

ASX ANNOUNCEMENT

Date 21 April 2020

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

ISSUED CAPITAL

Shares 1,769 m.

Unlisted Options 62 m.

MARCH 2020 QUARTERLY ACTIVITIES REPORT

Highlights

- Expansion study demonstrates the potential for a long-life, open-pit mining operation to follow the planned Starter Pit
- Expansion study supports the Bawdwin Joint Venture's application for a 50-year production sharing agreement with the Myanmar Government
- MYL is well positioned to withstand capital market uncertainty with a group cash position of A\$15.3 m and no debt
- MYL has implemented plans to reduce expenditure
- Positive engagement with Myanmar Government on Production Sharing Agreement continues

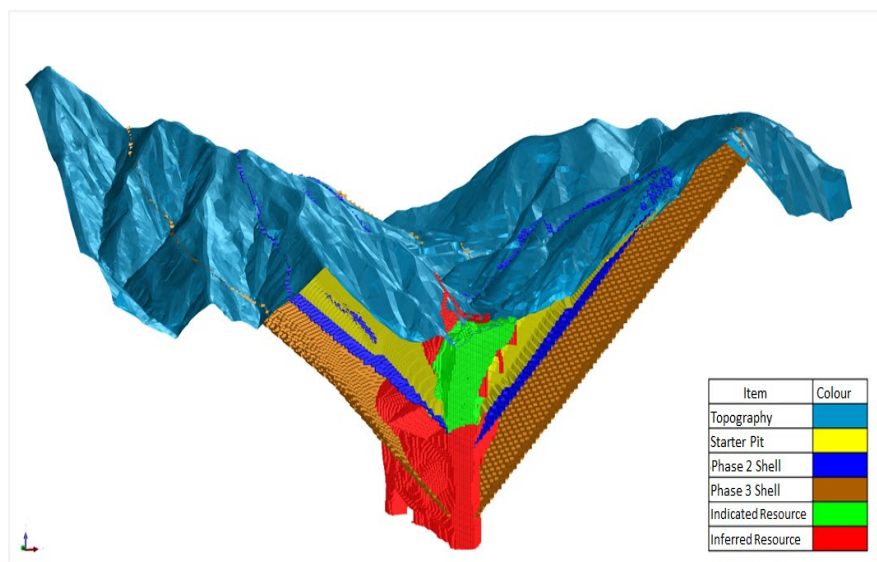


Figure 1. Cross Section from Bawdwin Expansion Study showing Phases 1, 2 and 3 of the open-pit, China Lode

Summary

During the March 2020 quarter Myanmar Metals Ltd (ASX: MYL) (“Myanmar Metals” or “the Company”) completed the Bawdwin Expansion Study, which demonstrated the significant expansion potential of the Bawdwin project beyond the Phase 1, Starter Pit.

With regard to the COVID-19 (Coronavirus) pandemic, the Company retains a strong financial position and is well placed to withstand a period of capital market uncertainty. Expenditure has been reduced to further support the Company’s financial position.

Over the period MYL progressed its Starter Pit feasibility study work and advanced negotiations with the Myanmar Government on the Production Sharing Agreement (PSA). The Company notes that disruptions to ordinary business activities caused by the coronavirus could delay the permitting and project financing processes beyond current expectations.

Expansion Study

Phase 1 of mining at Bawdwin, the Starter Pit, is backed by a series of robust technical studies including the China Pit Scoping Study (September 2018) and the Pre-Feasibility Study (May 2019). The final feasibility study is now well underway. In Phase 1, about one quarter of the declared Bawdwin Mineral Resources is processed. The Expansion Study completed during the March quarter, was the first assessment of the opportunities to expand the Bawdwin mine beyond the Starter Pit.

Cube Consulting Pty Ltd (“Cube”) was appointed in mid-2019 to evaluate the optimal mining method to follow the Starter Pit. A bulk sub-level caving operation was anticipated to be the most viable method of underground mining but in consideration of geotechnical data and the presence of extensive historic underground stopes a decision was made to consider an expansion of the open-pit mine in parallel.

The Expansion Study concluded that underground mining at Bawdwin is possible, based on the study assumptions, however, two further open pit cutbacks beyond the Starter Pit, namely Phases 2 and 3 offer potential for superior outcomes relative to underground mining. The Expansion Study also suggested that an interim step, occurring between Phases 1 and 2, involving small scale underground mining and exploration drilling from the floor of the Starter Pit could assist decision making on whether to proceed with Phase 3 as an open-pit cutback or, instead, with Phase 3 as an underground mine.

Figures 2 and 3 below illustrate the Starter Pit, Phase 2 cutback, and Phase 3 cutback within the context of the Bawdwin Mineral Resource.

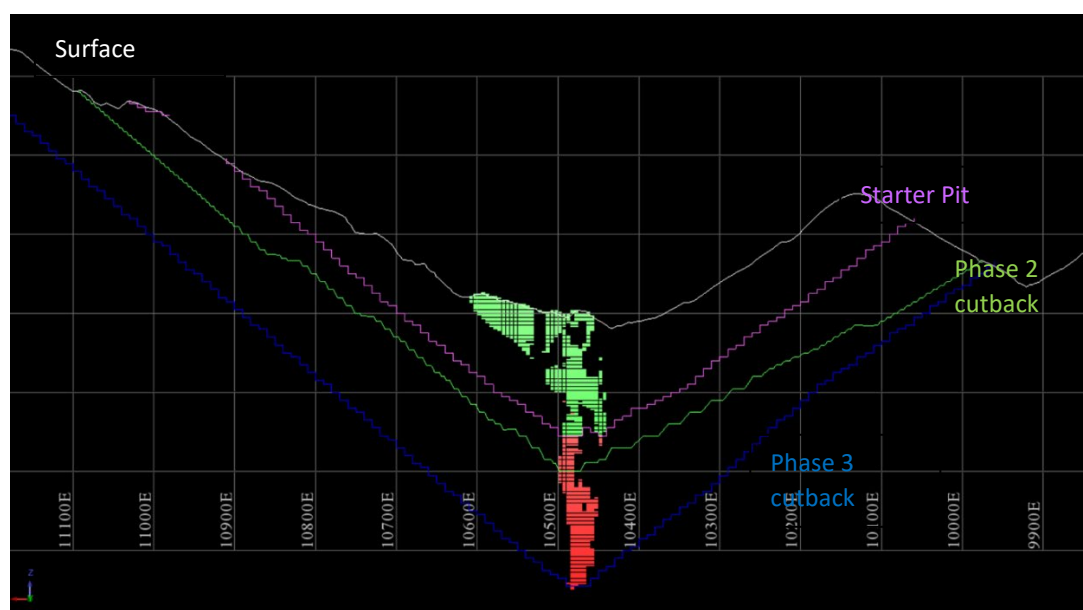


Figure 2. Cross-section looking north at 50,600N showing the proposed open pits and resource blocks to be mined in green (Indicated) and red (Inferred). Source: Cube Consulting Pty Ltd 2019 – Bawdwin Expansion Options Study.

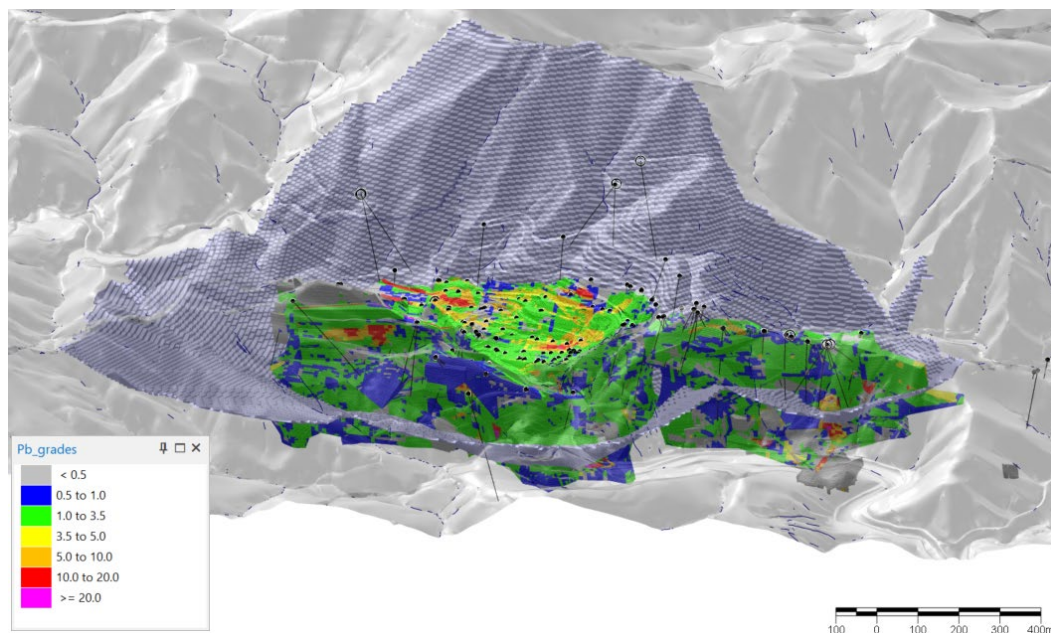


Figure 3. Phase 3 Bawdwin pit shell overlaid on the 100Mt Bawdwin Mineral Resource.

The results of the Expansion Study, which support an expansion of the open-pit mine, were also significant in prompting the BJV to re-evaluate the plant throughput and assess whether the plant throughput capacity can be increased.

Operations

Measures taken to mitigate the spread of the Coronavirus pandemic by the international community have disrupted ordinary business operations, notably for MYL the restrictions on international travel for expatriate workers. The Company is pleased to report that Bawdwin feasibility study consultants have completed their in-country work and as a result, the feasibility study should be unaffected by travel restrictions.

The ER Valley exploration drilling program which commenced in January was suspended in March to conserve the Company's capital. Assays from the program will arrive over the coming weeks and these will be analysed, collated and announced in due course. MYL expects the drilling results will enhance the geological interpretation of the ER Valley Lode and position the BJV well for a follow-up drilling campaign.

A pilot-scale mining program, led by MYL's partners, targeting near-surface oxide and transitional ores is to commence in the coming months. The oxide ore in particular is expected to result in poorer metallurgical recoveries than sulphide ore if it were to be processed through the full scale Bawdwin processing plant, therefore its removal is of some benefit to future operations. The ore will be processed at a local processing plant for the production of lead and zinc concentrates. The financial and operational terms of the project are yet to be finalised, however, all capital investment required in the project will be financed by MYL's partners.

Although very small in scale (approximately 5% of the planned production capacity of Bawdwin operations), this pilot-scale mining project provides a beneficial practical exercise as it will engage local participation, provide valuable information on productivity, labour relations, costs for minor works and local contractors, processing and transport efficiency, border processes and costs and the mechanics of calculating and remitting government production share.

Permitting and Project Financing

MYL is greatly advantaged by having two local partners who ensure continuity in site operations and engagement with local stakeholders, including the Myanmar Government. To this end, negotiation with the Government on the updated Bawdwin Production Sharing Agreement (PSA) continued during the quarter. Once the terms of the new PSA have been agreed by the relevant authorities, the PSA and other supporting documents will be supplied

to the Myanmar Investments Commission (MIC) for the purpose of securing a foreign investment permit. The Board still anticipates the receipt of the MIC foreign investment permit in 2020.

Finalisation of the Bawdwin project finance facilities will be reliant on both the receipt of the MIC permit and the publication of the final feasibility study, as is customary for mining project finance deals. To date, the Company is pleased with the engagement from multiple prospective financiers and notwithstanding challenges related to the coronavirus, MYL will be working diligently to expedite the project financing process where possible.

Financial Position

MYL retains a strong financial position with \$15.3 million in cash with no debt. As a prudent measure, management has acted to reduce expenditure to ensure that the Company can sustain its current strong financial position throughout what we anticipate to be a period of global financial market uncertainty.

Board

It was with great sadness during the quarter that the Company acknowledged the passing of Mr Bruce Goulds, Non-Executive Director. Bruce was greatly respected in the Australian mining and financial sectors having formerly served in several senior executive positions.


The Company hopes to be in a position to bolster the Board in coming weeks through the appointment of a Non-executive director to replace Bruce.

Executive Chairman & CEO John Lamb said,

"We are very conscious of the challenges the coronavirus has presented in Australia, Myanmar and further abroad. In responding to the challenge our first priority has been safeguarding the Company's future by prudent financial management. We have also worked with our BJV partners to plan a pilot scale mining operation at Bawdwin which is expected to commence in the near term and provide benefits to the local communities.

Our local partner's interests are very much aligned with our own and they have provided essential continuity to our business operations. I am pleased to say that as a team, and even in this challenging time, we are moving Bawdwin forward towards the start of construction. "

Authorised for release to the ASX by



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

About Myanmar Metals Limited

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 Bawdwin Joint Venture (BJV) intends to redevelop the world class Bawdwin Mineral Field, currently 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 Company has the exclusive option to acquire up to an 85% interest in Locrian Precious Metals Limited – a company which holds two integrated exploration licence applications in eastern Shan State at Tarlay and Mongywang. The application areas are considered to have potential for both deeper mesothermal gold bearing veins, as well as for shallow level “epithermal” gold systems.

Mineral Tenements

<i>Title / Reference</i>	<i>Status</i>	<i>Party Name</i>	<i>MYL Interest</i>
Myanmar			
<i>Bawdwin</i>	<i>Production sharing contract; Granted Mining Concession</i>	<i>Win Myint Mo Industries</i>	<i>51% participating interest</i>
<i>Locrian</i>	<i>Option to acquire up to an 85% interest in company which holds Tarlay and Mongywang applications</i>	<i>Locrian Asia Pte Limited</i>	<i>Option</i>

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MYANMAR METALS LIMITED

ABN

48 124 943 728

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(2,641)	(10,435)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(310)	(1,002)
	(e) administration and corporate costs	(547)	(1,676)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	50	165
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(3,448)	(12,948)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(46)
	(d) exploration & evaluation (if capitalised)	-	(37)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(5)	(83)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	4,956
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	4,952

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,351	22,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,448)	(12,948)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(83)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,952

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	400	496
4.6	Cash and cash equivalents at end of period	15,298	15,298

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,910	9,042
5.2	Call deposits	6500	7,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	1,888	2,309
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,298	18,351

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
289
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(3,448)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(3,448)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	15,298
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	15,298
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.4
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: n/a	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: n/a	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: n/a	

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.

Date:21 April 2020.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.