



Myanmar Metals Limited

(formerly Top End Minerals Limited)

ABN 48 124 943 728

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017**

**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

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**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

CORPORATE DIRECTORY

DIRECTORS	John Lamb – Executive Chairman & CEO Rowan Caren – Executive Director & CFO Jeffrey Moore – Non-Executive Director
COMPANY SECRETARY	Rowan Caren
REGISTERED OFFICE	Suite 1, 6 Richardson Street West Perth WA 6005 Australia
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AUDITORS	Grant Thornton Audit Pty Ltd Central Park 152-158 St Georges Terrace, Perth WA 6000
SOLICITORS	Bellanhouse Level 19, Alluvion 58 Mounts Bay Road Perth WA 6000
SHARE REGISTRY	Link Market Services Limited Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000
AUSTRALIAN SECURITIES EXCHANGE	The Company's securities are quoted on the official list of the Australian Securities Exchange (ASX Limited), the home exchange being: ASX Limited Central Park 152-158 St Georges Terrace, Perth WA 6000
ASX CODE	MYL, MYLO

**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

DIRECTORS' REPORT

Your directors submit the financial report for the half-year ended 31 December 2017.

Directors

The names of directors who held office during or since the end of the half-year:

Mr John Lamb
Mr Jeffrey Moore
Mr Rowan Caren

Review of Operations

John Lamb was appointed as CEO and Executive Chairman October 2017. Subsequent to the balance date, Rowan Caren became an executive of the Company.

The Company raised a total of \$10 million (before costs) to fund due diligence activities on the world-class Bawdwin Pb/Zn/Ag/Cu mine and a fee for an extension to the Bawdwin option period.

A maiden JORC 2012 compliant Mineral Resource estimate for Bawdwin was announced in October 2017: 41.4 million tonnes grading 7.5% Pb, 3.5% Zn, 0.33% Cu, 178g/t Ag in the Inferred classification. CSA Global Scoping Study completed during the half year which confirmed that a robust long-life open pit operation is viable on the known Bawdwin resource.

Yandal Investments is now the Company's largest shareholder after conversion of its two outstanding loans into ordinary shares.

Exploration expenditure of \$544,315 was incurred during the half year to 31 December 2017 (31 December 2016: Nil). The Group registered a net loss for the half year to 31 December 2017 of \$5,733,608 (31 December 2016: \$2,130,223). The Group had cash assets of \$6,169,275 as at 31 December 2017 (30 June 2017: \$28,930) whilst the majority of its borrowings were converted to shares in the Company with the balance at 31 December 2017 of \$25,000 (30 June 2017: \$2,648,201).

Significant Events After the Balance Date

Since 31 December 2017, no events have arisen that have materially affected the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 3 for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors.



ROWAN CAREN
DIRECTOR
Dated this 14th day of March 2018

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Auditor's Independence Declaration to the Directors of Myanmar Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Myanmar Metals Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner - Audit & Assurance

Perth, 14 March 2018

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MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	<i>Note</i>	31 December 2017 \$	31 December 2016 \$
Revenue			
Net finance income	2	6,347	176,214
Employee benefits expense		(142,106)	(433,377)
Audit fees		(12,500)	-
Exploration expenses		(544,315)	-
Other expenses		(528,602)	(347,298)
Loss from change in fair value of derivative financial instruments		(2,698,832)	(740,571)
Impairment of related party loan		-	(751,888)
Share based payments		(1,240,000)	-
Foreign exchange		(7,589)	-
Finance Expense	3	(566,011)	(33,303)
Loss before income tax expense		(5,733,608)	(2,130,223)
Income tax expense		-	-
Loss before income tax expense		(5,733,608)	(2,130,223)
Change in fair value of available for sale assets		(113,503)	-
Other comprehensive income for the period, net of income tax		(113,503)	-
Total comprehensive loss for the year attributable to the owners of Myanmar Metals Limited		(5,847,111)	(2,130,223)
Loss attributable to members of Myanmar Metals Limited		(5,847,111)	(2,130,223)
Total comprehensive loss attributable to members of Myanmar Metals Limited		(5,847,111)	(2,130,223)
Basic and diluted loss per share (cents per share)		(1.21)	(0.97)

The accompanying notes form part of these financial statements.

MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

		31 December 2017	30 June 2017
	<i>Note</i>	\$	\$
<u>Assets</u>			
<i>Current Assets</i>			
Cash and cash equivalents		6,169,275	28,930
Other receivables		221,510	67,195
Total current assets		6,390,785	96,125
<i>Non-current Assets</i>			
Other financial assets	4	3,846,154	1,973,165
Plant and equipment		2,634	-
Total non-current assets		3,848,788	1,973,165
Total assets		10,239,573	2,069,290
<u>Liabilities</u>			
<i>Current Liabilities</i>			
Trade and other payables		322,469	381,834
Derivative financial instrument		-	895,510
Borrowings	5	25,000	1,752,691
Total current liabilities		347,469	3,030,035
Total liabilities		347,469	3,030,035
Net assets		9,892,104	(960,745)
<u>Equity</u>			
Share capital	6	32,963,787	17,513,827
Share based payments reserve		1,314,000	64,000
Asset revaluation reserve		(113,503)	-
Other contributed equity	7	777,194	777,194
Accumulated losses		(25,049,374)	(19,315,766)
Total equity		9,892,104	(960,745)

The accompanying notes form part of these financial statements.

MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Share Capital	Share Based Payments Reserve	Asset Revaluation Reserve	Other Contributed Equity	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	17,513,827	64,000	-	777,194	(19,315,766)	(960,745)
Loss for the period	-	-	-	-	(5,733,608)	(5,733,608)
Other comprehensive loss for the period, net of tax	-	-	(113,503)	-	-	(113,503)
Total comprehensive loss for the period, net of tax	-	-	(113,503)	-	(5,733,608)	(5,847,111)
<i>Transactions with owners, recorded directly in equity:</i>						
Issue of shares	16,188,169	-	-	-	-	16,188,169
Issue of options for services	-	130,000	-	-	-	130,000
Issue of performance rights	-	1,120,000	-	-	-	1,120,000
Transaction costs arising from share issue	(738,209)	-	-	-	-	(738,209)
Total transactions with owners	15,449,960	1,250,000	-	-	-	16,699,960
Balance at 31 December 2017	32,963,787	1,314,000	(113,503)	777,194	(25,049,374)	9,892,104
Balance at 1 July 2016	13,181,576	-	-	737,516	(14,299,729)	(380,637)
Loss for the period	-	-	-	-	(2,130,223)	(2,130,223)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-
Total comprehensive loss for the period, net of tax	-	-	-	-	(2,130,223)	(2,130,223)
<i>Transactions with owners, recorded directly in equity:</i>						
Equity component of convertible note issued in period	-	-	-	39,678	-	39,678
Repayment of convertible note equity	-	-	-	(103,959)	-	(103,959)
Issue of shares	4,745,126	-	-	(633,557)	-	4,111,569
Transaction costs arising from share issue	(168,104)	-	-	-	-	(168,104)
Total transactions with owners	4,577,022	-	-	(697,838)	-	3,879,184

The accompanying notes form part of these financial statements.

MYANMAR METALS LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<i>Note</i>	31 December 2017 \$	31 December 2016 \$
<u>Cash flows from operating activities</u>		
Payments to suppliers and employees (inclusive of GST)	(774,871)	(406,499)
Interest received	6,347	-
Net cash used in operating activities	(768,524)	(406,499)
<u>Cash flows from investing activities</u>		
Payments for exploration expenditure	(517,833)	-
Amounts placed on deposit	(148,500)	-
Option fees paid	(1,986,492)	(674,334)
Payments to acquire other non-current assets	(2,634)	-
Net cash used in investing activities	(2,655,459)	(674,334)
<u>Cash flows from financing activities</u>		
Loan repaid to former director	-	(605,674)
Loan advanced by other entity	-	80,000
Finance costs	(101,588)	-
Loan repaid to other entity	(100,000)	-
Proceeds from convertible note	-	500,000
Repayment of convertible note	-	(100,000)
Proceeds from issue of equity securities	10,424,125	2,300,000
Equity securities issue transaction costs	(658,209)	(145,648)
Net cash from financing activities	9,564,328	2,028,678
Net increase in cash and cash equivalents	6,140,345	947,845
Cash and cash equivalents at 1 July	28,930	94,235
Cash and cash equivalents at 31 December	6,169,275	1,042,080

The accompanying notes form part of these financial statements.

**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

**NOTES TO THE FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 1: BASIS OF PREPARATION

This half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Myanmar Metals Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Reporting Basis and Conventions

The half-year report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

In the half year ended 31 December 2017, management has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. It has been determined that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to accounting policies. Management has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. It has been determined that, there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)

NOTES TO THE FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 2: REVENUE

	31 December 2017 \$	31 December 2016 \$
Interest income	6,347	-
Interest income – other entities	-	176,214
Total revenue	6,347	176,214

NOTE 3: FINANCE EXPENSE

	31 December 2017 \$	31 December 2016 \$
Finance costs	564,424	(33,273)
Bank charges	1,587	(30)
Total finance expense	566,011	(33,303)

NOTE 4: OTHER FINANCIAL ASSETS

	31 December 2017 \$	30 June 2017 \$
Bawdwin option fee – non refundable	3,846,154	1,973,165

NOTE 5: BORROWINGS

	31 December 2017 \$	30 June 2017 \$
Unsecured loans	25,000	125,000
Convertible loan	-	1,111,626
Convertible notes	-	516,065
Total Borrowings	25,000	1,752,691

MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)

NOTES TO THE FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 6: SHARE CAPITAL

Ordinary Share Capital

	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	No. shares	No. shares	\$	\$
Balance at beginning of period	370,136,229	360,196,269	17,513,827	17,167,186
Listed options exercised @ 0.03	14,137,500	2,939,960	424,124	88,199
Consulting fees @ 0.0653		5,000,000		315,000
Investor relation fees @ 0.062		2,000,000		124,000
Consulting fees @ 0.04	3,000,000		120,000	
Loan establishment fees @ 0.04	5,000,000		200,000	
Capital raising @ 0.04	75,000,000		3,000,000	
Conversion of loans/notes	82,505,328		5,444,045	
Capital raising @ 0.07	100,000,000		7,000,000	
Transaction costs arising on share issues			(738,209)	(180,558)
Balance at end of year	649,779,057	370,136,229	32,963,787	17,513,827

Listed Options Over Ordinary Shares

	31 December 2017	30 June 2017
	No. options	No. options
Balance at beginning of year	191,358,124	-
Bonus Options	-	192,298,084
Options issued to consultants in respect of services provided	6,500,000	2,000,000
Options exercised	(14,137,500)	(2,939,960)
Balance at end of year	183,720,624	191,358,124

NOTE 7: OTHER CONTRIBUTED CAPITAL

	31 December 2017	30 June 2017
	\$	\$
Balance at beginning of period	777,194	39,678
Convertible note equity component	-	737,516
Balance at end of period	777,194	777,194

**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

**NOTES TO THE FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

NOTE 8: SEGMENT REPORTING

The only segment that the company operates in is exploration and evaluation of mining prospects in Myanmar. On this basis, no segment information is included in these financial statements.

NOTE 9: CONTINGENT LIABILITIES

There was no material change to contingent liabilities that the Company has become aware of since 30 June 2017.

NOTE 10: RELATED PARTY DISCLOSURES

In prior years, the Company provided a loan to a party that was related to the company. The gross carrying amount of the loan is \$5,222,690 (30 June 2017 - \$5,222,690). These amounts continue to be fully provided for under the accounting standards given that collection of any amounts is uncertain. No interest has been recorded on the loan for 31 December 2017 given the status of collectability of the principal amounts.

Other significant related party transactions include three tranches of 14,000,000 Performance Rights issued to Directors during the period that vest when certain non-market condition milestones are met. The value of these Rights has been estimated by management with reference to the probability that the relevant conditions of the Rights will be met and thus the number of Rights that are expected to vest multiplied by the fair value of the equity consideration at the grant date. The value of \$1,120,000 (31 December 2016 – nil) has been recorded as Share based payment expense in the Statement of Profit or Loss and Other Comprehensive and in the Share Options Reserve in Equity.

NOTE 11: SUBSEQUENT EVENTS

Since 31 December 2017, no events have arisen that have materially affected the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity.

**MYANMAR METALS LIMITED
(FORMERLY TOP END MINERALS LIMITED)**

DIRECTORS' DECLARATION

The directors of Myanmar Metals Limited declare that:

1. In the directors' opinion, the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors dated this 14th day of March 2018.



ROWAN CAREN
Director

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Independent Auditor's Review Report to the Members of Myanmar Metals Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Myanmar Metals Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Myanmar Metals Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Myanmar Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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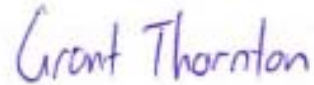
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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner - Audit & Assurance

Perth, 14 March 2018