

## ASX ANNOUNCEMENT

Date 29 October 2019

ASX Code: MYL

### BOARD OF DIRECTORS

Mr John Lamb  
Executive Chairman, CEO

Mr Rowan Caren  
Executive Director

Mr Jeff Moore  
Executive Director

Mr Paul Arndt  
Non-Executive Director

Mr. Bruce Goulds  
Non-Executive Director

### ISSUED CAPITAL

Shares 1,606 m.

Listed options 172 m.

Unlisted Options 49 m.

# SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

## Highlights

- Updated Mineral Resource Estimate increases Bawdwin Indicated and Inferred Resources to 100.6Mt at 4.0% Pb, 3.1 Oz/t (97 g/t) Ag, 1.9% Zn and 0.2% Cu
- Confidence in Bawdwin Mineral Resources grows with 14% increase in Indicated Mineral Resources to 42.4Mt at 4.0% Pb, 3.2 Oz/t (99 g/t) Ag, 2.0% Zn and 0.2% Cu – now 42% of total resources
- Drilling results extend Yegon Lode strike length
- New, robust anomalies have been defined around Mt Teddy, Pangyun Junction, southern Meingtha Ridge and Chin South
- Working towards delivery of DFS in early 2020, study team appointed to expand on previously published Scoping Study and PFS results.
- Project finance and offtake discussions commenced with strong engagement



Figure 1. Man-portable rig drilling BWDD034 on Yegon Ridge.

## Summary

In the September 2019 quarter Myanmar Metals Limited (“MYL” or “the Company”) and its partners in the Bawdwin Joint Venture (“BJV”) delivered a revised Mineral Resource Estimate totalling over 100 Mt. Project technical studies advanced, new drilling results extended the Yegon Lode and exploration data identified new targets on the Bawdwin Mineral Concession. The Company finished the period in a strong financial position with no debt and a cash position of A\$18.2 million.

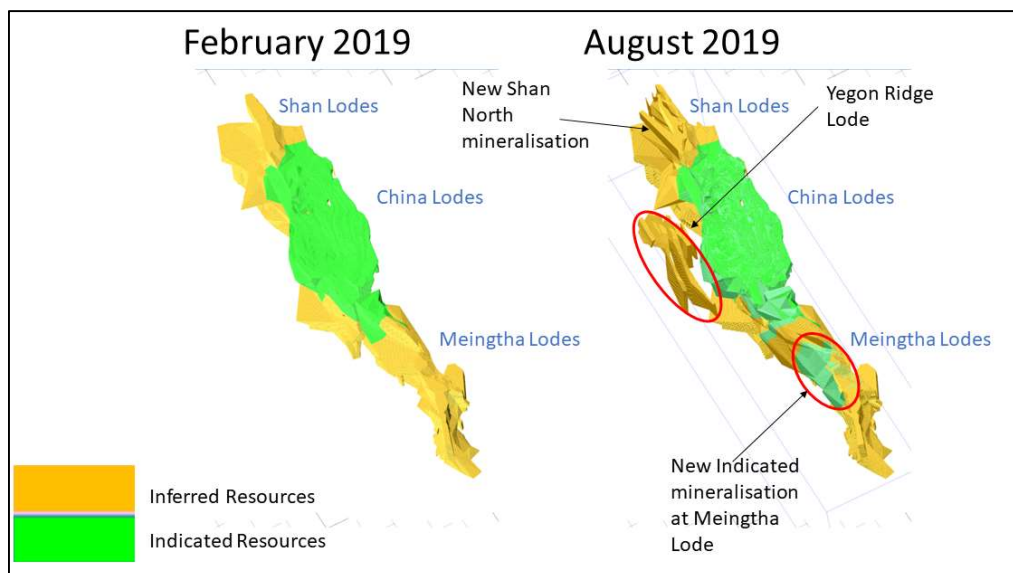


Figure 2. Oblique image (looking northeast) comparison between proportions of Indicated versus Inferred resources in the February 2019 and new August 2019 Resource models.

## Updated Mineral Resource Estimate

In October 2017 the Company announced a high grade 41.4 Mt maiden Inferred Mineral Resource for the Bawdwin Project. After 7 Mineral Resource upgrades over the past 2 years the resource has grown by 143% to 100.6 Mt at 4.0% Pb, 3.1 Oz/t (97 g/t) Ag, 1.9% Zn and 0.2% Cu. Notably, the confidence in the Mineral Resource Estimate has improved substantially over this time with 42.4 Mt now in the Indicated Mineral Resource category. Furthermore, within the Indicated Mineral Resource, 18.4 Mt has been declared as a Probable Ore Reserve (see announcement dated 6 May 2019).

Oxidation	Class	Tonnage ('000t)	Pb (%)	Ag (Oz/t)	Zn (%)	Cu (%)
Oxide	Indicated	2,310	1.9	2.6	0.2	0.0
	Inferred	990	2.5	3.2	0.3	0.1
	<b>Total</b>	<b>3,300</b>	<b>2.1</b>	<b>2.8</b>	<b>0.2</b>	<b>0.1</b>
Transition	Indicated	3,214	3.0	2.2	0.8	0.2
	Inferred	4,928	2.5	1.6	1.5	0.1
	<b>Total</b>	<b>8,142</b>	<b>2.7</b>	<b>1.9</b>	<b>1.3</b>	<b>0.1</b>
Deep Transition	Indicated	1,582	3.4	3.2	2.1	0.1
	Inferred	180	1.5	0.7	0.2	0.0
	<b>Total</b>	<b>1,762</b>	<b>3.2</b>	<b>2.9</b>	<b>1.9</b>	<b>0.1</b>
Fresh	Indicated	35,249	4.3	3.3	2.2	0.2
	Inferred	52,121	4.2	3.2	1.9	0.2
	<b>Total</b>	<b>87,370</b>	<b>4.3</b>	<b>3.2</b>	<b>2.0</b>	<b>0.2</b>
<b>Total</b>	Indicated	42,356	4.0	3.2	2.0	0.2
	Inferred	58,219	4.1	3.1	1.8	0.2
	<b>Total</b>	<b>100,575</b>	<b>4.0</b>	<b>3.1</b>	<b>1.9</b>	<b>0.2</b>

Table 1. Bawdwin Indicated and Inferred Global Mineralisation Mineral Resource Estimate summary table.

John Lamb, Chairman and CEO, commented:

“In 2017 we began to quantify the vast mineral endowment of Bawdwin under the JORC Code. It was clear early on that the size and grade of Bawdwin placed this project in the world class category. The Company’s investment in drilling and geoscience over the past 2 years has delivered huge resource growth but perhaps more importantly we are now positioned with an Ore Reserve and substantial Indicated Mineral Resources. These higher confidence JORC categories form the basis of our starter pit mining operation and will underpin the definitive feasibility study due early next year.”

### Definitive Feasibility Study (DFS)

During the period the BJV’s study team finalised the engagement of all expert resources required for the DFS. Key consultants engaged include:

Consultant	Scope
Lycopodium Minerals Pty Ltd	▪ Process plant and infrastructure design
CSA Global Pty Ltd	▪ Geology and Mineral Resource ▪ Hydrology
Cube Consulting Pty Ltd	▪ Mining engineering
ALS Metallurgy Pty Ltd	▪ Metallurgical test work
Knight Piesold Pty Ltd	▪ Tailings and water management
Mine Geotech Pty Ltd	▪ Mining geotechnical
RJE Myanmar	▪ Power supply
Coffey – Valentis	▪ Environmental and social impact assessment (ESIA)

Table 2. Consultants engaged for the Bawdwin DFS.

The DFS will:

- further develop and optimise the processing flowsheet
- update plant engineering and site / infrastructure assessments
- procure pricing on major long lead items and contractor rates for all site-based works
- review the open pit mine design, incorporating updated geotechnical data and mine scheduling based on the updated Mineral Resource model
- provide an updated Ore Reserve estimate including additional drilling results
- progress the ESIA process in support of statutory approvals
- provide revised capital and operating cost estimates to a DFS level of accuracy which will be incorporated into the project financial model.

Since the May 2019 PFS, the study team has received new geoscience, engineering, metallurgical and technical data. This data has been used to review and challenge prevailing project assumptions. Of note, the location of the plant, method and location of tailings disposal and the road transportation route have changed in current project plans relative to the PFS (see announcement dated 2 August 2019). The undulating topography in the Bawdwin Mining Concession has been a key consideration in the optimisation of the plant and site infrastructure. The site layout, project plans and economics will be finalised and published in the DFS, which remains on track for completion around the end of the first quarter 2020.

### Expansion Study

Phase 1 of mining at Bawdwin, the Starter Pit, has been developed to a PFS level and, as mentioned in the preceding section, is presently the subject of a DFS. Earlier in 2019 an expert was appointed to examine, to a Scoping Study level, the future stages of mining at Bawdwin, targeting the un-mined Mineral Resources on the Shan, Meingtha and China Lodes. The expansion study scope has been broadened from an initial focus on underground mining operations on Shan and Meingtha Lodes to include, in parallel, an assessment on the feasibility of expansions of



the open-pit mining operation. The results of the expansion study have not yet been finalised but are expected to be published in the December quarter.

### Drilling Operations

During the period drilling results extended the strike length of the Yegon Lode to over 300 metres. The Yegon Lode runs parallel to the main China Lode and a majority of this lode is hosted within the planned Starter Pit. Encountering wide mineralised intervals at good grades within the Starter Pit enhances the economic potential of the Starter Pit, which already boasts compelling PFS level project economics.

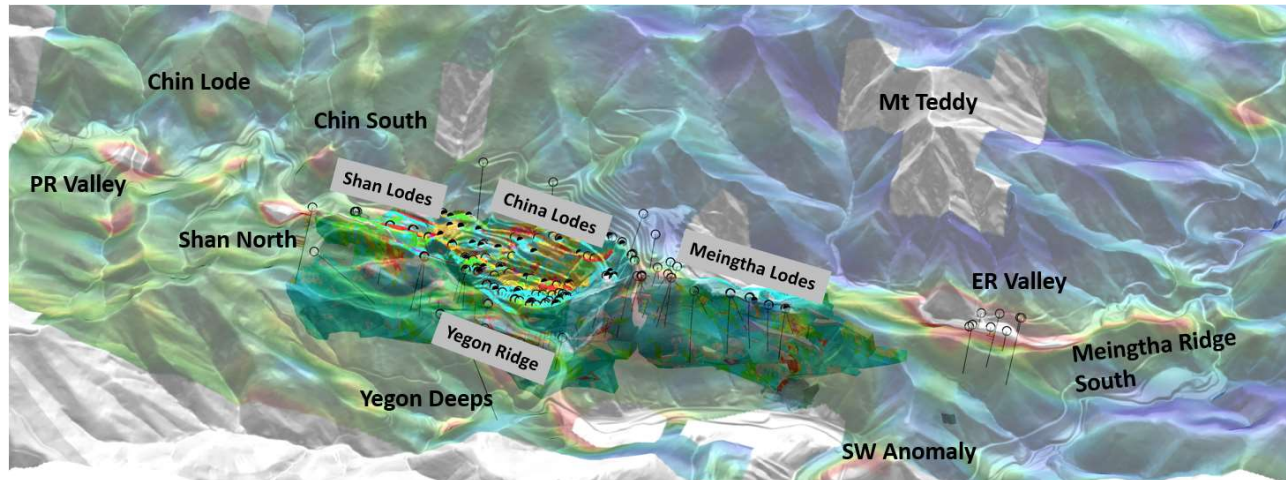


Figure 3. Overview of the Bawdwin Mineral Field.

### Exploration – Soil Sampling

A rigorous soil sampling program involving the collection of 2,245 samples over the Bawdwin Concession was completed during the period. Samples were collected on 100m spaced lines at 100m intervals. Where cohesive anomalies were observed in the first pass sampling, infill samples were collected, bringing the sample spacing down to 50 x 50m.

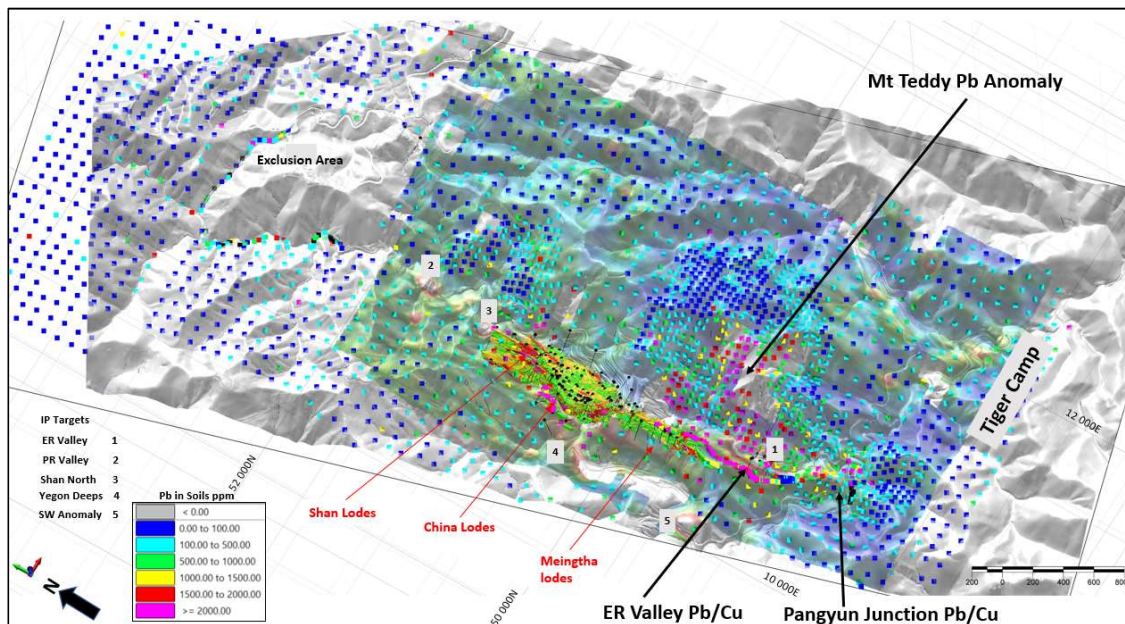


Figure 4. Lead (Pb) in soil samples overlain on topography and GAIP chargeability image. July 2019 resource block model is also shown. Strongly anomalous soil samples >1,500ppm are shown in red and pink dots, defining new Mt Teddy and Pangyun Junction targets.

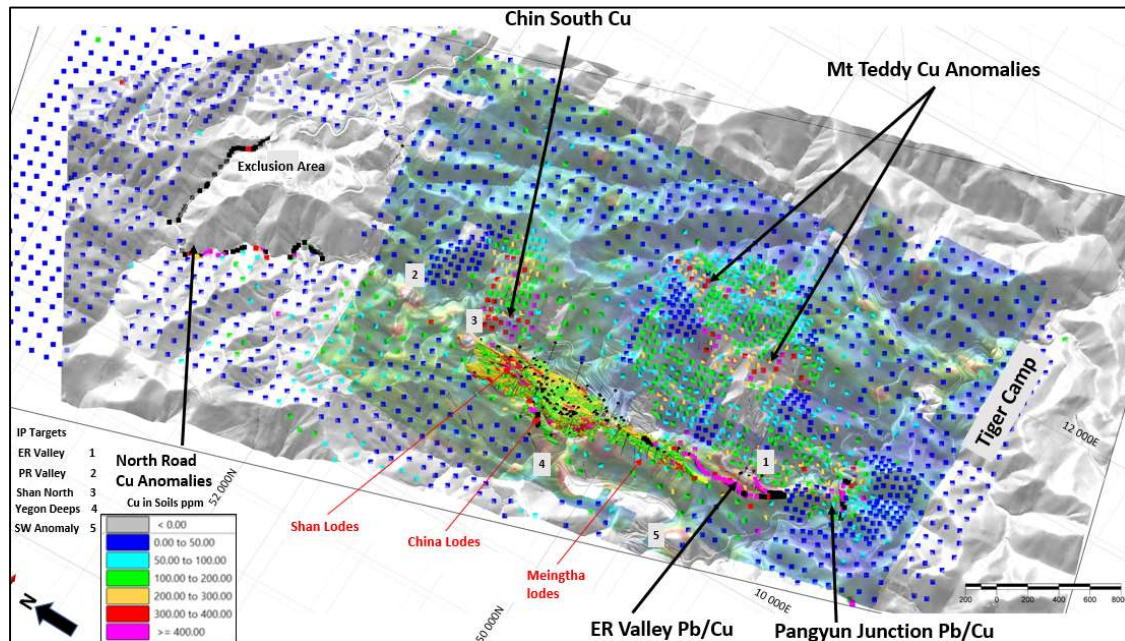


Figure 5. Copper (Cu) in soil samples overlain on topography and GAIP chargeability image. July 2019 resource block model is also shown. Strongly anomalous soil samples >300ppm are shown in red and pink dots, defining new Mt Teddy, Pangyun Junction targets and Chin South prospects.

The soil sampling data delivered some remarkable results. Lead values at ER Valley, Mount Teddy and Pangyun Junction were similar to those seen at China, Shan and Meingtha; while the copper figures at Mount Teddy and Pangyun Junction are similar to those at Chin South (Chin lode was historically reported to grade 8.4% Copper) and ER Valley (tested with drilling at 5.5% Cu). For the purposes of validating the new anomalies, soil samples were taken over the known lodes at Yegon Ridge, China, Shan and Meingtha. Anomalies were measured at these locations, as expected. The soil sampling data will be used in conjunction with other geoscience data to inform and prioritise the targets for the upcoming exploration drilling program.

## Corporate

### Project Finance and Offtake

The Company has commenced project finance and offtake discussions and has received positive engagement from banking groups, royalty companies, metal smelters and metal trading houses. MYL has engaged with these groups early to expedite the provision of project finance once customary project milestones, such as the DFS, have been achieved. Optimising the project financing structure and engagement with potential financiers will be a key focus for the Company over the rest of the 2020 financial year.



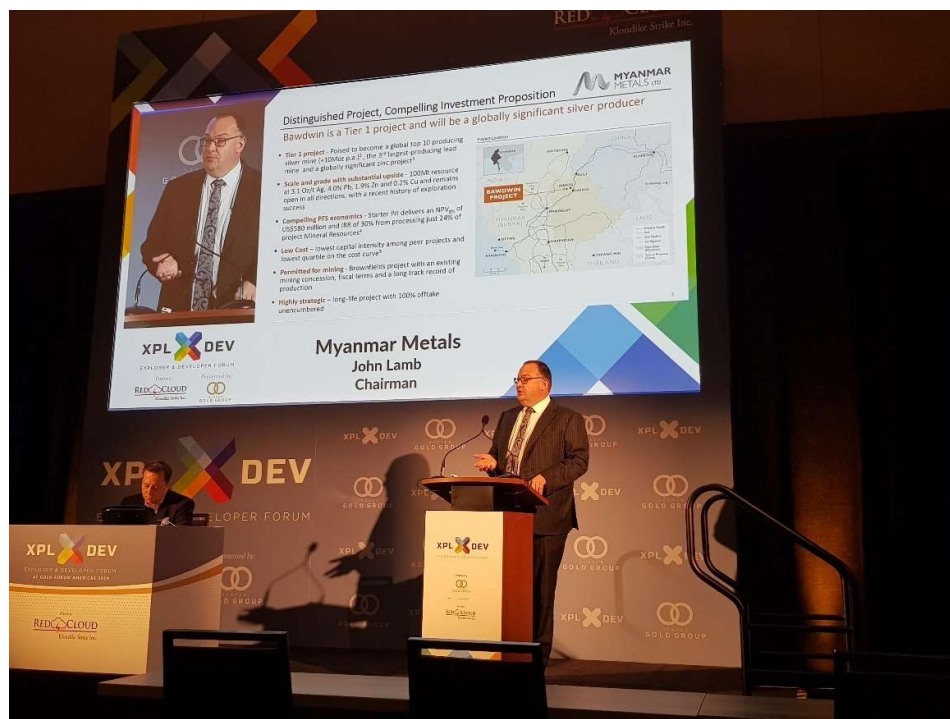


Figure 6. Overview of the Bawdwin Mineral Field.

In September, MYL attended the Denver Gold Forum in Denver, USA where the quality of Bawdwin's silver endowment distinguished the project amongst its global peer group. The Denver Gold Forum was well attended and the Company met a variety of financial institutions with interest in supporting the project financing of Bawdwin.

### *Bawdwin Joint Venture*

As mentioned in recent disclosures a number of safety and security policies and procedures are in place on site and for travel in the local region. These include protocols for emergency evacuation, tracking of employees in transit, regular local travel security briefings, and a "default to safe" policy for travel that extends BJV's commitment to health and safety at site and beyond the site and considers factors such as road conditions, weather and local security. Activities are fully compliant with this policy requiring that employees and contractors only travel to or from site when all relevant conditions are fully met

The Company is pleased to note that the Myanmar Government and various ethnic groups are presently undertaking ongoing talks in the Shan and other states with a view to resolving ethnic area border issues and other problems that have existed since the country gained independence. It should be noted that no problems in relation to security exists at or have ever been encountered at either Bawdwin or Namtu. In recent times the joint venture has minimised movements to and from site. Currently foreigners are not able to visit site due to the potential risks presented by the level of activity in the region - although it is noted that this activity has now significantly subsided. Local staff continue to undertake work, including man-portable drilling, diamond drilling and base-line studies (air monitoring, water, health and community consultation planning), with remote oversight from the project team. At the time of writing, three drill rigs are operating on site at Bawdwin, focused on geotechnical and hydro-geological boreholes in support of the Definitive Feasibility Study.

Most of the consultants' works in relation to the feasibility study are able to continue without interruption. The full environmental permitting process includes a significant amount of community consultation. This community consultation process will re-commence as soon as site access resumes.

The work streams affected are not expected to delay the Myanmar Investment Commission permitting process.

The Company is working with the local authorities and external security consultants to ensure that foreigners may be able to visit site as soon as possible.

### Financial

The Company remains in a strong financial position. At the end of the period the MYL group had approximately \$18.2 million in cash and no debt. The largest expenditure category during the quarter was the project technical studies and drilling (\$4.0 million).

### Annual General Meeting

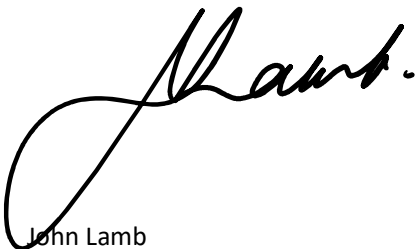
The Company held its Annual General Meeting on 24 October 2019. All resolutions put to shareholders were approved. The Company appreciates the support it has enjoyed from its loyal shareholders.

---

John Lamb, Executive Chairman and CEO, commented:

*"I recently outlined in the Chairman's Address at our AGM that we are on the verge of reaching significant project milestones which are likely to substantially change how Myanmar Metals is perceived in the equity market and by project financiers and offtakers more broadly. The foundation for achieving these milestones is the work that is being done by our entire team today. It is a key period in the Company's history and one in which we believe shareholders will be rewarded."*

---



John Lamb  
Executive Chairman and CEO

### **For More Information:**

Ross Dinsdale, General Manager Investor Relations and Corporate Affairs

Tel: +61 8 6147 8100

Email: [r.dinsdale@myanmarmetals.com.au](mailto:r.dinsdale@myanmarmetals.com.au)

### **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 Co. Ltd. (EAP).

The Bawdwin Joint Venture (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.

## COMPETENT PERSONS 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 quarterly report has been presented in accordance with the JORC Code.
- The information in this report that relates to Geology and Exploration Results is based, and fairly reflects, information reviewed and compiled by Mr Andrew Ford, who is a Member of the Australian 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, and fairly reflects, information compiled by Mr Serikjan Urbisinov, who is a Member of the Australian Institute of Geoscientists. Mr Urbisinov is a full-time employee of independent, resource industry consultancy CSA Global Pty Ltd. 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.

## REFERENCES TO ORE RESERVES, MINERAL RESOURCES

- Ore Reserve estimates are reported in accordance with the JORC Code 2012 Edition as announced on 6 May 2019. Myanmar Metals Limited confirms that it is not aware of any new information or data that materially affects the Ore Reserve information included in the market announcement dated 6 May 2019 and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The cut-off used for the determination of Ore Reserves is a net value per block of ore (net smelter return).
- Mineral Resource Estimate reported in accordance with the JORC Code 2012 Edition as announced on 8 August 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 8 August 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. A 0.5% Pb cut-off above 750m RL, 2% Pb below 750m RL has been used for the 100.6 Mt Indicated and Inferred Resources and the 42.4 Mt Indicated Resource. The high grade 47Mt Indicated and Inferred Resources has a global cut-off of 2% Pb.
- Details on the ER Valley copper lode discovery are discussed in an announcement dated 8 April 2019.



### Mineral Tenements

<i>Title / Reference</i>	<i>Status</i>	<i>Party Name</i>	<i>MYL Interest</i>
<b>Myanmar</b>			
Bawdwin	Production sharing contract; Granted Mining Concession	Win Myint Mo Industries	51% participating interest

### Mineral Tenements (acquired or relinquished during the quarter)

<i>Title / Reference</i>	<i>Status</i>	<i>Party Name</i>	<i>MYL Interest</i>
<b>Northern Territory - Australia</b>			
EL 10189	Expired	EL 10189	Nil

## Appendix 5B

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

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

**Name of entity**

**MYANMAR METALS LIMITED**

**ABN**

48 124 943 728

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

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(3,984)	(3,984)
(b) development	-	-
(c) production	-	-
(d) staff costs	(319)	(319)
(e) administration and corporate costs	(630)	(630)
1.3 Dividends received (see note 3)		
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,918)</b>	<b>(4,918)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	3	3
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

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

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	13	13
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>13</b>	<b>13</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	22,881	22,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,918)	(4,918)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13	13
4.5	Effect of movement in exchange rates on cash held	210	210
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>18,189</b>	<b>18,189</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,885	20,721
5.2 Call deposits	11,000	-
5.3 Bank overdrafts	-	-
5.4 Other (Share of joint entity cash balances)	3,304	2,160
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>18,189</b>	<b>22,881</b>

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

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

**Current quarter  
\$A'000**

299

-

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

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

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

**Current quarter  
\$A'000**

-

-

n/a

**8. Financing facilities available**

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

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

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

-

-

-

-

-

-

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

n/a



<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	4,415
9.2 Development	-
9.3 Production	-
9.4 Staff costs	317
9.5 Administration and corporate costs	462
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>5,194</b>

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

### Compliance statement

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



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

Date: 29 October 2019

Print name: ROWAN CAREN

### Notes

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