

ASX ANNOUNCEMENT

Date 27 July 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

Mr. Andrew Teo
Non-Executive Director

ISSUED CAPITAL

Shares 1,769 m.

Unlisted Options 62 m.

JUNE 2020 QUARTERLY ACTIVITIES REPORT

Highlights

- High grade copper, cobalt and lead drilling results extend the ER Valley Lode and provide strong evidence of the continuity of mineralisation along strike
- Positive engagement with Myanmar Government continues in negotiations on the Production Sharing Agreement
- Government permitting activities and definitive study expected to be completed in 2020
- Company responds quickly to COVID-19 pandemic:
 - Cost reduction measures have been implemented to retain a strong financial position. MYL cash at end of the June quarter is \$11.1 m.
 - Local partners managing site operations and Government liaison, supported by MYL team working remotely
- Appointment of experienced Independent Non-Executive Director, Mr Andrew Teo



Figure 1. Chalcopyrite-carbonate vein in rhyolite porphyry, BWDD076 (70.1m) drilled in ER Valley, which assayed 5% copper over 1m.

Summary

During the June 2020 Quarter, Myanmar Metals Ltd (ASX: MYL) (“Myanmar Metals” or “the Company”) announced outstanding results from the ER Valley exploration drilling program, advanced the Government approvals process and definitive study and appointed an experienced independent non-executive director to MYL’s Board.

The COVID-19 pandemic disrupted the Company’s ordinary business operations but steps were quickly taken to retain the Company’s strong financial position and ensure the safety and continuity of our site operations and negotiations with the Myanmar Government.

ER Valley

A new zone of high grade lead mineralisation was intersected by drilling in the southwest of ER Valley. The drilling result was part of the 2020 ER Valley exploration program and is significant because it provides growing evidence that Bawdwin’s mineralised zone continues south from the Meingtha Lode towards ER Valley and possibly a further 450m beyond ER Valley to Pangyun Junction (Figure 2).

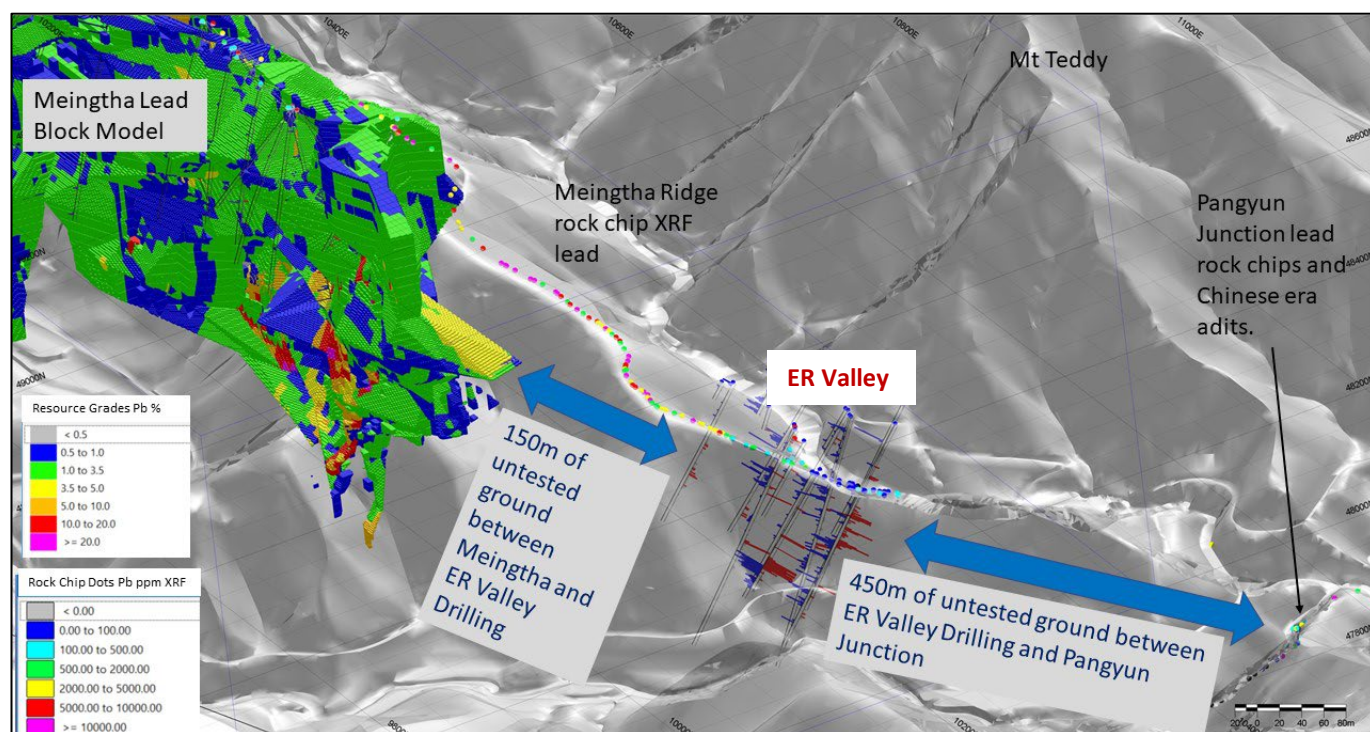


Figure 2. Oblique view of ER Valley looking northeast showing lead (blue) and copper (red) assays in drilling, Resource block and rock chips coloured for lead. Figure shows untested strike length extending south from the Meingtha Lode.

Andrew Ford, General Manager of Geology commented:

“The recent drilling results increased our understanding of the geometry and controls to mineralisation in ER Valley, with potential identified to link ER Valley mineralisation to the Meingtha mineralisation located only 150m to the northwest of the northernmost ER Valley drill hole.

The results also strengthen the argument to begin drilling to the east, to follow up a strong lead-in-soil anomaly identified in 2019 along the western side of Mt Teddy. The 1960’s developed 4530S Adit below Mt Teddy intersected 35m at 6.4% combined lead and zinc in historic assays.”

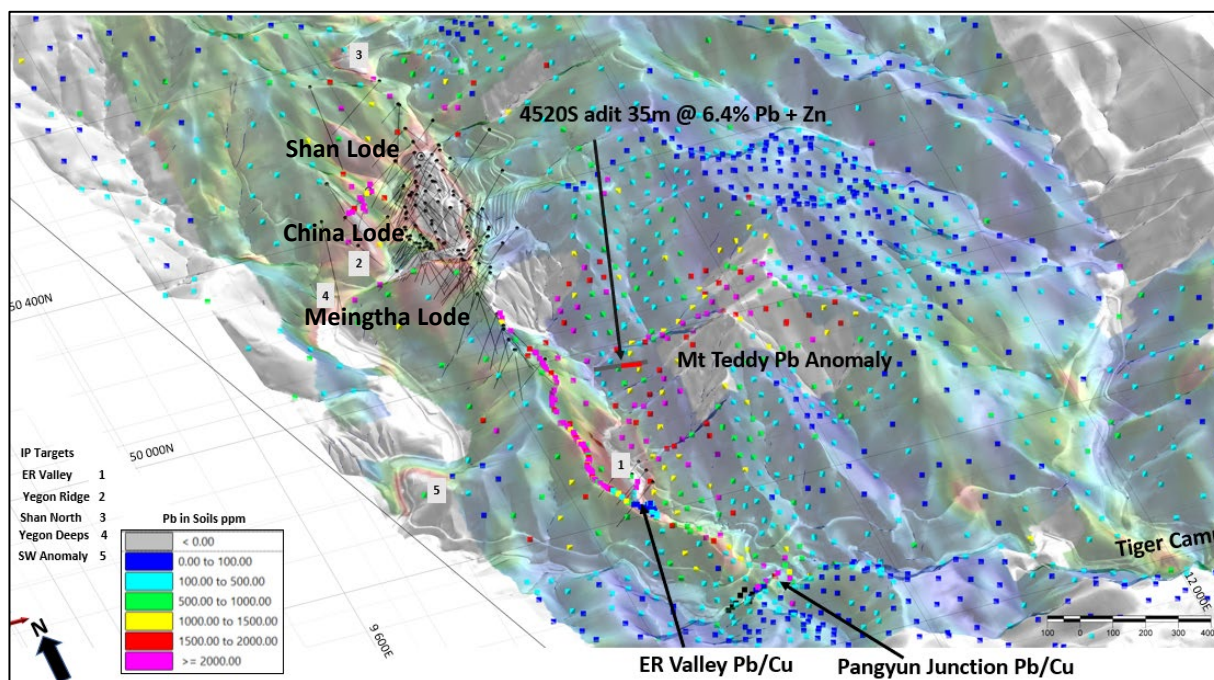


Figure 3. Lead (Pb) in soil samples overlain on topography and GAIP chargeability image. Strongly anomalous soil samples >1,500ppm are shown in red and pink dots, defining new Mt Teddy, South Meingtha and Pangyun Junction targets. The coincident GAIP and soils anomalies are clearly visible along Yegon Ridge, ER Valley and Pangyun Junction. GAIP was not possible over the upper parts of Mt Teddy due to the steepness of the terrain. Adit 4520S is shown in relation to the soil anomaly.

The ER Valley drilling program successfully intersected excellent grades of copper and cobalt over numerous intervals:

- BWRC137:
 - 7m at 0.47% Co, 1.2% Ni and 0.2% Cu from 50m,
 - 12m at 0.17% Co, 1.7% Cu from 111m,
 - 3m at 0.13% Co, 3.1% Cu from 129m, and
 - 8m at 0.20% Co, 2.2% Cu, 1.8% Pb and from 142m.
- BWDD070: 2m at 0.43% Co and 2.8% Cu from 90m and 5m at 0.20% Co, 1.4% Cu and 0.7% Ni from 124m
- BWDD076: 3m at 0.11% Co and 2.9% Cu from 119m.

The strike length of the ER Valley Lode has now been extended to over 180 metres, with the mineralisation 'open' both up dip (180-200m to the top of Meingtha Ridge) and down dip, as well as south towards the Pangyun Junction (450m southeast) where historic adits revealed lead, copper and cobalt mineralisation.

ER Valley has the potential to deliver a future step-change to the Bawdwin Project resources and reserves by evidencing the continuity of mineralisation south of the Meingtha Lode and secondly, by targeting high grade copper-cobalt mineralisation which could underpin mineral processing expansion opportunities at Bawdwin.

Cost reduction measures related to the Company's COVID-19 response resulted in the ER Valley drilling program being concluded early, however the 8 holes that were completed have provided the Company with a much greater understanding of the structural geology and orientation of the mineralisation which will allow for more targeted appraisal drilling in the future.

Government Approvals and Study Progress

During the period, negotiations on the Production Sharing Agreement (PSA) continued with positive engagement from the Myanmar Government. Once agreed, the PSA and other key project documents will be submitted to the Myanmar Investments Commission (MIC) in support of the Bawdwin Joint Venture's (BJV) application for a foreign investment permit.

During the June quarter, the BJV was advised that its Environmental Scoping Study, an important document submitted to the MIC, was reviewed by the relevant authorities and no objections have been cited. Senior officials within MONREC are now working with the BJV to finalise the PSA and key project documents, in advance of making the BJV's application for the foreign investment permit.

In-country engagement with the Myanmar Government regarding the MIC permit application and PSA negotiations continue to be positively advanced by MYL's local joint venture partners, EAP and WMM.

All site-based tasks related to the definitive study are complete and no further fieldwork by foreign consultants is needed. The study will be completed in Australia by MYL and its consultants. Final sign-off and publication of the study will follow a peer review process by Mining One, serving as Independent Technical Expert, and the granting of the MIC permit.

Project Financing and Offtake Progress

Myanmar Metals and its partners continued to work with potential off-takers and financiers during the quarter. The road transport trial completed in January demonstrated that there are two economically and logistically feasible export routes for Bawdwin concentrates – either north to China via the Ruili border gate, or south to the port of Yangon where suitable land for the establishment of warehousing and ship-loading facilities has been identified. Positive and comprehensive engagement between the Company and off-takers seeking seaborne delivery took place throughout the quarter, in addition to multiple potential Chinese customers previously identified. The Company and its advisers have established a data room and a formal financing EOI process remains in progress.



Figure 4. Image from the road transport trial. A truck was loaded with an equivalent concentrate weight for transportation from Namtu to Ruili and the Port of Yangon.

The Company notes that a two year standstill preventing its major shareholder, Perilya Limited, from acquiring a shareholding of greater than 25% interest expired during the quarter.

Financial Position

MYL responded quickly to the COVID19 pandemic, implementing cost reduction measures to safeguard the Company's strong financial position. At the end of the quarter, MYL held \$ 11.1 million in cash with no debt. Exploration expenditure and the definitive study work were the main items of expenditure during the period totalling \$ 3.4 million.

In accordance with ASX Listing Rule 5.3.5, the Company confirms that payments to related parties and their associates during the quarter as set out in section 6.1 of the Appendix 5B ("Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report") were comprised of salaries and fees paid in respect of services provided by directors.

Board

In June, the Company welcomed Mr Andrew Teo to its Board as an Independent Non-Executive Director. Mr Teo's career spans nearly forty years with extensive experience in accounting, treasury, corporate, legal and business administration across several industries, including the mining industry.

Mr Teo was, until his retirement in March 2018, Chief Financial Officer/Executive Director of BGC (Australia) Pty Ltd, one of Australia's largest privately owned companies, with annual turnover in excess of \$2 billion and 7,000 plus staff (including sub-contractors). Mr Teo continues to serve as a Non-Executive Director of BGC and is the Chairman of ASX listed Medusa Mining Limited (ASX: MML), which operates a gold mine in the Philippines.

Closing Remarks

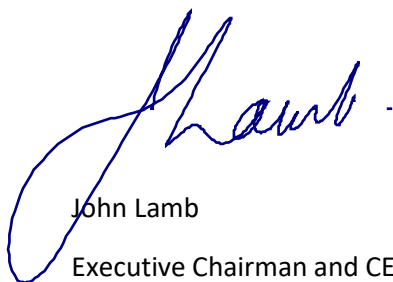
Executive Chairman & CEO John Lamb said,

"I really am very pleased with the progress the Company has made during the period. Notwithstanding the substantial disruption caused by COVID-19, we have managed to deliver outstanding exploration results, advance the definitive study and Government approvals process and we also appointed a very high calibre Director to our Board.

Looking ahead into the second half of 2020, we are now very well positioned to complete the Government approvals process and the definitive study and advance towards the start of mine construction. The value of our capable in-country partners during this time when global travel is disrupted cannot be understated.

I believe that our metals will be in high demand as the world makes an infrastructure and renewables-led recovery from COVID-19 over the coming decade, coinciding with production from Bawdwin, and I note with pleasure the continued rise of the LME silver price.

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

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Email: 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 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.

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.

Details on the ER Valley drilling results are discussed in an announcement released to ASX dated 25 May 2020.

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")

30 June 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(3,182)	(13,617)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(206)	(1,207)
	(e) administration and corporate costs	(460)	(2,136)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	175
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	(3,837)	(16,785)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(49)
	(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 (12 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	(3)	(86)

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	15,298	22,881
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,837)	(16,785)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(86)
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 (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(342)	154
4.6	Cash and cash equivalents at end of period	11,116	11,116

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	4,821	6,910
5.2	Call deposits	5,500	6,500
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	795	1,888
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,116	15,298

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
229
-

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)	(3,837)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(3,837)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	11,116
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	11,116
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.9
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:27 July 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.