms**

The material terms of the Transaction are as follows:

(i) **(conditions precedent)** Completion is conditional on the satisfaction or waiver of the following conditions:

- (A) shareholders of the Company approving the Transaction;
- (B) all other necessary statutory and regulatory approvals for the Transaction being obtained,

(together, **Conditions Precedent**). The date of satisfaction or waiver of the Conditions Precedent is the **Effective Date**;

(ii) **(Project Intellectual Property)** under the Binding Agreement - Operating Agreement, as consideration for the transfer of the Project Intellectual Property from BJV to WMM, BJV will receive US\$22,610,210 from WMM in the following two tranches:

- (A) US\$13,074,000 within 40 Business Days of the Effective Date (**First IP Transfer Payment Date**); and
- (B) US\$9,536,210 within 40 Business Days of the Effective Date (**Second IP Transfer Date**);

The First IP Transfer Payment Date and the Second IP Transfer Payments date may occur on the same date or different dates during the 40 Business Day period.

(iii) **(consideration)** as consideration for the Transaction:

(A) under the Binding Agreement - Option Agreement, the Company will receive a total of US\$16,875,000 from WMM (**Payment**), being comprised of:

- (1) US\$14,662,500 as reimbursement for the consideration and fees paid by the Company to WMM in relation to the Company's initial acquisition of an interest in the Project;
- (2) US\$1,907,444 as reimbursement of the initial expenditure by the Company and BMR in relation to funding of the Project; and
- (3) US\$305,056 as payment in satisfaction of an obligation to make payments and reimbursements of acquisition, holding and management costs and other expenditure incurred by BMR,

within 40 Business Days of the Effective Date. The date when the Payment has been received is the **Settlement Amount Receipt Date**;

(B) under the Binding Agreement - Operating Agreement, BMR will receive a total of US\$13,125,000, being comprised of:

- (1) US\$51,000 from WMM as consideration for the sale to it of the shares BMR holds in BJV following the First IP Transfer Payment Date; and
- (2) US\$13,074,000 from BJV in relation to a loan from BMR to BJV, in the following two tranches:

- (i) US\$3,537,790 following the First IP Transfer Payment Date; and
 - (ii) US\$9,536,210 following the Second IP Transfer Payment Date.

(together, the **BMR Loan**);
- (iv) (**Completion**) Completion will occur within five Business Days of the Second IP Transfer Date;
- (v) (**warranties**) the Company, BMR and EAP Global have given customary warranties for a transaction of this nature;
- (vi) (**indemnities**) the Company, BMR and EAP Global have agreed to provide specific indemnities to WMM that reflect a transaction of this nature with the customary indemnity clause carve-outs for losses sustained due to actions or omissions by WMM;
- (vii) (**release**):
 - (A) the Binding Agreement - Option Agreement provides that the Option Agreement and any related agreements are terminated after Payment; and
 - (B) the Binding Agreement - Operating Agreement provides that the Company and BMR are released from all obligations relating to the Operating Agreement, the Side Deed and any related agreements subject to:
 - (1) repayment of the BMR Loan and loan monies owed to EAP Global;
 - (2) transfer of Project Intellectual Property to WMM; and
 - (3) assignment of relevant third party and material contracts to WMM;
- (viii) (**termination**):
 - (A) the Binding Agreement - Option Agreement and Binding Agreement - Operating Agreement will be automatically terminated if the Conditions Precedent have not been satisfied or waived on or before:
 - (1) 16 November 2021 in respect of the Binding Agreement - Option Agreement, being the date that is three months after execution of the Binding Agreement - Option Agreement; and
 - (2) 16 October 2021 in respect to the Binding Agreement - Operating Agreement, being the date that is two months after execution of the Binding Agreement - Operating Agreement (subject to extension for delay caused by any reason beyond MYL's reasonable control),
 - (B) the Binding Agreement - Option Agreement may be terminated by WMM and EAP Mining at any time if MYL or BMR is in material breach of its obligations
 - (C) the Binding Agreement - Operating Agreement may be terminated by WMM and EAP Global at any time if MYL or BMR is in material breach of its obligations
 - (D) the Binding Agreement - Option Agreement may be terminated by the Company, before the Expiry Date, if WMM or the Majority Holders are in breach of their obligations; and

- (E) the Binding Agreement - Operating Agreement may be terminated by BMR at any time before the Settlement Amount Receipt Date, if WMM or EAP Global are in material breach of their obligations

(c) **Financial effect on the Company**

A pro-forma balance sheet has been prepared based on the Company's consolidated balance sheet for the year ending 31 December 2020 which sets out the financial effects the Transaction is expected to have on the Company and is included as Schedule 2.

The table below shows the impact of the Transaction on various key financial metrics.

	Pre-Transaction 31/12/2020	Transaction impact 31/12/2020	Post-Transaction 31/12/2020
Consolidated total assets (A\$)	\$41,277,295	\$11,612,184	\$52,889,479
Total equity interests (A\$)	-\$39,762,690	-\$11,612,184	-\$51,374,874
Consolidated half-year income (A\$)	-\$172,196	-\$15,583,390	-\$15,755,586
Half-year expenditure (A\$)	\$4,739,688		\$4,739,688
Half Year profit / (loss) before tax (A\$)	\$4,567,492		\$4,567,492

(d) **Effect on interests of security holders**

The Transaction will not impact the capital structure of the Company or the holdings of security holders in the Company, other than the Consolidation contemplated in Resolution 2.

(e) **Change to business model**

Following Completion, the Company intends to identify and acquire a suitable new main undertaking.

Listing Rule 12.1 requires that an entity's operations are sufficient to continue quotation of its securities and its listing.

Trading of the Company's securities on ASX remains suspended and the Company is aware that, following the acquisition of a new undertaking, it will need to comply with Chapters 1 and 2 of the Listing Rules.

(f) **Use of proceeds**

The Company and its subsidiary, BMR, will receive a cash payment of US\$30,000,000 (equivalent to A\$41,666,667, using an exchange rate of 0.72 current as at the date of preparation of the Notice) on Completion. Funds received will be used to identify and acquire a suitable new main undertaking or undertakings and for working capital purposes.

(g) **Changes to Board or senior management**

The Company does not propose to make any changes to the Board or senior management in connection with, or as a consequence of, the Transaction.

(h) **Timetable**

The timetable for implementing the Transaction is detailed below:

Event	Date
Company shareholder meeting	24 September 2021
Last day to satisfy conditions precedent under Binding Agreement – Operating Agreement (unless extended pursuant to the terms thereof)	16 October 2021
Last day to satisfy conditions precedent under Binding Agreement – Option Agreement (unless otherwise agreed in writing)	16 November 2021
Proposed Transaction completion	26 November 2021

(i) **Notice**

ASX takes no responsibility for the content of the Notice.

3.7 Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolution 1.

3.8 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

4. Resolution 2 – Approval of Consolidation

4.1 General

Resolution 2 seeks Shareholder approval for the consolidation of Shares and Options on issue on a 1 for 10 basis (**Consolidation**).

As at the date of this Notice, the Company has 1,901,109,600 Shares and 53,000,000 Options on issue. The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and the Board considers that the Consolidation is important and necessary as it continues to progress its business operations. The Company has a large number of shares on issue due to historical equity-based capital raisings that have provided the working capital to explore and develop the Project and other projects explored by the Company since incorporation. The Company believes the Consolidation will provide the best platform for continued growth, a capital structure that is more in line with the Company's size and a share price level that is more attractive to institutional investors.

Subject to Shareholder approval, the effective date for the Consolidation will be 27 September 2021.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

4.2 Corporations Act and Listing Rules requirements

Section 254H of the Corporations Act provides that a Company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio.

4.3 Effect of Resolution 2 to Shareholders

The Company has 1,901,109,600 Shares on issue at the date of this Notice.

The Consolidation proposed by Resolution 2 will have the effect of reducing the number of shares on issue to approximately 190,110,960 Shares. Individual holdings will be reduced in accordance with the Consolidation ratio.

The Consolidation applies equally to all members (subject only to the rounding of fractions), therefore, it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change solely as a result of the Consolidation as the only anticipated changes, which will be a result of rounding, will be immaterial.

Theoretically, the market price of each share following the Consolidation should increase by 10 times its current value. Practically, the actual effect on the market price of each share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

4.4 Effect of Resolution 2 to Optionholders

The Company has 53,000,000 Options on issue at the date of this Notice.

If the Consolidation is approved, the Company's Options will be reorganised in accordance with their terms and conditions and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the shares and the exercise price will be amended in inverse proportion to that ratio. The expiry dates of Options will not change.

For example, a holding of 1,000,000 Options with an exercise price of \$0.06 each prior to the share consolidation would result in a holding of 100,000 options with an exercise of \$0.60 each after the Consolidation.

After the Consolidation, assuming none of the Options are exercised there will be unlisted Options, comprising approximately (subject to rounding):

- (a) 4,000,000 exercisable at \$0.678, each on or before 15 June 2022; and
- (b) 1,300,000 exercisable at \$0.65, each on or before 7 November 2022,

The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options.

4.5 Fractional entitlements

Not all Shareholders and holders of Options will hold a number of Shares or Options which can be evenly divided by 10. Where a fractional entitlement occurs, the Company will round the fraction up or down to the nearest whole number, with entitlements to less than half of a Share or Option rounded down.

4.6 Taxation

It is not considered that any taxation implications will arise for Shareholders or holders of Options from the Consolidation. However, Shareholders and holders of Options are advised to seek their own tax advice on the effect of the Consolidation. The Company, the Directors and their advisers do not accept any responsibility for the individual taxation implications arising from the Consolidation or the other proposed Resolutions.

4.7 Holding Statements

Holding statements for previously quoted Shares will cease to have any effect from the date of the Consolidation, except as evidence of an entitlement to a certain number of Shares on a post Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares proposed to be quoted to be issued to holders of those Shares.

It is the responsibility of each Shareholder to check the number of Shares held prior to subsequent disposal.

4.8 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 will only be considered if Resolution 1 is passed by shareholders.

5. Resolution 3 – Change of Company Name

5.1 General

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

Resolution 3 seeks Shareholder approval for the change of name of the Company to [Mallee Resources] Limited.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The change of name will take effect on the date that ASIC alters the details of the Company's registration.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

5.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 will only be considered if Resolution 1 is passed by shareholders.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

AU\$ or **\$** means Australian Dollars.

ASIC means the Australian Securities and Investment Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Binding Agreement - Operating Agreement has the meaning given in Section 3.3

Binding Agreement - Option Agreement has the meaning given in Section 3.3.

BJV means BJV Company Limited.

BMR Loan has the meaning given in Section 3.6.

BMR means Bright Mountain Resources Myanmar Ltd

Business Day means a day other than a Saturday, Sunday or official public holiday in Myanmar.

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Company means Myanmar Metals Limited ACN 124 943 728.

Completion has the meaning given in Section 3.3.

Conditions Precedent has the meaning given in Section 3.6.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

EAO means ethnic armed organisation.

EAP Global means EAP Global Mining Co Ltd.

EAP Mining means East Asia Power (Mining) Co., Ltd.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

First IP Transfer Payment has the meaning given in Section 3.6.

Listing Rules means the listing rules of ASX.

Majority Holders means the majority shareholders of WMM.

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

MIC means the Myanmar Investments Commission.

MONREC means the Myanmar Ministry of Natural Resources and Environmental Conservation.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Operating Agreement has the meaning given in Section 3.1.

Option Agreement has the meaning given in Section 3.1.

Option means any option to acquire a Share.

Parties has the meaning given in Section 3.3.

Project has the meaning given in Section 3.1.

Project Intellectual Property has the meaning given in Section 3.3.

Proxy Form means the proxy form attached to the Notice.

PSA has the meaning given in Section 3.1.

Resolution means a resolution proposed pursuant to the Notice.

SAC means the Myanmar State Administration Council.

Schedule means a schedule to this Explanatory Memorandum.

Second IP Transfer Payment has the meaning given in Section 3.6.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Side Deed has the meaning given in Section 3.1.

State of Emergency or **SOE** has the meaning given in Section 3.1.

Transaction has the meaning given in Section 3.3.

US\$ means United States dollars.

WMM means Win Myint Mo Industries Co Limited.

Yintai has the meaning given in Section 3.1.

Yintai Proposal has the meaning given in Section 3.1.

Schedule 2 – Pro Forma Balance Sheet (unaudited)

As at 31 December 2020

Consolidated Balance Sheet	31 Dec 2020	Transactional impact	Post transaction
CURRENT ASSETS			
Cash and cash equivalents	15,958,813	39,959,730	55,918,543
Trade and other receivables	221,291		221,291
Total Current Assets	16,180,104	39,959,730	56,139,834
NON-CURRENT ASSETS			
Trade and other receivables	4,936,779	(8,767,549)	(3,830,770)
Plant and equipment	99,529		99,529
Investments	-		-
Right of use Asset	238,759		238,759
Exploration and evaluation assets	19,822,124	(19,579,997)	242,127
Total Non-current Assets	25,097,191	(28,347,546)	(3,250,355)
TOTAL ASSETS	41,277,295	11,612,184	52,889,479
CURRENT LIABILITIES			
Trade and other payables	(1,076,625)		(1,076,625)
Lease liability	(80,060)		(80,060)
Provisions	(206,156)		(206,156)
Total Current Liabilities	(1,362,841)	-	(1,362,841)
NON-CURRENT LIABILITIES			
Provisions	-		-
Lease liability	(151,764)		(151,764)
Total Non-Current Liabilities	(151,764)	-	(151,764)
TOTAL LIABILITIES	(1,514,605)	-	(1,514,605)
NET ASSETS	39,762,690	11,612,184	51,374,874
SHAREHOLDERS' EQUITY			
Share Capital	(102,320,558)	99,703	(102,220,855)
Other Contributed Equity	(777,194)		(777,194)
Reserves	(2,208,804)	3,871,503	1,662,699
Retained Losses - Current PL	4,567,492	(15,583,390)	(11,015,898)
Retained Losses	60,976,374		60,976,374
TOTAL SHAREHOLDERS' EQUITY	(39,762,690)	(11,612,184)	(51,374,874)



Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Myanmar Metals Limited | ACN 124 943 728

Your proxy voting instruction must be received by **11.00am (AWST) on Wednesday, 22 September 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

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Sydney NSW 2001

IN PERSON:

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Sydney NSW 2000

BY EMAIL:

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