MYANMAR METALS LTD

ASX ANNOUNCEMENT

Date 6 May 2019
ASX Code: **MYL**

BOARD OF DIRECTORS

Mr. John Lamb
Executive Chairman, CEO

Mr. Rowan Caren
Executive Director

Mr. Jeff Moore
Non-Executive Director

Mr. Paul Arndt
Non-Executive Director

Mr. Bruce Goulds
Non-Executive Director

ISSUED CAPITAL

Shares	1,276 m.
Listed options	183 m.
Unlisted Options	49 m.

OUTSTANDING BAWDWIN PFS RESULTS AND MAIDEN RESERVE DECLARED

Highlights

High-grade 13 year Starter Pit

- Phase 1 of mining operations at Bawdwin, a 13 year Starter Pit, will set Bawdwin up to be a world leading producer of lead and silver as well as a significant zinc producer
- 24.7 Mt of mineralised material will be mined and processed, grading 6.4% Pb, 168g/t Ag and 3.2% Zn, while leaving the bulk of the Bawdwin project Mineral Resource un-mined

Strong project economics

- Robust Starter Pit economics with a pre corporate tax Net Present Value (8% real discount rate) of US$ 580 million / A$ 828 million (100% basis)[1] and Internal Rate of Return of 30%[2]
- Payback Period of 4 years

Low cost operations

- Low capital expenditure, US$ 267 million with additional US$33 million of contingency, for delivery of world class project
- Total operating costs of US$ 108 / t processed, within the lowest quartile of cost curve[3]

Maiden Ore Reserve declared

- Declaration of maiden JORC Probable Ore Reserve of 18.4 Mt at 6.4% lead, 169g/t silver and 3.4% zinc representing 74% of the total production from the Starter Pit

Re-development on track

- Delivery of PFS now enables offtake and project financing discussions
- Potential to commence pilot scale mining operations on the Bawdwin Mining Concession in 2019 ahead of full scale mining operations in 2021
- Scoping study on the first two underground mining operations is underway

Investor teleconference

- See page 8 for details regarding the investor teleconference

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[1] *MYL holds a 51% participating interest in the Bawdwin project. Converted to AUD at AUD:USD 0.70.*

[2] *Net present value and internal rate of return presented pre corporate tax and MYL corporate overheads but post royalties and production sharing taxation*

[3] *Based on data sourced from S&P Global Market Intelligence (S&P MI) as at 10 April 2019. Zinc cost curve with by-product credits applied.*

Cautionary Statement

74% of the material included in the current mining schedule for the Bawdwin Pre-Feasibility Study (**PFS**) is included in Probable Ore Reserves. However, the remainder is currently included in Inferred Mineral Resources, with no reduction factor applied to the tonnes and grades of the Inferred Mineral Resources. Over the 4 year project payback period 92% of the processed material will be from Probable Ore Reserves and 8% from Inferred Mineral Resources. Therefore, Inferred Mineral Resources do not determine the economic viability of the Starter Pit as assessed in this PFS. Inferred Mineral Resources have a lower level of geological confidence and cannot be included in the calculation of Ore Reserves. All results of 2018 and 2019 infill drilling have not been received and there is no guarantee that a Resource update will convert Inferred Mineral Resources into Indicated Mineral Resources or return the same grade and tonnage distribution. This may affect mining studies and economic outcomes from this PFS, including any production targets.

Process and engineering designs for the Bawdwin PFS were developed to support capital and operating cost estimates to an accuracy of +25% / -15%. Key assumptions upon which the PFS was based are outlined in the body of this announcement and Appendices 2 - 4. Myanmar Metals Limited (**MYL** or the **Company**) has concluded it has a reasonable basis for providing the forward-looking statements in this announcement.

Parameter	Unit	Annual Estimate (Steady State)	Life of Starter Pit Estimate
Mining			
Starter pit mine life	Years		13
Material mined	Mt	19.1	222.9
Ore mined	Mt	2.2	24.7
Waste mined	Mt	16.9	198.2
Strip ratio	Ratio		8.0
Processing			
Processing life	Years		13
Tonnes processed	Mt	2.0	24.7
Average lead grade	%		6.4
Average silver grade	g/t		168.1
Average zinc grade	%		3.2
Metal recovered to concentrate			
Lead	kt	118.0	1,385.9
Silver	kOz	10,062.4	118,798.7
Zinc	kt	49.0	555.4
Weighted average concentrate grade			
Lead	%		60%
Silver in lead concentrate	g/t		1,186
Zinc	%		53%
Concentrate production			
Lead - silver concentrate	kt	196	2,312
Zinc concentrate	kt	93	1,054

Table 1. Key Starter Pit Physical Metrics

Parameter	Units	Life of Starter Pit Estimate
Metals prices		
Lead	US$/t	2,170
Silver	US$/Oz.	17.3
Zinc	US$/t	2,535
Project cashflows		
Revenue	US $ million	5,891
Operating costs	US $ million	2,665
Mineral and production sharing taxation	US $ million	1,442
EBITDA	**US $ million**	**1,785**
Capital expenditure	US $ million	267
Capital expenditure contingency	US $ million	33
Sustaining capex. & mine closure provision	US $ million	28
Undiscounted free cash flow	**US $ million**	**1,458**
Valuation		
Net present value (8% real discount rate)	$	US$ 580 m. / A$ 828 m.
Internal rate or return	%	30%
Payback period	Years	4
Foreign exchange rate		
AUD:USD		0.70

Table 2. Key Starter Pit Financial Metrics

Notes on Tables 1 and 2:

1. *100% project basis. MYL holds a 51% participating interest in the Bawdwin project.*
2. *Financial estimates are presented on a real 2019 basis with no inflation or escalation applied; and on a pre-financing basis.*
3. *Financial estimates account for government royalties and production sharing taxation but do not include MYL corporate overheads or corporate taxation.*
4. *Steady state defined as calendar years 2023 -2033 where 2 Mtpa is planned for processing.*

Commentary on PFS results

In steady state production, Bawdwin's Starter Pit would be the 3rd largest-producing lead mine in the world, the 10th largest-producing silver mine in the world, as well as being a globally significant zinc producer.[4]

The PFS clearly shows strong underlying project cashflows and valuation metrics for the Starter Pit from processing only 26% of the current total Mineral Resource estimate for the Bawdwin deposits. Beyond the Starter Pit, which is the sole focus of the PFS, underground mining operations and the Shan and Meingtha lodes are in scoping study phase and a number of other targets and prospects have potential to materially add mine life and value to the Bawdwin mining operation.

[4] *Based on data sourced from S&P MI as at 11 April 2019. Information sourced from reported 2018 annual production metrics from project operators. Bawdwin is not in production but is shown against existing producing projects for comparative purposes.*

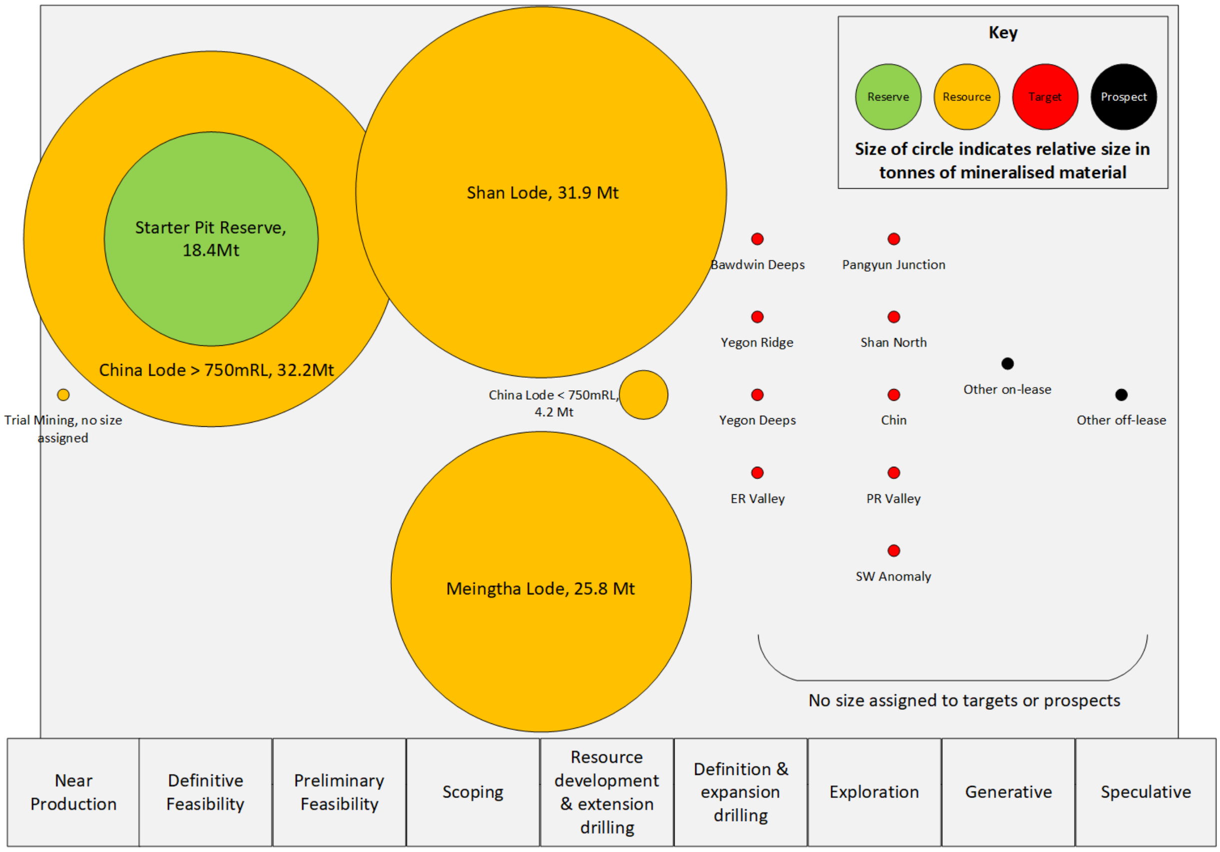

Figure 1. Bawdwin Project Pipeline

Notes on Figure 1:

1. *Bubble size shows the size of Indicated and Inferred Mineral Resources (see Table 5 for Mineral Resource by lode)*
2. *Starter Pit Reserves are included in Bawdwin's Indicated Mineral Resources (see Tables 4 and 6)*

Benchmarking capital costs shows that Bawdwin has one of the lowest capital intensities among comparable projects. Bawdwin is also within the lowest quartile of the zinc cost curve (see sections 1.12 and 1.13).

The PFS combines results of work completed in conjunction with leading consultants in a variety of disciplines and, in the Board's view, represents a conservative and achievable case to present to stakeholders. Relative to the China Pit Scoping Study released in September 2018, the PFS presents project physical and financial estimates with a higher degree of certainty and confidence. These estimates will be further refined in the definitive feasibility study (**DFS**).

The site layout and outbound logistics (see section 1.8) has changed from early phases of project planning. A greater understanding of the capital and operating costs of various parts of the mining operation has led to a simpler site layout where a processing facility, located 1.5 kilometres north of the open-pit, contains all the crushing, grinding, flotation and filtration infrastructure. It is anticipated that the final concentrate products will then be road transported from the processing plant site to Chinese smelters in neighbouring Yunnan province. Co-locating processing infrastructure at a single site has reduced capital and operating costs relative to other alternatives considered and also offers reduced costs associated with the handling and storage of tailings (see Figure 2 for site layout). Use of the existing railway from Tiger Camp to Namtu remains a viable logistics option for the transportation of concentrate however an upgrade of this infrastructure is not planned in the short term due to capital costs and project scheduling considerations.

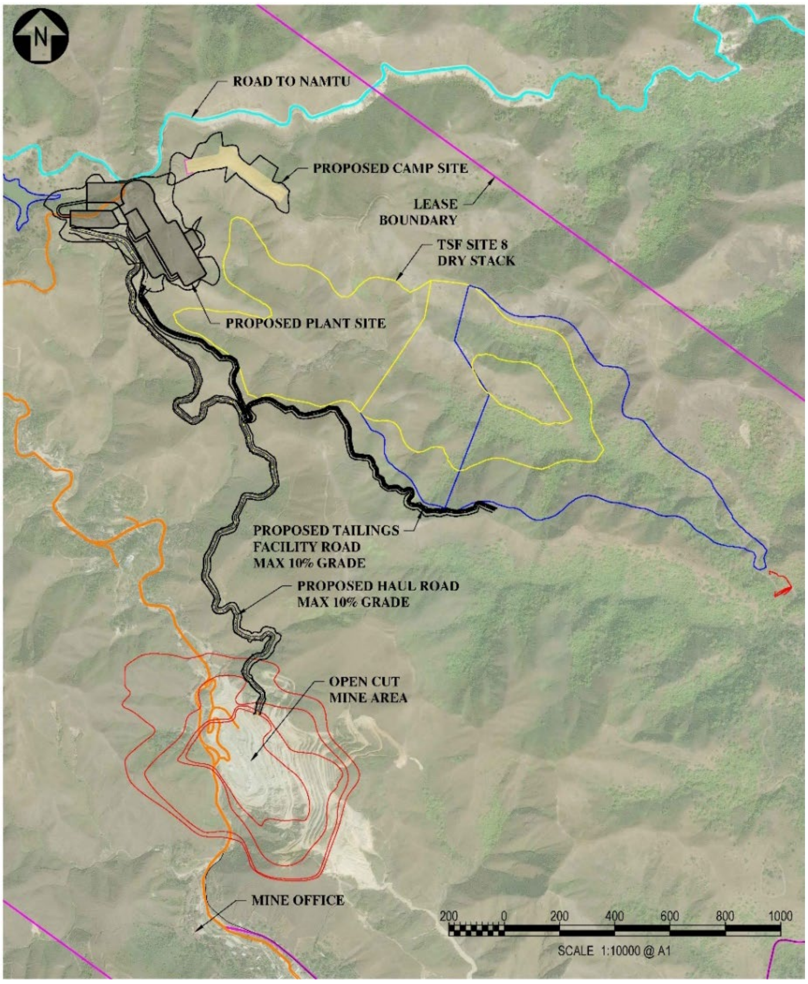

Figure 2. Bawdwin Project Site Layout

Geotechnical data obtained from drill core provided new information on the rock mechanical properties, which has helped guide the design of the open-pit. The data suggests considerably shallower angles of pit walls are appropriate and has resulted in a stripping ratio (waste:ore) of 8 times. Field observations of existing stable wall slopes in the historical open cut, road cuttings and other site earthworks indicate that the wall slopes adopted in the PFS are conservative and further data will be gathered and the design refined during the DFS.

Pit optimisations based on key parameters including the geotechnical data, has led to an estimated pre-strip or waste mining period of around 8 months, commencing in 2021. This new data has been integrated into the physical and financial estimates presented in the PFS and will be refined with more drilling results.

Production of a copper concentrate product is not contemplated in the PFS nor is copper modelled as a payable metal in the lead-silver or zinc concentrate products. Mining, separate stockpiling and processing of copper-rich material could allow production of a copper concentrate product at the processing plant site, however further resource drilling is required to add to Bawdwin's existing Inferred Copper Mineral Resource of 4.4 Mt at 3.0% Cu, 5.2% Pb, 178 g/t Ag and 2.6% Zn, to support the production of a copper concentrate product.

John Lamb, Chairman and CEO, commented:

"Bawdwin's Mineral Reserves and Resources underpin a very long life mining operation. The PFS represents our plan for Phase 1 of mining operations and in this phase the life of mine infrastructure is built and paid for. With the infrastructure paid for in Phase 1 it is clear that future mining operations, including the first two underground mines now under scoping study, have potential to be very value accretive."

Overview of Starter Pit Operations

Phase 1 of mining operations at Bawdwin is a planned 13 year open-pit mining operation concentrated on the central China Lode (**Starter Pit**), to a finished floor level of 755 metres RL (220 metres below the current valley floor)

24.7 Million tonnes (Mt) of mineralised material would be processed from the planned Starter Pit, representing 26% of the currently declared project Mineral Resources of 94.2 Mt (inclusive of Mineral Reserves). 74% of the Starter Pit production, or 18.4 Mt, is classified as Probable Ore Reserves and the remaining 6.3 Mt of Starter Pit production (26%) is from the Inferred Mineral Resource category.

The Starter Pit mining operation is scheduled for commencement in late 2021 after a 21-month construction period. It is contemplated that underground mining operations may commence around year 6 of the Starter Pit, to access mineralised material in Shan and Meingtha Lodes, however the underground mining operations have not been included in the physical or financial estimates in the PFS.

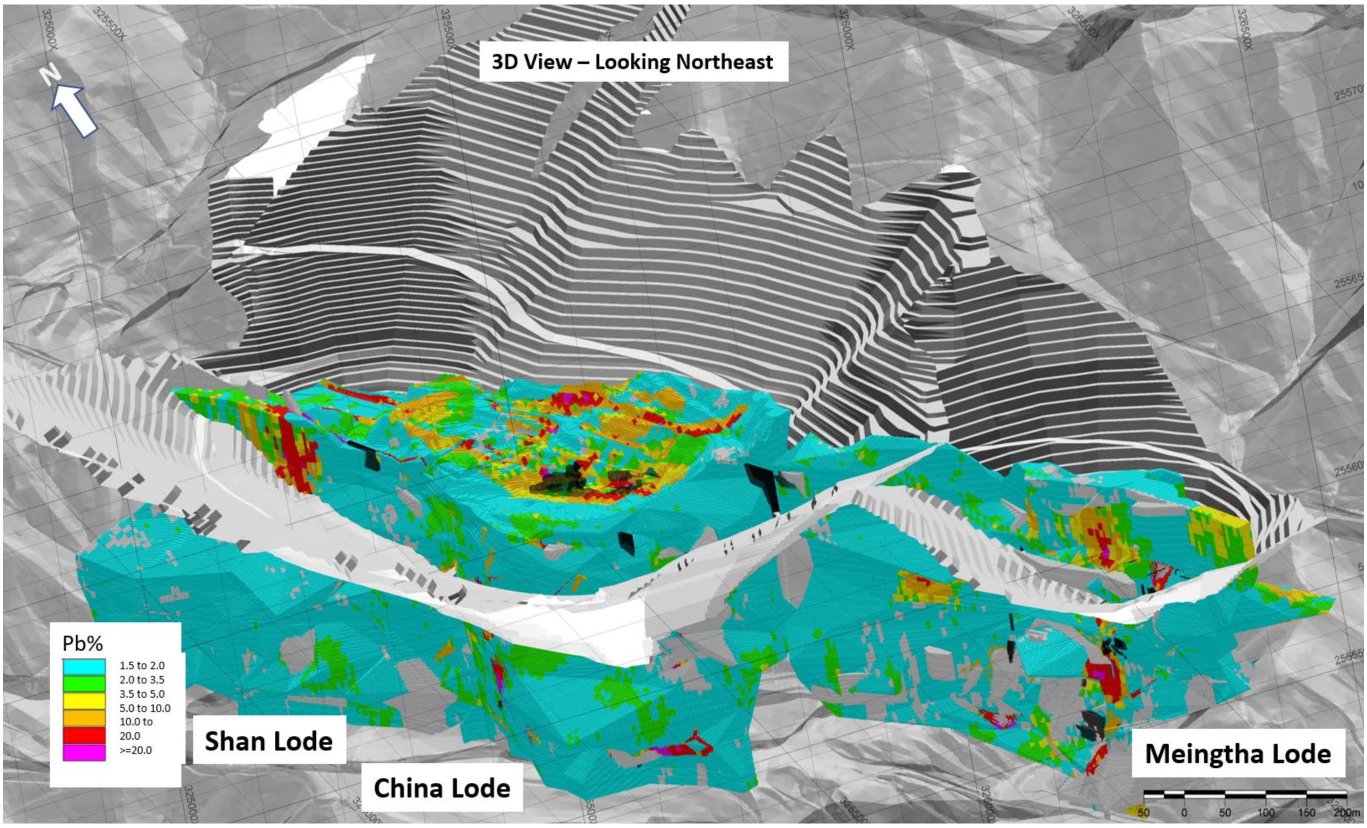

Figure 3. Wireframe of the entire Bawdwin Mineral Resource estimate (94.2 Mt) with the Starter Pit shell (shown in grey) containing a processing inventory of 24.7 Mt.

In steady state, 2.0 Mt of mineralised material will be processed per annum with average lead, silver and zinc grades of 6.4%, 168 g/t and 3.2%, respectively. 88% of the material processed in the starter pit is high grade fresh sulphide mineralisation with higher applied metallurgical recovery assumptions and concentrate grades (see section 1.10).

The conventional differential sulphide flotation processing facility will produce 2 concentrate products, a high-grade lead-silver concentrate and a zinc concentrate, at an average steady state rate of 196 ktpa and 93 ktpa respectively. Run-of-mine waste rock will be stacked with filtered (dry) tailings in an engineered integrated waste landform (**IWL**) located in valleys adjacent to the processing plant.

Figure 4. Location of Bawdwin Project

The PFS contemplates road transport of the concentrate products on existing roads from the Bawdwin processing plant, via the township of Namtu, past the city of Lashio, across the Chinese border at Ruili and on to smelters in the vicinity of Dali (a total trip of around 420 kilometres).

The Bawdwin PFS was designed to further examine the Starter Pit development concept contemplated in the Scoping Study, investigate plant site and infrastructure alternatives and optimise the value from the proposed mining operation. The PFS will be followed by a DFS which will finalise the development options for Bawdwin and resolve physical and financial estimates with a higher degree of certainty.

Upcoming Milestones

Significant project milestones are scheduled for completion within the next 12 months. Over this period the Bawdwin Joint Venture (**BJV**) plans to conclude project feasibility studies and the Environmental and Social Impact Assessment (**ESIA**), seek relevant Myanmar Government foreign investment approvals and have secured project financing and offtake arrangements.

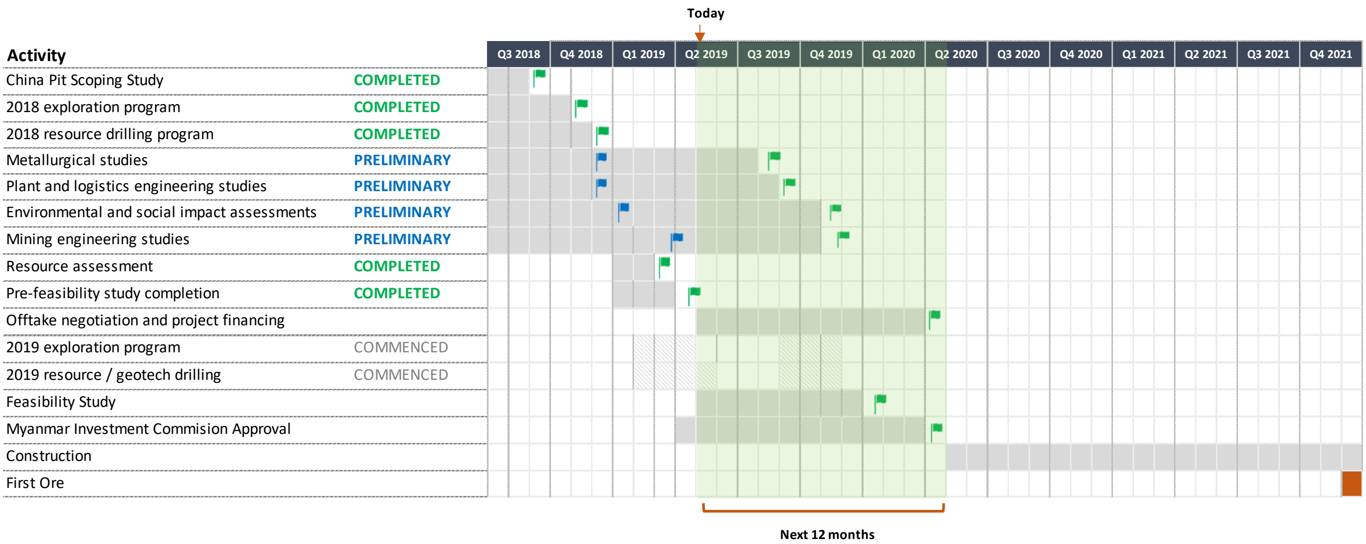

Figure 5. Project Milestones

The PFS heralds the achievement of an important milestone for the BJV as the study will provide the foundation for discussions with offtake parties and project financiers and will be used in conjunction with the ESIA to make submissions to Government authorities.

The planned start of the Starter Pit mining operations at Bawdwin remains unchanged, towards the end of 2021.

Maiden JORC 2012 Ore Reserve Declared

A maiden Probable Ore Reserve Estimate of 18.4 Mt grading 6.4% Pb, 169 g/t Ag and 3.4% Zn has been declared for the Starter Pit (see section 1.4 and Appendix 2).

74% of production from the Starter Pit is attributable to Probable Ore Reserves. The balance of production from the pit is drawn from Inferred Mineral Resources. Over the 4 year project payback period, 92% of the processed material will be from Probable Ore Reserves and only 8% from Inferred Mineral Resources. Therefore, Inferred Mineral Resources do not determine the economic viability of the Starter Pit as assessed in this PFS.

Investor Teleconference

On **Monday 6th May 2019 at 2pm EST / 12pm WST**, John Lamb will be discussing the PFS results on an investor teleconference. Investors can join the teleconference using the following details:

https://services.choruscall.com.au/diamondpass/myanmar-10000291-invite.html

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About Myanmar Metals Limited

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

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

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

The Bawdwin Mining Lease of 38sq. km contains a Tier 1 polymetallic deposit with a JORC compliant Indicated and Inferred Mineral Resource of 94.2 Mt at 4.2% Pb, 107g/t Ag, 2.1% Zn and 0.2% Cu (0.5% Pb cut-off above 750m RL, 2% Pb cut-off below 750m RL) including a Probable Ore Reserve of 18.4 Mt at 6.4% Pb, 169g/t Ag and 3.4% Zn and an Inferred Copper Mineral Resource of 4.4 Mt at 3.0% Cu, 5.2% Pb, 178 g/t Ag and 2.6% Zn (refer to ASX announcement dated 13 February 2019).

Myanmar Metals Limited confirms that it is not aware of any new information or data that materially affects the Mineral Resource information included in the market announcement dated 13 February 2019 and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of MYL.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they are relevant at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, MYL does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by MYL. The document contains background information about MYL current at the date of this announcement. The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. The announcement is for information purposes only. Neither this announcement nor information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction. This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent of the law, MYL, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

Competent Person Statements

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 on, and fairly reflects, information compiled by Mr Andrew Ford, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Ford is an employee of Myanmar Metals Limited. Mr Ford 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 Ford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Mr Serikjan Urbisinov, who is a Member of the Australian Institute of Geoscientists. Mr Urbisinov is employed by CSA Global Pty Ltd, independent resource industry consultants. Mr Urbisinov 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 Urbisinov consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on, and fairly reflects, information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Report as Competent Person. Mr van Olden is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Karl van Olden has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears.

Project Summary

1.1 Background

In October 2018 the PFS commenced, following on from the successful completion of the China Pit Scoping Study (as announced in September 2018). The PFS was focused on the optimisation of the Starter Pit mine development concept as well as investigating site layout and logistics alternatives.

On 13 February 2019 the Company announced a Mineral Resource upgrade, comprising 94.2 Mt at 4.2% Pb, 107 g/t Ag, 2.1% Zn and 0.2% Cu, including an Indicated Mineral Resource of 37.2 Mt at 4.3% Pb, 114 g/t Ag, 2.4% Zn and 0.2% Cu. The Mineral Resources declared on this date form the basis for the physical estimates for the PFS. The Indicated Mineral Resources within the Starter Pit also underpin the maiden JORC 2012 Code compliant Probable Ore Reserve defined of 18.4 Mt at 6.4% Pb, 169 g/t Ag and 3.4% Zn.

The PFS was managed by the BJV and supported by experienced consultants engaged to deliver scopes of work. The study covered a variety of disciplines including geology, geometallurgy, metallurgy, mining, process engineering, infrastructure, logistics, environmental and social.

The Starter Pit fulfils its purpose with distinction; establishing a low-cost long-life mining operation which achieves an early payback on life of mine infrastructure expenditure and provides access to underground ore sources for future mining operations.

1.2 Pre-Feasibility Study Team

Consultants which contributed to the PFS are as per Table 3.

Consultant	Scope	Sub-Consultants	Scope
Valentis Services	▪ Site exploration ▪ Drilling supervision support ▪ Approvals	Titeline Drilling	▪ Reverse circulation and diamond hole drilling
Coffey / Valentis	▪ Environmental, Social Impact Assessment		
CSA Global Pty Ltd	▪ Geology ▪ Resource estimation ▪ Geometallurgy ▪ Geotechnical studies ▪ Database management ▪ Mine design ▪ Mine scheduling	GeoLogica	▪ Open pit geotechnical study
		E-Precision Laboratory	▪ Geotech specimen testing
Lycopodium	▪ Processing plant ▪ Infrastructure ▪ PFS Report ▪ Management of sub-consultants	Orway Mineral Consultants	▪ Comminution circuit modelling
		Townend Mineralogy	▪ Mineralogy testwork
		MODA	▪ Mineralogical microscopy
		ECG	▪ Power supply study
		ALS Laboratories	▪ Metallurgical testwork
		Knight Piesold	▪ Geotechnical design of the IWL and waste dump location study
		Antrak Logistics	▪ Logistics
McMahon Mining	▪ Mining contractor rates		

Table 3. Bawdwin PFS Team

1.3 Mineral Resource Model and Estimate

Geological Setting

The Bawdwin deposit is hosted within an Early Ordovician volcanic and intrusive complex, termed the Bawdwin Volcanic Centre, comprised of volcaniclastic tuffs of the Bawdwin Volcanic Formation that interfinger with sediments of the Pangyun Formation, both intruded by co-magmatic rhyolite porphyry bodies. The Bawdwin 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 to semi-massive sulphide mineralisation occurs in dilational structural zones as veins, breccias and large-scale replacement of the Bawdwin Tuff. Semi-massive to disseminated and vein sulphide mineralisation occurs in extensive halo zones in silica-sericite-carbonate altered Bawdwin Tuff.

Sulphide mineralisation at Bawdwin is characterised by argentiferous galena, sphalerite, chalcopyrite, and pyrite together with smaller amounts of covellite, tetrahedite, gersdorffite, cobaltite, and other sulphide minerals. Copper mineralisation occurs with lead and zinc but also separately where it can be associated with nickel and cobalt.

The historically-mined China, Meingtha and Shan lodes lie along 2 kilometres of strike of the Bawdwin Fault zone, with offsets by later faults. The mined lodes were zones of mineralised structures with associated replacement, breccia and stockwork zones. The most extensive ‘halo’ mineralisation is up to 150 metres wide in the footwall of the main China Lode and is characterised by high-grade veins, breccias, stockworks and shear zones and extensive zones of replacement and disseminated mineralisation associated with alteration of the host lithic-vitric-crystal tuff and volcaniclastic sediment (Bawdwin Tuff). This laterally and vertically extensive mineralised zone is interpreted to reflect a relay zone extending north towards the Shan Lode where it is poorly tested by underground sampling and drilling.

For the 2019 Mineral Resource estimate, the 3D geology model developed included the Bawdwin Tuff, Pangyun Formation, porphyritic rhyolite and major faults. The previously modelled mineralisation wireframes, based on 2017 drilling, open-pit mapping and historical surface and underground mapping, were updated using the 2018 drilling results. The 2018 drilling results correlated very well with the previous mineralised wireframes that were based largely on historical data.

Mineral Resource Model

MYL announced the updated Bawdwin Mineral Resource estimate on 13 February 2019 (Table 4). The Mineral Resource estimate is based on the 13,112 metres of RC and diamond drilling (11,596 metres analysed) completed in 2017-2018 supported by 56,008 metres of historic channel sampling data from underground exploration drives, cross cuts and a 434 sample (668 metre) channel sampling program collected in the open cut in 2016.

The diamond and RC drill holes completed in 2017 and 2018 are mostly on approximately 50m spaced sections with infill sections approximately 20-30 m apart and were designed to provide systematic coverage along the strike/dip of the China Lode. Three diamond drill holes were drilled at the Meingtha Lode and 10 holes were drilled on Bamboo Hill on 50 m spaced sections. 24 holes, RC and diamond, were drilled in the southern Shan Lode on 50 m spaced sections.

The estimate is based on separate lead, copper and zinc wireframes and cut-off grades because of the limited statistical correlation between the metals. Grades have been interpolated into a block model using the same interpolation parameters and methodology as those reported in the previous estimate in July 2018. The cut-off grades were based on the results of a pit optimisation and Scoping Study completed in September 2018 by CSA Global that suggested that the low-grade material has potential for eventual economic extraction via open pit mining methods, and that material above a 2% cut-off grade may be amenable to extraction via underground methods.

The lead-silver mineralisation envelope was modelled above a 0.5% Pb cut-off grade. Within this envelope, the Mineral Resource estimate is reported in three domains; above a 0.5% Pb and a 2% Pb cut-off grade above the 750m RL and above a 2% Pb cut-off grade below the 750m RL.

Zinc and copper mineralisation envelopes have been modelled above a 1% Zn and 0.5% Cu cut-off grade and are included in the global resource totals. These envelopes are largely contained within the 0.5% Pb envelope but do extend outside it. Grade has been interpolated separately into the blocks within the Zn and Cu envelopes.

The Mineral Resource declared in February 2019 is reported separately for five mineralisation domains (Figure 6):

- Resources above the 750m RL, at a 0.5% Pb cut-off grade.
- Resources below 750m RL using a 2% Pb cut-off grade.
- Cu mineralisation within Pb Halo using a 0.5% Cu cut-off grade.
- Cu mineralisation outside Pb Halo using a 0.5% Cu cut-off grade.
- Zn mineralisation outside Pb Halo using a 1.0% Zn cut-off grade.

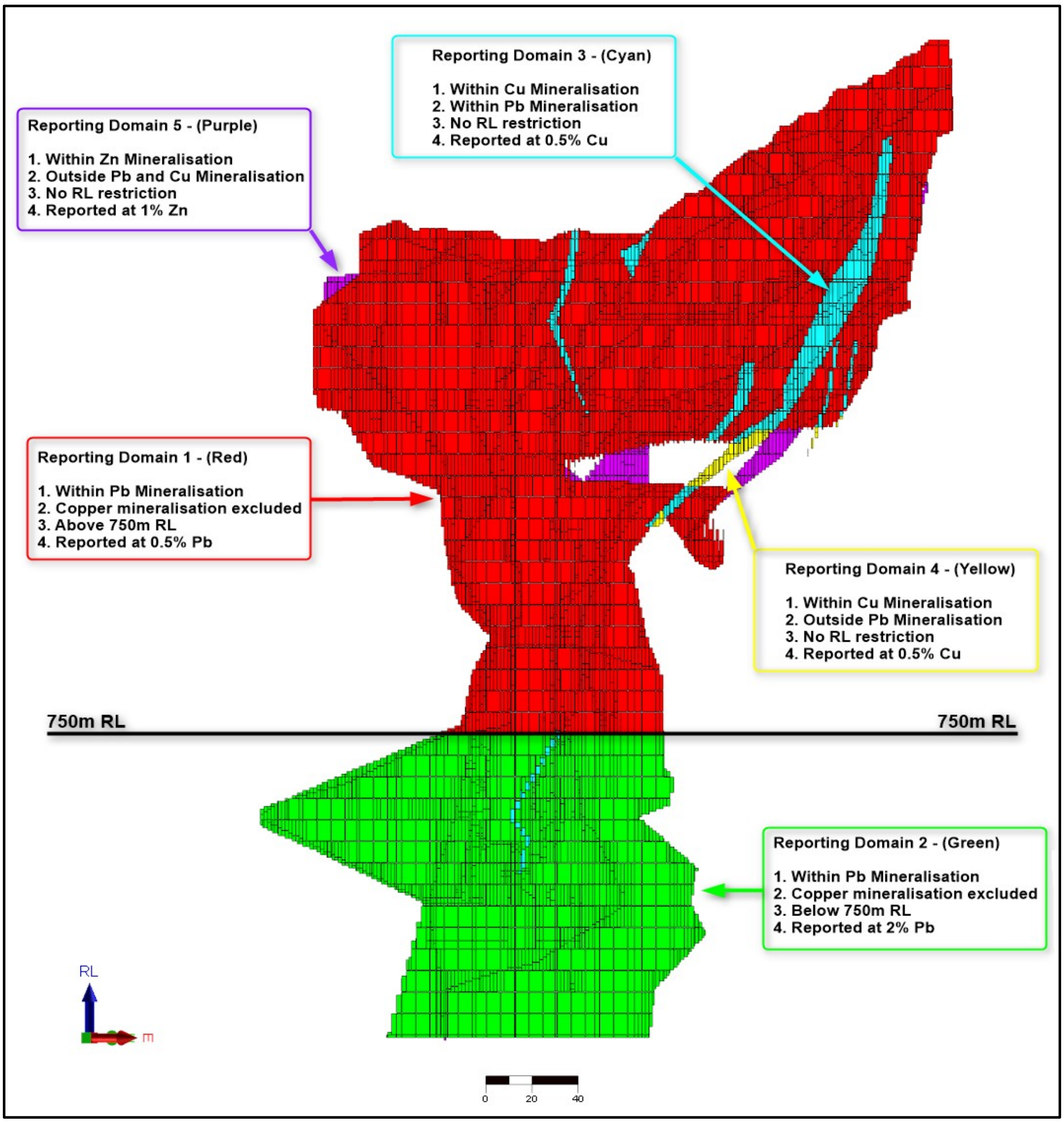


Figure 6. Domains in Bawdwin Mineral Resource Model

Oxidation	Class	Tonnage (Kt)	Pb (%)	Zn (%)	Cu (%)	Ag (g/t)
Domain 1: Mineral Resources above 750m RL > 0.5% Pb						
Transition	Indicated	3,469	3.63	1.75	0.19	120
	Inferred	1,781	1.70	0.58	0.07	83
	Total	**5,251**	**2.97**	**1.35**	**0.15**	**108**
Deep Transition	Indicated	1,172	4.99	3.33	0.09	115
	Inferred	493	4.53	0.97	0.10	142
	Total	**1,665**	**4.85**	**2.63**	**0.10**	**123**
Fresh	Indicated	30,916	4.32	2.32	0.08	110
	Inferred	41,381	3.40	1.62	0.08	86
	Total	**72,296**	**3.79**	**1.92**	**0.08**	**96**
Total	Indicated	35,556	4.28	2.29	0.09	111
	Inferred	43,656	3.34	1.57	0.08	87
	Total	**79,212**	**3.76**	**1.90**	**0.08**	**98**
Domain 2: Mineral Resources below 750m RL > 2% Pb						
Fresh	Inferred	9,303	7.9	2.8	0.05	164
Total		**9,303**	**7.9**	**2.8**	**0.05**	**164**
Domain 3: Copper Mineralisation within Pb Halo > 0.5% Cu						
Transition	Indicated	87	6.05	2.49	1.96	149
	Total	**87**	**6.05**	**2.49**	**1.96**	**149**
Deep Transition	Indicated	12	4.92	2.79	1.89	154
	Inferred	3	11.02	4.48	3.60	320
	Total	**15**	**6.13**	**3.12**	**2.22**	**187**
Fresh	Indicated	1,357	5.68	3.48	3.33	197
	Inferred	2,389	6.06	2.58	3.12	196
	Total	**3,746**	**5.92**	**2.91**	**3.20**	**196**
Total	Indicated	1,456	5.69	3.42	3.23	194
	Inferred	2,392	6.07	2.58	3.12	196
	Total	**3,848**	**5.93**	**2.90**	**3.16**	**195**
Domain 4: Copper Mineralisation outside of Pb Halo > 0.5% Cu						
Transition	Inferred	4	0.20	0.40	1.59	60
	Total	**4**	**0.20**	**0.40**	**1.59**	**60**
Deep Transition	Inferred	1	0.20	0.40	1.53	60
	Total	**1**	**0.20**	**0.40**	**1.53**	**60**
Fresh	Inferred	582	0.19	0.60	2.30	63
	Total	**582**	**0.19**	**0.60**	**2.30**	**63**
Total	Inferred	587	0.19	0.60	2.30	63
	Total	**587**	**0.19**	**0.60**	**2.30**	**63**
Domain 5: Zinc Mineralisation outside of Pb Halo and Cu Mineralisation > 1% Zn						
Transition	Inferred	113	0.35	19.76	0.07	30.00
	Total	**113**	**0.35**	**19.76**	**0.07**	**30.00**
Deep Transition	Indicated	1	0.35	3.05	0.07	30.00
	Inferred	1	0.35	6.02	0.07	30.00
	Total	**1**	**0.35**	**4.66**	**0.07**	**30.00**
Fresh	Indicated	200	0.35	4.04	0.07	30.00
	Inferred	888	0.35	2.84	0.07	30.00
	Total	**1,088**	**0.35**	**3.07**	**0.07**	**30.00**
Total	Indicated	201	0.35	4.04	0.07	30.00
	Inferred	1,002	0.35	4.76	0.07	30.00
	Total	**1,203**	**0.35**	**4.64**	**0.07**	**30.00**
Total						
Transition	Indicated	3,556	3.69	1.77	0.24	121
	Inferred	1,898	1.61	1.72	0.08	80
	Total	**5,454**	**2.97**	**1.75**	**0.18**	**107**
Deep Transition	Indicated	1,184	4.99	3.33	0.11	116
	Inferred	498	4.55	0.99	0.13	143
	Total	**1,682**	**4.86**	**2.64**	**0.12**	**124**
Fresh	Indicated	32,473	4.35	2.37	0.22	113
	Inferred	54,542	4.20	1.88	0.23	103
	Total	**87,016**	**4.26**	**2.06**	**0.23**	**107**
Total	Indicated	37,214	4.31	2.35	0.22	114
	Inferred	56,939	4.12	1.86	0.22	103
	Total	**94,152**	**4.19**	**2.05**	**0.22**	**107**

Table 4. Bawdwin total Indicated and Inferred Mineral Resource Estimate

Area	Class of Mineral Resources	Tonnage ('000t)	Pb (%)	Zn (%)	Cu (%)	Ag (g/t)
Shan	Indicated and Inferred	31,876	4.45	2.12	0.24	105
China >750mRL	Indicated and Inferred	32,266	4.76	2.67	0.18	123.89
China <750mRL	Inferred	4,185	6.7	2.4	0.0	122.1
Meingtha	Indicated and Inferred	25,826	2.76	1.16	0.27	86
Total	**Indicated and Inferred**	**94,152**	**4.19**	**2.05**	**0.22**	**107**

Table 5. Bawdwin Indicated and Inferred Mineral Resource Estimated by Lode

Density data were used to develop a regression between the density and lead, zinc, copper and silver grades for samples within the mineralised envelopes. Separate regression formulas were derived for transition and fresh zones.

The reported Mineral Resource estimate is based on depletion of historically mined stopes which were wireframed following the digitising of almost 900 historic mining floor and level plans. Drilling has typically shown very good correlation between digitised stopes and stopes intersected in drill holes. However, not all the pre-WW2 stope outlines are available on plan and some have not been modelled. Where drill holes have intersected stopes outside of wireframed historical stopes, an approximate stope volume has been modelled.

The topography over the deposit is constrained by a high-resolution digital terrain model derived from satellite data acquired in 2018.

The Mineral Resource estimate has been reported in Fresh, Transitional and Deep Transitional zones. Total oxidation is limited in extent, mainly at the top of the Meingtha lode and localised at the top of the China lode, and does not have enough continuity to allow modelling of a separate oxidised domain.

Transitional zones represent partial oxidation and occur as a shallow blanket zone at the top of the mineralised zones and as Deep Transitional zones that extend to significant depth. The Deep Transitional zones are interpreted to be focused in faulted and fractured zones and are of relatively limited extent. Transitional zones have been modelled using a combination of geological observations from drill-core logging and sulphur deficit relative to lead, zinc and copper from assay data.

The sulphur deficit calculation approach provides an indication of metal sulphides to metal carbonates and other secondary minerals that are not normally recoverable. It does take pyrite (iron sulphide) into account and will be an underestimate where pyrite is present; this is not considered material as pyrite is generally minor in the deposit and tends to oxidise before base metal sulphides. The sulphur deficit approach also does not take account of supergene anglesite (lead sulphate - $PbSO_4$) and is locally present at Bawdwin outside the modelled Transition domains. Additional sulphate analysis currently underway and these data will improve the Transitional zone model for the next Mineral Resource estimate.

Metallurgical test work on transitional material has given good recoveries of bulk lead and silver, with lower recovery of zinc where zinc carbonate (smithsonite) is present or where sphalerite is pre-activated by oxidised lead or copper.

The Inferred and Indicated classification has considered all available geological and sampling information, and the classification level is considered appropriate for the current stage of this project. The sampling and geological data and associated documentation are considered adequate to support reporting of an Indicated and Inferred Mineral Resource.

1.4 Mineral Reserves

CSA Global Pty Ltd derived the maiden Bawdwin Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, JORC Code 2012.

The Ore Reserves presented in Table 6 is based on the Indicated category of the Mineral Resource within the pit shell. None of the Inferred category of the Mineral Resource has been included in the Ore Reserves.

Classification	Tonnage (Mt)	Pb (%)	Ag (g/t)	Zn (%)
Proved	-	-	-	-
Probable	18.4	6.4%	169	3.4%
Total	**18.4**	**6.4%**	**169**	**3.4%**

Table 6. Bawdwin Ore Reserves

The Ore Reserve estimate has considered the financial performance of the project with zero contribution to revenue from any Inferred Resources. The costs of waste mined to access Inferred material remains in this financial model and the cost of Inferred Material is treated in the same way as waste.

The Ore Reserve was determined using the parameters disclosed in sections 1.10 - 1.14 with appropriate modifying factors (see Appendix 2).

1.5 Metallurgical Testwork

The metallurgical parameters for the processing of the Bawdwin mineralisation into metal concentrate products are derived from testwork completed by ALS Laboratories. The samples for this test work were selected on the basis of being representative of different grades of mineralised material as well as representative of transitional and sulphide domains. Two composite samples of fresh material and two of transitional were prepared from samples of drill core.

The above testing complemented the sampling conducted in early 2018 as part of the Scoping Study where a total of 116 individual ¼ core intervals were received from 14 drill holes which were used to form the composites used in flotation work and additional comminution work used in that study.

Approximately 1.1 tonnes of diamond core were selected for PFS testwork. This core was from 18 different drill holes of varying diameters representing alteration domains as determined by CSA Global Global's geometallurgical study and model.

Recoveries of both lead and zinc were shown to be sensitive to grain size of the galena and sphalerite, and degree of oxidation. Galena and to a lesser extent sphalerite is present as both coarse and fine grain sizes in the samples tested to date. The coarser grained sulphides respond very well to flotation tests, with the finer grained sulphides less so, requiring a finer grind.

Transition or partly oxidized mineralisation shows lower recoveries than the fresh material as a result of the presence of anglesite and cerussite (lead sulphate and carbonate respectively) and smithsonite (zinc carbonate) as well as sulphide minerals. Transitional material comprises 11% of the Mineral Reserve.

Testing to date indicates lead and silver recoveries up to 88% and 85% respectively, is achievable from fresh ore. The recovery function for zinc, from fresh ore, has a direct relationship to the zinc head grade. Testing shows recoveries of between 60 to 80% will be achievable from fresh ores. See section 1.10 for discussion on the Starter Pit weighted average recovery and concentrate grades.

Mercury and arsenic content will be monitored in ore and concentrate as these elements can result in penalties depending on the receiving smelter. The current strategy is to manage the concentrations of deleterious elements through blending of ROM feed into the processing facility. Arsenic has been routinely analysed in all samples, systematic mercury analysis is underway which will allow interpolation into the block model that supports the DFS.

1.6 Mining Study

The Starter Pit involves a conventional drill, blast, load and haul mining operation which is proposed to be undertaken by a mining contractor utilising excavators in a backhoe configuration, articulated dump trucks and associated auxiliary equipment.

Pit optimisations were undertaken utilising the software Whittle™ based on the following parameters:

- Consideration of Indicated and Inferred Mineral Resources
- Metals prices: lead (USD$2,150/t), silver (USD$17.40/troy oz) and zinc (USD$2,315/t)
- Process Rate of 2.0 Mtpa
- Mining rates sourced from a mining contractor
- Geotechnical parameters based on a detailed geotechnical study, deriving twelve (12) slope domains (overall slope angle ranging from 30.6° to 47.3°)
- Process recoveries (grade based) and operating costs based on metallurgical test work, consultant database and vendor quotations
- Owners costs derived from first principles

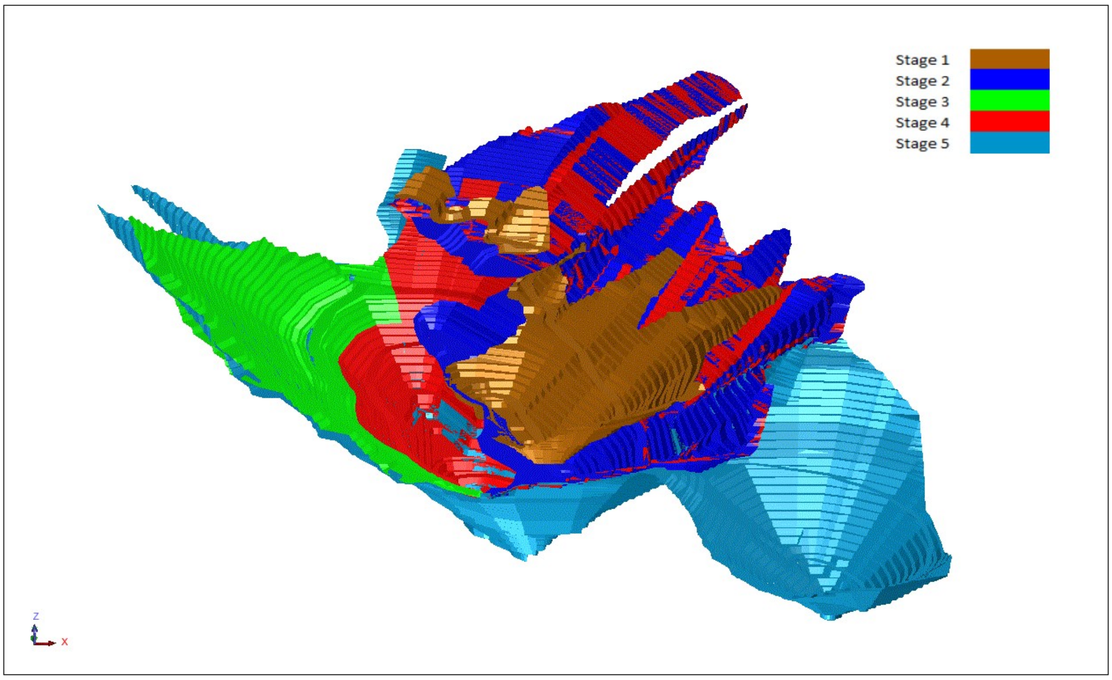


Figure 7. Five stages of the Starter Pit. Stage 2, 4 and 5 have a common east wall.

The five stages of the open-pit, including river diversion, ramps, pit walls and roadways were designed in detail according to the geotechnical and hydrological design considerations (Figure 7).

The Starter Pit life spans over 13 years and was scheduled using the mining software MineSched™. The schedule consists of 8 months pre-production to expose a sustainable ore supply to the process plant. Over the life of the project, approximately 223 million tonnes of material will be moved with a stripping ratio of 8:1. Annual movement will average around 27 million tonnes for the first three years, 18 for the next five then gradually reduce for the remaining mine life. Table 7 shows a summary of the scheduling physicals and parameters and Figure 8 shows the mining schedule of tonnes moved by pit stage.

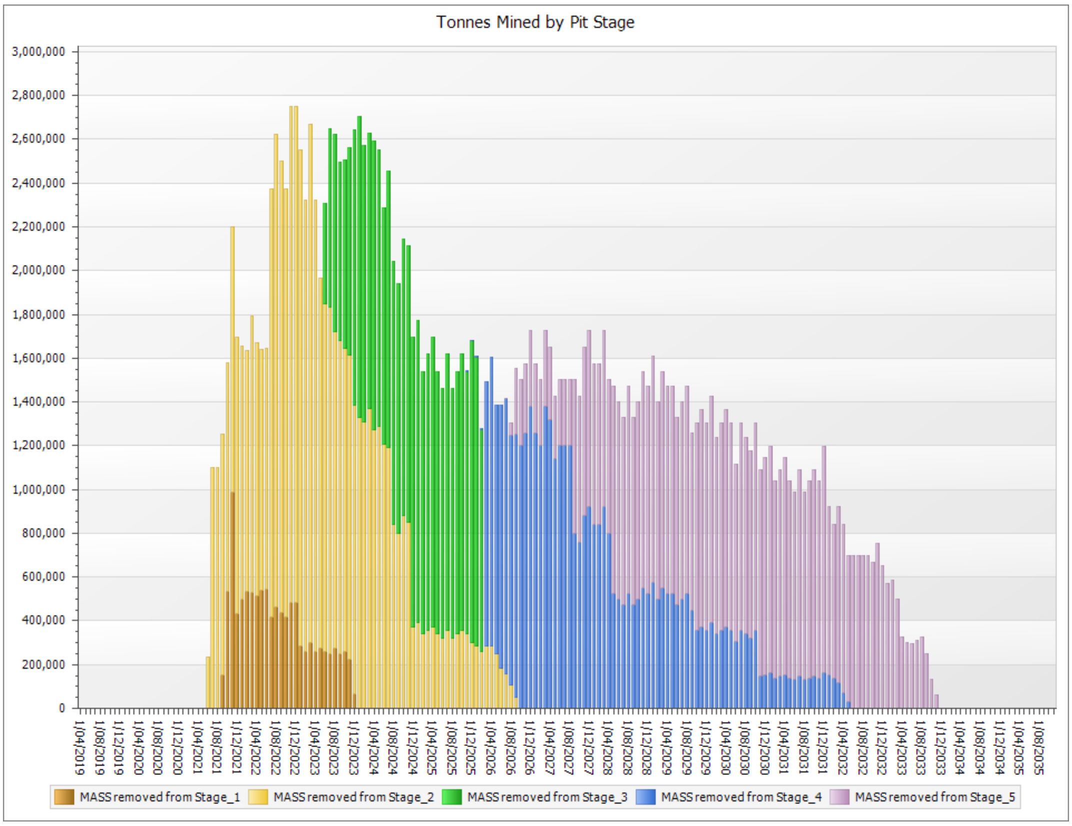


Figure 8. Mining tonnes moved by stage.

1.7 Process Engineering

Lycopodium Minerals conducted a review of processing and infrastructure options, which resulted in a conceptual plant design for a 2.0 Mt per annum processing facility which will produce two concentrate streams (Figure 9). The design also identified all associated infrastructure to support the mining operations.

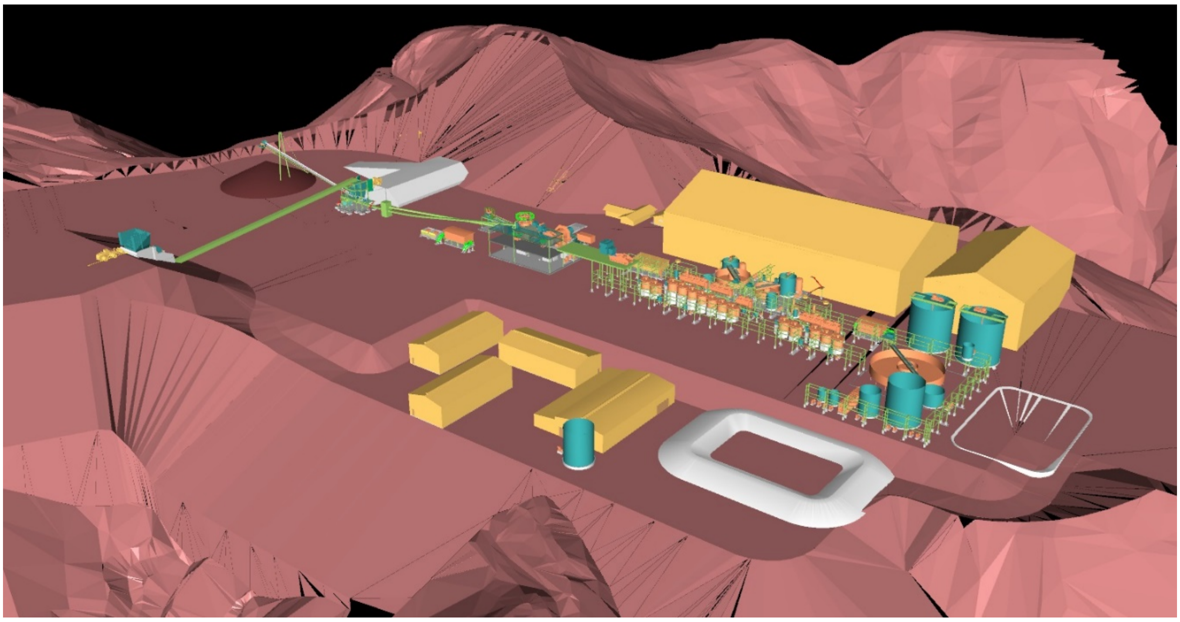


Figure 9. Visual representation of Bawdwin Processing Facility.

Starter Pit mining will consist of a conventional drill, blast, load and haul operation with Run Of Mine (**ROM**) ore being transported to the ROM pad located adjacent to the processing plant. Waste Ore will be transported to the integrated waste landform facility.

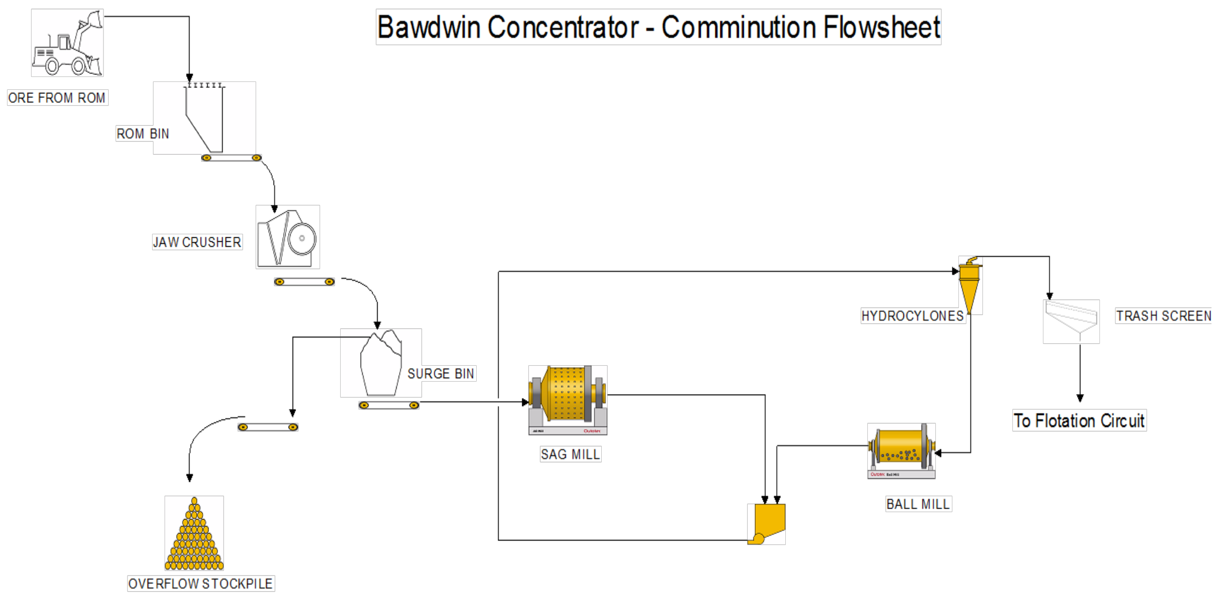


Figure 10. Bawdwin Comminution Flowsheet

Processing of the ore will involve traditional processes of crushing and grinding followed by separate lead and bulk zinc flotation (Figure 10).

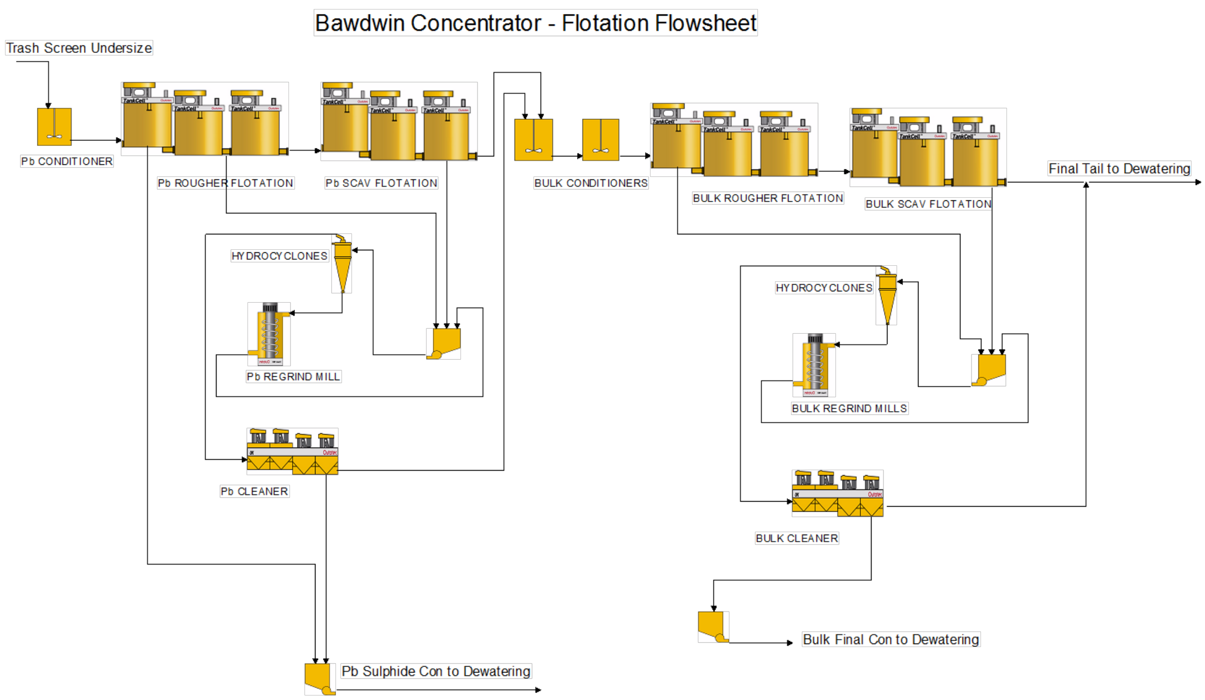


Figure 11. Bawdwin Flotation Flowsheet

Tailings will be filtered, dried and transported by road to the integrated waste landform. Concentrate will be thickened, filtered and loaded into concentrate containers for transport by road to customers.

1.8 Infrastructure and Services

Figure 12 shows the site layout including open pit mine, process plant, camp and plant site infrastructure. The location of the plant site has been chosen to ensure that there is ample space to accommodate any potential expansions of the plant.

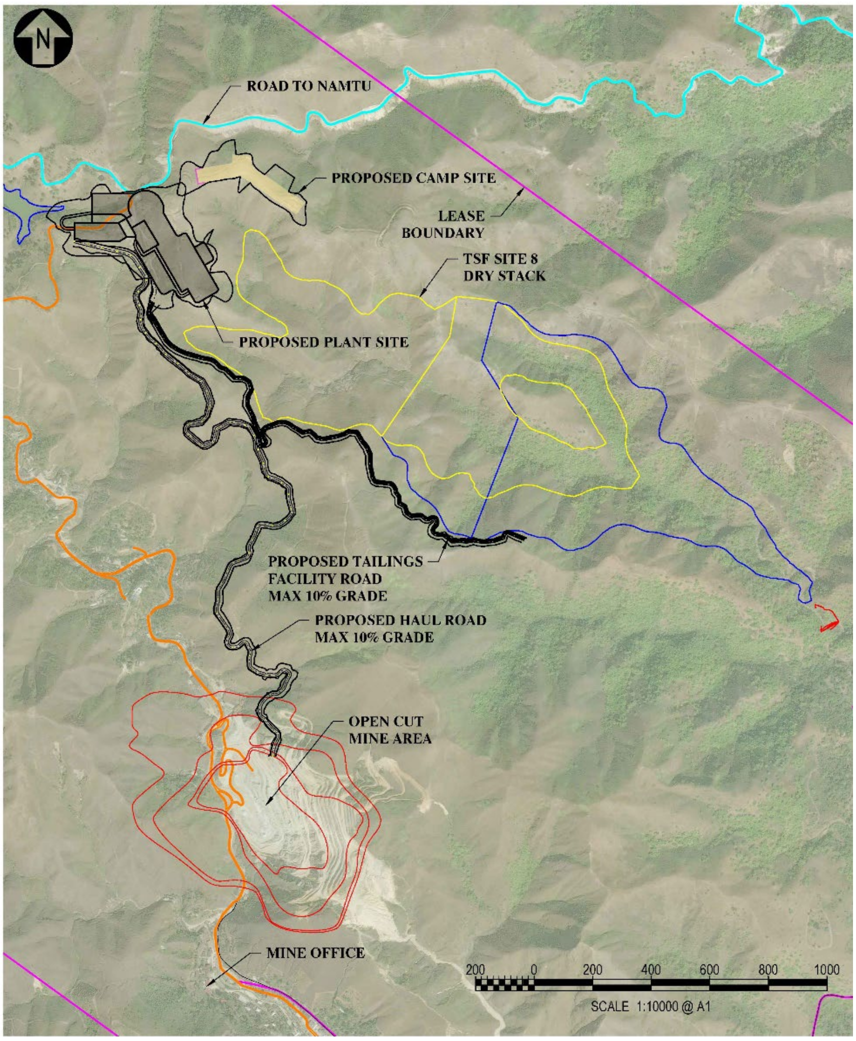


Figure 12. Bawdwin Site Layout

Roads

Trucks and vehicles, appropriately sized for the local road conditions, will utilise existing public roads to the Bawdwin site for the transportation of concentrate and supplies. The road to Bawdwin from Namtu will be widened in some locations and passing bays will also be developed. Parts of the road susceptible to flooding and rock falls will be engineered to avoid future problems. Upgrades to existing roads from Namtu to Lashio will also be further assessed as part of the DFS.

Water Supply and Hydrogeology

The water hydrogeology study concluded that the primary water supply would be from Nam La Creek with secondary water supply from the underground workings via Marmion Shaft, if required.

Integrated Waste Landform (IWL)

Multiple options were investigated in relation to both wet and dry tailings and disposal locations. The preferred option is for an Integrated Waste Landform (**IWL**) that integrates the filtered and dried tailings abutting the waste stockpile, which is contained within the Concession and adjacent to the processing facility.

Water diversions will be constructed as required and directed to storage areas, and silt traps will be utilised to mitigate down-slope movement of potential contaminants.

Mine Closure

Mine closure costs allowances have been estimated and form part of the sustaining capital costs of the PFS. A detailed mine closure plan will be completed as part of the DFS.

Power Supply

The Bawdwin processing facility will be powered via existing grid power. A new 22 km 66KVA line and switchyard will be constructed as part of the project and will tie into the existing grid power supply.

Up to 9 MW of power may also be available from the existing hydroelectric power facilities which forms part of the Concession. This will be further examined during the DFS.

The processing facility has an allowance for emergency diesel generation for mill start-up and to ensure key equipment is available due to unforeseen power outages.

Accommodation

All non-local personnel are planned to be housed at the accommodation village, in close proximity to the processing facility and on the Concession. The accommodation facility will have 600 rooms, recreational facilities and messing facilities.

1.9 Environmental and Social

An Environmental and Social Impact assessment (ESIA) commenced in October 2018 with the final report scheduled for completion towards the end of 2019. Works being undertaken are intended to comply with the Equator Principles and International Finance Corporation Standards.

Figure 13. Water quality sampling in the baseline characterisation period.

The ESIA consists of five stages. These are:

- Scoping and development of initial approval documents
- Baseline characterisation of the existing environment
- Assessment of project effects. This will include completion of predictive modelling and impact assessments
- Preparation of the ESIA Report and supporting management plans and resettlement plans
- Government assessment period

1.10 Mining, Processing and Metal Production

The mining schedule provides an 8 month ramp-up to steady state production. During the ramp-up period most of the material mined is waste. At steady state, 2 Mtpa of mineable material will be processed. Mining of the Starter Pit will last for 13 years and processing for 13 years. 88% of the processed material is fresh sulphide mineralisation and 12% is transitional. 74% of the processed material is from the Probable Ore Reserve category and 26% is from the Inferred Mineral Resource category (see Figure 14).

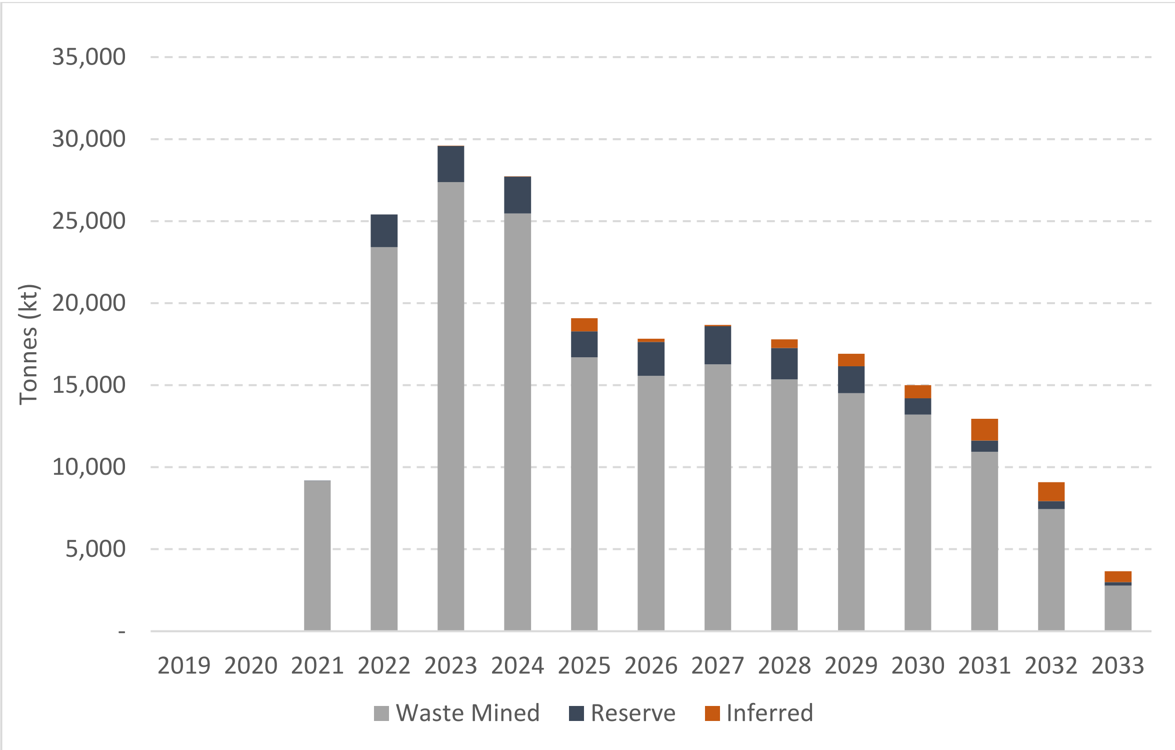


Figure 14. Life of Starter Pit mining schedule by category of material mined.

The Net Smelter Return (NSR) metric was used to determine the economically mineable material within the pit shell. The metric acts to increase average metal grades mined over the life of the Starter Pit, as mining costs increase with depth.

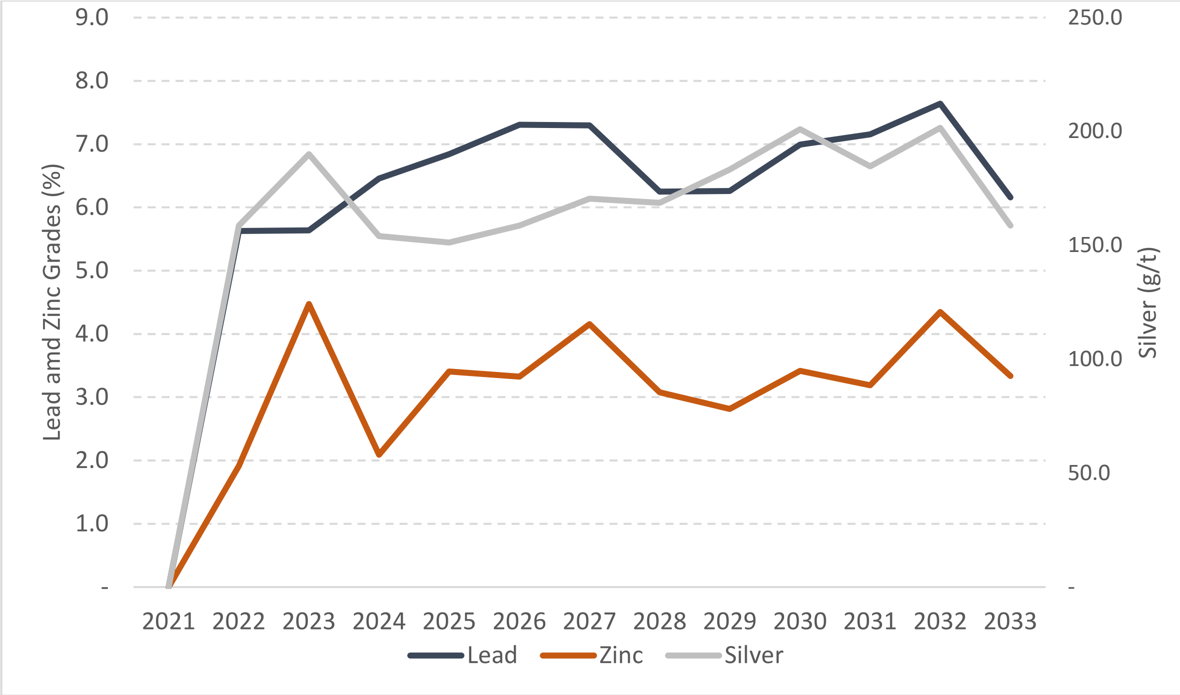


Figure 15. Annualised grades of lead, zinc and silver processed.

Contained metal and metal concentrate production has been calculated using the metallurgical recovery parameters and concentrate grades derived from test work on Bawdwin core samples (see section 1.5).

Element	Metallurgical Recovery	Concentrate Grade
Lead	87%	60%
Silver in lead concentrate	85%	1,186 g/t
Zinc	70%	53%
Silver in zinc concentrate	8%	170 g/t

Table 7. Weighted average metallurgical recovery and concentrate grades

Physicals	Unit	LOM Total	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Mining																	
Reserves - fresh	Mt	16.2	0.0	0.0	0.7	1.7	2.0	1.5	2.0	2.3	1.9	1.6	1.0	0.7	0.5	0.2	0.0
Reserves - transitional	Mt	2.2	0.0	0.0	1.3	0.5	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Reserves	Mt	18.4	0.0	0.0	2.0	2.2	2.2	1.6	2.1	2.3	1.9	1.6	1.0	0.7	0.5	0.2	0.0
Inferred - fresh	Mt	5.6	0.0	0.0	0.0	0.0	0.0	0.7	0.2	0.1	0.2	0.5	0.8	1.3	1.2	0.7	0.0
Inferred - transitional	Mt	0.8	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Total Inferred Resources	Mt	6.3	0.0	0.0	0.0	0.0	0.0	0.8	0.2	0.1	0.5	0.8	0.8	1.3	1.2	0.7	0.0
Total ore mined	**Mt**	**24.7**	**0.0**	**0.0**	**2.0**	**2.2**	**2.2**	**2.4**	**2.3**	**2.4**	**2.4**	**2.4**	**1.8**	**2.0**	**1.6**	**0.9**	**0.0**
Total waste mined	Mt	198.2	0.0	9.2	23.4	27.4	25.5	16.7	15.6	16.3	15.3	14.5	13.2	10.9	7.5	2.8	0.0
Processing																	
Reserves	Mt	18.4	0.0	0.0	1.5	2.0	2.0	1.4	1.9	1.8	1.8	1.5	1.3	0.8	0.7	0.9	0.8
Inferred Resources	Mt	6.3	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.2	0.2	0.5	0.7	1.2	1.3	1.1	0.4
Total processed	**Mt**	**24.7**	**0.0**	**0.0**	**1.5**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**1.2**
Average grade processed																	
Lead	%	6.4	0.0	0.0	5.6	5.6	6.5	6.8	7.3	7.3	6.2	6.3	7.0	7.2	7.6	6.2	1.9
Silver	g/t	168.1	0.0	0.0	158.7	190.1	154.0	151.3	158.6	170.6	168.7	183.3	201.0	184.7	201.6	158.7	54.5
Zinc	%	3.2	0.0	0.0	1.9	4.5	2.1	3.4	3.3	4.2	3.1	2.8	3.4	3.2	4.3	3.3	1.2
Metal recovered																	
Lead	Kt	1,385.9	0.0	0.0	72.2	97.9	113.5	119.8	128.5	128.4	109.8	109.4	122.5	125.8	134.6	107.5	16.0
Silver	KOz	118,798.7	0.0	0.0	6582.1	10869.7	8918.5	8736.7	9173.2	9875.8	9679.8	10437.7	11543.7	10678.5	11680.2	9092.1	1530.8
Zinc	Kt	555.4	0.0	0.0	8.0	50.3	27.9	47.2	49.1	64.7	44.9	40.3	50.7	46.1	68.9	49.3	8.0
Metal concentrate produced																	
Lead - silver	Kt	2,314.5	0.0	0.0	122.4	164.0	189.2	199.7	213.8	213.5	182.8	182.3	204.1	209.2	224.0	180.3	29.1
Zinc	Kt	1,055.6	0.0	0.0	15.2	95.6	53.1	89.7	93.3	123.0	85.3	76.7	96.5	87.6	130.9	93.7	15.1

Table 8. Starter pit physicals

1.11 Revenue Factors

Revenues over the life of the Starter Pit total US$5.9 billion. Lead represents 49% of revenue, silver 31% and zinc 20%.

The Bawdwin concentrate products were marketed using concentrate grade estimates resulting from test work on Bawdwin core samples. Smelters in the Chinese province of Yunnan, in close proximity to Bawdwin, were approached to provide terms for the Bawdwin concentrate products. Feedback suggests the high value lead-silver concentrate product would be welcomed by the smelters and terms offered were internationally competitive with up to 95% payability on lead and silver. Competitive terms were also offered for the zinc concentrate product in recognition of the attractive concentrate grades. Estimated payability terms for zinc are up to 85%.

Over the life of the Starter Pit, estimated penalties for arsenic content in the lead concentrate and lead in the zinc concentrate, would total US$ 12 million and US$ 14 million respectively, or less than 0.5% of revenue. It is expected that the arsenic penalty will be reduced substantially by scheduling mine production and blending ore on the ROM to control the levels in final concentrate.

Metal Prices

Metal	Unit	Selected (2021 Consensus Estimate)	2020 Consensus Estimate	2019 Consensus Estimate
Lead	US$ / t	**2,170**	2,136	2,128
Silver	US$ / Oz.	**17.3**	16.8	16.1
Zinc	US$ / t	**2,535**	2,614	2,667

Table 9. Metal prices used for PFS Financial Model

The 2021 consensus metals prices, sourced from S&P Global Market Intelligence (12 February 2019), have been applied to the metal produced for each of the 13 years of production from the Starter Pit. Around 20 independent estimates have been obtained from market participants in the calculation of each of the metal prices. Consensus price estimates incorporate future expectations of commodity demand and supply conditions and are therefore considered to be a more reliable estimate of future metals prices than spot prices or historical averages. The 2021 metal price estimates have been applied as this is the first scheduled year of production from Bawdwin.

1.12 Operating Costs

Parameter	US$/t processed	Life of Starter Pit Total US$m.
Mining costs	29.1	717.9
Labour	11.7	288.6
Processing	16.3	403.1
General and administration	1.0	25.5
Transportation costs	21.3	524.8
Treatment & refining charges	28.6	705.2
Total operating costs	**107.9**	**2,665.0**
Royalty		163.5
Production sharing		1,278.0

Table 10. Operating Costs

Operating costs over the life of the Starter Pit total US$ 2.7 billion. Mining costs, treatment and refining charges and transportation costs are the most significant costs for the Bawdwin mining operations. A majority of these costs are variable costs and can be managed throughout the life of the mining operation.

Benchmarking operating costs, Bawdwin would be positioned as a lowest quartile zinc producer with a net cash cost of -$0.45/lb after deduction of by-product credits.[5]

The Bawdwin Mineral Concession operates under a Production Sharing Agreement (PSA). Under the PSA 'dead rent' is payable during the pre-production period and over the life of the Starter Pit (approximately US$0.04 million per annum). Mineral taxation (or royalty) and production sharing taxation is also levied. Over the life of the Starter Pit US$ 164 million would be payable in royalties and US$ 1,278 million in production sharing taxation. The PFS financial model is pre-finance and pre-corporate taxation. Corporate taxation in Myanmar is a flat 25% rate. A periodic corporate 'tax holiday' can be granted for investments in strategic sectors and, or regions within Myanmar. BJV may be eligible to apply for a corporate tax holiday with respect to the Bawdwin project.

1.13 Capital Expenditure

Parameters	Units	Life of Starter Pit Estimate
On-site capital expenditure		
Mining	US $ million	3.3
Process plant	US $ million	65.7
Infrastructure and utilities	US $ million	11.0
Power supply & distribution	US $ million	11.1
Site development	US $ million	32.7
Existing infrastructure	US $ million	2.5
Existing infrastructure (power supply distribution)	US $ million	0.1
Engineering & construction management	US $ million	22.1
Construction indirects	US $ million	33.6
Equipment - first fills, spares	US $ million	13.6
Total on-site capital expenditure	**US $ million**	**195.7**
Owners costs		
Pre-production mining	US $ million	38.4
Other owners costs	US $ million	32.8
Total owners costs	*US $ million*	*71.2*
Total capital expenditure	**US $ million**	**266.9**
Contingency	US $ million	32.7
Total capital expenditure (including contingency)	**US $ million**	**299.5**
Sustaining capital expenditure	US $ million	17.1

Table 11. Capital expenditure estimates.

A detailed schedule of capital costs has been developed under the categories of capital costs identified in Table 11.

[5] *Based on data sourced from S&P Global Market Intelligence (S&P MI) as at 10 April 2019. Zinc cost curve with by-product credits applied. Basis of net cash costs calculation: life of Starter Pit total operating costs (including royalties and production sharing taxation) of US$4.1bn less revenues from lead and silver (US$4.7bn), divided by Life of Starter Pit zinc production of 555 kt (see Table 8). Converted from tonnes to pounds using standard conversion (1 tonne = 2,205 pounds).*

By discipline, the capital will be allocated in accordance with Figure 16.

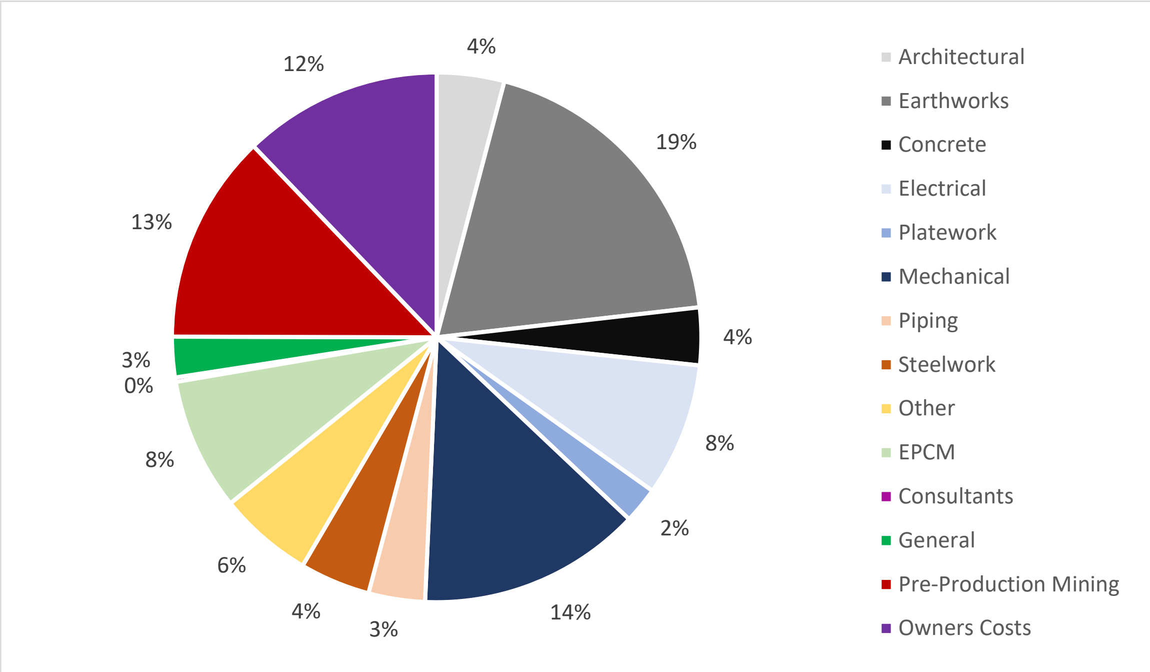


Figure 16. Capital Costs by Discipline

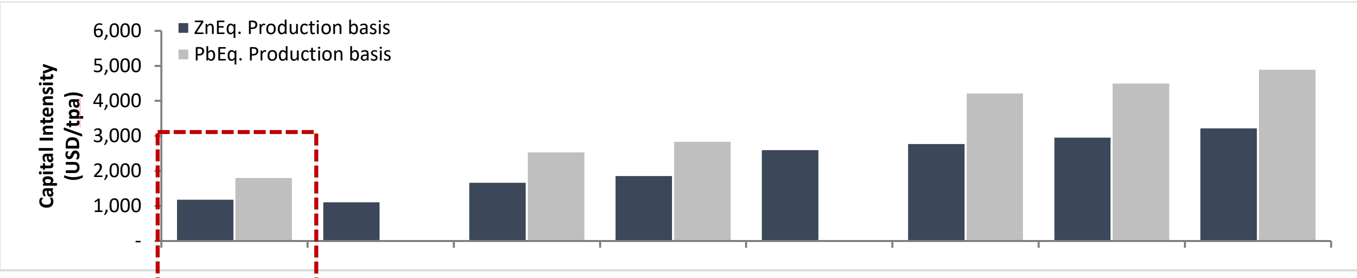
Earthworks is the largest capital cost item which results from the substantial earthworks required for the processing plant, accommodation site and access roads in undulating topography.

A mining pre-production period of 8 months has been included in the capital cost estimate which totals US$ 38.5 million. During this period around 10.8 Mt of waste material will be removed, principally from the footwall of the Starter Pit. Around 0.02 Mt of ore will be mined during this period which will be stockpiled on the ROM pad for processing later in 2022.

Capital costs have been scheduled over a 21 month period commencing May 2020, with reference to industry standard 'S-Curves'. The capital cost schedule results in US$ 20 million of capital expended in 2020, US$ 244 million in 2021 and US$ 36 million in 2022.

A capital cost contingency of US$ 32.7 million has been included in the capital cost estimate. The contingency represents 11% of the total capital cost estimate however contingency is not uniformly applied to all disciplines.

Benchmarked among comparable global projects Bawdwin has amongst the lowest capital intensity. In other words, the amount of capital expenditure required is low relative to the estimated production volumes (Figure 17).



Project	Bawdwin	Abra	Hermosa	Upper Kobuk	Paroo Station	Dugald River	Aripuana	Tala Hamza
Major Owner / Interest (%)	Myanmar Metals (51%)	Galena Mining (100%)	South 32 (100%)	Trilogy Metals (50%)	LeadFX Inc. (100%)	MMG Limited (100%)	Nexa Res. S.A. (62.3%)	Terramin Australia (65%)
Ticker / Market Capitalisation (AUD M)	ASX:MYL 106	ASX:G1A 142	ASX:S32 19,069	TSX:TMQ 466	TSX:LFX 77	HKG:1208 5,394	NYSE:NEXA 2,352	ASX:TZN 168
Location	Myanmar	Australia	USA	USA	Australia	Australia	Brazil	Algeria
Mine Type[2]	OP	UG	OP / UG	OP / UG	OP	UG	OP / UG	UG
Commodities	Pb-Zn-Ag	Pb-Ag	Zn-Pb-Ag	Cu-Zn-Pb-Ag-Au	Pb	Zn-Pb-Ag	Pb-Zn-Ag-Cu-Au	Pb-Zn
Study Level[2] / Release Date	PFS May-2019	PFS 25-Sep-2018	PEA 16-Jan-18	PFS 21-Feb-2018	DFS 19-Feb-19	Corp. Pres. 15-Oct-2018	FS 15-Oct-2018	DFS 29-Aug-2018
Mine Life (Years)	13	14	29	12	17	28	13	21
Capex (USD M)	300	109	519	780	184	750	392	341
ZnEq. Production (ktpa)	**164**	-	**202**	**272**	-	**177**	**87**	**69**
PbEq. Production (ktpa)	**249**	**97**	**307**	**413**	**70**	**268**	**131**	**105**

Figure 17. Capital intensity of Bawdwin against peer projects

Notes:

1. *Source: S&P Global Market Intelligence. Dataset includes all feasibility studies that include lead as a payable metal filtered by (1) PbEq. And/or ZnEq. Production > 50ktpa, (2) mine life > 10 years, (3) at least pre-feasibility study level, and (4) market capitalisation > $50.0 million.*
2. *Abbreviations: Mine Type - open pit (OP) and/or underground (UG). Development Studies – Pre-feasibility Study (PFS), Preliminary Economic Assessment (PEA), Definitive Feasibility Study (DFS), Feasibility Study (FS) and Corporate Presentation (Corp. Pres.).*
3. *Metal equivalent production numbers assume the following spot commodity prices: Pb US$1,965/t, Zn US$2,981/t, Ag US$15.1/oz and Cu US$6,385/t.*

Sustaining capital expenditure of US$ 17.1 million has been allocated over the life of the Starter Pit, which includes amounts for process plant equipment, non-mining vehicles and the diversion of a stream.

1.14 Valuation

Item	Units	Estimate
Net present value (8% real discount rate)	$	US$ 580 m. / A$ 828 m.
Internal rate of return (IRR)	%	30
Life of Starter Pit undiscounted free cash flow	US$ million	1,458
Steady state average annual EBITDA	US$ million	160
Payback period	Years	4

Table 12. PFS valuation metrics.

Notes:

1. *100% project basis. MYL holds a 51% participating interest in the Bawdwin project.*
2. *Australian dollar net present value estimate calculated using AUD:USD FX rate of 0.70.*
3. *Financial estimates are presented on a real 2019 basis with no inflation or escalation applied.*
4. *Financial estimates account for government royalties and production sharing taxation but do not include MYL corporate overheads or corporate taxation.*
5. *Estimates are presented on a pre-financing basis.*
6. *Steady state defined as calendar years 2023 -2033 where 2 Mtpa is planned for processing.*

The net present value (real 8% discount rate) of the Starter Pit is US$ 580 / A$ 828 million with an IRR 30%. This is on a real 2019 basis, assuming 100% ownership. The discount rate of 8% was chosen having regard for the expected weighted average cost of capital.

The robust net present value is indicative of strong underlying cash flows generated from a 13 year high-grade, low cost mining operation. An early payback is an important metric for the BJV. After project cashflows have repaid debt assumed in the project financing process, the BJV will earn a return on capital which will allow for the expansion of the mining operations.

1.15 Sensitivity Analysis

Single factor sensitivity analysis was completed on a number of key parameters including metal prices, metallurgical recovery, capital expenditure and operating expenditure. These parameters are assessed as having the greatest impact on the economics of the project. Parameters were increased and decreased, in isolation, in increments of 5% from the base case to assess the impact on the project's net present value (8%). The project net present value is most sensitive to metal prices and metallurgical recovery (see Figure 18).

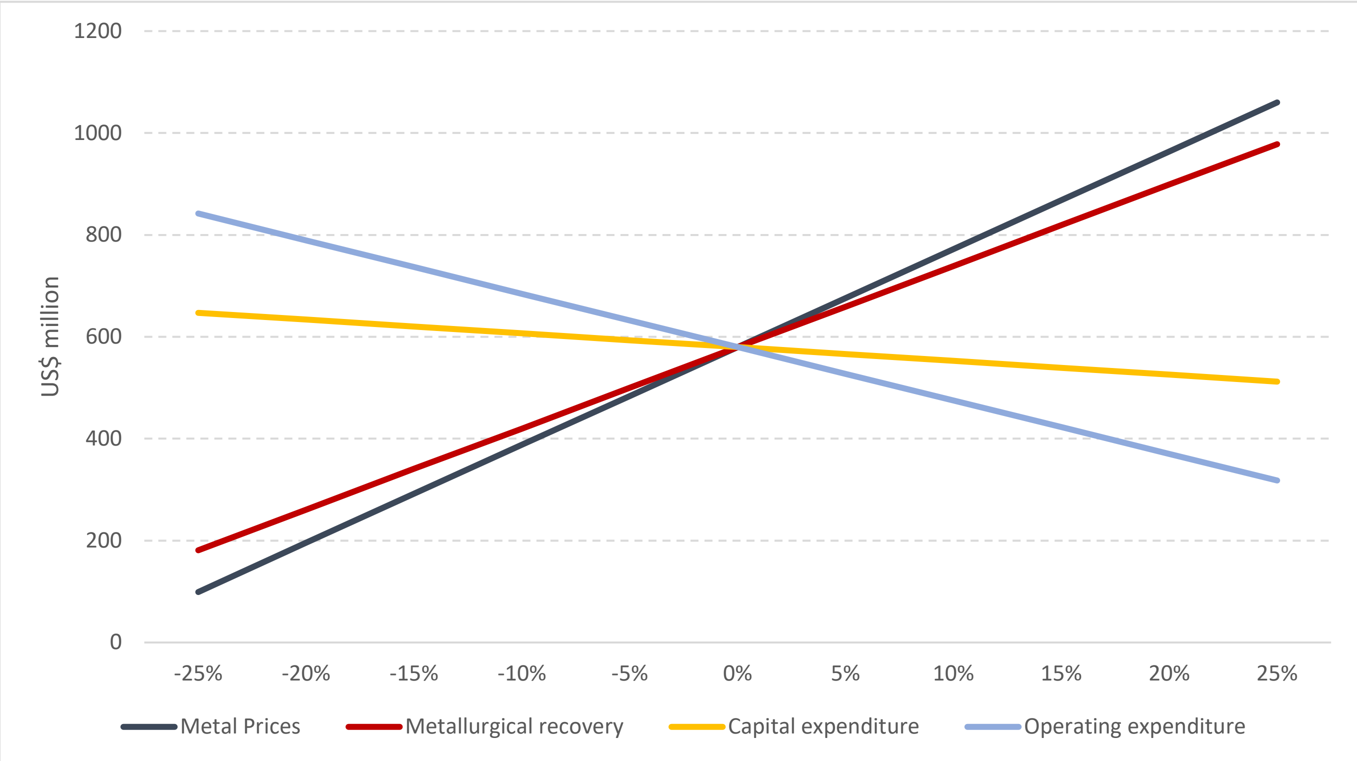


Figure 18. Net present value sensitivity analysis

Notes:

1. *Net present value with 8% real discount rate*
2. *100% project basis. MYL holds a 51% participating interest in the Bawdwin project.*

1.16 Funding

The PFS financial model is a pre-financing model. No allowance has been made for the finance costs and associated fees that will be incurred in raising the capital required to develop the project. The Company's Board believes that there is a reasonable basis to assume that funding will be available to complete all feasibility studies and finance the pre-production activities necessary to commence production on the following basis:

- MYL has received a non-binding letter of financial support from Perilya Limited, its cornerstone investor, for up to US$150 million for future construction of the Bawdwin project
- MYL's Board and executive team have a strong financing track record in developing resources projects
- MYL has a proven ability to attract new capital and supportive major investors in Perilya Limited and Yandal Investments (Mark Creasy)
- MYL believes this PFS demonstrates the project's strong potential to deliver a favourable economic return
- The long operating history of Bawdwin reduces project risks, as many of the key operating risks are known and can be managed
- The positive financial metrics of the project and the underlying demand growth for the commodities, and
- Other companies at a similar stage in development have been able to raise similar amounts of capital in recent capital raisings
- The Company has raised a total of A.$45,000,000 through placements over the past 24 months

1.17 Opportunities and Risks

The PFS represents the best operating and financial estimates of the Starter Pit mining operation that the BJV has available at this point in time. The DFS will aim to resolve key project parameters with greater certainty but at present key opportunities and risks for the Bawdwin Starter Pit include information presented in Table 13.

Opportunities / Risks	Commentary
Resource	▪ The resource model used for the PFS was based on drill results received up to 31 December 2018. Numerous additional assay results have since been received and will be included in the Mineral Resource estimate for the DFS together with additional ongoing drilling. There is an opportunity for additional mineral resource to be added within the pit shell, particularly in the Meingtha Gap area ▪ The additional drill data will allow a more robust statistical evaluation of the historical underground sampling against the recent drill sample population and will reduce the reliance of the estimate on historical data. ▪ Additional sulphur speciation analysis will allow better modelling of Transitional zones and of sulphide and non-sulphide Pb and Zn in the Mineral Resource estimate for the DFS. ▪ Future resource models will be built on a rotated mine grid aligned with the strike direction of the orebody. This will reduce inherent waste dilution (estimated at 16%) within the re-blocked model used for optimisation and design.
Geotechnical	▪ Preliminary geotechnical studies in the area of the Starter Pit were completed for the PFS however geotechnical studies have not been completed in the area of the processing facility ▪ The processing facility and accommodation sites will involve significant earthworks and the cost of undertaking the earthworks will depend on the lithology of the near surface material ▪ A larger contingency has been allocated for earthworks to reflect this uncertainty ▪ Further pit wall geotechnical data will also be gathered for the DFS. The preliminary geotechnical study has recommended design slopes that are conservative when compared to existing stable slopes observed on site. The pit design reflects the recommended slope angles and opportunity exists for steeper slopes and a lower stripping ratio in the final DFS pit design
Metallurgy	▪ More metallurgical testwork is required: - Recovery assumptions for high grade sulphide mineralogy are favourable but for lower grade sulphide mineralisation an empirical recovery function has been applied which results in poor recoveries - For transitional mineralogy lead recovery is lower than for sulphide mineralogy and zinc is not recovered - The distribution of penalty elements and the low-recovery mineral anglesite (lead sulphate) in transitional mineralisation has not been determined in the PFS - As a result of the above, a conservative metallurgical response has been modelled in both lower-grade sulphide and all transitional mineralisation, and an opportunity exists for this to be improved in the DFS. - An opportunity to increase the grade of lower-grade material exists with ore sorting: under the current metallurgical assumptions this implies higher grade and also higher metallurgical recovery. No allowance for this opportunity has been made in the PFS.
Roads	▪ Access roads to Bawdwin from Namtu are public and will require upgrading ▪ Geotechnical studies on these roads have not been completed and will be required to identify and mitigate geohazards

	▪ Reasonable capital has been allocated for road upgrades. Road haulage operating costs reflect the transport of product in secure, lidded containers on trucks suited to the conditions operating in small, escorted convoys as is done successfully in similar conditions in Lao PDR
Commercial	▪ Securing offtake agreements, on similar terms to smelter terms in this PFS, will be dependent on further metallurgical testwork and project finance arrangements assumed for the development of the Starter Pit ▪ The financial estimates are presented on a pre corporate tax basis but after deduction of mineral royalties and production-sharing taxation. The corporate taxation rate in Myanmar is 25%. An opportunity exists for BJV to apply for a corporate taxation holiday of up to 7 years that may be granted by the Myanmar Investment Commission when issuing foreign investment permits for key projects in impoverished areas such as the Namtu-Bawdwin region ▪ The financial estimates in the PFS include only limited costing of goods and services supplied locally, including from Chinese suppliers. An opportunity exists for favourable pricing of numerous locally-provided capital and operating cost items that will be assessed during the DFS ▪ The PFS labour costs assume a mix of local, regional expatriate and western expatriate workers, with the latter typically sourced from Australia. The organisational chart allows for a higher proportion of western expatriates than would be intended in operation and an opportunity exists to optimise the organisational chart and reduce the overall labour cost
Approvals	▪ Upon completion of feasibility studies for the Bawdwin project, approval is to be sought from the Myanmar Investment Commission (MIC) pursuant to a recommendation from the Ministry of Natural Resources and Environmental Conservation (MONREC) for: - a foreign investment permit allowing the Company to take a controlling equity interest in the holder of the Bawdwin concession, replacing the present contractual interest and enabling incorporation of the JV; - the BJV to undertake development of a new and/or expanded mining operation as described in the feasibility studies; and - the JV to continue to undertake large-scale mineral production activities as a foreign-invested entity (following vesting of the Company's controlling equity interest and incorporation of the JV) ▪ The Company is working closely with the MONREC and with its local BJV partners to obtain these approvals. The ministry has been supportive and consistent in providing guidance to MYL and its partners to ensure that an appropriate suite of approvals is obtained, but there can be no guarantee that the approvals will be forthcoming. ▪ Development of the Bawdwin project by the Company and its partners is reliant on foreigners being permitted to reside and work at the Bawdwin site. As part of the development of the Bawdwin Project, formal approval for foreigners to reside and work at Bawdwin must be secured. ▪ There can be no guarantee that all of the necessary permits and approvals will be forthcoming or granted on terms that are acceptable to the Company. Delays in obtaining, or the inability to obtain, permits and required approvals on acceptable terms may significantly impact on the Company's operations. ▪ The approval process brings several opportunities: new approvals under the current mining Act (2015) and Regulations (2018) allow for increased tenure of up to 50 years on initial approval. MIC permits for major investments in regional areas can also grant a taxation holiday for up to 7 years. Both of these, and other benefits, will be sought however there is no guarantee of obtaining these or any other additional benefits and no such benefits have been assumed in the PFS. The results of the PFS have been presented to MONREC.

Environment and Health	▪ A structured and comprehensive risk management process was implemented during the PFS in order to characterise the uncertainties of the project, including environmental and health issues ▪ Historical mining operations may have had an impact on the health conditions of the local population and polluted parts of the local mine environs. The Company does not consider that it has any responsibility for these historic mining operations. Baseline health and environmental data will be collected as part of the ESIA process but is not yet complete ▪ Without good work practices, the minerals handled and metal products produced from future mining operations have potential to create adverse health, safety and environmental impacts. Addressing health, safety and environmental risks identified in the risk management process will be a high priority in the ESIA and DFS
Country	▪ Myanmar has experienced unrest between ethnic groups and military forces. Such unrest can fundamentally impact foreign businesses' operations in Myanmar. The location of the Bawdwin project in the northern Shan State is an area that has experienced unrest between ethnic groups and/or military forces in recent years. The Company notes the positive progress on the peace process in Myanmar and in particular recent talks between the government and the ethnic groups operating in the Shan/Kachin state. The possibility of continued or an increase in unrest remains a threat which may affect the viability and profitability of the Bawdwin Project. The BJV notes that the unrest has had no impact on the project to date.
Future Capital Requirements	▪ In order to successfully develop the Bawdwin Project and for production to commence, the Company will require additional financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. ▪ Although the Directors believe that additional capital can be obtained as and when required (as set out in section 1.16), no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities.
Partners	▪ The BJV has operated successfully since its formation in June 2018 and has proven to be an effective vehicle for developing the Bawdwin project and the BJV partners have worked together to finalise the PFS. MYL's partners substantially de-risk joint venture operations through their local experience, knowledge and lobbying power. ▪ The Company's interest in the Bawdwin Project is held through a legally binding contractual joint venture arrangement with Win Myint Mo Industries Co., Ltd. (**WMM**), the current controlling shareholders of WMM (**OSG**), and EAP. ▪ The ability of the Company to achieve its stated objectives will depend on the performance by the Company, EAP, the current shareholders of WMM, and WMM itself under the aforementioned agreements. If any of EAP, or WMM or the existing shareholders of WMM defaults in the performance of their obligations, or there is disagreement as to a matter of contractual interpretation, it may be necessary for the Company to initiate proceedings in an arbitral tribunal or a court to seek a legal remedy, which can be costly and has no certainty of resulting in a favourable outcome for the Company. The Bawdwin Joint Venture operates with commercial discipline (including cash calls, budgets and cost variance reporting) and is governed by a board that meets monthly, recording its decisions as properly minuted resolutions.

Community	▪ The Bawdwin village has been a centre for mining operations for over a century. The Company expects the Bawdwin mine re-development will create significant social and economic benefits for local communities, including employment opportunities, but acknowledges that local some residents may be directly or indirectly affected by the mine development and associated operations. Community programs and social impact studies are underway as part of the ESIA to understand community issues and where possible address concerns. ▪ The existing processing facility at Bawdwin has been established for many years but an expanded mine and/or treatment facility is expected to impact on some local housing which is expected to result in the Company being required to negotiate a resettlement program with the affected community members. The Company may therefore be required to undertake activities including a livelihood restoration and relocation program, including the building of new homes. ▪ As it is intended that local residents will be the source of a significant number of employees for the mine, and the quality of the housing constructed is expected to be higher than the existing buildings, community support is expected but cannot be guaranteed. If some members of the community are slow to relocate or resist moving altogether, it may have the potential to adversely affect future production. The company notes that the local housing is part of the concession, as is the land upon which it is built: the mine operator holds the title and has the legal right to remove and rebuild.

Table 13. Key Opportunities and Risks in respect of the Bawdwin Starter Pit

The Company notes that many of the risks identified above have been disclosed previously, in particular the Company's disclosure document dated 14 June 2018.

Appendix 1

Definitions

Term	Meaning
Ag	Silver
Bawdwin	Bawdwin Concession in Shan State, Myanmar. Also referred to as 'Bawdwin Project' or 'Concession'
BJV	Bawdwin Joint Venture – an unincorporated joint venture between MYL, WMM and EAP
Cu	Copper
DFS	Definitive Feasibility Study
EAP	EAP Global Mining Company Limited
ESIA	Environmental Social Impact Assessment
FS	Feasibility Study
Indicated	Indicated Mineral Resource in accordance with the JORC 2012 edition
Inferred	Inferred Mineral Resource in accordance with the JORC 2012 edition
IWL	Integrated Waste Landform
JV	Bawdwin Joint Venture – an unincorporated joint venture between MYL, WMM and EAP
kOz	Thousand troy ounces. Also used as 'kOzpa' where referring to per annum metrics.
kt	Thousand tonnes. Also used as 'ktpa' where referring to per annum metrics.
KVA	Kilo-volt-ampere
LOM	Life of Mine
m	Metres
Mt	Million tonnes. Also used as 'Mtpa' where referring to per annum metrics
MW	Mega watts
MYL	Myanmar Metals Limited. Also referred to as the Company
NSR	Net Smelter Return
Oz	Troy Ounces
Pb	Lead
PFS	Pre-Feasibility Study
PS	Production Share
PSA	Production Sharing Agreement; the fiscal regime Bawdwin is operated under
RC	Reverse Circulation drilling
Reserve	Mineral Reserve in accordance with the JORC 2012 edition
RL	Resource Line. Used to define the depth of a pit shell e.g. "750mRL"
ROM	Run of Mine
Starter Pit	Initial open-pit mining operation focused on the China Lode. Also referred to as 'Project'
Strip ratio	Ratio of waste to ore
t	Tonnes. Also used as 'tpa' or 't/a' where referring to per annum metrics
TC	Treatment Costs
WMM	Win Myint Mo Industries Co., Ltd
Zn	Zinc

Appendix 2 – JORC 2012 Table 1 Sections 1 and 2

Table 1: Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• The 2018 evaluation program at Bawdwin includes diamond core drilling and RC drilling from August 2017 to December 2018. • The diamond core drilling was completed from August to November 2017 and from January to April 2018 using PQ, HQ and NQ triple tube diameter coring. A total of 40 diamond core drill holes and diamond core drill-tail holes were completed, of which three were redrills, for a total of 5,396.5m. Additional diamond drilling commenced in August 2018 and is ongoing. The current Resource includes holes drilled up to mid-December. • Drill core was geologically logged, cut and then ½ core samples sent to Intertek Laboratories for sample preparation in Yangon, Myanmar and then analysis in Manila, Philippines. The sample interval was nominally 1 m or to geological and mineralisation boundaries. • RC Drilling was commenced in January and was completed in March 2018 with 23 RC and RC precollar holes completed, for a total of 2,014 m. Additional drilling commenced in August 2018 and is ongoing. The current Resource includes holes drilled up to mid-December. • RC Chips collected using a face sampling hammer and samples were split into a bulk sample and a subsample collected in plastic bags at 1m intervals. Samples were split using a riffle splitter, the bulk sample being stored on site, and an approximately 2kg sub sample was sent to Intertek Laboratories for sample preparation in Yangon, Myanmar and then analysis in Manila, Philippines. • Channel sampling in the open pit sampling was completed as part of a surface geological mapping program in late 2016. Systematic channel sampling was completed by a team of Valentis Resources (Valentis)and Win Myint Mo Industrial Co Ltd (WMM) geologists over most of the available open pit area wherever clean exposure was accessible. A total of 435 samples were collected from 47 channels totalling 1,790.8 m. • Samples were typically 1.5 m in length or to geological and mineralisation boundaries. • Approximately 3 kg of representative sample was systematically chipped from cleaned faces. Samples were despatched to Intertek Laboratories for sample preparation in Yangon, Myanmar and then analysis in Manila, Philippines.

Criteria	JORC Code explanation	Commentary
		The underground sampling data is an extensive historical data set that was completed as part of mine development activities. The data set comprises systematic sampling from development drives, crosscuts, ore drives and exploration drives. This data date largely from the 1930s until the 1980s and utilised consistent sampling and analytical protocols through the mine history. Sampling consisted of 2inch (5 cm) hammer/chisel cut continuous channels sampled at 5 feet (1.5 m) intervals at waist-height along both walls of across-strike drives and across the backs of strike drives. Sample weights were around 5 pounds (2.3 kg) were analysed at the Bawdwin Mine site laboratory using chemical titration methods. Results were recorded in ledgers. Averaged results from each wall of the exploration cross-cuts were recorded on the level plans.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, openhole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, facesampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling in both 2017 and 2018 was completed by Titeline Valentis Drilling Myanmar (TVDM) using two Elton 500 drill rigs. Drilling is a combination of triple tubed PQ, HQ and NQ diameter diamond coring. Holes were typically collared in PQ, then reduced to HQ around 50 m, and later to NQ if drilling conditions dictated. Holes ranged from 63.4 m to 260.1 m depth. • Attempts were made to orientate the core, but the ground was highly fractured and broken with short drilling runs. Obtaining consistently meaningful orientation data was very difficult. • Titeline Valentis Drilling Myanmar ('TVDM') subcontracted a Hanjin DB30 multi-purpose drill rig for the RC drilling of nominal six-inch diameter holes from January to April 2018. From August to • December 2018 a Hanjin DB16 from TVDM was used.

Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• To maximise core recovery, triple tube PQ, HQ and NQ core drilling was used, with the drilling utilising TVDM drillers experienced in drilling difficult ground conditions. Drill penetration rates and water pressure were closely monitored to maximise recovery. • During the diamond drilling the length of each drill run and the length of sample recovered was recorded by the driller (driller's recovery). The recovered sample length was cross checked by the geologists logging the drill core and recorded as the final recovery. • Core recoveries were variable and often poor with a mean of 90% and a median of 98%, with lowest recoveries in the 10% to 30% range. Low recoveries reflect poor ground conditions and previously mined areas. Core recoveries were reviewed, and intervals with poor recovery were excluded. At present, no relationships between sample recovery and grade bias due to loss/gain of fines or washing away of clay material has been identified. It is assumed that the grade of lost material is similar to the grade of the recovered core. • RC Drilling was conducted to maintain sample recoveries. Where voids or stopes were intersected recoveries were reduced, and such occurrences were recorded by the supervising geologist. • For channel chip sampling, every effort was made to sample systematically across each sample interval with sampling completed by trained geologists.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond core samples were geologically logged in a high level of detail down to a centimetre scale. Quantitative logging for lithology, stratigraphy, texture, hardness, RQD and defects was conducted using defined logging codes. Colour and any other additional qualitative comments are also recorded. • All RC samples were geologically logged for lithology, alteration and weathering by Geologists. A small sub sample was collected for each metre and placed into plastic chip tray for future reference. • The 2016 open pit channel rock samples were systematically geologically logged and recorded on sample traverse sheets. • All drill core and open pit sampling locations were digitally photographed. • The underground sampling data has no geological logging, however geological mapping was completed along the exploration drives and is recorded on level plans. Historical plan and section geological interpretations have been used in these areas to assist in geological model development.

Criteria	JORC Code explanation	Commentary
Subsampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All core was half-core sampled. Most core was cut using an electric diamond saw and some more friable intervals were split manually. All core for sampling was pre-marked with the cut line, and only the left-hand side of the core was sent for assay to maintain consistency. • The core sampling intervals were generally at one metre intervals which were refined to match logged lithology and geological boundaries. A minimum sample length of 0.5 m was used. • RC samples were collected in plastic bags at 1m intervals from a cyclone located adjacent to the drill rig. Valentis field staff passed the bulk sample through a riffle splitter to produce a nominal 2kg sub sample. • Given the nature of the RC drilling to pulverise the sample into small chips riffle splitting the sample is an appropriate technique for a sulphide base metal deposit. The 2kg sub-sample was deemed an appropriate sample size for submittal to the laboratory. • No sub-splitting of the open pit chips samples was undertaken. Sample lengths ranged from 1 m to 2 m (typically 1.5 m). Sample intervals were refined to match geological boundaries. • Historical underground subsampling techniques are unknown.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The diamond drilling, RC samples and open pit channel samples were all sent to Intertek Laboratories in Yangon for sample preparation. • All samples were dried and weighed and crushed to in a Boyd Crusher. A representative split of 1.5 kg was then pulverised in a LM5 pulveriser. A 200 g subsample pulp was then riffle split from the pulverised sample. The crusher residue and pulverised pulp residue were stored at the Yangon laboratory. • Sample pulps were sent to the Intertek analytical facility in Manila, Philippines where they were analysed in 2017 using ICP-OES – Ore grade four-acid digestion. Elements analysed were Ag, Fe, Cd, Co, Ni, Pb, Cu, Mn, S and Zn. In 2018, ICP-OES – Ore grade four-acid digestion continued to be employed, along with additional multi-element analysis of 46 elements using four-acid standard ICP-OES and MS. • Quality control (QC) samples were submitted with each assay batch (certified reference standards, certified reference standard blanks and duplicate samples). The Laboratory inserted their own quality assurance/quality control (QAQC) samples as part of their internal QAQC. All assay results returned were of acceptable quality based on assessment of the QAQC assays. The underground data was assayed by the Bawdwin mine laboratory on site. Bulk samples were crushed in a jaw crusher, mixed, coned and quartered. Two 100 g samples were then dried and crushed in a ring mill to approximately 100 mesh. Two 0.5 g homogenised samples were taken for lead and zinc titration using Aqua Regia (Pb) and Nitric acid (Zn). RSG inspected the laboratory in 1996 and noted it to be "clean, and great pride is taken in the conditions and quality of the work". The laboratory remains operational and CSA Global's review in 2017 reached similar conclusions to RSG. Results for Zn and Pb were reported to 0.1%. • There is no QAQC data for the historical underground sampling data.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All diamond drill core samples were checked, measured and marked up before logging in a high level of detail. • RC Samples were sampled and logged at the drill rig. A small sub-sample from each metre was placed into a plastic ship tray to allow re-logging if required. • The diamond and RC drilling, sampling and geological data were recorded into standardised templates in Microsoft Excel by the logging/sampling geologists. • Geological logs and associated data were cross checked by the supervising Project Geologist • Laboratory assay results were individually reviewed by sample batch and the QAQC data integrity checked before uploading. • All geological and assay data were uploaded into a DataShed database. • The DataShed database was loaded into Micromine mining software. This data was then validated for integrity visually and by running systematic checks for any errors in sample intervals, out of range values and other important variations. • All drill core was photographed with corrected depth measurements before sampling. • No specific twin holes were drilled; however, three daughter holes were inadvertently cut due to challenging drilling conditions during re-entry through collapsed ground. and intersected mineralisation of very similar tenor and grade to the parent hole. • Historical underground sampling data was captured off hard copy mine assay level plans. These plans show the development drives on the level along with the sampling traverse locations and Ag, Pb, Zn and Cu values. This process involved the systematic digital scanning of the various mine assay level hard copy plans, along with manual data entry of the assay intervals and assay results by Project Geologists and assistants. Coordinates of sampling traverse locations were scaled off the plans (in the local Bawdwin Mine Grid). Data was collated into spreadsheets and then uploaded into Micromine. Sampling traverses were loaded as horizontal drill holes. The channel samples were systematically visually checked in Micromine against the georeferenced mine assay plans. The data was further validated by running systematic checks for any errors in sample intervals, out of range values and other important variations. Any data that was illegible or could not be accurately located was removed from the database. Underground channel sample databases were made for the Shan, China and Meingtha lodes and associated mine development. These were later uploaded into a master Access database.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The diamond drilling, RC drilling and pit mapping and channel sampling all utilised UTM WGS84 datum Zone 47 North. • All diamond drill holes and pit mapping sampling traverse locations were surveyed using a Differential Global Positioning System (DGPS). The DGPS is considered to have better than 0.5 m accuracy. • All diamond drill holes have downhole surveys. These were taken using a digital single shot camera typically taken every 30 metres. • The RC Holes were surveyed in the rods every 30m, however because of interference from the steel only dips could be recorded during the early 2018 drilling. From September 2018, a gyroscopic system was utilised to provide both dip and azimuth survey information. • Historically the underground and open pit mines operated in a local survey grid, the "Bawdwin Mine Grid". This grid is measured in feet with the Marmion Shaft as its datum. A plane 2D transformation was developed to transform data between the local Bawdwin Mine Grid and UTM using surveyed reference points. • Historical mine plans and sections were all georeferenced using the local Bawdwin Mine grid. The outlines of stopes, underground sample locations, basic geology and other useful information was all digitised in the local mine grid. This was later translated to UTM for use in geological and resource modelling. • The historical underground channel sampling data is scaled off historical A0 paper and velum mine plans which may have some minor distortion due to their age. • The underground sampling locations were by marked tape from the midpoint of intersecting drives as a reference. They appear to be of acceptable accuracy. • Historically within the mine each level has a nominal Bawdwin grid elevation (in feet) which was traditionally assumed to be the elevation for the entire level. It is likely that these levels may be inclined for drainage so there is likely to be some minor differences in true elevation (<5 m). • The topography used for the estimate was based on satellite data. This is assumed to have 0.5 m accuracy and it was calibrated against the Bawdwin Mine UTM survey of the open pit area and surveyed drill-hole collars. This survey is of appropriate accuracy for the stage of the project.

		• Location of the IP survey stations and electrodes has been obtained by handheld GPS control in WGS84/NUTM47 datum/projection
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The diamond and RC drill holes completed at the open pit are spaced on approximately 50 m spaced sections with some infill sections approximately 2030 m apart and were designed to provide systematic coverage along the strike/dip of the China Lode. Three diamond drill holes were drilled at the Meingtha Lode and 10 drill holes were drilled on the Bamboo Hill on 50 m spaced sections, 24 both RC and diamond holes drilled at the Shan Lode on 50 m spaced sections. • The open pit sampling was done on accessible berms and ramps. These traverses range from 10 m to 30 m apart. • The historical underground samples are generally taken from systematic ore development crosscuts. These are typically on 50 to 100 feet spacings – 15 m to 30 m. Strike drives along mineralised lodes demonstrate continuity. • The GAIP data has been collected along 100m spaced lines using 50m receiver dipoles to collect stations every 25 m along the survey lines. The PDIP uses 50m dipoles acquired along 800m long offset lines, and a central transmitter line 1km long with poles every 50m (the traverse over Yegon-China was 1.4km long with 50m poles and dipoles).

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes were generally drilled on 065 azimuth (true) which is perpendicular to the main north and north-northeast striking lodes. Holes were generally inclined at -50° to horizontal. Some holes were also drilled on 245 azimuth (true) because of access difficulties due to topography and infrastructure. • The drilling orientation is not believed to have caused any systematic sampling bias. Where drill direction was less than optimal, the geological model will be used to qualify the mineralised intersections. • The open pit channel sampling sample traverses were orientated perpendicular to the main trend of mineralisation where possible. However, due to the orientation of the pit walls in many areas, sampling traverse are at an oblique angle to the main mineralised trend. • Underground sampling data consists largely of cross strike drives which are orientated perpendicular to the steeply dipping lodes. The dataset also contains sampling from a number of along-strike ore drives. These drives are generally included within the modelled lodes which have hard boundaries to mitigate any smearing into neighbouring halo domains. • IP Survey lines are oriented 45 degrees north, which is perpendicular to the known mineralised structural trend at the Bawdwin Project
Sample security	• *The measures taken to ensure sample security.*	Drill core was taken twice daily from the drill rig, immediately following completion of day shift and night shift respectively. • Core was transported to the core facility where it was logged and sampled. • RC samples were collected from the rig upon hole completion. • Samples were bagged and periodically sent to the Intertek laboratory in Yangon for preparation. All samples were delivered by a Valentis geologist to Lashio then transported to Yangon on express bus as consigned freight. The samples were secured in the freight hold of the bus by the Valentis geologist. The samples collected on arrival in Yangon by a Valentis driver and delivered to the Intertek laboratory. • The Valentis-Austhai survey crew IP has been supervised on site by Myanmar Metals staff and data • has been transferred digitally to Southern Geoscience Consultants on a daily basis

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Integrity of all data (drill hole, geological, assay) was reviewed before being incorporated into the database system. • The IP survey procedures and data quality has been monitored, processed and imaged by independent geophysical consultants Southern Geoscience Consultants

Table 1: Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Bawdwin Mine is in NE Shan State, Myanmar. • The project owner is Win Myint Mo Industries Co Ltd (WMM) who hold a Mining Concession which covers some approximately 38 km^2. • WMM has a current Production-sharing Agreement with the Myanmar Government. • Myanmar Metals Limited (MYL) majority 51% interest in Bawdwin is held through a legally binding contractual Joint Venture between MYL, EAP and the owners of WMM. • Upon completion of a bankable feasibility study and the issue of Myanmar Investment Commission (MIC) permits allowing the construction and operation of the mine by the Joint Venture, shares in Concession holder WMM will be allotted to the parties in the JV ratio.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Bawdwin Mine was operated as an underground and open pit base metal (Pb, Zn, Ag, Cu) mine from 1914 until 2009. • The only modern study on the mine was completed by Resource Service Group (RSG) in 1996 for Mandalay Mining. RSG compiled the historical underground data and completed a JORC (1995) Mineral Resource estimate. The digital data for this work was not located and only the hardcopy report exists.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Bawdwin deposit is hosted in volcanic (Bawdwin Tuff), intrusive (Lo Min Porphyry) and sedimentary (Pangyun Formation) rocks of late Cambrian to early Ordovician age. • The historical mine was based on three high-grade massive Pb-Zn-Ag-Cu sulphide lodes, the Shan, China and Meingtha lodes. These lodes were considered to be formed as one lode and are now offset by two major faults the Hsenwi and Yunnan faults. • The major sulphides are galena and sphalerite with lesser amounts of pyrite, chalcopyrite, covellite, gersdorffite, boulangerite, and cobaltite amongst other minerals. • The lodes are steeply-dipping structurally-controlled zones and each lode incorporated anastomosing segments and footwall splays. • The lodes occur within highly altered Bawdwin Tuff which hosts extensive stockwork and disseminated mineralisation as well as narrow massive sulphide lodes along structures. This halo mineralisation is best developed in the footwall of the largest China Lode. The main central part of the mineralised system is approximately 2 km in length by 400 m width, while ancient workings occur over a strike length of about 3.5 km. • The upper portion of the China Lode was originally covered by a large gossan which has been largely mined as part of the earlier open pit. The current pit has a copper oxide zone exposed in the upper parts, transitional sulphide mineralisation in the central areas and fresh sulphide mineralisation near the base of the pit. • The Bawdwin deposit is interpreted as a structurally controlled magmatic-hydrothermal replacement deposit emplaced within a rhyolitic volcanic centre.

Criteria	JORC Code explanation	Commentary

Drillhole information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* ○ *easting and northing of the drillhole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar ○ dip and azimuth of the hole ○ downhole length and interception depth ○ hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill holes discussed in this release are historic in nature and will not be used in any future resource estimates. They are discussed to add additional background as to the general prospectivity of the area, and full details are in the referenced report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Length-weighted composites have been reported based on lower cut-off criteria that are provided in the composite tables, primarily 0.5% Pb. Additional composites based on cut-off of 0.5% Cu have been reported to highlight copper-rich zones. • No top-cut has been applied. The Bawdwin deposit includes extensive high grade massive sulphide lodes that constitute an important component of the mineralisation; top-cuts will be applied if appropriate during estimation of mineral resources • Metal equivalents are not reported here.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* • *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	• Drill holes were orientated at an azimuth generally to the main orientation of mineralisation with a dip at about 40-50° from the dip of mineralisation; reported drill composite intercepts are down-hole intervals, not true widths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be*	• Diagrams that are relevant to this release have been included in the main body of the document, or reported in previous announcements.

	limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results have been reported for relevant historic drill holes for the purpose of general information only; no historic drilling will be used in mineral resource estimates.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• In Company's opinion, this material has been adequately reported in this or previous announcements.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The details of additional work programmes will be determined by the results of the current exploration program that is currently underway. • It is envisaged that a drilling program will be undertaken to test exploration targets, supported by geology, geochemistry and geophysics.

JORC 2012 Table 1 Section 3 and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant Section 2, also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• All historical underground drive sampling data was compiled into a Microsoft Access database. • Diamond and RC drilling sampling, and open pit sampling data was also compiled into a Datashed database. • Data was exported as Micromine tables and drilling/underground sampling databases constructed. These were validated in Micromine for inconsistencies, overlapping intervals, out of range values, and other important items. • All data was visually checked.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Dr Neal Reynolds, a Principal Geologist and Director of CSA Global, conducted site visits to the project area in August 2017, October 2017 , May 2018 and November 2018. Drill activities were observed and checked, drill core was examined and mineralisation in the open pit was observed. The historical systematic documentation of mining and exploration development, sampling and assaying was confirmed, and the assay laboratory was visited during 2017 visits.

Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Bawdwin Mine has a long underground and open pit mining history. The geological interpretation used for the resource estimate is based on historical sectional and plan underground geology interpretations and recent open pit mapping and new diamond and RC drilling information. Stoped areas were also modelled and these provide a useful guide to the geometry and orientation of the major lodes. This data has been used to create a wireframed 3D model of geology, structure and mineralisation. • Underground and open pit channel sampling, drill hole assay results have formed the basis for the geological interpretation. • The major lodes were modelled in Micromine primarily in plan view and additionally in section view to integrate drill-hole data. 3.5% Pb cut-off grade was applied for interpretation of the major high-grade lodes. • Surrounding the major lodes, a "halo" zone was modelled based on 0.5% Pb cut-off grade and represents an alteration envelope around the highgrade lodes. • A separate zinc resource estimate was completed independently as zinc does not always correlate with lead. A 1% Zn cut-off grade was applied for interpretation of the Zinc mineralisation • A separate copper resource estimate was completed independently due the low correlation between Pb and Cu. 1% Cu cut-off grade was applied for interpretation of the copper mineralisation • No alternate interpretations have been considered as the overall geometry of the mineralisation is generally well understood due to previous mining. • The grade and to a lesser degree lithological interpretation forms the basis for the modelling.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The currently interpreted mineralisation of the Bawdwin area extends for approximately 1.8 km along a 325° northwest strike. The dip angle of the zone varies from -70° to -90° with most common dip angle at -80°. The zone extends from surface to 475 m below the surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Grade estimation was by ordinary kriging (OK) using Micromine 2018 software. The interpretation was extended perpendicular to the corresponding first and last interpreted plan levels to the distance equal to a half distance between the adjacent underground levels. • CSA Global carried out the reported Mineral Resource estimate in December 2018 to February 2019. The OK estimate was completed concurrently with two check Inverse Distance Weighting (IDW) estimates. The OK estimate used the parameters

	• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. Sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	obtained from the modelled variograms. The results of the check estimates correlate well. • No deleterious or non-grade variables were estimated. • The block model was constructed using a 5 m E x 10 m N x 10 m RL parent block size, with sub-celling to 1.25 m E x 1.25 m N x 1.25 m RL for domain volume resolution. The parent cell size was chosen on the basis of the general morphology of mineralised zones and in order to avoid the generation of large block models. The sub-cell size was chosen to maintain the resolution of the mineralised zones and to allow a block model transfer to the Surpac mining package. The sub-cells were optimised in the models where possible to form larger cells. • The search radii were determined by means of the evaluation of the semi-variogram parameters. • The first search radius was selected to be equal to the block size dimensions to use the grades from the workings that intercepted the block. The second search radius was selected to be equal to two thirds of the semi-variogram long ranges in all directions. Model cells that did not receive a grade estimate from the first interpolation run were used in the next interpolation with greater search radii equal to full long semi-variogram ranges in all directions. The model cells that did not receive grades from the first three runs were then estimated using radii incremented by the full long semi-variogram ranges. When model cells were estimated using radii not exceeding the five full semi-variogram ranges, a restriction of at least three samples from at least two drill holes was applied to increase the reliability of the estimates. • No selective mining units were assumed in this estimate.

Criteria	JORC Code explanation	Commentary

Estimation and modelling techniques (continued)	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	• No strong correlations were found between the grade variables estimated, except Pb and Ag. • Grade envelopes were defined for Pb based on 3.5% Pb grade to define high grade lodes and 0.5% Pb for the "Halo" zone. Hard boundaries between the grade envelopes were used to select sample populations for grade estimation. • Grade envelopes were defined for Zn based on 1.0% Zn grade to define zinc mineralisation • Grade envelopes were defined for Cu based on 1.0% Cu grade to define copper mineralisation. • Statistical analysis to determine top cut grade values was carried out separately for each element (Pb, Zn, Cu, Ag) and separately for each defined mineralisation domain. • Validation of the block model included comparison of the block model volume to the wireframe volume. Grade estimates were validated by statistical comparison with the drill data, visual comparison of grade trends in the model with the drill data trends, and by using a second interpolation technique. • No reconciliation data is available.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are estimated on a dry basis
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource above 750 m RL was reported at 2.0% Pb (reflecting the high grade core mineralisation and 0.5% Pb reflecting the pit optimisation which demonstrates potential for economic extraction in an open pit to this depth. • A single cut-off grade of 2% Pb has been applied to the reported Mineral Resource below the 750 m RL that has potential for eventual economic extraction by underground mining. • Cut-off grade of 1% Zn has been applied to the reported Mineral Resource to the zinc mineralisation that lie outside of the Pb Halo zones. • Cut-off grade of 0.5% Cu has been applied to the reported Mineral Resource to the copper mineralisation that lie outside of the Pb Halo zones.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral*	• A Pre-Feasibility Study including a pit optimisation is currently assessing the open pit development opportunity at Bawdwin. It is expected that deeper parts of the deposit will be amenable to underground mining.

Criteria	JORC Code explanation	Commentary

	Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• It is assumed that Pb, Zn, Cu and Ag sulphide mineralisation can all be economically extracted using conventional flotation methods. These were all produced historically at the Bawdwin Mine and Namtu Smelter Complex. • The metallurgical testwork program for the PFS managed by Lycopodium has shown acceptable metal recoveries for lead, silver, and zinc using conventional flotation in fresh material. A grade-recovery equation has been applied in the PFS study. • The study does not consider recovery of a copper concentrate. • Transitional material shows lower recoveries for lead and silver and poor recovery for zinc. These recoveries have been applied to the Transitional Mineral Resource domains in the PFS study. The current Transitional domains do not take account of anglesite (lead sulphate) which is not recoverable by conventional flotation. This is currently being addressed through sulphate analysis; initial results suggest that anglesite is minor and localised. • Deleterious elements including arsenic and mercury have been identified. The PFS study assumes that these can be blended in concentrate to below penalty levels. • Further testwork for the DFS will better determine recoveries for low grade and transitional material and optimise recovery for fresh material.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Suitable sites for waste dumps are located in the neighbouring valleys adjacent to the planned open pit area. • The Pangyun creek that flows on the margins of the deposit will require a diversion for a large open pit. • Ore processing is planned to take place with a processing plant on site. Tailings are currently planned to be de-watered and co-disposed with waste rock in an integrated dump

Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vughs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• A total of 1,025 bulk density measurements were taken from a suite of mineralised and un-mineralised drill core using conventional water immersion and caliper techniques. • The bulk density of mineralisation increases with sulphide content and hence Pb, Zn and Cu metal grade. • Density data was used to develop a regression between the density and Pb, Zn, Cu and Ag grades for samples within the mineralised envelopes. Separate regression formulas were derived for high grade lodes and the "Halo" zone. Based on the bulk density measurements a density of 2.3 for transitional and deep oxide zones outside of mineralised envelopes, 2.5 for un-mineralised fresh material.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Inferred Mineral Resource classification is based on the evidence from the available drill hole and channel sampling. This evidence is sufficient to imply but not verify geological and grade continuity. However, the areas with the denser drilling and robust continuation of the mineralised zones were classified as Indicated (where the new 2017 and 2018 drill holes were drilled). • The Inferred and Indicated classification has considered all available geological and sampling information, and the classification level is considered appropriate for the current stage of this project. • The open pit mapping and diamond drilling all have been carried in accordance with modern industry best practice standards and have QAQC data to support the assay data. The historical underground sampling has no assay QAQC. The data quality is acceptable for the classification of Indicated in the areas with supporting drilling data. • The overall structure of the major lodes is well understood from the underground data and open pit mapping. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews.	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate.

Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource to an Indicated and Inferred classification as per the guidelines of the 2012 JORC Code. • The statement refers to global estimation of tonnes and grade.

Ore Reserve Modifying Factors, JORC 2012 Modifying Factors (Table 1 Section 4)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Bawdwin Mineral Resources are as reported by Myanmar Metals on the 13th February 2019. • The Mineral Resource is reported inclusive of Ore Reserves.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Visits to the Bawdwin site have been undertaken by CSA Global staff on multiple occasions during 2017, 2018 and 2019, including Daniel Grosso and Dr Neal Reynolds.
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Prefeasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• A Pre-Feasibility Study (PFS) for the Bawdwin Project has been undertaken by the Bawdwin Joint Venture (BJV). The modifying factors used in this Ore Reserve Estimate are based on parameters generated in the PFS. • The mine plan in the PFS is technically achievable and economically viable. All material modifying factors identified on the PFS have been considered and applied in the estimation of the Ore Reserve.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• The cut-off between ore and waste has been determined by net value per block. A Net Smelter Return ($NSR) value is estimated for the total block revenue from the processing recoverable and smelter payable metal within the block. Total block costs are estimated for all operating costs including mining, processing, general and administration, concentrate transport, royalties, smelter deductions and smelter penalties. • Total $NSR minus total block costs estimate the net value per block. Any block returning a positive net value has been defined as “ore” for the purposes of pit design and production scheduling. Any material that has been defined as Mineral Resource that has a negative net value has been defined as “mineralized waste”.

Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The mining method applied to this Ore Reserve is open pit mining using Drill & Blast and Load & Haul. The estimate is based on a Whittle optimisation, geotechnical analysis and a detailed mine design. • The mining method applied in this estimate is the most appropriate method for the nature of the deposit. The deposit is exposed on surface and an initial open pit has been mined in a previous period • The geotechnical parameters used in this estimate are based on a detailed geotechnical study that has defined geotechnical regions and slope design parameters for each of these regions. • The current 2019 Mineral Resource model has been used in the optimisation process. Blocks have been re-blocked in the optimisation to 10x10x10m. The subsequent design and schedule has been run through the Resource Model that has parent blocks of 10 x 10 x 10m with minimum sub-blocks of 1.25 x 1.25 x 1.25m. • The PFS design for the Bawdwin open pit targets both Indicated and Inferred Mineral Resources. The PFS mine plan contains 26% of Inferred Resources. The proportion of the Mineral Resource categories in the PFS is shown below. Sources of Resource for the PFS Mine Plan **Sources** / **Proportion** / **ktonnes** Indicated Fresh / 65% / 16,167 Indicated Transitional / 9% / 2,202 Indicated / 74% / 18,369 Inferred Fresh / 23% / 5,559 Inferred Transitional / 3% / 765 Inferred / 26% / 6,324 Total Ore Mined / / 24,694 Waste Mined / / 198,208 Strip Ratio / / 8.0 • This Ore Reserve Estimate has considered the financial performance of the project with zero contribution to revenue from any Inferred Resource. Costs of waste mined to access Inferred material remains in this financial model and the cost of Inferred Material is treated in the same way as waste. The PFS financial model using all related Capital and fixed costs for the project has been used as the basis to determine whether the Indicated portion of the Resource that is included in the mine plan is financially viable. The financial metrics for a project with no revenue from

Sources of Resource for the PFS Mine Plan

Sources	Proportion	ktonnes
Indicated Fresh	65%	16,167
Indicated Transitional	9%	2,202
Indicated	74%	18,369
Inferred Fresh	23%	5,559
Inferred Transitional	3%	765
Inferred	26%	6,324
Total Ore Mined		24,694
Waste Mined		198,208
Strip Ratio		8.0

		Inferred Resources remains substantially positive with an Internal Rate of Return (IRR) greater than 23% and a 6 year payback. This result indicates that the project is financially viable based on Indicated Resources only. In a real-world scenario, the mining costs for waste to access the lower Inferred Material would not be included and thus the Indicated only scenario would typically have lower costs and better profit margins. The approach taken is acknowledged to be conservative, but has demonstrated that the PFS mine plan is not dependent on Inferred Resources to be financially viable. • The material modifying factors used in this Ore Reserve estimate are considered to meet the requirements of the JORC code and at a PFS level of confidence.

Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	The processing plant design has been completed by Lycopodium to a Pre-Feasibility Study level of confidence. The metallurgical testwork conducted at ALS Metallurgy in Perth has provided the basis for the plant design wherever possible. Other sources of data included benchmarking of thickener and filter parameters by Lycopodium and vendors, Lycopodium calculations, and comminution modelling by Orway Mineral Consultants (OMC). The key process design criteria for the plant are: ◦ Nominal throughput rate of 2.0 Mtpa with a primary grind size of 80% passing 75µm. ◦ Design head grade of 6.0% Pb and 3.1% Zn. ◦ Flotation plant design based on sulphide flotation only (no sulphidising). ◦ Production of separate lead and bulk (zinc) concentrates. ◦ Process plant availability of 91.3% supported by the selection of standby equipment in critical areas and reputable western vendor equipment. ◦ Regrind of lead scavenger concentrate to a product size of 80% passing 10µm. ◦ Regrind of bulk rougher scavenger concentrate to a product size of 80% passing 20µm. The proposed processing methodology follows conventional industry practice. The metallurgical test-work has been conducted on samples gathered from the deposit. Further metallurgical test-work is required and planned in future work for the project. The processing recovery used in the PFS and Ore Reserve Estimate are based on the current test-work results. Penalties have been included in Revenue estimates to reflect the current metallurgical test-work and processing analysis.

Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• Initial Environmental and Social impact studies have been conducted. • Base line-studies and stake-holder engagement work is underway and planned for the further development of the project. • A tailings trade-off study was conducted to select the preferred tailings storage facility (TSF) and method. Both conventional thickened tailings and dry stack / filtered tailings were considered. For Bawdwin, there were a number of advantages in adopting dry stack tailings such as: ◦ A smaller footprint, thereby allowing the TSF to be located in close proximity to the selected plant site, and within the current lease boundary. ◦ Low chance of catastrophic failure of TSF. ◦ Lower capital cost over life of mine. ◦ Easier to close down and rehabilitate. ◦ Groundwater contamination through seepage is reduced. ◦ Better social acceptance. ◦ A reduction in oxidising conditions that could lead to heavy metal mobilisation. ◦ Elimination of difficult, long distance tailings slurry pipeline management. ◦ Easier permitting and approvals process. ◦ Better security. ◦ Similar life of mine economics compared to wet tailings. Due to the lower risk profile of dry stack tailings, and the reduced legacy liabilities, dry stack tailings was adopted for the Project.

Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• Access Roads
		  ◦ Access roads between Namtu and the Bawdwin site will require a substantial upgrade to accommodate the transport of large equipment and installations on the steep terrain. The access road will also be used to transport regular supplies such as diesel and to transport containerised concentrate by truck to rail loading locations off site. This upgrade is costed in the PFS pre-production capex for the project.
		• Power Supply
		  ◦ Power for the mine site will be supplied through a connection to the Myanmar power supply grid. Diesel back-up generators have been included in cost estimates.
		• Water Services
		• Raw Water:
		Due to seasonal rainfall, raw water for the plant will be supplied from a number of water sources including:
		  ◦ Water from Nam La creek
		  ◦ Mine dewatering
		  ◦ Water from the sediment ponds at the tailings and waste storage facility.
		  ◦ This water will be stored in the Nam Pangyun reservoir.
		  ◦ The diesel driven, pontoon mounted Nam Pangyun water pump will transfer water to the raw water supply tank, which provides intermediate storage at the reservoir. The diesel driven raw water supply pumps will transfer this water to the raw water tank located at the Bawdwin plant.
		  ◦ The raw water will be used for the following duties:
		  ◦ General distribution in the crushing and tailings filtration areas via the raw water pumps.
		  ◦ Reagent mixing via the raw water pumps.
		  ◦ Milling water make-up via the raw water tank overflow.
		  ◦ Process water make-up (for start-up only) via the raw water pumps

		◦ Potable water production, after treatment in a package plant. o Dust Suppression. ◦ Fire water, using a vendor package skid, which will include a fire water pump, a fire water jockey pump and a diesel fire water pump. • Potable Water: ◦ Raw water will be treated in the vendor package potable water treatment plant. The plant potable water tank will be used to store potable water for use in the OSA, tailings filters, concentrate filters and ablutions. A separate safety shower water tank and ring main system will be installed to provide cool water to the safety showers and drinking fountains around the plant. • Transport to Market ◦ Concentrate will be transported by truck in containers to smelters or rail delivery points in country and in China.

Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.*
	• *The methodology used to estimate operating costs.*
	• *Allowances made for the content of deleterious elements.*
	• *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.*
	• *The source of exchange rates used in the study.*
	• *Derivation of transportation charges.*
	• *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.*
	• *The allowances made for royalties payable, both*
	• *Government and private.*
		• The capital cost estimates have been based on the PFS. The PFS comprises designs to an appropriate level of accuracy for Mining, Processing, Infrastructure, Mobilisation and Construction.
		• Operating costs have been generated according to the following processes:
		  ◦ Mining Costs based on a budget estimate from a reputable mining contractor and validated against other benchmark costs.
		  ◦ The Processing costs estimate has been compiled using data from various sources, including OMC (comminution modelling), ALS Metallurgy (metallurgical testwork), the Lycopodium database, vendor quotations, first principle estimating and Owner inputs. The estimate comprises of the following main categories:
		    ✦ Consumables, including mill media and liners.
		    ✦ Plant reagents;
		    ✦ Diesel cost for mobile equipment;
		    ✦ Plant and related infrastructure power.
		    ✦ Plant maintenance materials, including mobile equipment parts.
		    ✦ Laboratory
		  ◦ Tailings Transport Costs
		  ◦ Organisational Workforce costs
		  ◦ General and Administration Costs
		  ◦ Concentrate Transport Costs
		• The PFS has assumed that deleterious elements can be maintained at levels below that which would impede sales. Penalties have been estimated in the Revenue estimate according to estimates penalty rates and concentrate quality forecasts.
		• Commodity prices have been based on consensus forecast for 2020 metal prices for lead. zinc and silver.
		• Exchange rates have been supplied by MYL based on specialist advice.
		• Transportation costs have been based on budget estimates for containerized road transport of concentrate.
		• Refining charges and payability estimates have been based on marketing Bawdwin's proposed concentrate specifications to Chinese smelters.
		• The Bawdwin project is subject to a Production Sharing Agreement with the Myanmar Government and Mineral Tax (Royalties). The average value is 30% of after-tax income and a 4% Mineral Tax (Royalties) respectively.

Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products*	• The metal production and grades are based on a detailed mine plan which comprises a mine design and a detailed schedule which interrogate the Mineral Resource model. • Transport cost and Payability is based on direct experience and knowledge in the related areas. • The commodity prices are based on a Consensus forecast for the produced metals in 2021.

PFS Commodity Price Forecasts

Commodity	Units	Value
Lead	US$/t	2,170
Zinc	US$/t	2,535
Silver	US$/oz	17.30

PFS Production Payability estimates

Payability	Unit	Value
Lead Concentrate		
Lead payability	%	95.0%
Smelter deduction (lead)	%	3.0%
Lead treatment charge	US$/t	120
Silver payability	%	95%
Smelter deduction (silver)	g/t	50
Silver refining charge	US$/Oz	1.5
Arsenic in lead concentrate	%	0.5%
Arsenic penalty (for 0.1% above 0.3%)	$/t	3.00
Zinc Concentrate		
Zinc payability	%	85%
Smelter deduction (zinc)	%	8.0%
Zinc treatment charge	US$/t	225
Silver payability	%	70%
Smelter deduction (silver)	g/t	100
Silver refining charge	US$/Oz	1.5

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<tr><td>Lead in zinc concentrate</td><td>%</td><td>4.7%</td></tr>
<tr><td>Lead penalty (for every 1% >3.5%)</td><td>$/t</td><td>10</td></tr>
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<td>Market assessment</td>
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The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.
A customer and competitor analysis along with the identification of likely market windows for the product.
Price and volume forecasts and the basis for these forecasts.
For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.

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Lead, zinc and silver are traded on the open market and the expected customers for the concentrate from Bawdwin are any of a series of established smelters in Myanmar and neighboring regions of China.

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<td>Economic</td>
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The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.
NPV ranges and sensitivity to variations in the significant assumptions and inputs.

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When testing sensitivity to key economic parameters, using the PFS financial model in which the Inferred Resources (26% of total feed) have been treated as waste – The NPV (8%) for the project remains positive for the following sensitivity ranges:

Metal Prices: -12%
Metallurgical Recovery: -22%
Capex: +90%
Opex - +30%

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<td>Social</td>
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The status of agreements with key stakeholders and matters leading to social licence to operate.

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Field surveys to inform the socio-economic baseline for the EIA are ongoing from February 2019.

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<td>Other</td>
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To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:
Any identified material naturally occurring risks.
The status of material legal agreements and marketing arrangements.
The status of governmental agreements and approvals
critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.

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The Bawdwin Concession is held under a Production Sharing Agreement (PSA) between Win Myint Mo Industries Co. Ltd. (WMM) and Mining Enterprise No. 1, a Myanmar Government business entity within the Ministry of Natural Resources and Environmental Conservation (EAP).
The Bawdwin Base Metals Project is currently operated by the Bawdwin Joint Venture (BJV). Myanmar Metals Limited (ASX: MYL) holds a majority 51% participating interest in the Bawdwin Project in joint venture with its project partners, WMM and EAP.
BJV is working on a timeline to complete the PFS, a Feasibility Study, environmental and social studies

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Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• The Ore Reserve Estimate comprises Indicated Mineral Resources that have been demonstrated to be economically mineable in the Bawdwin PFS. These have been reported as Probable Ore Reserves. • The PFS also contains Inferred Resources (26%) but these Inferred Resources are not included in the Ore Reserve estimate and the PFS has been demonstrated to be economically viable without the Inferred Resources
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserve estimate and PFS have been subject to internal reviews, No independent review has been conducted to date.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Ore Reserve estimate for Bawdwin is based on a PFS study that has been generated to acceptable industry standards and is of sufficient confidence to support the estimation of Ore Reserves. • The Ore Reserve estimate is based on a Mineral Resource estimate that has been generated according to JORC guidelines. • Estimates in the PFS have been generated for specific elements of the project based on discrete design and modelling.

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