



# MYANMAR METALS LTD

## ASX ANNOUNCEMENT

Date: 2 August 2019

ASX Code: MYL

### BOARD OF DIRECTORS

Mr John Lamb  
Executive Chairman, CEO

Mr Rowan Caren  
Executive Director

Mr Jeff Moore  
Non-Executive Director

Mr Paul Arndt  
Non-Executive Director

Mr Bruce Goulds  
Non-Executive Director

### ISSUED CAPITAL

Shares 1,603 m.

Listed options 175 m.

Unlisted Options 49 m.

# BAWDWIN PROJECT UPDATE

## Highlights

### Feasibility Study

- All key Definitive Feasibility Study (DFS) consultants appointed
- Tiger Camp confirmed as preferred plant location, producing major operational efficiencies
- Updated transportation route planned using private rail corridor from Tiger Camp to Namtu
- Infill drilling continuing

### Bawdwin Mineral Resources

- An updated Mineral Resource Estimate is imminent and will incorporate around 7,000 metres of additional drilling results received since December 2018

### Appointment of Financial Adviser

- Argonaut appointed as Project Finance Adviser



Figure 1. Man-portable rig drilling on Yegon Ridge.

John Lamb, Chairman and CEO said:

*“There is currently a very high level of activity as the Company proceeds through the study phase at Bawdwin and we have retained high quality experts to work with the Bawdwin Joint Venture (BJV) on delivering into the deadlines. The result of the technical body of work we are undertaking today will be a project engineered to global mining standards. Concurrently we are progressing Governmental investment approvals, project financing and environmental and social studies, and scoping studies on the first underground mines that will follow the China Starter Pit.”*

### Feasibility Study

The DFS formally commenced in June 2019 with the engagement of Lycopodium Minerals as the process and infrastructure design lead. The study team has since engaged all other consultants and expert resources required, who are now working with the BJV to complete the DFS. Key consultants engaged include:

Consultant	Scope
Lycopodium Minerals Pty Ltd	<ul style="list-style-type: none"> <li>Process plant and infrastructure design</li> </ul>
CSA Global Pty Ltd	<ul style="list-style-type: none"> <li>Geology and Mineral Resource</li> <li>Hydrology</li> </ul>
Cube Consulting Pty Ltd	<ul style="list-style-type: none"> <li>Mining engineering</li> </ul>
ALS Metallurgy Pty Ltd	<ul style="list-style-type: none"> <li>Metallurgical test work</li> </ul>
Knight Piesold Pty Ltd	<ul style="list-style-type: none"> <li>Tailings and water management</li> </ul>
Mine Geotech Pty Ltd	<ul style="list-style-type: none"> <li>Mining geotechnical</li> </ul>
RJE Myanmar	<ul style="list-style-type: none"> <li>Power supply</li> </ul>
Coffey – Valentis	<ul style="list-style-type: none"> <li>Environmental and social impact assessment (ESIA)</li> </ul>

The DFS will:

- further develop and optimise the processing flowsheet
- update plant engineering and site / infrastructure assessments
- procure pricing on major long lead items and contractor rates for all site-based works
- review the open pit mine design, incorporating updated geotechnical data and mine scheduling based on the updated Mineral Resource model
- provide an updated Ore Reserve estimate including additional drilling results
- progress the ESIA process in support of statutory approvals
- provide revised capital and operating cost estimates to a DFS level of accuracy which will be incorporated into the project financial model.

The BJV and its team of experienced industry experts are focused on delivering a high quality DFS which is scheduled for completion in the first quarter of 2020.

### Updated Study Assumptions

The PFS was completed in May 2019. Since that time the study team has worked hard to refine some of the decisions made as part of the PFS.

Key amongst these was the plant site location. As part of the PFS a location was chosen adjacent to the existing Bawdwin to Namtu road. This location was uphill from the starter pit resulting in higher haulage costs and would have also involved significant expenditure on earthworks.

Tiger Camp is a relatively flat area and was historically the rail head for the mine railway to Namtu. A much reduced level of capital expenditure on earthworks is expected to be required at Tiger Camp. Haulage of ore is also downhill.

This revised plant location opens the opportunity for the use of a dedicated haulage road using the existing rail corridor from Tiger Camp to Namtu. This would present additional benefits in terms of having a dedicated private road for the haulage of concentrate and the transportation of supplies and staff to site. It also provides an alternative mode of access to site (see Figure 2).

These revised assumptions will be incorporated into the feasibility study.

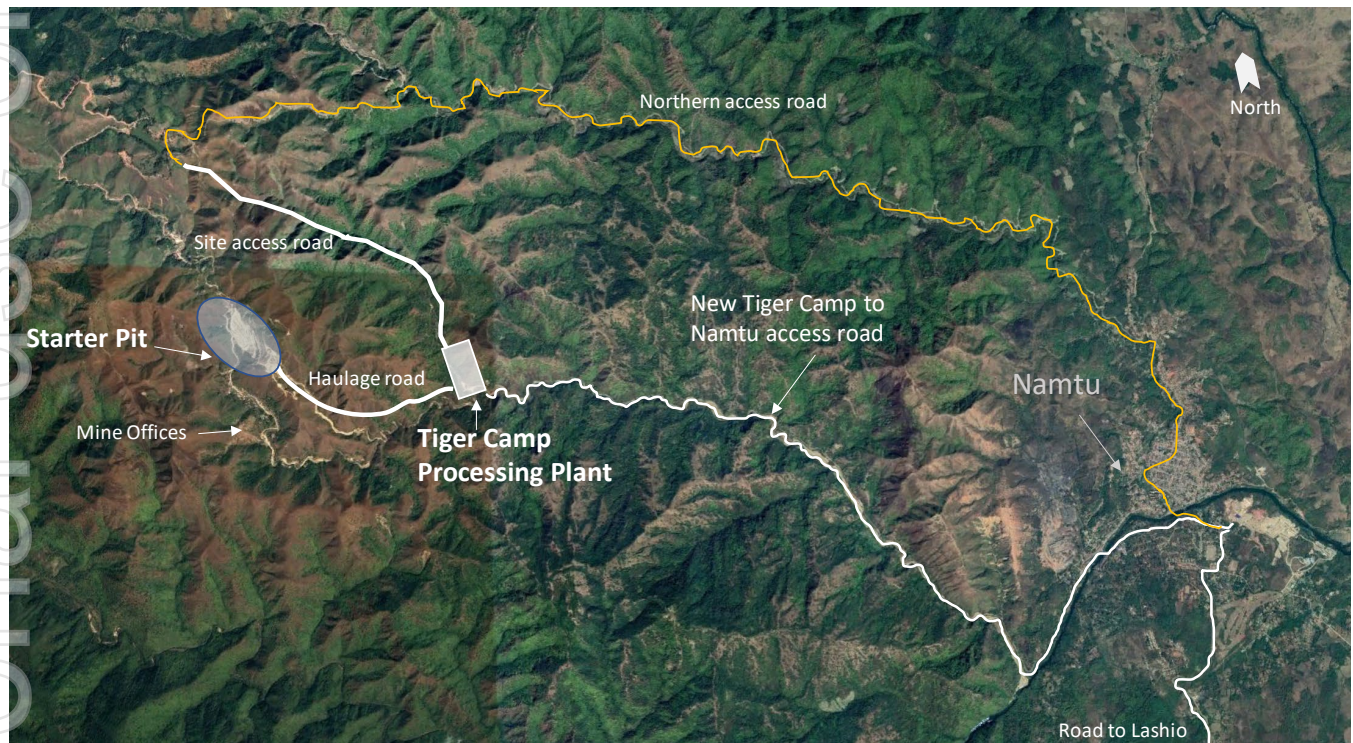


Figure 2. Bawdwin site layout.

### Infill Drilling

An in-fill drilling program has been a key focus of the drilling completed in the year to date. The in-fill program has been designed to upgrade Inferred Mineral Resources and increase the confidence in the resource model, particularly within the Starter Pit. A man-portable rig is currently operating on site and a second rig will be mobilised to site within the coming weeks. These portable rigs are able to continue drilling in the rainy season when the earthworks and vehicular access required for larger rigs is restricted.

### Site Access and Safety

As mentioned in the Quarterly Activities Report a number of safety and security policies and procedures are in place on site and for travel in the local region. These include protocols for emergency evacuation, tracking of employees in transit, regular local travel security briefings, and a “default to safe” policy for travel that extends BJV’s commitment to health and safety at site and beyond the site and considers factors such as road conditions, weather and local security. Activities are fully compliant with this policy requiring that employees and contractors only travel to or from site when all relevant conditions are fully met

The Company is pleased to note that the Myanmar Government and various ethnic groups are presently undertaking talks in the Shan and other states with a view to resolving ethnic area border issues and other problems that have existed since the country gained independence. Negotiations are underway between the Military and several armed groups in the northern Shan state, precipitating a higher than usual level of activity in



the region. This level of activity is currently affecting road access to site. No problems in relation to security exists at or have ever been encountered at either Bawdwin or Namtu.

Currently foreigners are not able to visit site due to the potential risks presented by the level of activity in the region. Local staff continue to undertake work, including man-portable drilling and base-line studies (air monitoring, water, health and community consultation planning), with remote oversight from the project team. Most of the consultants' works in relation to the feasibility study are able to continue without interruption. The full environmental permitting process includes a significant amount of community consultation. This community consultation process will re-commence as soon as site access resumes.

The Company is working with the local authorities so that foreigners may be able to visit site as soon as possible. It is anticipated that the work streams affected will not result in a significant delay to the Myanmar Investment Commission permitting process.

### **Resource Update**

An updated JORC-2012 Mineral Resource Estimate is currently being undertaken, incorporating results from over 7,000 metres of additional drilling completed since the last estimate was announced in February this year. The results of the updated Mineral Resource Estimate is expected to be released imminently.

### **Appointment of Argonaut as Project Finance Adviser**

Argonaut has been the Company's corporate adviser since February 2018 and has assisted the Company through the key equity raisings that raised a total of \$55.8m completed in June 2018 and May 2019.

As the Company enters the DFS phase and moves closer to securing project finance it is appropriate that this arrangement be extended and expanded. Myanmar Metals' in house project finance capability and experience will be supplemented by input from Argonaut's Hong Kong office.

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John Lamb, Chairman and CEO commented:

*"As we progress through the study and permitting phase, the market's appreciation of the world class nature of Bawdwin is growing. We anticipate raising project finance next year. This process will not happen overnight or without the assistance of external advisers. I am very happy to have secured the services of Argonaut's corporate finance capability to assist us in this regard"*

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John Lamb

Executive Chairman and CEO

**For More Information:**

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**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 Co. Ltd. (EAP).

The Bawdwin Joint Venture (BJV) intends to redevelop the world class Bawdwin Mineral Field, 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.

**Forward Looking Statements**

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