

# MYANMAR METALS LIMITED (ASX:MYL)

ACN 124 943 728

EQUITY RAISING INVESTOR PRESENTATION

5 JUNE 2018



# IMPORTANT NOTICES



## Forward-Looking Statements

- This document contains statements that are "forward-looking". Generally, the words "expect," "intend," "estimate," "will" and similar expressions identify forward-looking statements. By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, or that of our industry, to differ materially from those expressed or implied in any of our forward-looking statements.
- Statements in this document regarding Myanmar Metals Limited's (the "Company") business or proposed business, which are not historical facts, are "forward-looking" statements that involve risks and uncertainties, such as estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.
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## Disclaimer

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## Competent Person Statement

- The information in this document relating to the Mineral Resource estimate for the Bawdwin Project is extracted from the Company's ASX announcement entitled "Updated Mineral Resource Estimate with Substantial Indicated Classification", dated 22 May 2018. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.
- 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 Urbisnov, who is a Member of the Australian Institute of Geoscientists. Mr. Urbisnov is a full-time employee of independent, resource industry consultancy CSA Global Pty Ltd. Mr. Urbisnov 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. Urbisnov consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# EQUITY RAISING OVERVIEW



<b>Offer Structure &amp; Size</b>	<ul style="list-style-type: none"> <li>▪ Equity Raising to raise a minimum of \$25.0 million and a maximum of \$35.0 million</li> <li>▪ A minimum of approximately 416.7 million and up to a maximum of approximately 583.3 million new Myanmar Metals shares (<b>New Shares</b>) will be issued<sup>1</sup></li> </ul>
<b>Offer Pricing</b>	<ul style="list-style-type: none"> <li>▪ Offer price of \$0.060 per share, representing a:             <ul style="list-style-type: none"> <li>❖ a discount of 13.04% to the last close (Monday, 4 June 2018) of \$0.069 per share; and</li> <li>❖ a discount of 9.68% to 5-day VWAP of \$0.066 per share</li> </ul> </li> </ul>
<b>Use of Proceeds<sup>2</sup></b>	<ul style="list-style-type: none"> <li>▪ Bawdwin Option exercise</li> <li>▪ Bawdwin Preliminary Feasibility Study and drilling program</li> <li>▪ Commencement of Bawdwin Bankable Feasibility Study</li> <li>▪ Transaction costs</li> <li>▪ Concession holding costs</li> <li>▪ General working capital</li> </ul>
<b>Pre-Commitments</b>	<ul style="list-style-type: none"> <li>▪ Binding commitments of \$19.1 million comprising of \$14.9 million from Perilya and \$4.2 million from Mr. Mark Creasy (Yandal Investments Pty Ltd)<sup>3</sup></li> <li>▪ In addition to the binding commitments, Argonaut has received pre-commitments from institutional investors more than satisfying the minimum requirement to raise \$25.0 million</li> </ul>
<b>Lead Manager &amp; Sole Bookrunner</b>	<ul style="list-style-type: none"> <li>▪ Argonaut Securities Pty Limited</li> </ul>
<b>Co-Manager</b>	<ul style="list-style-type: none"> <li>▪ Triple C Consulting Pty Limited</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>▪ New Shares issued under the Equity Raising will be listed on ASX and rank pari passu with existing shares (ASX:MYL)</li> </ul>

Notes:

1. Myanmar Metals will have between 1,080,445,723 – 1,247,112,390 shares on issue following completion of the Equity Raising

2. See slide 7 for more details

3. Perilya will subscribe for New Shares via a \$14.9 million deposit that will, subject to the satisfaction of certain conditions, become a 19.9% shareholding at \$0.060 per share on the latter of settlement of the proposed \$35.0 million Placement and the receipt of all necessary regulatory approvals. For further information refer to the ASX announcement made on 25 May 2018

# INVESTMENT HIGHLIGHTS



## Myanmar Metals is poised to emerge as a 51% operator of the Tier 1 Bawdwin Concession

- ✓ Fully funded for its share of the Bawdwin option exercise
- ✓ Transformational strategic partnership with Perilya to emerge as a 19.9% shareholder for a binding investment of up to \$14.9 million<sup>1</sup>
- ✓ Perilya non-binding Letter of Support received for up to US\$150.0 million for future construction of Bawdwin
- ✓ Binding commitment from major shareholder Mr. Mark Creasy (Yandal) to invest a further \$4.2 million
- ✓ Recently updated Mineral Resources of 82.0 Mt at 4.7% Pb, 119g/t Ag, 2.4% Zn and 0.2% Cu (including a maiden JORC Indicated Resource of 20.2 Mt at 5.0% Pb, 130g/t Ag, 2.6% Zn and 0.23% Cu)<sup>2</sup> reported by CSA Global
- ✓ Strategically located Tier 1 project in close proximity to key existing infrastructure and end user markets
- ✓ World class exploration upside with >8km of untested strike length and no modern exploration undertaken
- ✓ Highly experienced management team supported by two leading private Myanmar partners: Win Myint Mo Industries Co., Ltd (**WMM**) and East Asia Power (Mining) Company Ltd (**EAP**)
- ✓ Now positioned to complete a \$15.9 million equity raising as part of the proposed \$35.0 million placement (inclusive of Perilya and Yandal commitments) to accelerate development of Bawdwin

Note:

1. Perilya will subscribe for New Shares via a \$14.9 million deposit that will, subject to the satisfaction of certain conditions, become a 19.9% shareholding at \$0.06 per share on the latter of settlement of the proposed \$35.0 million Placement and the receipt of all necessary regulatory approvals. For further information refer to the ASX announcement made on 25 May 2018
2. Refer to slide 14 and JORC compliant Indicated and Inferred Mineral Resource as disclosed in ASX release dated 22 May 2018. No material changes to the resources have occurred since this time

# STRATEGIC FINANCING WITH PERILYA



## About Perilya



- An Australian base metals mining and exploration company which owns and operates:
  - ❖ the iconic “Southern Operations” zinc, lead and silver mine in Broken Hill, New South Wales, Australia;
  - ❖ the “Potosi/Silver Peak” zinc, lead and silver mine (also in Broken Hill); and
  - ❖ the Cerro de Maimón copper, gold and silver mine in the Dominican Republic.
- 100% owned by Shenzhen Zhongjin Lingnan Nonfemet Co. Limited (SZ:000060) (**Zhongjin Lingnan**), China’s largest integrated zinc producer with a market capitalisation of c.US\$3.3 billion
  - ❖ Production of lead and zinc contained metal of 305kt in 2017
  - ❖ Controls c.1.4% of the zinc metal production in the world (FY2016)
  - ❖ Zhongjin Lingnan’s major shareholder is Guangdong Rising Assets Management Co., Ltd (**GRAM**)<sup>1</sup>

## Strategic Financing

- Perilya to make a strategic cornerstone investment of a maximum \$14.9 million for a 19.9% interest<sup>2</sup>
- Ability to maintain equity interest via customary anti-dilution provisions<sup>3</sup>

## Strategic Alliance

- Strategic alliance to support the optimal development and financing of Bawdwin enabling Myanmar Metals to gain technical assistance, future financing support and assistance with procurement, processing and metals marketing from Perilya and Zhongjin Lingnan
- Non-binding Letter of Support for up to US\$150.0 million for future construction of Bawdwin
- Right to nominate one Myanmar Metals’ board representative (expected to be Perilya Managing Director & CEO Mr. Paul Arndt) and one representative on any project committee to be established by Myanmar Metals<sup>4</sup>
- Two years standstill and non compete for any identified natural resources transaction in Myanmar<sup>4</sup>

### Notes:

1. GRAM holds direct and indirect interests in Zhongjin Lingnan totaling approximately 32%
2. Perilya will subscribe for New Shares via a \$14.9 million deposit that will, subject to the satisfaction of certain conditions, become a 19.9% shareholding at \$0.06 per share on the latter of settlement of the proposed \$35.0 million Placement and the receipt of all necessary regulatory approvals. Perilya’s investment is subject to, *inter alia*, receipt of FIRB and other relevant regulatory approvals. For further information refer to the ASX announcement made on 25 May 2018.
3. Subject to ASX approval and Perilya maintaining at least a 10% shareholding in Myanmar Metals
4. Myanmar Metals has granted Perilya a first right, but not the obligation, to be a partner on an arm’s length commercial basis in any new Myanmar transaction should Myanmar Metals seek an offshore partner

# PRO FORMA CAPITAL STRUCTURE



In addition to the binding commitments, the Lead Manager has received pre-commitments from institutional investors more than satisfying the minimum requirement to raise \$25.0m

	<i>Units</i>	Existing	\$25 million Raise	\$35 million Raise
Indicative Share Price	<i>AUD / share</i>	0.06	0.06	0.06
Shares on Issue	<i>M</i>	663.8	1,080.5	1,247.1
Options on Issue <sup>1</sup>	<i>M</i>	183.7	217.2	227.2
Performance Rights <sup>2</sup>	<i>M</i>	28.0	28.0	28.0
Undiluted Market Capitalisation @ \$0.06 per share	<i>AUD M</i>	<b>39.8</b>	<b>64.8</b>	<b>74.8</b>
Cash Balance <sup>3</sup>	<i>AUD M</i>	2.4	2.4	2.4
Reimbursement from EAP <sup>4</sup>	<i>AUD M</i>	-	1.3	1.3
Gross Equity Raising Proceeds less Bawdwin Option Exercise <sup>5</sup>	<i>AUD M</i>	-	6.5	16.5
Debt	<i>AUD M</i>	Nil	Nil	Nil
Enterprise Value	<i>AUD M</i>	<b>37.4</b>	<b>54.6</b>	<b>54.6</b>

Notes: AUDUSD exchange rate of 0.7510 and rounding to the nearest \$10,000

- 183.7m existing options on issue with an exercise price of \$0.03 per share expiring 31 December 2019. 40m new options to be issued to Argonaut as Lead Manager in relation to the equity raising and ratification 7m new options to be issued to Triple C. Argonaut options will vest on the basis that for every one AUD raised, one option shall vest on the date of completion of the equity raising. Argonaut options are exercisable at a price equivalent to a 30% premium to the issue price of any equity raising on or before the date that is four years after the issue date. Triple C options are exercisable at \$0.07 per share on or before 30 November 2020. The issue of Argonaut and Triple C options are subject to shareholder approval at General Meeting to be held 5 June 2018. Additional options of 1.5m to be issued under the Employee Securities Incentive Plan to be approved at General Meeting to be held 5 June 2018
- 28m Performance Rights on issue
- Cash balance as at 31 May 2018
- Reimbursement from EAP represents amounts invoiced for the period to 31 March 2018 and amounts not yet invoiced for the period 1 April to 31 May 2018
- Myanmar Metals' share to exercise the Bawdwin Option is US\$13.9m

# INDICATIVE SOURCES AND USES OF FUNDS



## \$35 million Equity Raising

Source of Funds	AUD M
Cash Balance <sup>1</sup>	2.4
Reimbursement from EAP <sup>2</sup>	1.3
Equity Raising	35.0
<b>Total</b>	<b>38.7</b>

Uses of Funds	AUD M
Bawdwin Option Exercise <sup>3</sup>	18.5
Payment of Due Diligence Investigations including Current Drilling Program and Resource Upgrade	0.1
Bawdwin Preliminary Feasibility Study including Engineering and Materials Handling Options Study	3.6
Drilling Program	3.7
Transaction Costs	1.9
Commencement of Bankable Feasibility Study	5.0
Concession Holding Cost	2.8
General Working Capital	3.1
<b>Total</b>	<b>38.7</b>

Notes: AUDUSD exchange rate of 0.7510 and rounding to the nearest \$10,000

1. Cash balance as at 31 May 2018

2. Reimbursement from EAP represents amounts invoiced for the period to 31 March 2018 and amounts not yet invoiced for the period 1 April to 31 May 2018

3. Myanmar Metals' share to exercise the Bawdwin Option is US\$13.9m. AUDUSD exchange rate of 0.7510 and rounding to the nearest \$10,000

# INDICATIVE TIMETABLE



Key Events	Time / Date (AWST)
Trading Halt and Announcement of Equity Raising	Pre-open, Tuesday, 5 <sup>th</sup> June 2018
General Meeting of Company Shareholders	9:00am, Tuesday, 5 <sup>th</sup> June 2018
Firm Bids Due	5:00pm, Tuesday, 5 <sup>th</sup> June 2018
Allocations and Confirmation Letters to be sent to Participants	7:00pm, Tuesday, 5 <sup>th</sup> June 2018
Confirmation Letters and CARD Forms to be returned	2:00pm, Wednesday, 6 <sup>th</sup> June 2018
Announcement of the results of the Equity Raising on ASX	Pre-open, Thursday, 7 <sup>th</sup> June 2018
Trading re-commences	Market Open, Thursday, 7 <sup>th</sup> June 2018
Anticipated Settlement Date	Thursday, 14 <sup>th</sup> June 2018



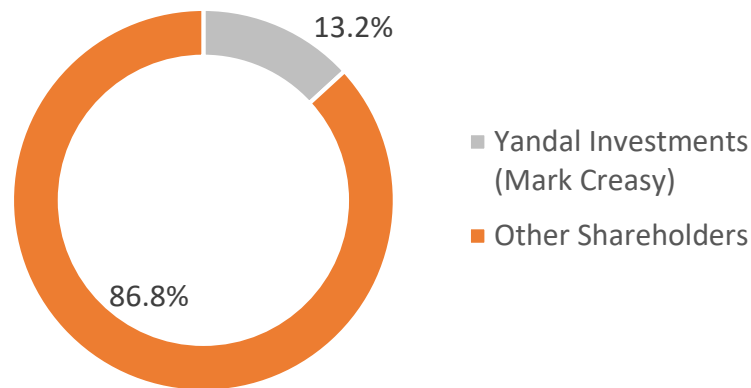
# CORPORATE SNAPSHOT – PRE EQUITY RAISING



## Key Metrics

ASX Code	MYL / MYLO
Shares on issue	663.8m
Share price <sup>1</sup>	\$0.069 per share
Undiluted market capitalisation <sup>1</sup>	\$45.8m
Options on issue	183.7m (ex. 3 cents, expiry 31 Dec 19)
Cash balance <sup>2</sup>	\$2.4m
Debt <sup>2</sup>	Nil
Enterprise Value	\$43.4m

## Shareholder Composition



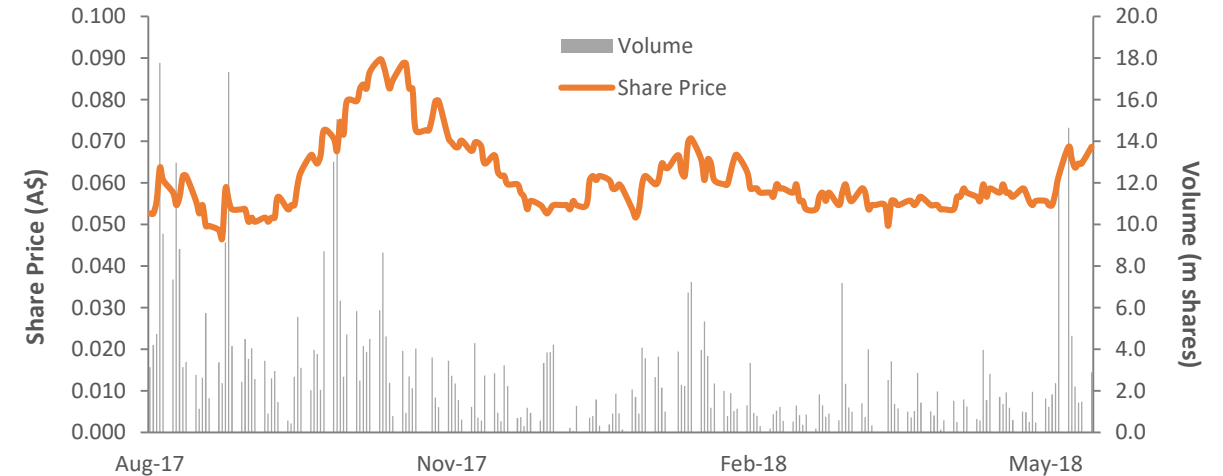
### Notes:

1. As at 4 June 2018

2. Cash balance as at 31 May 2018

3. Updated JORC Compliant Indicated and Inferred Mineral Resource estimates as disclosed in ASX release dated 22 May 2018. No material changes to the resources have occurred since this time.

## MYL Share Price and Volume



## JORC Resources

High Grade JORC Indicated and Inferred Mineral Resource <sup>3</sup>	44.5Mt at 7.8% Pb, 180ppm Ag, 3.6% Zn, 0.3% Cu
Project JORC Indicated and Inferred Mineral Resource <sup>3</sup>	82.0Mt at 4.7% Pb, 119ppm Ag, 2.4% Zn, 0.2% Cu
Primary elements	<ul style="list-style-type: none"> <li>Lead</li> <li>Zinc</li> <li>Silver</li> </ul>
Secondary elements	<ul style="list-style-type: none"> <li>Copper</li> <li>Nickel</li> <li>Cobalt</li> </ul>

# CLEARLY DEFINED STRATEGY



## Myanmar Metals is well positioned to become a leading regional base metals producer

### Foundations to realise strategy

- Tier 1 brownfield polymetallic deposit located in a strategically advantageous location
- World class exploration potential offers further large scale, high grade upside
- Management team with experience and depth in operating large zinc and polymetallic projects and undertaking business in Myanmar
- Substantial de-risking of Bawdwin achieved with the introduction of leading local and international partners
  - ❖ Major local partners: Win Myint Mo Industries Co., Ltd (**WMM**) and East Asia Power (Mining) Company Ltd (**EAP**)
  - ❖ Major international partner: Perilya

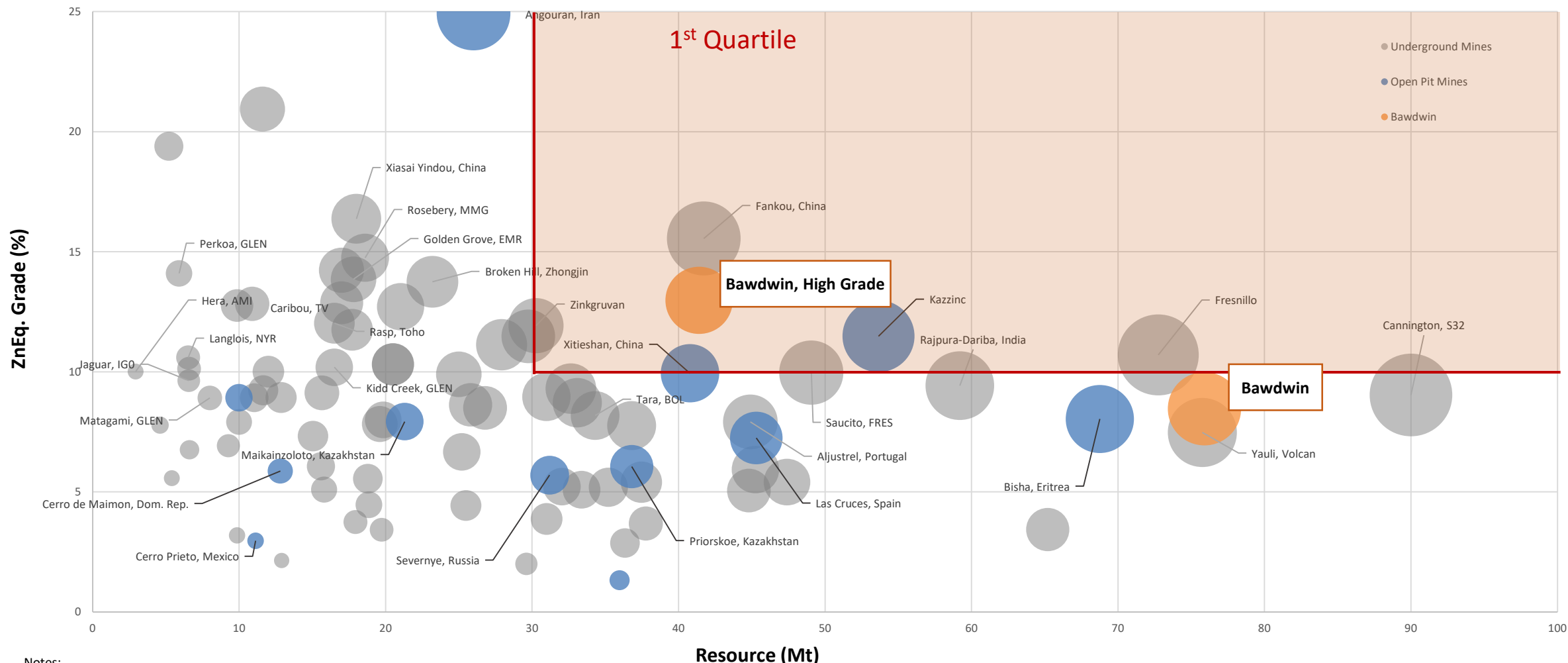
### Bawdwin Project Area



# GLOBAL SIGNIFICANCE OF BAWDWIN



## A high grade world class project



Notes:

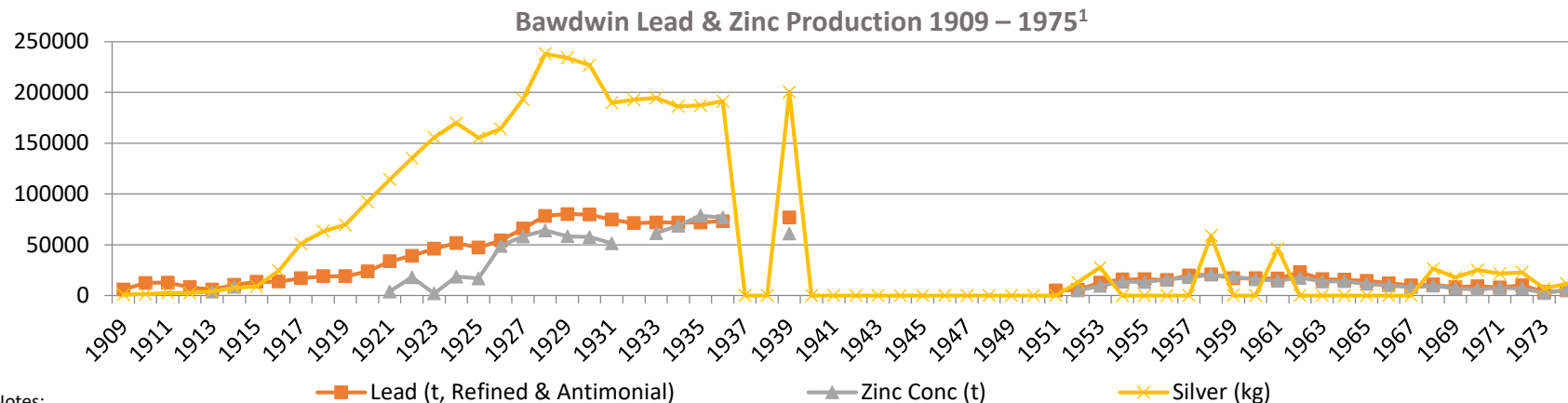
1. Source: SNL Mining & Metals, Terra Studio. Zinc Equivalent calculations assume the following metal prices: Pb US\$2,250/t, Zn US\$3,000/t, Ag US\$16.50/oz, Cu US\$6,400/t. Bubble size according to zinc equivalent metal content in mineral resources
2. Based on Inferred Mineral Resource estimate as disclosed in ASX Release dated 6 March 2018. This has not been updated for the JORC Compliant Indicated and Inferred Mineral Resource estimate as disclosed in ASX release dated 22 May 2018

# BAWDWIN HISTORY



## A rich production history dating back to the 15<sup>th</sup> Century

- First mined by Chinese artisanal miners in the 15<sup>th</sup> century
- British-era production commenced in 1909 under Herbert Hoover
- Mine destroyed in WWII
- Mined grades in the 1930's were around 14% Zn, 23% Pb, 1% Cu and 670 g/t Ag, approximately 50% Zn equivalent<sup>2</sup>
- Now we have the chance to reawaken Hoover's Tiger



Notes:

1. John Brinkman et al., On the Geology of the Bawdwin Lead-Zinc Mine, 1981

2. Khin Zaw, 1990, Mineralogy, ore metal distribution and zonation at Bawdwin Mine, Northern Shan State, Myanmar (Burma); an Ag-rich volcanic-hosted, polymetallic massive sulphide deposit. Geological Society of Australia Abstracts No. 25, Tenth Australian Geological Convention, Hobart, 1990





# BAWDWIN OPPORTUNITY



## Myanmar Metals is poised to emerge as a 51% operator of the Tier 1 Bawdwin Concession alongside leading local and international partners

<b>The Opportunity</b>	<ul style="list-style-type: none"> <li>▪ Option to take an operating 51% interest in the Bawdwin Concession for US\$13.9 million, exercisable on or before 18 June 2018</li> <li>▪ Myanmar Metals fully funded for its US\$13.9m share of the Bawdwin option exercise via Perilya and Yandal binding commitments</li> </ul>
<b>Project Interests</b>	<ul style="list-style-type: none"> <li>▪ Myanmar Metals: 51% (<b>Operator</b>)</li> <li>▪ WMM: 24.5%</li> <li>▪ EAP: 24.5%</li> </ul>
<b>Leading Myanmar Partners</b>	<ul style="list-style-type: none"> <li>▪ <b>WMM</b> <ul style="list-style-type: none"> <li>❖ Wholly owned by NIHC, a leading private Myanmar company with significant presence in infrastructure, energy, retail, logistics and construction</li> <li>❖ Existing in country partnerships with leading global companies such as CNPC, Kerry Logistics, Wilmar and SANY</li> </ul> </li> <li>▪ <b>EAP</b> <ul style="list-style-type: none"> <li>❖ EAP has strong affiliations with EAC, one of Myanmar’s largest industrial conglomerates</li> <li>❖ EAC is a dominant Myanmar producer of FMCG in partnership with Unilever with c.70% market share with production across 13 local factories</li> </ul> </li> </ul>
<b>Project approvals</b>	<ul style="list-style-type: none"> <li>▪ Favourable Myanmar Investment Commission (<b>MIC</b>) and Ministry of Natural Resources and Environmental Conservation (<b>MONREC</b>) advice received</li> <li>▪ Existing mining and exploration permits in place under Production-Sharing Agreement (PSA)<sup>1</sup> with Mining Enterprise No. 1</li> <li>▪ Investment and development approvals required upon completion of BFS</li> </ul>



Notes:

1. Refer to the Appendix (slide 27 and 28) for further information on the Production Sharing Agreement

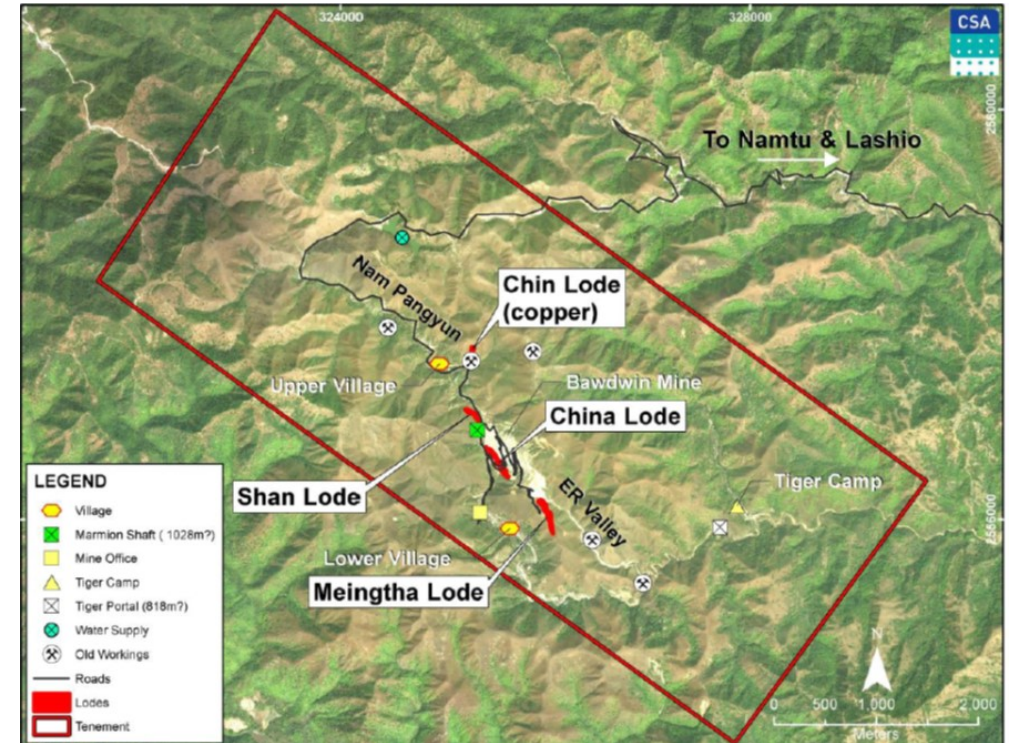
# BAWDWIN OVERVIEW



## Bawdwin's JORC Resource currently comprises three known lodes with further lodes identified

<b>Location</b>	<ul style="list-style-type: none"> <li>Shan State, Myanmar</li> </ul>			
<b>Concession Area</b>	<ul style="list-style-type: none"> <li>38 km<sup>2</sup></li> </ul>			
<b>Project status</b>	<ul style="list-style-type: none"> <li>Scoping Study</li> <li>Care and maintenance since 2009</li> </ul>			
<b>JORC Resources<sup>1</sup></b>	<b>High Grade</b>		<b>Project</b>	
	Tonnes (Mt)	44.5	Tonnes (Mt)	82.0
	Pb (%)	7.8	Pb (%)	4.7
	Ag (g/t)	180	Ag (g/t)	119
	Zn (%)	3.6	Zn (%)	2.4
	Cu (%)	0.3	Cu (%)	0.2
<b>Resource Comments<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Maiden Indicated Mineral Resources of 20.2 Mt at 5.0% Pb, 130 g/t Ag, 2.6% Zn and 0.2% Cu</li> <li>4.2 Mt high grade copper zone (3.0% Cu, 5.3% Pb, 168 g/t Ag, and 2.5% Zn) is included in the Inferred Resource</li> </ul>			

**Bawdwin Concession**



**Notes:**

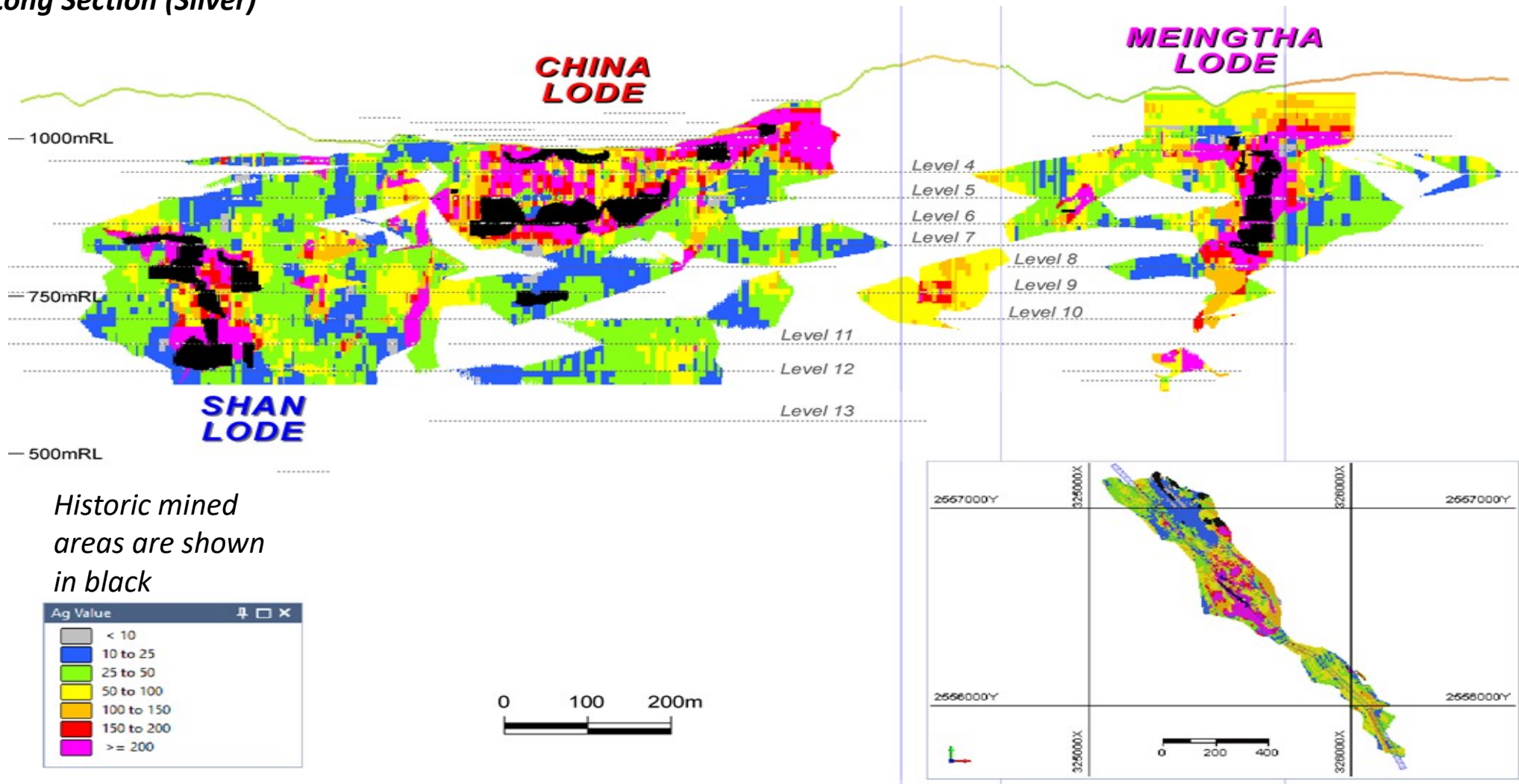
1. JORC compliant Indicated and Inferred Mineral Resource as disclosed in ASX release dated 22 May 2018. No material changes to the resources have occurred since this time.

# BAWDWIN DEPOSIT



A “remnant” deposit with much high-grade ore and all the lower-grade halo remaining

Long Section (Silver)



Historic mined areas are shown in black



# BAWDWIN GEOLOGY



## Structurally-controlled high-grade lodes and extensive halo mineralisation

- Bawdwin is located on the northern edge of the Shan Plateau, hosted by volcanoclastic and intrusive rocks
- Structurally controlled with thick polymetallic replacive lodes and extensive halo zones of stockwork and disseminated sulphide mineralisation
- Key host minerals include Galena (lead, silver), Sphalerite (zinc) and Chalcopyrite (copper)

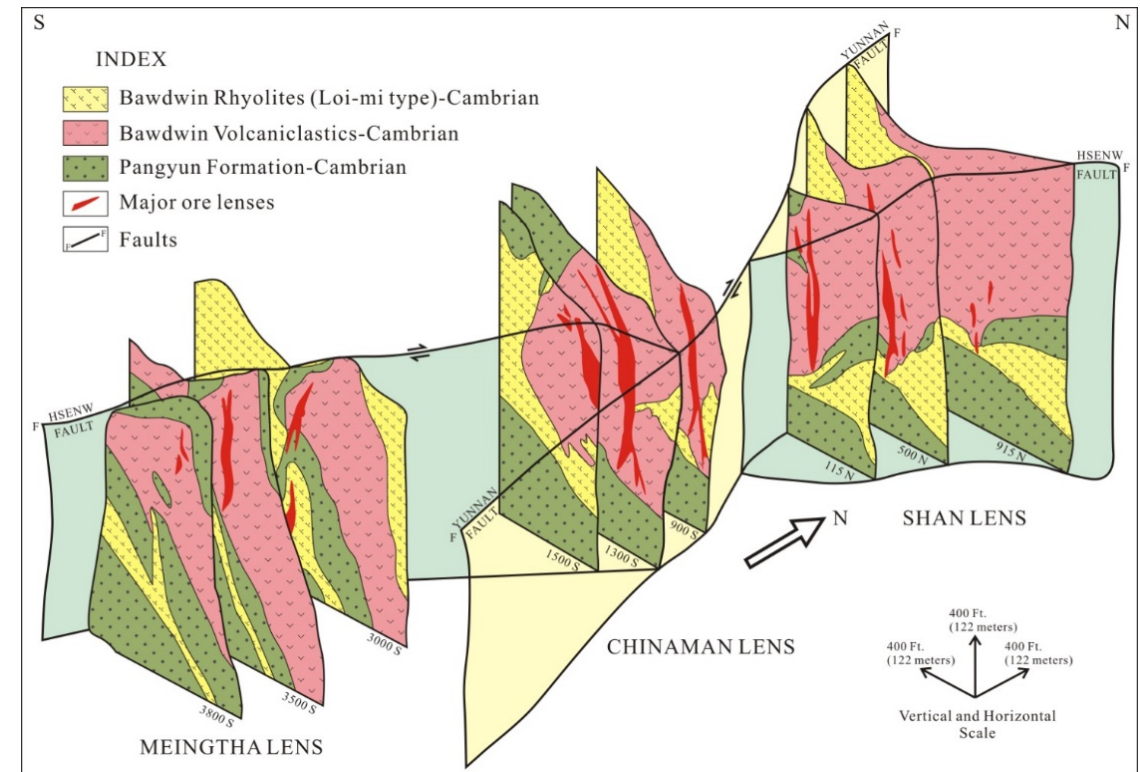
### Massive sulphides in core



### RC chip samples



### Mineralised lodes of the Bawdwin area<sup>1</sup>



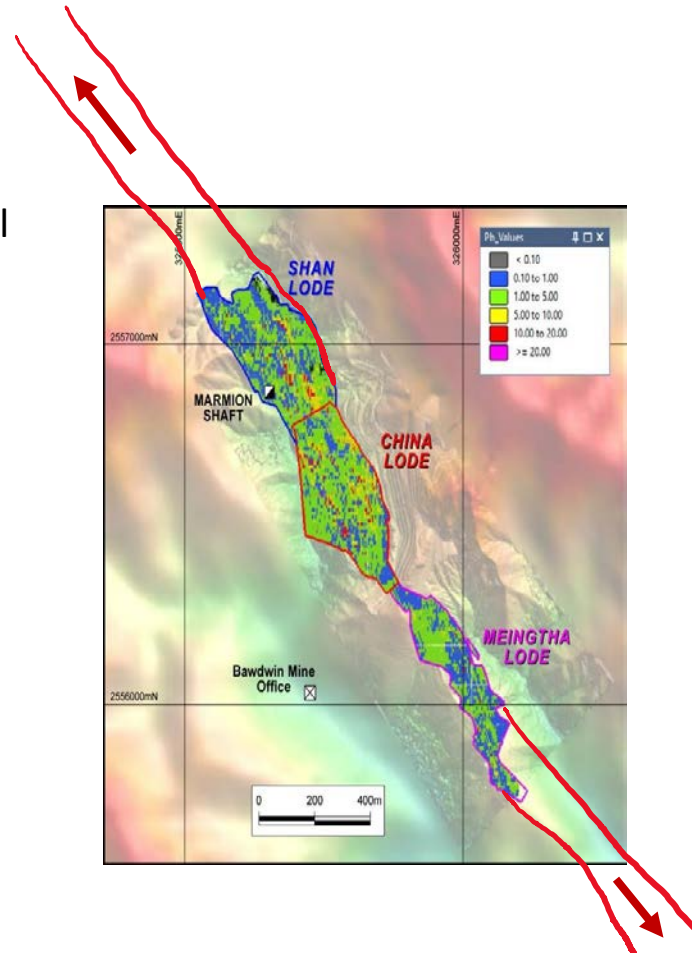


# BAWDWIN EXPLORATION

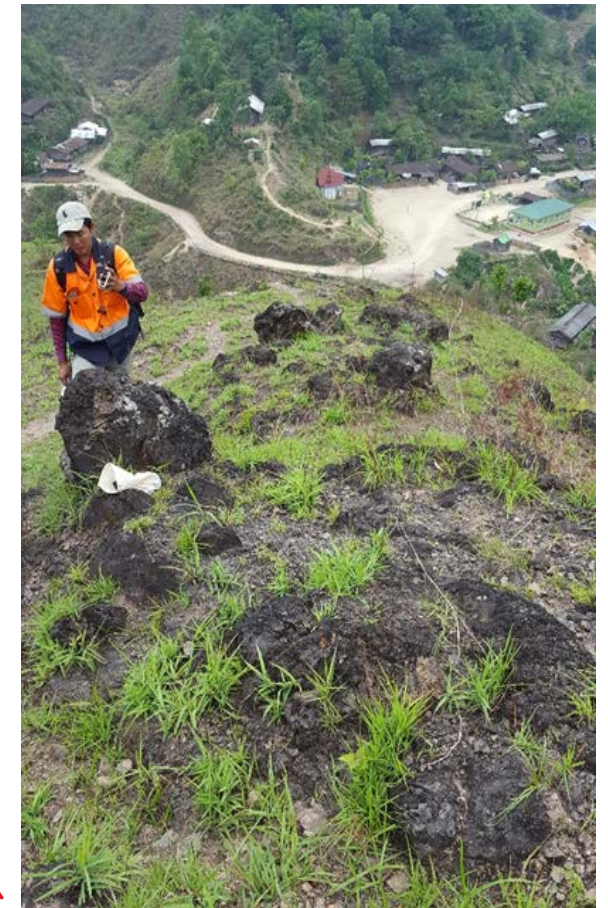


*“We expect repeated occurrences of wide, high-grade lenses similar to those already known at Bawdwin, to occur along the main controlling structures.”<sup>1</sup>*

- **Unique exploration opportunity.** Tier 1 scale volcanic-hosted massive sulphide deposit with no modern exploration programs
- **Over 8km of untested strike length**
- At least 30 known gossan outcrops and 30 known historical mine adits
- Multiple areas of base metals mineralisation outcropping **Copper ‘soak’**



**Gossan outcrop**



Notes:

1. Valentis Services Exploration
2. Images courtesy of Valentis Services



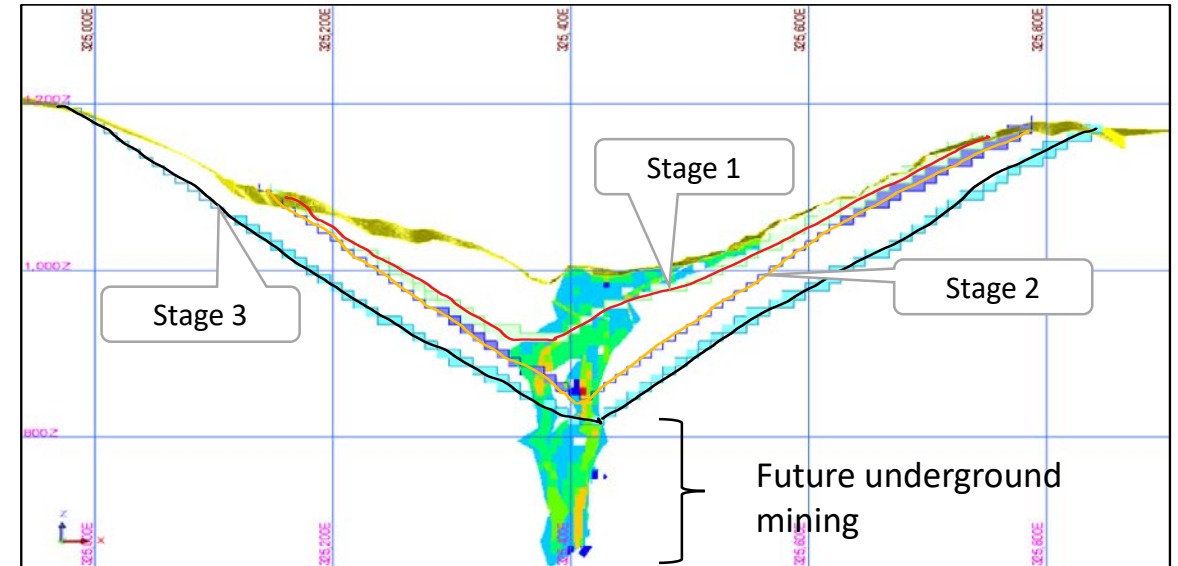
# MINING



## World class open pit mine with large scale underground expansion potential

- The Company announced a positive Scoping Study, completed by CSA Global, on 19 December 2017 which confirms the potential for a technically and financially robust project development at Bawdwin
- **Open “starter” pit** mining operation to a maximum depth 250 metres below existing floor
- Low stripping ratio expected
- Fleet sized to suit the location, access and to deliver an ore mining rate of **up to 2.5Mtpa**
- High-grade underground development expected to follow open pit mining
- Further open pits expected on the tenement and within the local region
- Ongoing optimisation work continues to upgrade the resource and further improve project economics

Conceptual phased pits<sup>1</sup>



# PROJECT MAP - PLAN VIEW





# INFRASTRUCTURE



- Key existing infrastructure
  - ❖ 2.1km. Tiger Tunnel
  - ❖ 12 km. rail corridor from Tiger Camp to Namtu
  - ❖ Namtu concentrator site
  - ❖ 2 hydroelectric power stations (3-6MW capacity)
  - ❖ Mine offices and accommodation buildings
  - ❖ Potable water
- Leading local partners (WMM and EAP) will assist in infrastructure construction
- Final infrastructure selection to optimise project will be made at Pre-Feasibility stage

***Tiger Tunnel***



***Rail Corridor***



***Mine Camp***



***Hydroelectric Powerstation***





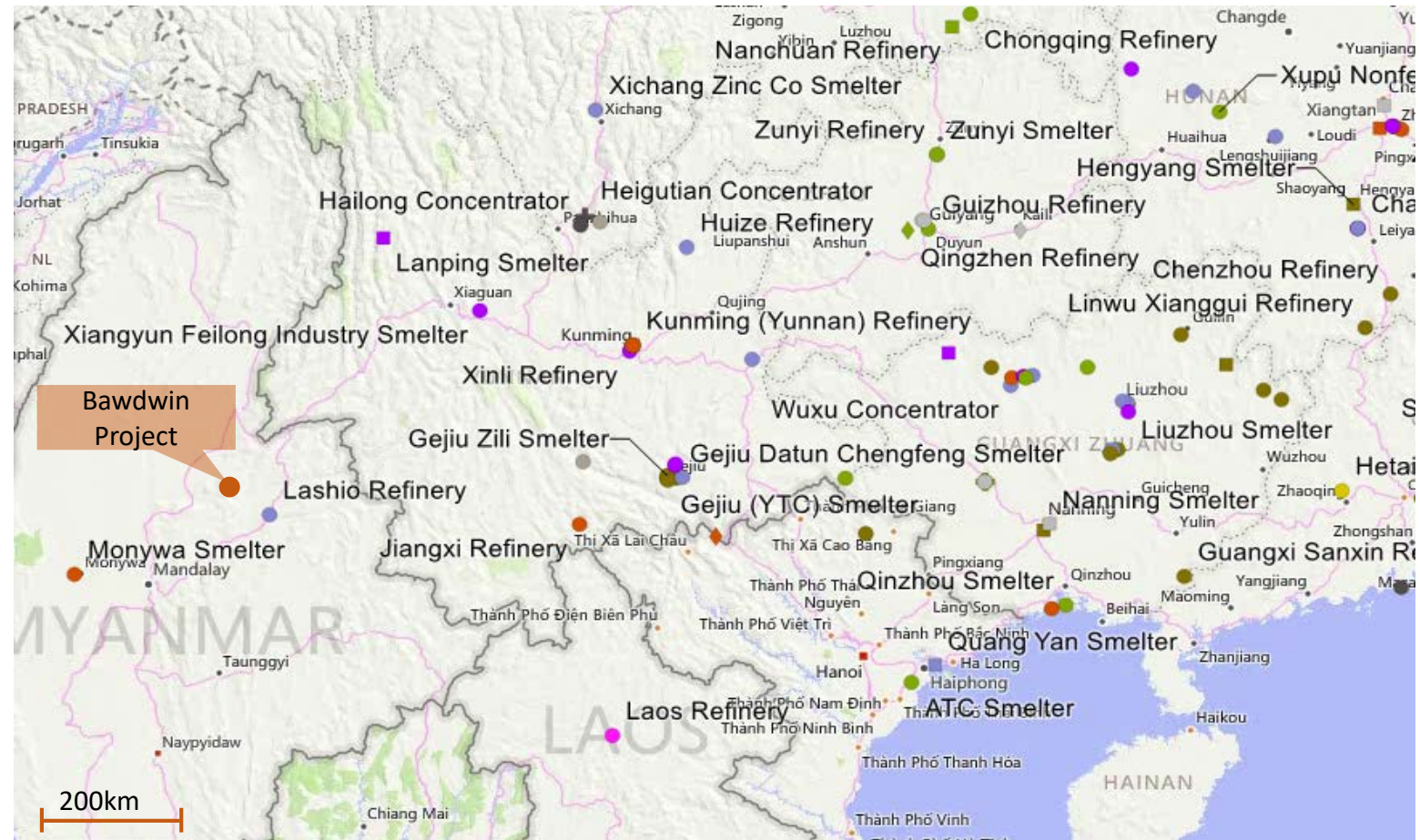
# PROCESSING, SALES



## Up to 2.5Mtpa facility with the potential to produce up to 3 concentrates

- Modern flotation and filtration plant at Namtu for up to 2.5Mtpa throughput
- Secure modern tailings storage facility near Namtu
- Differential sulphide flotation similar to Rosebery in Australia to produce up to the following concentrates:
  - ❖ Zinc concentrate,
  - ❖ Lead, silver concentrate, and
  - ❖ Potential for copper, nickel and cobalt concentrate
- Bulk transport by road to Ruili railhead (230km from Namtu) for Chinese buyers. The Dali-Ruili railway will be open in 2021
- Opportunity to upgrade low-grade material using ore sorting (testwork underway)
- 100% of offtake unencumbered

### Proximity to refineries and smelters<sup>1</sup>



# INDICATIVE PROJECT SCHEDULE



**Myanmar Metals is well positioned to deliver a number of key milestones post completion of the proposed \$35 million capital raising**

- Targeting completion of a PFS by Q1 2019
- Targeting maiden Ore Reserves in 2019

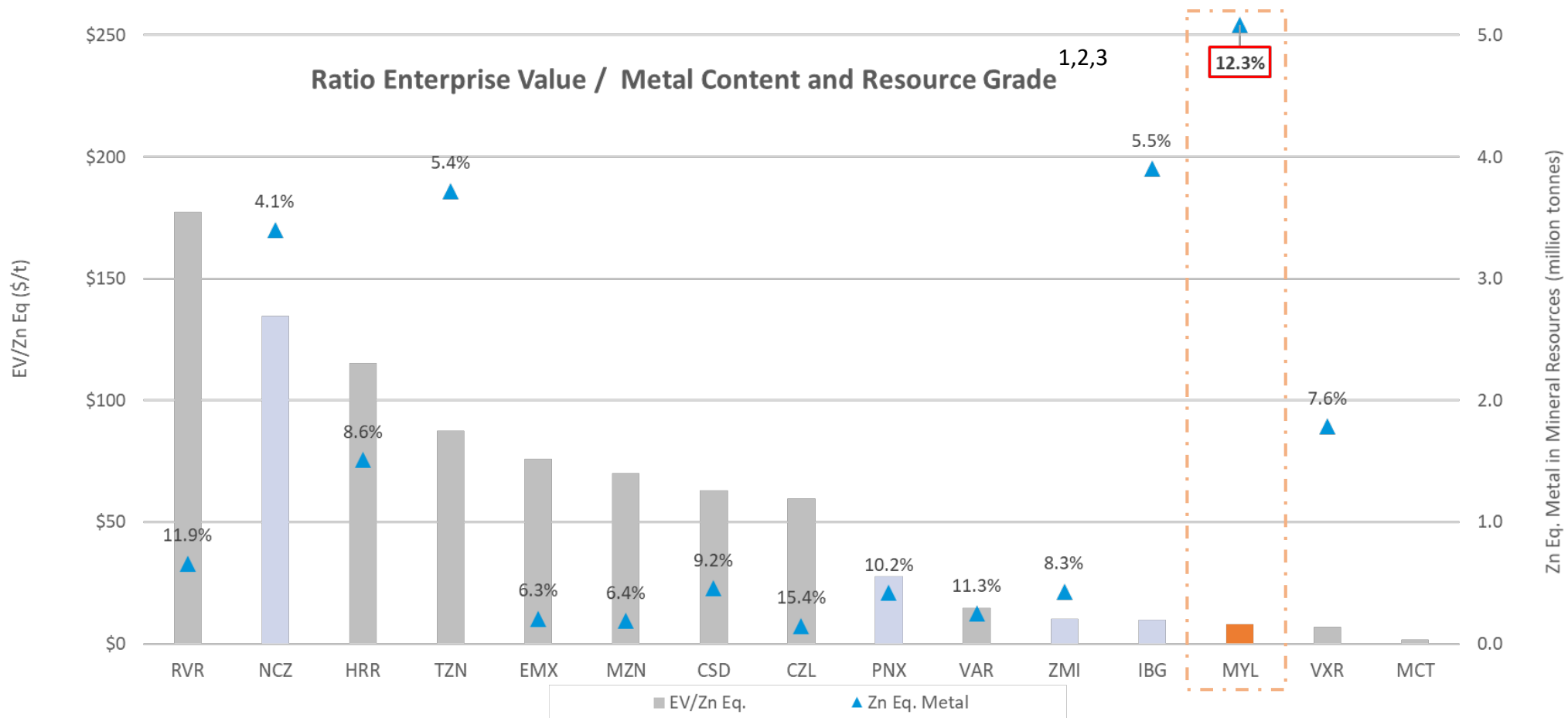
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Commercial</b>													
Approval gained and JV formed	■												
<b>Open Pit Pre-Development</b>													
Upgrade to Indicated Resource	■												
Pre Feasibility Study (PFS)	■	■											
Bankable Feasibility Study (BFS)		■	■	■									
Permitting		■	■	■									
EIA/SIA and EMP	■	■	■										
<b>Construction and Operation</b>													
Community programs			■	■	■								
Site Construction (mill, dams, pipelines etc.)			■	■	■								
Mining: pit pre-strip				■	■								
Ore and concentrate production					■	■	■	■	■	■	■	■	■
Underground mining													

First ore

# BAWDWIN TRADING COMPARABLES



**MYL is the only ASX listed junior with ownership of a Tier 1 zinc / polymetallic asset**



**Significant rerating expected following option exercise to address current value gap**

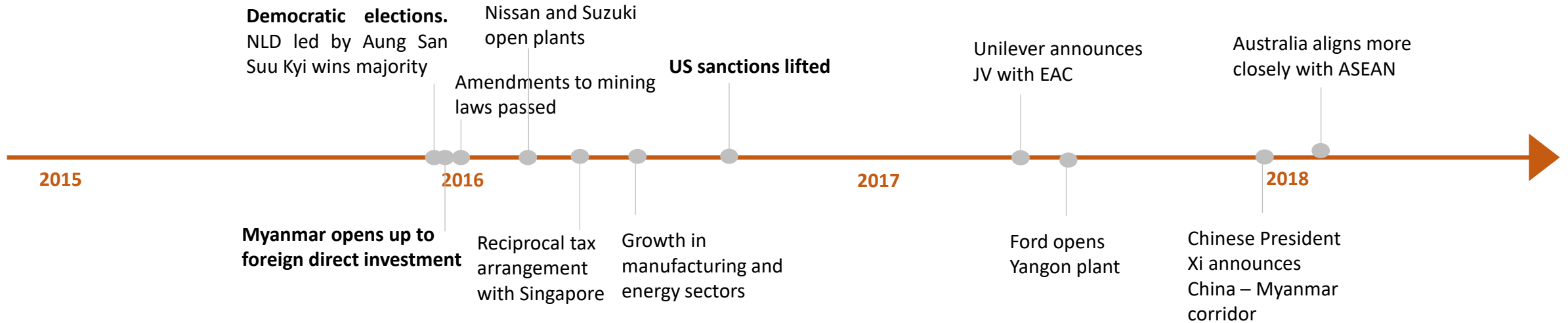
**Notes:**

1. SNL Mining & Metals, Terra Studio. Zinc Equivalent calculations assume the following metal prices: Pb US\$2,250/t, Zn US\$3,000/t, Ag US\$16.50/oz, Cu US\$6,400/t
2. Based on Inferred Mineral Resource estimate as disclosed in ASX Release dated 6 March 2018. This has not been updated for the JORC Compliant Indicated and Inferred Mineral Resource estimate as disclosed in ASX release dated 22 May 2018
3. Percentage values are zinc equivalent of the total mineral resource.
4. Open pit projects or project with an open pit component are displayed in light blue.

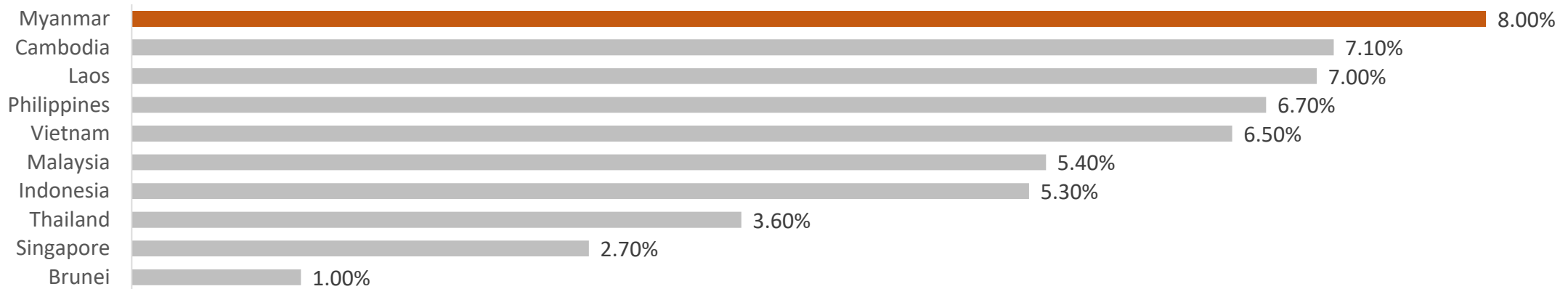
# APPENDIX: MYANMAR



**Myanmar is growing rapidly with a number of the largest companies in the world currently investing in country**



## 2018 Forecast GDP Growth in South East Asia <sup>1</sup>



Notes:  
1. Asia Development Bank

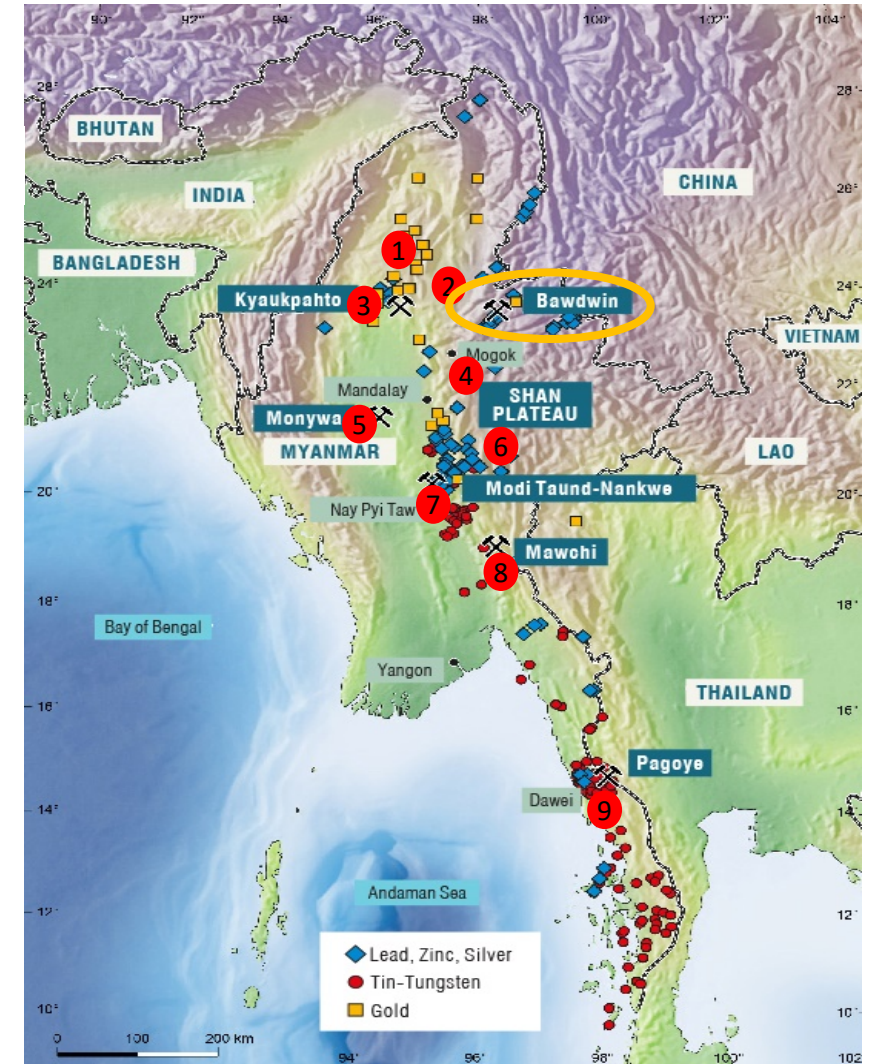


# APPENDIX: MYANMAR



## A country with world-class mines and unrealised potential

- 1 Hpakant Jade region – many mines and the world’s highest quality jadeite
- 2 Tagaung Taung Ni – China Nonferrous, mine & ferronickel plant 25ktpa Ni metal
- 3 Kyaukpahto gold – Eternal Mining
- 4 Mogok gemstone region – many mines, renowned for rubies
- 5 Monywa Copper – Ivanhoe, now NORINCO, 100ktpa Cu cathode
- 6 Pinpet Iron – State owned, open cut mine and 200ktpa pig iron plant
- 7 Modi Taung Gold - NPGPGL
- 8 Mawchi Tin / Tungsten – many mines, mostly state-owned
- 9 Pagoya tin district – Heinda, Kanbauk etc., enormous growth since 2015



# APPENDIX: EXPERIENCED, ALIGNED BOARD

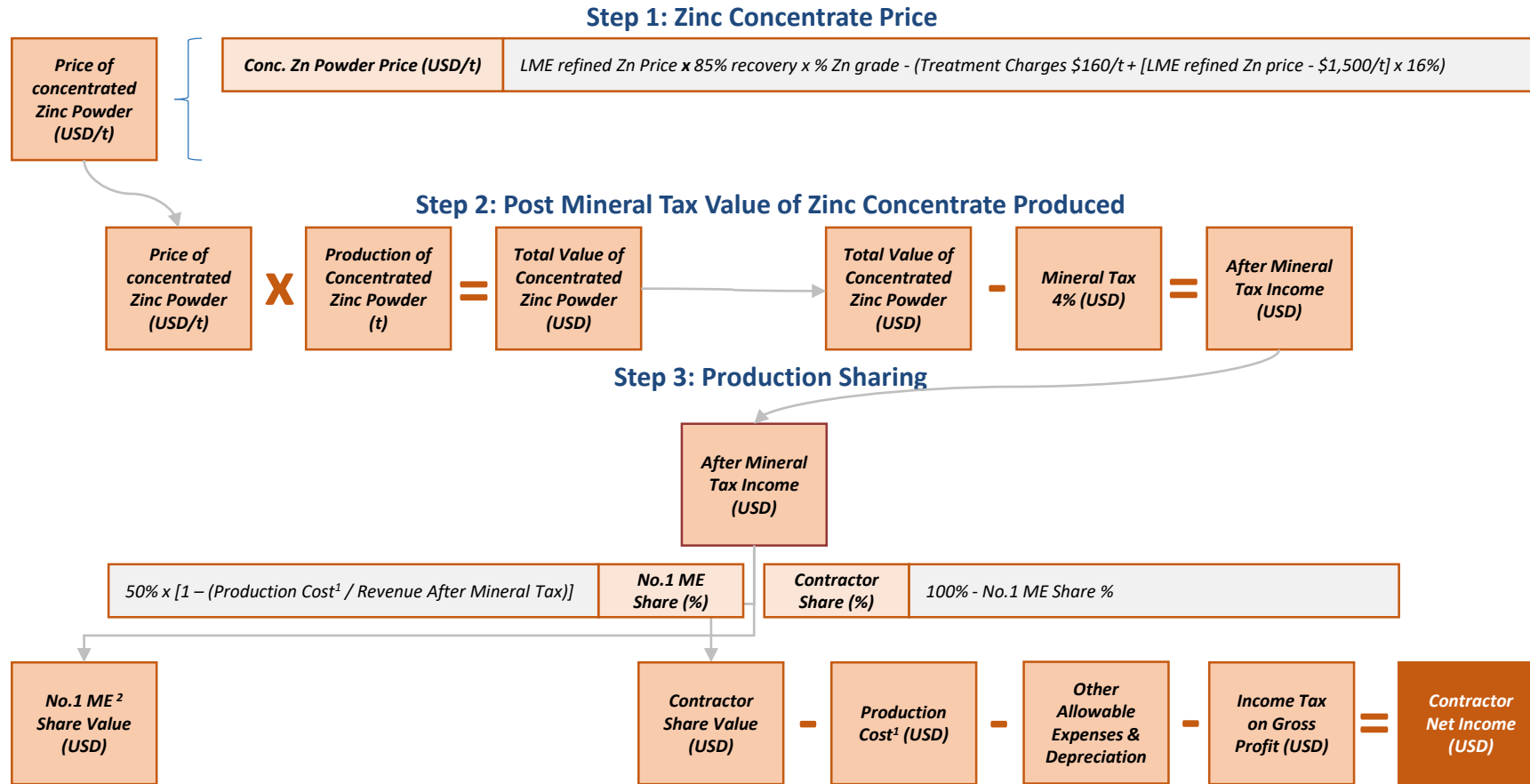


<p><b>John Lamb</b> Executive Chairman, CEO</p>	<ul style="list-style-type: none"> <li>▪ <i>6.5m shares</i></li> <li>▪ <i>12m unvested performance rights</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ John is an experienced executive with a career spanning more than 30 years across Australia and Southeast Asia operating in the resources, property, forestry, transport and civil construction sectors; and in both the listed and unlisted environments</li> <li>▪ John was previously the General Manager of the Rosebery Polymetallic Mine in Tasmania (owned by MMG) and the Century Zinc Mine (previously owned by MMG) in Queensland</li> <li>▪ John was appointed CEO and Executive Chairman in October 2017</li> <li>▪ John has an MBA, is a qualified surveyor, a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and an Order of Merit Graduate of the AICD Company Directors course</li> </ul>
<p><b>Rowan Caren</b> Executive Director, CFO, Company Secretary</p>	<ul style="list-style-type: none"> <li>▪ <i>4.3m shares</i></li> <li>▪ <i>8m unvested performance rights</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Rowan has over 20 years of experience in the minerals exploration industry and has provided financial and corporate services to several listed and unlisted companies involved in the resources sector</li> <li>▪ Rowan has extensive experience in Myanmar via his past involvement with Cornerstone Resources (Myanmar) Ltd.</li> <li>▪ Rowan is a Chartered Accountant and graduated with a B.Com from the University of Western Australia</li> </ul>
<p><b>Jeff Moore</b> Non-Executive Director</p>	<ul style="list-style-type: none"> <li>▪ <i>4.4m shares</i></li> <li>▪ <i>8m unvested performance rights</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Jeff is a geologist with extensive technical, managerial and project finance experience in exploration and mining for publicly listed companies throughout Australia, Central and South America, Africa and Asia</li> <li>▪ Jeff is currently Executive Chairman of Riedel Resources (ASX: RIE) and has held previous directorships and Chief Executive roles with significant companies including Allied Gold Limited from 2004 to 2008 and Abra Mining Limited from 2006 to 2011</li> <li>▪ Jeff is a member of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia</li> </ul>
<p><b>Paul Arndt</b> Proposed Non- Executive Director</p>	<ul style="list-style-type: none"> <li>▪ <i>n.a.</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Paul is currently the Managing Director and Chief Executive Officer of Perilya</li> <li>▪ Paul brings a wide range of skills and qualities including a wealth of mining experience and skills in the areas of strategy, commercialisation, people and project management</li> <li>▪ Former held senior general management positions with Newcrest Mining Limited at their Telfer operation in Western Australia, Pasminco Limited's Cockle Creek smelter in Boolaroo (NSW), and MIM Holdings Limited's Britannia zinc and lead operation in Avonmouth (UK)</li> <li>▪ Paul holds a BSc, MSc, Grad Dip Engineering</li> </ul>

# APPENDIX: PRODUCTION SHARING AGREEMENT



## Summary calculation overview of production sharing for zinc concentrates



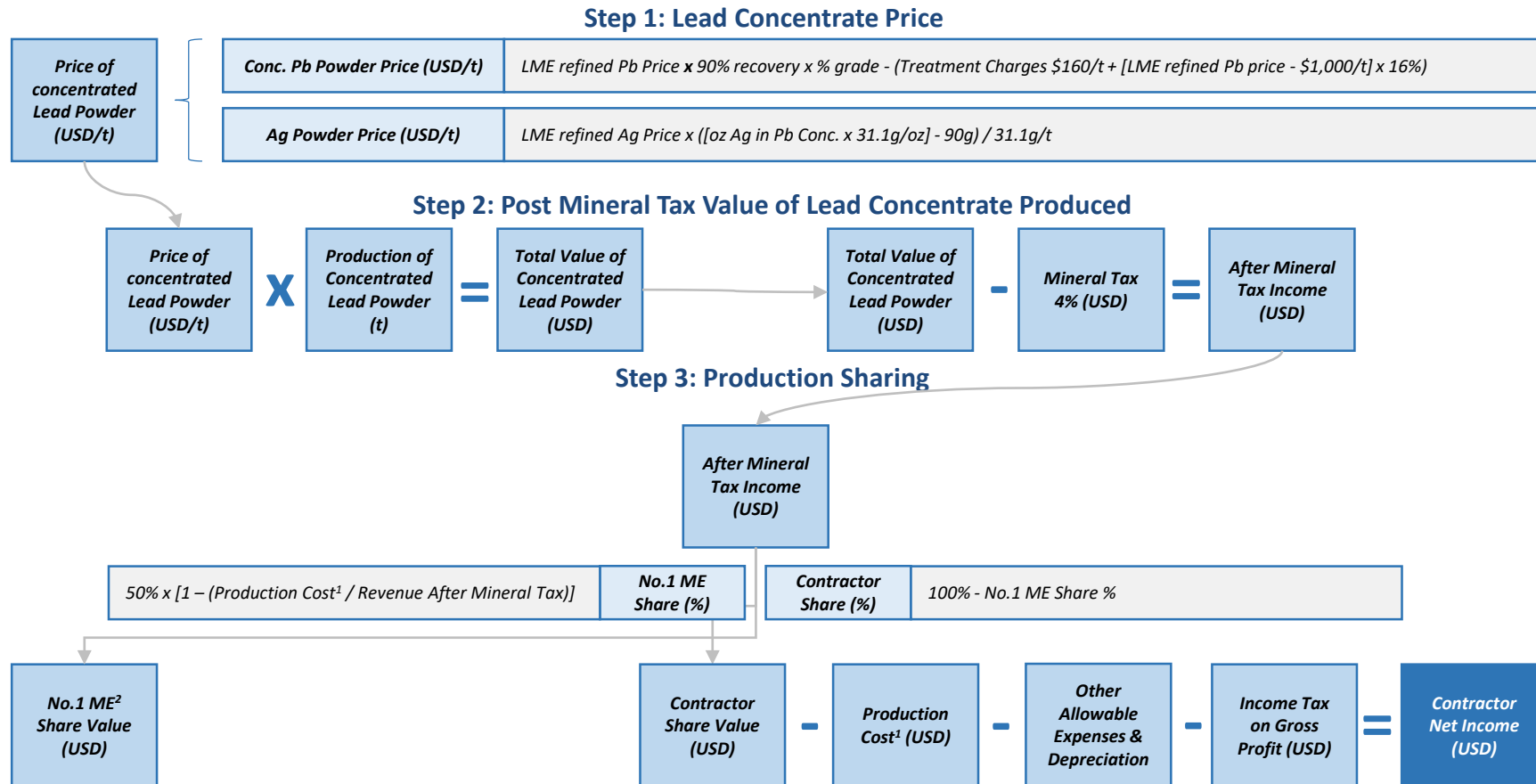
Source: Production Sharing Agreement on Lead-Zinc Mixed Concentrate, Namtu/Bawdwin Mine

1. Production Cost = Production of Concentrated Zinc Powder x US\$152/t
2. No.1 ME = Mining Enterprise No. 1, Myanmar Government

# APPENDIX: PRODUCTION SHARING AGREEMENT



## Summary calculation overview of production sharing for lead concentrates



Source: Production Sharing Agreement on Lead-Zinc Mixed Concentrate, Namtu/Bawdwin Mine

1. Production Cost = Production of Concentrated Lead Powder x US\$523/t

2. No.1 ME = Mining Enterprise No. 1, Myanmar Government



# APPENDIX: INTERNATIONAL OFFER RESTRICTIONS



This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## European Economic Area – Germany and Luxembourg

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# APPENDIX: INTERNATIONAL OFFER RESTRICTIONS



## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

# APPENDIX: RISKS



## COMPANY SPECIFIC RISKS

### Future Capital Requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

The Company believes its available cash and the net proceeds of the Placement should be adequate to fund its business development activities, due diligence programs and other Company objectives in the short- to medium-term.

However, in order to successfully develop the Bawdwin Project and for production to commence, the Company will require additional financing in the future, in addition to amounts raised pursuant to the Placement. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained as and when required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in its interest in the Bawdwin Project being subject to dilution or forfeiture, and could affect the Company's ability to continue as a going concern.

### Contractual and Joint Venture Risks

On completion of the exercise of the Bawdwin Option, the Company's interest will be held through a legally binding contractual joint venture arrangement with WMM, the current controlling shareholders of WMM (**OSG**), and EAP. Under the terms of the Operating Agreement, which has not yet been finalized, it is intended that MYL will have the right to appoint the majority of members of the Management Committee.

On completion of the exercise of the Bawdwin Option, the Bawdwin Project will be held as follows:

- i. Company: 51%;
- ii. EAP: 24.5%; and
- iii. OSG: 24.5%.

Upon completion of a bankable feasibility study, approval is to be sought from the Myanmar Investment Commission for the Company to take a controlling equity interest (majority shareholding) in WMM, the holder of the Bawdwin Project. The Company will have the right to appoint the majority of directors to the board of WMM, one of whom will be the managing director.

On completion of equity vesting and subject to all parties fulfilling their funding obligations pursuant to the Operating Agreement, shares in WMM will be held as follows:

- i. Company: 51%;
- ii. EAP: 24.5%; and
- iii. OSG: 24.5%.

Accordingly, the ability of the Company to achieve its stated objectives will depend on the performance by the Company, EAP, the current shareholders of WMM, and WMM itself under the aforementioned agreements. If any of EAP, or WMM or the existing shareholders of WMM defaults in the performance of their obligations, it may be necessary for the Company to initiate proceedings in an arbitral tribunal or a court to seek a legal remedy, which can be costly and has no certainty of resulting in a favourable outcome for the Company.

### Myanmar Governmental Approvals

Upon completion of a bankable feasibility study for the Bawdwin Project, approval is to be sought from the Myanmar Investment Commission (**MIC**) pursuant to a recommendation from the Ministry of Natural Resources and Environmental Conservation (**MONREC**) for:

- i. An investment permit allowing the Company to take a controlling equity interest in WMM, as the holder of the Bawdwin Project;
- ii. WMM to undertake development of a new and/or expanded mining operation as described in the bankable feasibility study; and
- iii. WMM to continue to undertake large-scale mineral production activities as a foreign-invested entity (following vesting of the Company's controlling equity interest).

Myanmar mining laws allow the undertaking of large-scale mineral production activities, including by foreign-invested entities, subject to the grant of a large-scale production permit and/or production agreement by MONREC. WMM currently holds a granted production agreement for the Bawdwin Project. Subject to the results of the bankable feasibility study process, amendments may be required to WMM's current production agreement in order to allow the Company and WMM to undertake the scale of operations for the full life of mine called for by the bankable feasibility study.

Under Myanmar investment laws, major and/or sensitive projects, including proposed large-scale mineral production projects, require investment approvals from the MIC. Approvals are sought by way of an application based on the financial, technical and related projections for the proposed project, including in respect of such factors as profitability, creation of employment and social and environmental factors.

Myanmar environmental laws contain detailed environmental impact assessment (EIA) requirements, which also comprise social impact assessment. Proponents of major projects, including large-scale mineral production projects, are required to prepare and submit a detailed EIA to MONREC by way of application for an environmental compliance certificate (ECC) based on review and approval of the EIA. An ECC constitutes an environmental permit to proceed with the project and is subject to periodic renewal.

It is expected that various other ancillary permits and approvals will be required from time to time from various Myanmar government authorities in relation to specific aspects of the Company's and WMM's intended future activities, such as in relation to import/export activities, water usage, building construction and on-site health and safety.

There can be no guarantee that all of the necessary permits and approvals will be forthcoming, or granted on terms that are acceptable to the Company. Delays in obtaining, or the inability to obtain, permits and required approvals on acceptable terms may significantly impact on the Company's operations.

### Emerging markets

The Bawdwin Project is located in Myanmar. When conducting operations on foreign assets in emerging markets such as Myanmar, ASX-listed entities may face a number of additional risks that companies with operations wholly within Australia may not face. For example, the ability to implement effective internal control and risk management systems and good corporate governance principles, having regard to the separation of executive management and the Board from the location of the projects and the need to rely on consultants and professional advisors in those jurisdictions.

# APPENDIX: RISKS



## COMPANY SPECIFIC RISKS (Cont.)

### Sovereign Risks

The Company will be subject to the risks associated in operating in a foreign country. These risks include ability to obtain key approvals on a timely basis, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, imposition of sanctions, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with mineral exploration and production in Myanmar. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company may have projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in mining exploration and production and in turn may affect the viability and profitability of the Company.

Myanmar is continuing to experience civil unrest, politically-motivated violence and conflict between ethnic groups and military forces. Such political instability and ongoing religious conflicts can fundamentally impact foreign businesses' operations in Myanmar. Although the unrest and conflict are not presently located within the area of the Company's operations, the possibility of continued or an increase in civil and political unrest remains a constant threat which may affect the viability and profitability of the Company.

### Environmental risk

The operations and proposed activities of the Company are or may be subject to various laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Portions of the area comprising the Bawdwin Project have been subject to previous mining works which may not have been adequately rehabilitated. Whilst the Company does not consider that it is responsible for these historic works, it intends to undertake activities in these areas and the historical disturbances caused by previous mining may increase future rehabilitation costs over what otherwise would be expected. Further, claims may be made that the Company does face some liability for these historic works, which may require the Company to seek a legal remedy, which can be costly.

### Force Majeure

The Company's projects may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Myanmar has experienced civil disorder and insurgency by various ethnic groups in recent years and may experience ongoing civil disorder and insurgency. Such risks are beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

### Relocation and Community Risks

The Company expects the Bawdwin mine re-development will create significant social and economic benefits for local communities, including employment opportunities, but acknowledges that local some residents may be directly or indirectly effected by the mine development and associated operations. Community programs and social impact studies will be conducted at the earliest opportunity to understand community issues and where possible address concerns.

The existing processing facility at Bawdwin has been established for many years but an expanded mine and/or treatments facility may impact on some local housing which may result in the Company being required to negotiate a resettlement program with the affected community members. The Company may therefore be required to undertake activities including a livelihood restoration and relocation program, including the building of new homes. As it is intended that local residents will be the source of a significant number of employees for the mine, and the quality of the housing constructed is expected to be higher than the existing buildings, community support is expected but cannot be guaranteed. If some members of the community are slow to relocate or resist moving altogether, it may have the potential to adversely affect future production.

### Legacy Risks

The existing Board was appointed on 19 June 2017, following the resignation of former directors Messrs Mordechai Gutnick and Peter Lee, and Dr David Tyrwhit. The existing Board did not have oversight of the Company's activities prior to their appointment.

The Company's corporate records are incomplete for the period prior to the appointment of the existing Board. Consequently, there may be actions that were taken by previous directors and officers of the Company that the existing Board is not aware of. There is a risk that previous actions unknown to the existing Board may adversely affect the Company's operations and financial position, or lead to litigation that could take up management's time in defending any such litigation.

### New Projects and Acquisitions

If the exercise of the Bawdwin Option is not completed for any reason, the Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

The Company has recently relinquished the only other exploration licence it held. Therefore, other than its interest in Bawdwin, it has no mineral assets.



# APPENDIX: RISKS



## MINING INDUSTRY RISKS

### Exploration and Development Risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration or development of the Bawdwin Project or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Although the Company has declared a mineral resource estimate for the Bawdwin Project, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities.

In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its interests in its projects.

### Operating Risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

### Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- i. identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- ii. developing an economic process route to produce a metal and/or concentrate; and
- iii. changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

### Metals and Currency Price Volatility

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of zinc, lead, silver, copper, cobalt, other base and precious metals, and industrial metals.

Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into. Metals are principally sold throughout the world in US dollars. The Company's cost base may be payable in various currencies including Myanmar kyat, Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar or between the Australian dollar and the Myanmar kyat could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

### Competition Risk

The industry in which the Company is involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

# APPENDIX: RISKS



## GENERAL RISKS

### Market Conditions

The market price of the Company's Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

Further, share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### Government and Legal Risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its current or proposed permits. However, changes in political and community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's exploration and/or development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

### Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. To the best of the current Directors' knowledge, the Company is not currently engaged in any other litigation.

### Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

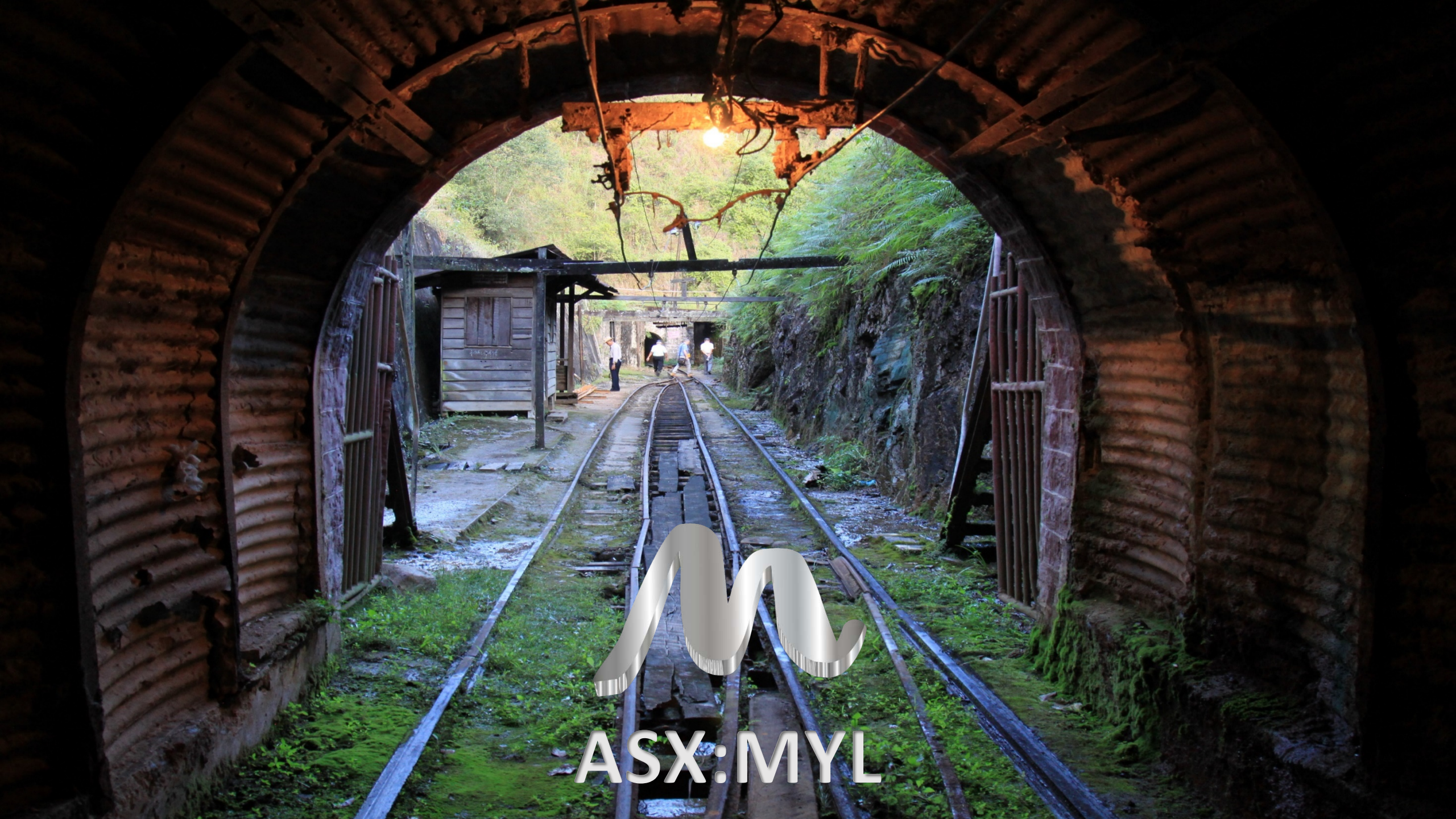
### Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities.

## INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities. Therefore, the Securities to be issued carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities. Potential investors should consider that any investment in the Company is highly speculative and should consult their professional advisers.





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