

March 2018 Quarterly Activities Report

Highlights

- Updated total JORC-compliant Inferred Mineral Resource estimate of **76.9Mt at 4.6% Pb, 118 g/t Ag, 2.3% Zn and 0.2% Cu** including a primary high-grade Inferred Mineral Resource of **41.4 Mt at, 7.5% Pb, 178 Ag, 3.5% Zn and 0.3% Cu** and a low-grade halo zone.
- Discovery of **high grade copper, nickel and cobalt mineralisation** in localised zones of the Bawdwin mineral deposit with a JORC-compliant Inferred Mineral Resource declared within these zones of **3.4 Mt at 3.1% Cu, 5.7% Pb, 182 g/t Ag and 2.8% Zn**, contained within the total Mineral Resource.
- Bawdwin deposit remains open along-strike and at depth.
- Substantial de-risking of Bawdwin achieved, with new local partner East Asia Power (Mining) Company Limited (EAP) investing in the project.
- Completion of an exploration report which **highlights unique and substantial exploration potential**.
- MYL is committed to exercise the Bawdwin option and is well advanced in securing investor support to achieve this.



1914 Rail Wagon Tippler

ASX ANNOUNCEMENT

27 April 2018

ASX Code: MYL

Board of Directors

Mr John Lamb
Executive Chairman

Mr Rowan Caren
Executive Director

Mr Jeff Moore
Non-Executive Director

Issued Capital

Shares 650 m.

Options 184 m.

Performance rights 42 m.

Current share price A\$0.059

Market capitalisation A\$38m.

Cash ~ A\$4m.

Debt Nil

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Drilling at Bawdwin. Image: Valentis Services

Bawdwin Project

Summary

Myanmar Metals Limited's (ASX: MYL) ("MYL" or "the Company") ongoing technical appraisal of the Bawdwin Project delivered significant value accretive results during the March 2018 quarter, notably the:

- Release of an updated total JORC Inferred Mineral Resource estimate (6 March 2018) of **76.9Mt at 4.6% Pb, 118 g/t Ag, 2.3% Zn, and 0.2% Cu**, including a **high-grade primary resource of 41.4 Mt at 7.5% Pb, 178 g/t Ag, 3.5% Zn and 0.3% Cu** and a low-grade halo zone;
- Discovery of high grade copper, nickel and cobalt mineralisation in localised zones of the Bawdwin ore body, with a JORC Inferred Mineral Resource of **3.4 Mt at 3.1% Cu, 5.7% Pb, 182 g/t Ag, and 2.8% Zn** contained within the updated total resource; and
- Completion of an exploration report which highlights **unique and substantial exploration potential**

During the quarter MYL operated three drilling rigs (two diamond rigs and one RC rig) to carry out a 5,000-metre drilling program for the purpose of providing sufficient drilling density to declare a maiden JORC-compliant Indicated Mineral Resource. The drilling program remained ongoing at the end of the Quarter, however, initial assay results have provided further evidence of a world class, high grade polymetallic minerals deposit.

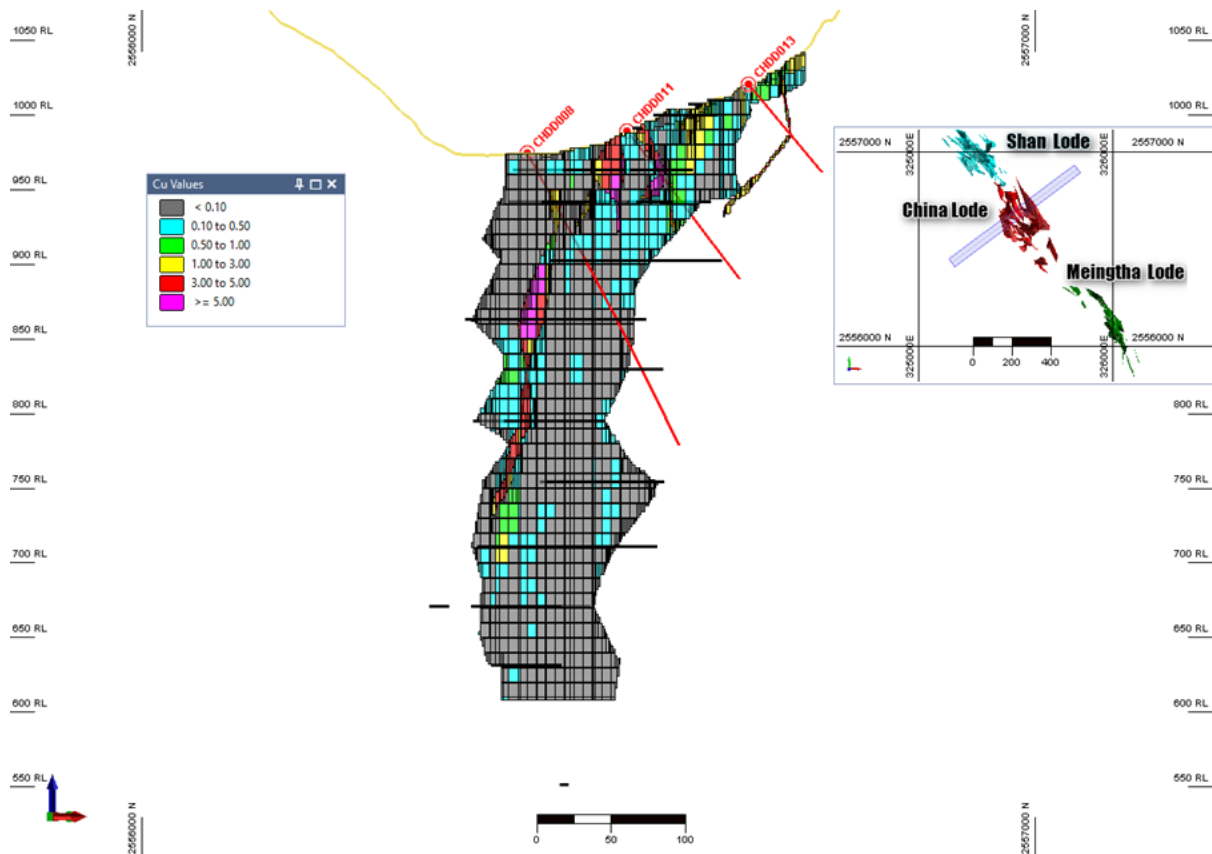


RC Drilling Rig at Bawdwin



RC chip samples Images: Valentis Services

Assay results from recent drilling enabled the identification of a high-grade copper resource in localised zones of the deposit. A **copper rich Mineral Resource of 3.4Mt at 3.1% Cu, 5.7% Pb, 182 g/t Ag and 2.8% Zn** has been included in the updated Inferred Mineral Resource. The strong zonation of high grade copper gives MYL excellent potential to process the copper separately to the zinc and lead/silver mineralisation which may significantly improve project economics by the production of a copper concentrate product.



Cross section through the Cu block model at the China Lode showing surface topography in yellow, mine levels as black horizontal lines and drill hole traces from the 2017 program in red.

Another outstanding result delivered from the drilling program was the recognition of significant cobalt mineralisation, which appears to be associated with copper and nickel mineralisation. Best cobalt assay results include:

- 19m at 6.6% Pb, 187g/t Ag, 0.5% Cu and **1,078ppm Co** in BWRC002
- 7m at 3.2% Pb, 79g/t Ag, 2.0% Zn and **1,232ppm Co** in BWRC006

Cobalt prices have surged globally, with current LME spot prices over US\$90,000/t, as demand for the metal for inclusion in lithium batteries continues to grow. These preliminary cobalt results are very encouraging and will be followed up with denser drilling in future to better understand and define the distribution of the mineralisation.

MYL's Executive Chairman and CEO, John Lamb, commented:

"Bawdwin has started to reveal its secrets to us. The zinc, lead and silver grades have been excellent in drilling assays but what has surprised us is the high-grade copper, nickel and cobalt mineralisation. These results have the potential to significantly improve the outstanding project economics evident in the Bawdwin Scoping Study completed by CSA in December 2017.

Based on these very exciting results the Company has commenced a re-assaying program using pulps retained from the 2017 drilling programs, to test for a full suite of elements.

Bawdwin is unique in that there is over 100 years of documented mining history, yet a majority of the resource remains un-mined. Our research into historical mill and smelter products generated from Bawdwin ore shows a compelling history of production of base and precious metal products delivered to market."



Historical mill and smelter products on display at WMM's Namtu office. Image: MYL

The updated Inferred Mineral Resource estimate released in March 2018, is **76.9Mt at 4.6%Pb, 118 g/t Ag, 2.3% Zn and 0.2% Cu** comprising a 41.4Mt high grade primary resource and a 35.5Mt low grade halo within the proposed open pit zone (above 750mRL).

Metallurgical test work completed subsequent to the end of the Quarter has indicated that the low-grade "halo" is particularly well suited to dense media separation, which should further improve the mineralised grade of ore processed and therefore, project economics.

Quarterly Activities Report – March 2018

Area	Oxidation	Tonnage ('000t)	Pb (%)	Zn (%)	Cu (%)	Ag (ppm)
Shan	Transition	1,476	2	0.2	0.42	46
	Fresh	26,420	5	2.4	0.26	119
	Total	27,896	4.9	2.3	0.27	115
China	Oxide	66	9	1.1	0.23	140
	Transition	1,923	4.7	1.3	0.31	135
	Fresh	30,507	5.1	2.9	0.17	130
	Total	32,496	5.1	2.8	0.18	130
Meingtha	Oxide	696	1	0	0.08	88
	Transition	1,913	1.7	0.3	0.08	102
	Fresh	13,903	3.4	1.6	0.37	100
	Total	16,512	3.1	1.3	0.32	99
Total	Oxide	762	1.7	0.1	0.1	93
	Transition	5,313	2.9	0.6	0.26	99
	Fresh	70,829	4.7	2.4	0.24	120
	Total	76,904	4.6	2.3	0.24	118

Refer to MYL ASX announcement on 6 March 2018 for detailed composition of JORC Inferred Mineral Resource and disclosures therein. The Inferred Mineral Resources of MYL have not changed materially since this date.



RC Sample logging at Bawdwin, March 2018. Image: Valentis Services

Exploration

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



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

During the March Quarter, Valentis Services issued their report which assessed all historical exploration programs undertaken at Bawdwin and presented targets and recommendations for future exploration work. The Company released a summary of the report to ASX on 1 March 2018.

The report noted a number high priority exploration targets, with strong potential for base metals discoveries, and noted ***“As Bawdwin is a VMS style deposit, we expect repeated occurrences of wide, high-grade lenses similar to those already known at Bawdwin, to occur along the main controlling structures.”***

The significant exploration potential of the Bawdwin concession is highlighted by:

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



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

Andrew Ford, General Manager – Geology commented: *“We are in the very fortunate position of having a known minerals deposit which is of world class size and grade, which also demonstrates extraordinary exploration potential.*

The exploration targets identified are compelling and worthy of significant further exploration investment. In due course we will be planning a systematic exploration program using modern electrical geophysics, which has been successfully used around the world to identify base metal deposits.”

Corporate

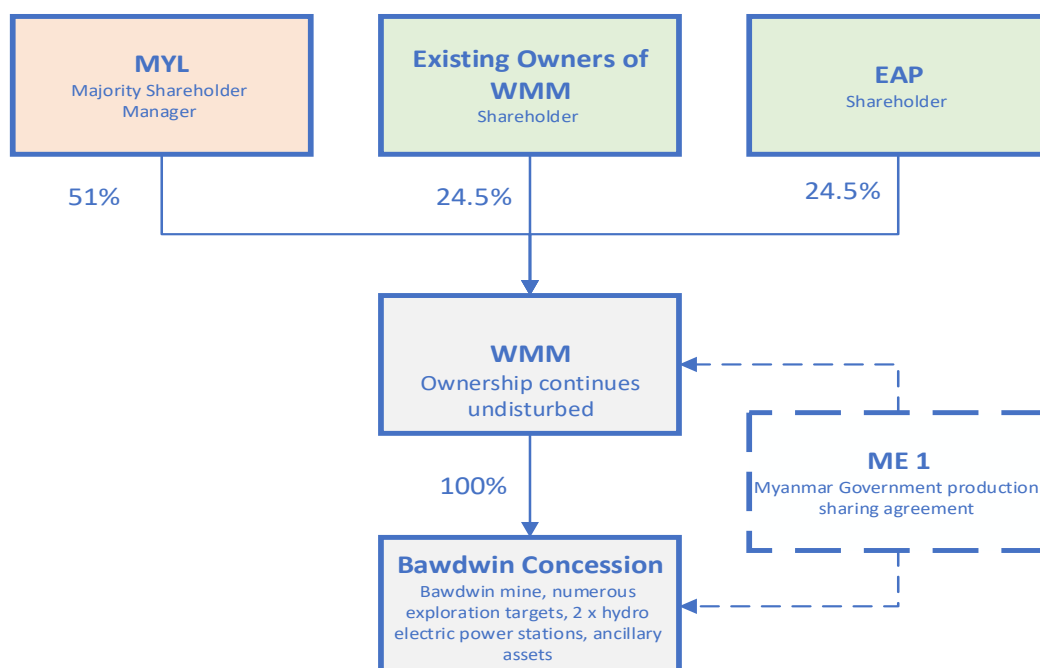
MYL has set an organisational goal of becoming a leading regional metals producer based in Myanmar. The company has strong foundations for realisation of this goal, namely:

- A Tier-1 polymetallic asset in a strategically advantageous location with excellent exploration potential;
- A management team with highly relevant experience and depth; and
- Strong local partners who add great value and significantly de-risk our operations.

Partnership Agreement

In May 2017, the Company negotiated an exclusive option to acquire a controlling interest in the Bawdwin concession. Since that time MYL has rapidly and successfully progressed through commercial, technical and legal due diligence. MYL's focus is now on de-risking the project and obtaining the funding required to exercise the option by payment to project owner Win Myint Mo Industries Co. Ltd ("WMM").

During the March 2018 Quarter MYL announced that it had agreed terms with a local Myanmar company, East Asia Power (Mining) Company Limited (EAP), whereby EAP can acquire a 24.5% project interest from MYL in return for reimbursement of MYL's project costs incurred to date and sharing the option fee that secures tenure over Bawdwin. MYL will retain a 51% controlling interest in the Bawdwin concession and have two large local partners in WMM and EAP, who will hold 24.5% each.



Agreed ownership structure allowing for majority control by MYL and continuity of the current tenure by using WMM as the JV vehicle

The partnership agreement significantly de-risks the project in the following ways:

- EAP's mining expertise is significant and EAP already owns and operates a manganese and coal mine in Myanmar;
- EAP is the manager of the Longh Keng zinc mine and Lashio zinc refinery in Myanmar which it built on behalf of Cornerstone Resources Myanmar Limited, shareholders of which include Mark Creasy's Yandal Investments, who is also MYL's largest shareholder; and
- MYL now has two strong local partners in WMM and EAP, who are affiliated with some of the largest companies operating in Myanmar. These companies are amongst the largest economic contributors to Myanmar and have experience dealing with Governmental agencies, local stakeholders and foreign partners.

Bawdwin Option Exercise

During the March Quarter MYL appointed Argonaut as its Financial Adviser to assist in delivering the optimal funding solution for the exercise of the Bawdwin option. Working with our advisers the Company completed an investor roadshow to institutional investors in Sydney and Melbourne and following the end of the Quarter, attended the Mines and Money Conference in Hong Kong prior to an investor roadshow to London.



MYL's team at the Hong Kong Mines & Money forum, L-R: J Lamb, R Dinsdale, J Moore, R Caren

Quarterly Activities Report – March 2018

New Appointments

MYL welcomed the appointment of Mr Rowan Caren as an Executive Director, Company Secretary and Chief Financial Officer during the March 2018 quarter. Mr Caren had formerly been undertaking the same roles for the Company (since June 2017) in a Non-Executive capacity.

MYL also made key managerial appointments during the Quarter, welcoming Andrew Ford as General Manager – Geology and Ross Dinsdale as General Manager – Corporate Affairs and Investor Relations.

Financial

At the end of the March Quarter MYL had approximately \$4 million in cash and no debt. The largest expenditure category during the Quarter was the ongoing evaluation of the Bawdwin project including drilling activities (\$1.8m) which delivered excellent results for the Company. Drilling will continue until the end of April. Contributions from EAP are expected during the June Quarter, including pro-rata reimbursement of MYL's costs to-date on the project. The Board is satisfied that the Company's level of funding is comfortable for its work programs and is confident that the corporate financing process underway with the assistance of Argonaut will allow exercise of the Option as planned.

Myanmar Government Relations

MYL and its partners have been engaging with Myanmar Government officials in Myanmar and in Australia. During the Quarter, the Bawdwin project and proposed development plan were discussed with representatives of the Myanmar Investment Commission, the Union Ministers for Natural Resources and Environmental Conservation, Office of the Union Government, and International Cooperation; and both the Australian Ambassador to Myanmar and Myanmar's Ambassador to Australia.

MYL's approach has been well-received. The Bawdwin mine is the flagship of a new Mining Industry paradigm for Myanmar: one in which foreign participation is welcomed and matched with local capability to build and operate mines profitably, ethically and to high environmental and social standards. In this model, local ownership is high, and the post-mining economy is built while the mine is in operation.

The Company is now confident that it will proceed to exercise the Option, in the June Quarter.

Closing remarks

John Lamb, Executive Chairman and CEO stated:

“Shareholders will see that the Company has made great progress during the Quarter. The agreement with EAP was an important milestone of great value to MYL and to the Bawdwin Project. Both of our local partners bring valuable expertise to bear and substantially de-risk the project. We have strengthened our team with appointments in key roles and now have strong foundations for proceeding with the development of Bawdwin.

We have worked hard with our Financial Advisers during the Quarter to gain investor support for funding of the Bawdwin option exercise and are confident that these efforts will be rewarded.

Shareholders have a lot to look forward to. We are well advanced with the second resource drilling program which will allow MYL to declare a maiden JORC Indicated Mineral Resource, in turn allowing us to share with the market the compelling project economics in the CSA Scoping Study.

We anticipate a successful capital raising and expect to proceed to exercise the Bawdwin option on schedule in May. Thereafter, the Bawdwin JV (under MYL’s lead) will rapidly proceed with a pre-feasibility study and further exciting exploration.”



John Lamb

Chairman and Chief Executive Officer

For More Information:

Ross Dinsdale, General Manager - Corporate Affairs and Investor Relations

Mob: 0420 702 970

Email: r.dinsdale@myanmarmetals.com.au

Forward Looking Statements

The announcement contains certain statements, which may constitute “forward –looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

Competent 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, 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 Nicandy Pty Limited which is a consultant to 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.

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Mineral Tenements

Title / Reference	Status	Party Name	MYL Interest
Myanmar			
Bawdwin	Production sharing contract	Win Myint Mo Industries	Option to acquire 51%
Northern Territory - Australia			
EL 30051	Granted	Myanmar Metals Ltd	100%
EL 10189	Granted	Merlin Operations Pty Ltd	100% (non-diamonds)

Mineral Tenements (acquired or relinquished during the quarter)

Title / Reference	Status	Party Name	MYL Interest
Myanmar			
Bawdwin	Reduction	Win Myint Mo Industries	Option reduced from 85% to 51%
Northern Territory - Australia			
EL 26206	Relinquished	Merlin Diamonds Ltd	100% (non-diamonds)
EL 28066	Lapsed	Merlin Diamonds Ltd	100% (non-diamonds)
EL 28067	Lapsed	Merlin Diamonds Ltd	100% (non-diamonds)
EL 28068	Lapsed	Merlin Diamonds Ltd	100% (non-diamonds)
EL 6532	Lapsed	Rio Tinto Exploration Pty Ltd	100% (non-diamonds)

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")

31 March 2018

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	(1,794)	(2,470)
(b) development	-	-
(c) production	-	-
(d) staff costs	(226)	(284)
(e) administration and corporate costs	(117)	(792)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	(45)
1.9 Net cash from / (used in) operating activities	(2,131)	(3,579)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(10)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(24)	(51)
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(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 – Bawdwin Option Extension Fee	-	(1,986)
2.6	Net cash from / (used in) investing activities	(34)	(2,047)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	10,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	422
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(781)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(100)
3.7	Transaction costs related to loans and borrowings	-	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	9,536

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,104	29
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,131)	(3,579)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34)	(2,047)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	9,536
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,939	3,939

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	3,939	6,104
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,939	6,104

6. Payments to directors of the entity and their associates

6.1	Aggregate amount of payments to these parties included in item 1.2	110
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
110
-

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

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,100
9.2 Development	-
9.3 Production	-
9.4 Staff costs	240
9.5 Administration and corporate costs	230
9.6 Other (provide details if material)	
– Bawdwin Option Exercise (US\$13.9M)	18,000
- Other	100
9.7 Total estimated cash outflows	20,670

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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: 27 April 2018

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.