Myanmar Metals Limited

ABN 48 124 943 728

Financial Statements - for the year ended - 30 June 2020

Directors	John Lamb – Executive Chairman and CEO Rowan Caren – Executive Director and CFO Jeffrey Moore – Executive Director Paul Arndt – Non-Executive Director Andrew Teo – Non-Executive Director
Company secretary	Rowan Caren
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Email	info@myanmarmetals.com.au
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Registered office	Suite G.01, 9 Havelock Street West Perth WA 6005 Australia
Share registry	Automic Group Level 2 267 St Georges Terrace PERTH WA 6000 www.automic.com.au T: 1300 288 664
Auditor	Grant Thornton Audit Pty Ltd Level 43, Central Park 152-158 St Georges Terrace Perth WA 6000 Australia
Solicitors	DLA Piper Australia Level 31, Central Park 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: MYL)
ACN	124 943 728

The Directors present their report, together with the financial statements of Myanmar Metals Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020 (the "Consolidated Entity" or "Group").

General information

Myanmar Metals Limited is a public listed company limited by shares, incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The financial statements are authorised for issue by a resolution of Directors on 4 September 2020.

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated:

John Lamb
Rowan Caren
Jeffrey Moore
Paul Arndt
Bruce Goulds (ceased 11 January 2020)
Andrew Teo (from 9 June 2020)

Principal activities

The principal activity during the financial year was mineral exploration and evaluation in Myanmar. There has been no significant change in the nature of these activities during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

During, and since the end of, the financial year, the Company has:

- In conjunction with its partners in the Bawdwin Joint Venture, advanced project feasibility studies and is seeking to secure a foreign investment permit from the Myanmar Investments Commission for the Bawdwin mine;
- Released the results of the expansion study that demonstrated the potential for a long-life, open-pit mining operation to follow the planned Starter Pit at the Bawdwin site. The Expansion study supports the Bawdwin Joint Venture's application for a 50-year production sharing agreement with the Myanmar Government;
- Responded to the COVID-19 pandemic through cost reduction measures to retain a strong financial position, with local partners managing site operations and government liaison supported by the parent entity's team working remotely; and
- Entered into an option agreement with Locrian Precious Metals Company Limited (Locrian) to acquire up to an 85% equity interest by the way of phased investment. Locrian holds applications for two gold/copper exploration licences in eastern Shan State, Myanmar.

Operating results for the year

Net loss attributable to equity holders of the Company for the year ended 30 June 2020 was $13,606,613 (30 June 2019: $16,362,744).

The net loss for the current year has primarily arisen from the Group's accounting policy of expensing exploration and evaluation expenditure until completion of a bankable feasibility study. Exploration and evaluation expenses during the year totalled $10,348,555 (2019: $13,394,234).

At 30 June 2020, the Group had $11.1 million in cash (30 June 2019: $22.9 million).

Significant changes in the state of affairs

During the year:

- Listed option series MYLO expired on 31 December 2019. A total of 10,117,221 options expired unconverted and a total of 165,207,011 ordinary shares were issued on the conversion of listed options during the year raising $4,956,211; and
- Granted 13,000,000 unlisted options to a Director Bruce Goulds (since deceased) and an employee.

Significant events after balance date

As at the date of this report, since 30 June 2020, no other events have arisen that have materially affected the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity except those noted below:

The Group announced on 3 August 2020 that Myanmar's Department of Geological Survey and Mineral Exploration has granted the Tarlay Copper - Gold Integrated Exploration Licence ('Tarlay') held by Locrian Precious Metals Limited ('Locrian'). The Group holds an option to acquire a controlling interest in Locrian and has received a Grant Notice from the vendor. In accordance with the share acquisition agreement the Company had 30 days to decide whether to exercise the option. On the 26 August 2020 the Group announced the Board of Directors has elected to exercise the Locrian option and has issued the Exercise Notice to the vendor. As a result, the Group will hold 51% shareholding in Locrian and is able to earn up to an 85% interest in Locrian under the terms of the acquisition.

Likely developments and expected results of operations

The Company and its joint venture partners are seeking a new production sharing agreement for the undertaking of large-scale mineral production activities at Bawdwin to replace the existing production sharing agreement. The Company and its partners are also seeking a permit to be issued by the Myanmar Investments Commission to undertake development and the performance of mining activities at Bawdwin as a foreign-invested company. It is likely, but not certain, that the new production sharing agreement and the MIC permit will be secured during the 2020/21 financial year.

Other than as noted above, there are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Company's operations in subsequent financial years not otherwise disclosed in this Report.

Environmental legislation

The exploration and evaluation activities of the Company are conducted in accordance with the relevant government legislation.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in our exploration and evaluation activities and during the rehabilitation of disturbed areas. Generally, rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

The Company and its partners in the Bawdwin Joint Venture, completed and lodged an Environmental Scoping Report with the regulatory authority in Myanmar. An Environmental and Social Impact Assessment in being finalised for submission to regulators later this year.

Information on Directors

Name:	**John Lamb**
Title:	Executive Chairman and CEO
Qualifications:	B. Surv(IT), Grad.Dip.Man, MBA, F.AusIMM(CP), GAICD
Experience and expertise:	Mr Lamb was appointed as a Non-Executive Director and Chairman of the Company from 19 June 2017 and as Executive Chairman and CEO from 3 October 2017. Mr Lamb is an experienced business leader in the mining, construction, forestry and transport sectors. His career of over 30 years includes Chief Executive roles for Shaw Contracting (civil construction) and Lloyds North (transport and forest services); general management roles at the Rosebery (underground polymetallic) and Century (open cut zinc/lead) mines and many years of business and technical management, principally in the minerals sector. Mr Lamb has built and managed mining operations throughout Australia and has served as a director on the boards of industry bodies, regional land management councils, a large pastoral company and several small businesses. He has consulted widely in the fields of business improvement, risk management and strategic planning. A qualified surveyor, he also holds degrees in management and business; is a Chartered Professional Fellow of the Australasian Institute of Mining and Metallurgy and an Order of Merit Graduate of the AICD Company Directors course.
Other current directorships:	Nil
Former directorships (last 3 years):	Mr Lamb was a director of the Tasmanian Minerals and Energy Council for six years. During the last three years, Mr Lamb has not served as a director of any other listed company
Interests in shares:	18,820,000 Fully Paid Ordinary Shares

Name:	**Rowan Caren**
Title:	Executive Director, Company Secretary and CFO
Qualifications:	B. Com, CA
Experience and expertise:	Mr Caren was appointed as a Non-Executive Director and Company Secretary of the Company on 19 June 2017 and as an Executive Director, Company Secretary and CFO from 1 March 2018. Mr Caren has over 25 years commercial experience as a Chartered Accountant, having qualified with PricewaterhouseCoopers in 1992. He has been involved in the minerals exploration industry for over twenty years and in 2004 created a specialist company secretarial and advisory consultancy, Dabinett Corporate Pty Ltd. He has provided financial and corporate services to several listed and unlisted companies involved in the resources sector. Mr Caren graduated with a Bachelor of Commerce (Accounting) from the University of Western Australia and is a Member of the Institute of Chartered Accountants in Australia
Other current directorships:	Nil
Former directorships (last 3 years):	During the last three years, Mr Caren has not served as a director of any other listed company.
Interests in shares:	12,250,000 Fully Paid Ordinary Shares

Name:	**Jeffrey Moore**
Title:	Executive Director
Qualifications:	B.SC, MAUSIMM, MGSA
Experience and expertise:	Mr Moore was appointed as a Non-Executive Director of the Company on 19 June 2017 and subsequently on 1 July 2019 was determined to be an Executive Director. Mr Moore is a member of the Remuneration and Nomination Committee and a member of the Audit Committee. He is also a corporate member of the Australasian Institute of Mining and Metallurgy and a member of the Geological Society of Australia.
Other current directorships:	Nil
Former directorships (last 3 years):	During the last three years, until January 2019, Mr Moore served as a Director of Riedel Resources Limited (ASX: RIE)
Interests in shares:	12,375,000 Fully Paid Ordinary Shares

Name:	**Paul Arndt**
Title:	Non-Executive Director
Qualifications:	BSc, MSc, Grad Dip Engineering, MBA
Experience and expertise:	Mr Arndt was appointed as a Non-Executive Director of the Company on 19 June 2018. Mr Arndt is a member of the Remuneration and Nomination Committee and the Audit Committee. Mr Arndt was appointed as Executive General Manager of Operations and Development of Perilya Limited (“Perilya”) in February 2008 and subsequently appointed to the joint roles of Managing Director and Chief Executive Officer of Perilya on 25 November 2008. Mr Arndt is the nominated representative of Perilya, the Company’s largest shareholder, on the Company’s board. During his tenure at Perilya, it has acquired and commenced development of an underground polymetallic (copper, zinc, gold & silver) mine in the Dominican Republic. Former roles include 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).
Other current directorships:	Nil
Former directorships (last 3 years):	During the last three years, Mr Arndt has not served as a director of any other listed company.
Interests in shares:	Nil

Name:	**Bruce Goulds**
Title:	Non-Executive Director - ceased on 11 January 2020
Qualifications:	BBus, Grad Dip Management, LLB (Hons)
Experience and expertise:	Mr Goulds was appointed as a Non-Executive Director of the Company on 1 February 2019 until he passed away on 11 January 2020. During the year, until 11 January 2020, Mr Goulds was a member of the Remuneration and Nomination Committee and Chairman of the Audit Committee. Mr Goulds had over 30 years financial and commercial experience in listed and unlisted companies. Mr Goulds was the inaugural CFO and Company Secretary of Mineral Resources Limited (ASX:MIN) a position he held for over 14 years until his retirement in 2018. Mr Goulds was a Fellow Certified Practising Accountant, a Fellow of the Institute of Chartered Secretaries and a Member of the Australian Institute of Company Directors.
Other current directorships:	Nil
Former directorships (last 3 years):	During the last three years, Mr Goulds also served as a Director of Mesa Minerals Limited (ASX: MAS) (appointed 25 May 2010, resigned 6 December 2018).
Interests in shares:	1,900,000 Fully Paid Ordinary Shares
Interests in options:	8,000,000 options

Name:	**Andrew Teo**
Title:	Non-Executive Director - appointed on 9 June 2020
Qualifications:	B.Com, UWA, (CPA)
Experience and expertise:	Mr Teo is an accountant with 40 years of extensive and diversified experience in accounting, treasury, corporate, legal and business administration across several industries, including the mining industry. He 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. Mr Teo worked in BGC in excess of 35 years and continues as a Non-Executive Director.
Other current directorships:	Mr Teo is the Chairman of ASX listed Medusa Mining Limited (ASX: MML).
Former directorships (last 3 years):	During the last three years, Mr Teo has not served as a director of any other listed company.
Interests in shares:	-

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each Director were:

	Directors' Meetings		Nomination and Remuneration Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
John Lamb	12	12	-	-	-	-
Rowan Caren	12	12	-	-	-	-
Jeffrey Moore	12	11	1	1	2	2
Paul Arndt	12	12	1	1	2	1
Bruce Goulds	8	8	-	-	1	1
Andrew Teo	1	1	-	-	-	-

In addition to the above meetings, there were a number of matters addressed by circular resolution.

A Remuneration and Nomination Committee was established on 19 November 2018 and the Remuneration and Nomination Committee Charter was approved by the Board on 29 April 2019.

An Audit Committee was established on 1 February 2019 and the Audit Committee Charter was approved by the Board on 29 April 2019.

Remuneration report (audited)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of the Company for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Key Management Personnel
Directors

John Lamb	Executive Director, Chairman & CEO
Rowan Caren	Executive Director, Company Secretary & CFO
Jeffrey Moore	Executive Director
Paul Arndt	Non-Executive Director
Bruce Goulds	Non-Executive Director - (from 1 February 2019 until 11 January 2020)
Andrew Teo	Non-Executive Director - (from 9 June 2020)

Other KMP

Roberto Cicchini	Project Director

The Remuneration Report is set out under the following main headings:

A Remuneration policy and elements of remuneration
B Details of remuneration for the year ended 30 June 2020
C Service agreements
D Share-based compensation
E Security holdings of Key Management Personnel
F Other transactions and balances with Key Management Personnel

A. Remuneration policy and elements of remuneration

(a) Remuneration philosophy

The performance of the Company depends upon the quality of its people. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its compensation framework:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation;
- maintain a significant portion of executive compensation 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

During the Group's exploration and evaluation phase, it is not anticipated that the Group will be generating operating revenue nor paying dividends or returning capital. Accordingly, there is currently no relationship between the Group's earnings or changes in the Company's share price and the Board's policy for determining the nature and amount of compensation of KMP.

Remuneration may consist of fixed remuneration and variable components.

(b) Remuneration determination and review

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and all other key management personnel based on the recommendations of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee comprises of the following Directors:

- Jeffrey Moore (Chair until 16 June 2020)
- Paul Arndt
- Bruce Goulds (ceased 11 January 2020)
- Andrew Teo (from 9 June 2020 and appointed as Chairman of the committee on 16 June 2020)

The Committee reviews and determines the remuneration policy and structure annually to ensure it remains aligned to business needs and meets remuneration principles.

No remuneration consultants were used during the financial year.

The Remuneration and Nomination Committee will assess the appropriateness of the nature and amount of compensation of key management personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team.

The Board of Directors reviews fixed remuneration annually. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices.

(c) Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

(d) Fixed remuneration – executives

Executives may receive their fixed remuneration as cash, or cash with non-monetary benefits. Fixed remuneration is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation.

The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(e) Variable remuneration

In 2017 the Company adopted the Performance Rights Plan (“Plan”) which was approved by shareholders at the AGM on 23 October 2017.

The objective of the Plan is to attract, motivate and retain key Directors, employees and contractors. It is considered by the Company that the adoption of the Plan and the future issue of Performance Rights under the Plan will provide selected participants with the opportunity to participate in the future growth of the Company.

Refer to section D below for details of Performance Rights issued under the Plan.

(f) Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the General Meeting held on 18 August 2017 when shareholders approved an aggregate remuneration of $250,000 per year. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the company. From 1 November 2018, the fee for each non-executive director is $50,000 inclusive of superannuation. From 1 March 2020 this was increased to $51,000 inclusive of superannuation until 1 April 2020 when all non-executive directors voluntarily took a 20% reduction to $40,000 inclusive of superannuation. This reduction was reversed with effect from 1 September 2020.

Any services provided by the Non-Executives that are in addition to those of a Non-Executive and approved by the Chairman are charged at $1,600 per day plus applicable GST.

The compensation of directors for the year ended 30 June 2020 is detailed in the table below.

B. Details of remuneration for the year ended 30 June 2020

			Primary benefits		Post employment	Equity	Total	%
KMP	**Year**	**Salary & Fees $**	**Annual Leave Provision $**	**Non Monetary Benefits $**	**Superannuation $**	**Performance Rights $**	**$**	**Performance related %**
John Lamb	2020	410,137	24,448	-	20,963	-	455,548	-
John Lamb	2019	402,979	9,940	15,000	20,531	151,233	599,683	25.2%
Rowan Caren	2020	282,238	-	-	4,146	-	286,383	-
Rowan Caren	2019	274,941	-	-	4,032	100,822	379,795	26.5%
Jeffrey Moore	2020	255,694	-	1,511	24,291	-	281,496	-
Jeffrey Moore	2019	181,841	-	1,465	4,032	100,822	288,160	35.0%
Paul Arndt *	2020	47,583	-	-	-	-	47,583	-
Paul Arndt *	2019	45,333	-	-	-	-	45,333	-
Bruce Goulds **	2020	124,096	-	-	2,530	106,015	232,641	-
Bruce Goulds **	2019	19,026	-	-	1,807	-	20,833	-
Andrew Teo***	2020	2,366	-	-	255	-	2,590	-
Roberto Cicchini	2020	381,703	25,535	-	20,963	-	428,202	-
Roberto Cicchini	2019	308,926	12,035	-	17,109	-	338,070	-
Total KMP	**2020**	**1,503,817**	**49,983**	**1,511**	**73,118**	**106,015**	**1,734,444**	**-**
Total KMP	**2019**	**1,233,046**	**21,975**	**16,465**	**47,511**	**352,877**	**1,671,874**	**-**

Notes:
* The amounts disclosed for Mr Arndt are paid to Perilya Limited in lieu of director fees.
** Mr Goulds was appointed 1 February 2019 and ceased to be a director on 11 January 2020.
*** Mr Teo was appointed on 9 June 2020.

C. Service agreements

(a) Non-Executive Directors

Each of the current Non-Executive directors has entered into a Non-Executive Director Service Deed which sets out the minimum monthly fees.

(b) Executive Directors

Effective from 1 October 2017, Mr Lamb has been employed as CEO, Executive Director and Executive Chairman of the Company and has entered into an executive services agreement from that date. From 1 March 2020, he receives a salary of $459,000 inclusive of superannuation (prior to 1 March 2020: $450,000 per annum). Effective from 1 April 2020 to 31 August 2020, Mr Lamb volunteered a 20% reduction in salary to $367,200 inclusive of superannuation due to COVID-19.

The following key terms are included in the service agreement with Mr Lamb:
- Notice period by Company or Executive is 3 months;
- In a Company initiated termination, a payment of 6 months’ base fee is also payable; and
- Upon the occurrence of a change of control transaction, the Executive is entitled to a bonus payment of 12 months’ base fee, subject to certain conditions.

Effective from 1 March 2018, Mr Caren has been employed as Executive Director, Company Secretary and CFO of the Company and has entered into a consultancy agreement effective from that date. From 1 March 2020, he receives an annual director’s fee of $51,000 inclusive of superannuation plus a consulting fee of $162,000 per annum plus GST (prior to 1 March 2020: director’s fee of $50,000 per annum, plus a base fee of $150,000 per annum plus GST). Any additional services provided by Mr Caren are charged at $1,600 per day plus applicable GST. Effective from 1 April 2020 to 31 August 2020, Mr Caren volunteered a 20% reduction in director's fees to $40,000 due to COVID-19 and agreed to a cap in executive director fees of $212,400 on an annualised basis.

The following key terms are included in the service agreement with Mr Caren:
- Notice period by Company or Executive is 3 months;
- In a Company initiated termination, a payment of 6 months’ base fee is also payable; and
- Upon the occurrence of a change of control transaction, the Executive is entitled to a bonus payment of 12 months’ base fee, subject to certain conditions.

Effective from 1 July 2019, Mr Moore has been employed as Executive Director and has entered into a consultancy agreement effective from that date. From 1 March 2020, he receives an annual director’s fee of $51,000 inclusive of superannuation plus a consulting fee of $200 per hour including GST (prior to 1 March 2020: director’s fee of $50,000 per annum, plus a fee of $200 per hour including GST). Effective from 1 April 2020 to 31 August 2020, Mr Moore volunteered a 20% reduction in director's fees to $40,000 due to COVID-19 and agreed to a cap on executive director fees of $192,000 on an annualised basis.

The service agreement with Mr Moore is subject to four weeks' notice in the event of termination.

(c) Other KMP

Effective from 1 September 2018, Mr Cicchini has been employed as Project Director of the Company. Mr Cicchini has entered into a Limited Term Executive Services Agreement dated 1 September 2018 which ends on Completion (being handover of the site to the Operations Team). The agreement may be terminated by Mr Cicchini or the Company with notice of 3 months and with an additional 6 months remuneration payable if there is a change of control. Effective from 1 March 2018, he receives a base salary of $408,000 inclusive of superannuation plus a Completion Bonus payable upon successful achievement of certain milestones (prior to 1 March 2020: $400,000 per annum). No bonus has been paid or is payable in the year ended 30 June 2020.

D. Share-based compensation

On 23 October 2017, Performance Rights were granted to Mr Lamb, Mr Moore and Mr Caren under the Performance Rights Plan as approved by shareholders at the 2019 AGM. The fair value of the rights was determined based on the market price of the Company's shares at the date of grant being 8 cents each. The performance rights vested during the previous period when the milestone's relating to the performance rights were satisfied. Subsequent to vesting, each performance right converted into one fully paid ordinary share in the Company. The shares which were issued upon conversion of performance rights are restricted pursuant to the terms of the Company's Performance Rights Plan.

On 24 October 2019, options with an exercise price of 6.5 cents and an expiry date of 7 November 2022 were granted to Mr Goulds under the Employee Share Incentive Plan (the Plan) as approved by the shareholders at the 2020 AGM. The fair value of the options was determined based on the market price of the Company's shares at the date of grant being 4.5 cents each.
The options had the following vesting conditions attached to them:

- On receipt of Myanmar Investment Commission Permit (MIC Permit) from the Myanmar Investment Commission for the Company or its associate to take a 51% direct investment in the entity which holds the Bawdwin concession; and
- On achievement of at least $300 million financing for the Bawdwin Project on terms acceptable to the Bawdwin JV.

The vesting of the above options have not been affected by Mr Goulds' passing away on 11 January 2020 under the conditions set out in the Plan. All unvested options remain in force and continue to expiry date and will vest if the vesting conditions outlined above are subsequently satisfied.

Director	Grant Date	Balance at the start of the year Vested Number	Balance at the start of the year Unvested Number	Granted during the year Unvested Number	%	Converted	Balance at the end of the year (unvested) Number	Maximum value yet to vest $
Bruce Goulds	24/10/2019	-	-	8,000,000	100.00%	-	8,000,000	186,400

E. Security holdings of Key Management Personnel

(a) Shareholdings of Key Management Personnel

Shareholdings of key management personnel as at the end of the year.

	Balance at the start of the year Number	Acquired Number	Balance at the end of the year Number
John Lamb	18,500,000	320,000	18,820,000
Rowan Caren	12,250,000	-	12,250,000
Jeffrey Moore	12,375,000	-	12,375,000
Paul Arndt	-	-	-
Bruce Goulds (ceased 11 January 2020)	1,900,000	-	1,900,000
Roberto Cicchini	500,000	500,000	1,000,000
Andrew Teo (from 9 June 2020)	-	-	-
	45,525,000	820,000	46,345,000

(b) Performance rights holdings of Key Management Personnel

There were no performance rights held by key management personnel as at 30 June 2020.

F. Other transactions and balances with Key Management Personnel

There are no other transactions or balances between the company and current key management personnel that have not otherwise been disclosed in this remuneration report.

G. Voting and comments made at the Company's last Annual General Meeting

A total of 98% of proxy votes cast at the Company's 2019 Annual General Meeting on the resolution dealing with the Remuneration Report for the financial year ended 30 June 2019 were cast in favour of the resolution. The resolution was passed by the required 75% majority on a show of hands. There was no specific feedback at the Annual General Meeting in relation to the Remuneration Report.

End of audited remuneration report.

This concludes the remuneration report, which has been audited.

Share options and performance rights

Details of unissued ordinary shares under option at the date of this report are as follows:

- 40,000,000 Unlisted Options exercisable at 7.8 cents each and expiring on 15 June 2022;
- 7,000,000 Unlisted Options exercisable at 7 cents each and expiring on 30 November 2020;
- 1,500,000 Unlisted Options exercisable at 6 cents each and expiring on 30 June 2021; and
- 13,000,000 Unlisted Options exercisable at 6.5 cents each and expiring on 7 November 2022.

165,207,011 (2019: 8,327,616) ordinary shares were issued during the financial year as a result of the exercise of listed options. No ordinary shares were issued during the financial year as a result of the conversion of performance rights (2019: 28,000,000). There are no unpaid amounts on the shares issued.

Indemnity and insurance of officers

The Company has agreed to indemnify the directors of the Company against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has insured all of the Directors and Officers of the Company. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Non-audit services

During the year, Grant Thorton, the Company's auditor, has not performed any other services in addition to their statutory duties.

Details of the amounts paid to the auditor of the Company and its related practices for audit services provided during the year are set out in note 30.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Rowan Caren
Director

4 September 2020
Perth

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Myanmar Metals Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Myanmar Metals Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 4 September 2020

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	Note	2020 $	2019 $
Other income	6	254,938	197,146
Exploration and evaluation expenses		(10,348,555)	(13,394,234)
Corporate and administration expenses		(3,530,562)	(2,929,910)
Net foreign exchange gain/(loss)		309,628	(235,746)
Finance expenses	7	(292,062)	-
Loss before income tax expense		(13,606,613)	(16,362,744)
Income tax expense	9	-	-
Loss after income tax expense for the year attributable to the owners of Myanmar Metals Limited		(13,606,613)	(16,362,744)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		57,443	131,772
Other comprehensive income for the year, net of tax		57,443	131,772
Total comprehensive loss for the year attributable to the owners of Myanmar Metals Limited		(13,549,170)	(16,230,972)

Loss per share attributed to ordinary equity holders of the Company:

	Note	Cents	Cents
Basic loss per share	10	(0.80)	(1.27)
Diluted loss per share	10	(0.80)	(1.27)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	11	11,116,138	22,881,004
Trade and other receivables	13	346,415	133,571
Total current assets		11,462,553	23,014,575
Non-current assets			
Trade and other receivables	13	4,799,708	3,104,645
Plant and equipment	14	128,394	95,292
Right-of-use assets	17	73,504	-
Exploration and evaluation assets	15	19,616,523	19,579,997
Total non-current assets		24,618,129	22,779,934
Total assets		36,080,682	45,794,509
Liabilities			
Current liabilities			
Trade and other payables	16	934,865	2,418,227
Lease liabilities	18	66,525	-
Provisions		246,675	119,233
Total current liabilities		1,248,065	2,537,460
Non-current liabilities			
Lease liabilities	18	1,497	-
Total non-current liabilities		1,497	-
Total liabilities		1,249,562	2,537,460
Net assets		34,831,120	43,257,049
Equity			
Issued capital	19	92,606,479	87,467,468
Other contributed equity	20	777,194	777,194
Reserves	21	2,423,821	2,382,148
Accumulated losses		(60,976,374)	(47,369,761)
Total equity		34,831,120	43,257,049

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Myanmar Metals Limited
Consolidated statement of changes in equity
For the year ended 30 June 2020

	Issued capital $	Other equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	65,075,576	777,194	3,928,102	(31,007,017)	38,773,855
Loss after income tax expense for the year	-	-	-	(16,362,744)	(16,362,744)
Other comprehensive income for the year, net of tax	-	-	131,772	-	131,772
Total comprehensive income/(loss) for the year	-	-	131,772	(16,362,744)	(16,230,972)
Transactions with owners recorded directly in equity:					
Issue of placement shares	20,792,015	-	-	-	20,792,015
Issue of shares on conversion of performance rights	2,240,000	-	(2,240,000)	-	-
Grant of options	-	-	50	-	50
Exercise of options	249,828	-	-	-	249,828
Share-based payment expense	-	-	562,224	-	562,224
Transaction costs arising from share issues	(889,951)	-	-	-	(889,951)
Balance at 30 June 2019	87,467,468	777,194	2,382,148	(47,369,761)	43,257,049

	Issued capital $	Other equity $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	87,467,468	777,194	2,382,148	(47,369,761)	43,257,049
Loss after income tax expense for the year	-	-	-	(13,606,613)	(13,606,613)
Other comprehensive income for the year, net of tax	-	-	57,443	-	57,443
Total comprehensive income/(loss) for the year	-	-	57,443	(13,606,613)	(13,549,170)
Transactions with owners recorded directly in equity:					
Exercise of options	4,956,211	-	-	-	4,956,211
Transfer from reserves	186,800	-	(186,800)	-	-
Share-based payment expense	-	-	171,030	-	171,030
Transaction costs arising from share issue	(4,000)	-	-	-	(4,000)
Balance at 30 June 2020	92,606,479	777,194	2,423,821	(60,976,374)	34,831,120

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	2020 $	2019 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(16,889,923)	(15,901,750)
Receipt for reimbursement of exploration expenditure		-	1,955,878
Interest received		176,097	92,160
Net cash used in operating activities	12	(16,713,826)	(13,853,712)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(48,994)	(102,126)
Amounts placed on security deposits		-	(30,659)
Refunds of deposits		-	148,500
Payments to acquire exploration assets	15	(36,526)	-
Proceeds from disposal of property, plant and equipment		448	-
Net cash (used in)/from investing activities		(85,072)	15,715
Cash flows from financing activities			
Proceeds from issue of equity securities	19	4,956,211	21,041,893
Equity securities issue transaction costs	19	(4,000)	(799,081)
Lease repayments		(71,699)	-
Net cash from financing activities		4,880,512	20,242,812
Net (decrease)/increase in cash and cash equivalents		(11,918,386)	6,404,815
Cash and cash equivalents at the beginning of the financial year		22,881,004	16,580,163
Effects of exchange rate changes on cash and cash equivalents		153,520	(103,974)
Cash and cash equivalents at the end of the financial year	11	11,116,138	22,881,004

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

Myanmar Metals Limited (the 'Company') is a company domiciled in Australia. The financial statements of the Company as at and for the year ended 30 June 2020 comprise the Company and its consolidated entities ("Consolidated Entity" or "Group").

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 4 September 2020.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Myanmar Metals Limited is a listed public company limited by shares, incorporated in Australia. The financial report is presented in Australian dollars.

(i) Statement of compliance
These financial statements comply with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Historical cost convention
The financial statements have been prepared on an accrual basis under the historical cost convention unless otherwise stated.

(b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.
Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations were adopted by the Group in the current year and have had a material impact on the financial statements:

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019 retrospectively but has not restated comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

	2020 $	2019 $
Reconciliation of operating leases to lease liabilities under AASB 16		
Total operating lease commitments disclosed at 30 June 2019:	-	117,691
Foreign exchange adjustment	-	25,506
Finance lease liabilities before discounting on 1 July 2019:	143,197	-
Discounted using incremental borrowing rate of 8%	(12,657)	-
	130,540	143,197

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. The Directors are satisfied the Company is a going concern, whilst it incurred a total comprehensive loss of $13,606,613 for the year, it has a net asset position of $34,831,120 and a cash balance of $11,116,138 as at 30 June 2020 and has no external debt. The Company has the ability to reduce forecast expenditure if required and it is anticipated that additional capital can be raised in the future if required.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company and the results of all its subsidiaries.

Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, is exposed or has rights to variable returns from its involvement and has the ability to use its power to affect the returns of those entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

A change in ownership interest, without the loss of control, is accounted for as an equity transaction. All investments in subsidiaries made by the parent are held at cost.

The Group's interests in joint arrangements, whereby the Group has the right to it's share of the assets and obligations for the liabilities of the joint arrangement is accounted for by recognising the Group's share of assets, liabilities, revenues and expenses.

Note 2. Significant accounting policies (continued)

(d) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is the Company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.
Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

(e) New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

(f) Other accounting policies
(i) other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.
Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Note 3. Financial Instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15 *Revenue from Contracts with Customers*, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:
- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVOCI. The classification is determined by both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Subsequent measurement of financial assets
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)
Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets
AASB 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. This replaced AASB 139’s ‘incurred loss model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument

Note 3. Financial Instruments (continued)

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities
The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Note 4. Critical accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and underlying assumptions that management has made in the process of applying the Company's accounting policies in these financial statements have been included in the following notes:

- Note 14 - exploration and evaluation assets - the accounting policy for, and carrying value of, exploration and evaluation assets and the required impairment charge. Management has assessed that no impairment of the cost recognised at 30 June 2020 is considered necessary;
- Note 12 - trade and other receivables - the carrying value of receivables and the required expected credit loss charge. The carrying value of receivables at 30 June 2020 has been assessed as being considered recoverable; and
- Note 20 - reserves and Note 21 share based payments - the value of the Company's granted unlisted share options, which are determined using a Black Scholes pricing model and include key estimates such as volatility rate and risk free interest rate.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic, other than the impact upon the timing of negotiations with government departments in Myanmar in relation to a new Production Sharing Agreement at Bawdwin and a Myanmar Investment Commission permit.

Note 5. Segment reporting

During the year, the Group operated predominantly in one reportable business segment, managed by one segment manager and in one geographical location. The operations of the consolidated entity consist of minerals exploration and evaluation, within Myanmar.

The information disclosed in the financial statements is the same information utilised in internal reporting by the chief operating decision maker (CODM). Accordingly, no additional quantitative or qualitative disclosures are required.

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

Unless otherwise stated, all amounts reported to the Board of Directors as the CODM with respect to operating segments, are determined in accordance with AASB 8 Operating Segments.

Note 6. Other income

	2020 $	2019 $
Interest income	164,171	92,160
Government grant income	17,500	-
Net other financing income	72,819	104,986
Profit on disposal of assets	448	-
Other income	254,938	197,146

Accounting policy for other income
Other income is recognised when the amount can be reliably measured and on satisfaction of the respective performance obligation. Interest is recognised using the effective interest method.

Note 7. Finance expenses

	2020 $	2019 $
Other finance costs (note 1)	283,151	-
Interest expense - leases	8,905	-
Interest expense - other	6	-
	292,062	-

Note 1: Other finance costs relate to the loss on adjustment of inputs to the present value calculation of receivables due to the Group from the participants of the Bawdwin project. Refer to note 13 for further information.

Accounting policy for finance costs
Finance costs are recognised in profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method.

Note 8. Other expenses

Disclosure of specific expenses by nature that are included in the result for the year:

	2020 $	2019 $
Expenses by nature		
Employee benefits expense (including share based payments)	4,092,554	2,744,920
Depreciation	16,296	20,891
Amortisation of right-of-use asset	57,312	-

Note 9. Income tax

(a) Income tax recognised in profit or loss

	2020 $	2019 $
Income tax expense comprises:		
Current tax benefit	(527,715)	(193,587)
Deferred tax benefit	444,248	645,484
Deferred tax assets not brought to account	131,668	(677,431)
Adjustment in respect of current income tax of previous periods	(48,201)	225,534
Aggregate income tax expense	-	-

(b) Numerical reconciliation between income tax expense and loss before income tax		
Loss before income tax expense	(13,606,613)	(16,362,744)
Tax at the statutory tax rate of 30%	(4,081,984)	(4,908,823)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible overseas expenses	3,536,194	3,586,050
Non-deductible share based payment expenses	51,309	125,517
Non-deductible other expenses	103,887	63,353
Difference in overseas tax rates	474,061	682,006
Adjustments in respect of current income tax of previous periods	48,201	(225,534)
	131,668	(677,431)
Current year losses for which no deferred tax asset was recognised	(131,668)	677,431
Income tax expense	-	-

Note 9. Income tax (continued)

(c) Deferred tax assets and liabilities

	2020 $	2019 $
Deferred tax assets and liabilities		
Deferred tax assets		
Annual leave provision	74,003	35,770
Other accruals	28,127	4,763
Capital raising costs	116,967	253,478
Provision for doubtful debts	-	1,566,807
Provision for discount of receivables	-	157,668
Tax losses	1,906,689	1,221,194
	2,125,786	3,239,680
Deferred tax liabilities		
Right-of-use asset	(1,645)	-
prepaid expenditure	(5,614)	-
Unrealised foreign exchange	(102,063)	-
	(109,322)	-
Net deferred tax assets not recognised	(2,016,464)	(3,239,680)
Net deferred tax assets	-	-

(d) Carry forward tax losses

	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised	6,355,630	4,070,646
Potential tax benefit @ 30% (2019: 30%)	1,906,689	1,221,194

The benefit of deferred tax assets not brought to account will only be brought to account if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the Group in realising the benefit.

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Note 9. Income tax (continued)

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 10. Earnings/(Loss) per share

The loss used for the purpose of calculating basic and diluted loss per share is as follows:

	2020 $	2019 $
Loss after income tax attributable to the owners of Myanmar Metals Limited	(13,606,613)	(16,362,744)

The weighted average number of shares used for the purposes of calculating diluted loss per share reconciles to the number used to calculate basic loss per share as follows:

	Number	Number
Basic loss per ordinary share denominator	1,708,552,236	1,290,420,026
Effect of dilutive securities on issue (note 1)	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,708,552,236	1,290,420,026

	Cents	Cents
Basic loss per share	(0.80)	(1.27)
Diluted loss per share	(0.80)	(1.27)

Note 1: At 30 June 2020, there were no listed options and 61,500,000 unlisted options on issue (2019: 175,324,232 listed options, 48,500,000 unlisted options) which represents 61,500,000 potential ordinary shares (2019: 223,824,232) which were considered non-dilutive as they would decrease the loss per share.

Note 10. Earnings/(Loss) per share (continued)

Accounting policy for earnings/(loss) per share

Basic earnings per share
Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 11. Cash and cash equivalents

	2020 $	2019 $
Cash and cash equivalents		
Cash at bank and on hand	4,821,041	20,720,496
Term deposits	5,500,000	-
Share of BJV cash (refer Note 26)	795,097	2,160,508
	11,116,138	22,881,004

Accounting policy for cash and cash equivalents
Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Note 12. Reconciliation of Cash Flows

Reconciliation of loss after income tax to net cash used in operating activities

	2020 $	2019 $
Loss after income tax expense for the year	(13,606,613)	(16,362,744)
Adjustments for:		
Share-based payments	171,030	418,389
Foreign exchange differences	(352,672)	235,746
Depreciation - plant and equipment	16,296	20,891
Finance expenses/(income)	221,816	(104,986)
Depreciation - right of use asset	57,312	-
Interest expense - leases	8,905	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,873,980)	(43,956)
(Decrease)/increase in trade and other payables	(1,355,920)	1,982,948
Net cash used in operating activities	(16,713,826)	(13,853,712)

Note 13. Trade and other receivables

	2020 $	2019 $
Trade and other receivables - current		
Prepayments	179,688	26,302
Other receivables	99,643	41,754
Deposits	67,084	65,515
	346,415	133,571
Trade and other receivables - non-current		
Receivables due to the Group from participants in the Bawdwin Project (note 2)	4,799,708	3,104,645
Loan receivable (note 1)	-	5,222,690
Provision for impairment of loan receivable (note 1)	-	(5,222,690)
	4,799,708	3,104,645

Due to the short-term nature of the current receivables, the carrying value is considered to be the same as their fair value.

Note 1: The receivable balance was in respect of a loan from the Company to an entity related to certain previous directors of the Company. A liquidator was appointed to that entity on 20 November 2019. Whilst non-recovery of the loan was fully provided for in previous periods, the Board now views recovery as highly improbable. The loan has therefore been fully written off in the current year. There is no impact on the Statement of Financial Performance in the current financial year.

Note 2: Receivables due to the Group from the participants of the Bawdwin project for reimbursement of their share of costs incurred that have been paid by the Group and are repayable from future dividends from the Bawdwin project (except on the occurrence of certain specified events at which time they become immediately repayable). The carrying value of these receivables has been calculated based on cash flows discounted using a current lending rate of 8% (2019: 8%).

Accounting policy for trade and other receivables
Trade receivables are recognised initially at the value of the invoice sent to the counter-party and are subsequently measured using a forward looking “expected credit loss” (ECL) model.

The Group uses the general approach to impairment, as applicable under AASB 9: Financial Instruments. Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:
- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 14. Plant and equipment

	2020 $	2019 $
Plant and equipment		
Plant and equipment - at cost	165,819	118,273
Less: Accumulated depreciation	(37,425)	(22,981)
	128,394	95,292

Note 14. Plant and equipment (continued)

Reconciliation
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment $
Balance at 1 July 2018	14,057
Additions	102,126
Depreciation expense	(20,891)
Balance at 30 June 2019	95,292
Additions	48,994
Disposals	(1,584)
Foreign currency gain/losses	1,988
Depreciation expense	(16,296)
Balance at 30 June 2020	128,394

Accounting policy for property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives which for plant and equipment is between 2.5 and 16 years depending on the type of asset.

Note 15. Exploration and evaluation assets

The opening balance of exploration and evaluation assets relates to the Company's cost of acquisition of a 51% participating interest in the Bawdwin polymetallic project, in Shan State, Myanmar.

During the year, the Company entered into an option agreement with Locrian Precious Metals Company Limited (Locrian) to acquire up to an 85% equity interest in Locrian by the way of phased investment. The Locrian option agreement cost has been capitalised as part of the Group’s exploration and evaluation asset.

	2020 $	2019 $
Projects in Shan State, Myanmar		
Bawdwin Project	19,579,997	19,579,997
Locrian Precious Metals Project	36,526	-
Total exploration and evaluation assets (note 1)	19,616,523	19,579,997

Note 1: The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Accounting policy for exploration and evaluation assets
Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources.*

Note 15. Exploration and evaluation assets (continued)

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Exploration and evaluation expenditure incurred in relation to the acquisition of a project by the Group is accumulated for each area of interest and recorded as an asset if the rights to tenure of the area of interest are current and at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Exploration and evaluation expenditure assets are assessed for impairment when facts and circumstances suggest that their carrying amount exceeds their recoverable amount and where this is the case, an impairment loss is recognised. Should a project or an area of interest be abandoned, the expenditure will be written off in the period in which the decision is made.

Note 16. Trade and other payables

	2020 $	2019 $
Trade and other payables - current		
Trade payables	612,896	1,787,370
Other payables	321,969	630,857
	934,865	2,418,227

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. The amounts are unsecured and are usually paid at the end of the month following date of recognition.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Note 17. Right-of-use assets

	2020 $	2019 $
Right-of-use asset		
Balance 1 July 2019	130,816	-
Depreciation charge for the period	(57,312)	-
	73,504	-

Accounting policy for right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Note 18. Lease liabilities

	2020 $	2019 $
Lease liability - current		
Lease liability	66,525	-
Lease liability - non-current		
Lease liability	1,497	-
Lease Liabilities		
Maturity analysis - contractual undiscounted cashflows		
Lease payments less than 1 year	(70,137)	-
Lease payments 2-5 years	(2,922)	-
Lease payments 5+ years	-	-
	(73,059)	-
Amounts recognised in profit or loss		
Interest on lease liabilities	8,905	-
Depreciation - right-of-use asset	57,312	-
Variable lease payments not included in the measurement of lease liabilities	8,808	-
	75,025	-
Amounts recognised in the statement of cash flows		
Total cash outflows for leases	(71,699)	-

Note 18. Lease liabilities (continued)

Accounting policy for lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 19. Issued capital

	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	1,768,592,941	1,603,385,930	92,606,479	87,467,468

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	1,247,181,166		65,075,576
Conversion of performance rights		28,000,000	$0.080	2,240,000
Exercise of listed options		8,327,616	$0.030	249,828
Capital raising		319,877,148	$0.065	20,792,015
Transaction costs on share issues		-		(889,951)
Balance	30 June 2019	1,603,385,930		87,467,468
Exercise of listed options		165,207,011	$0.030	4,956,211
Transfer from reserves		-		186,800
Transaction costs on share issues		-		(4,000)
Balance	30 June 2020	1,768,592,941		92,606,479

Ordinary shares
Holders of ordinary shares are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders are fully entitled to any proceeds of liquidation subject to prior entitlement.

Accounting policy for issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 20. Other contributed equity

	2020 $	2019 $
Other contributed equity	777,194	777,194

Other contributed equity relates to the equity component recognised on initial recognition of convertible notes settled in the previous periods.

Note 21. Reserves

	2020 $	2019 $
Share based payments reserve	2,237,290	2,253,060
Foreign currency translation reserve	186,531	129,088
	2,423,821	2,382,148

(a) Nature and purpose of reserves:

Share based payments reserve
The share based payments reserve is used to recognise the grant date fair value of securities issued to directors, employees and consultants; and the value of option premiums received.

Foreign currency translation reserve
The foreign currency translation reserve is used to recognise exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Balances of options and rights

	2020 Number	2019 Number	2020 $	2019 $
Balance of options and rights				
Options - Listed	-	175,324,232	-	194,000
Unlisted Options 7.8c, 15 June 2022	40,000,000	40,000,000	1,725,213	1,725,213
Unlisted Options 7c, 30 November 2020	7,000,000	7,000,000	268,335	268,335
Unlisted Options 6c, 30 June 2021	1,500,000	1,500,000	71,468	65,512
Unlisted Options 6.5c, 7 November 2022	13,000,000	-	187,944	-
	61,500,000	223,824,232	2,252,960	2,253,060

Note 21. Reserves (continued)

(c) Movements in the number and value of options and rights

	2020 Number	2019 Number	2020 $	2019 $
Movements in the number and value of options and rights				
Balance at the beginning of the year	223,824,232	253,651,848	2,253,060	3,930,786
Options granted to consultants*	-	5,000,000	-	143,835
Options granted to employees and directors**	13,000,000	1,500,000	193,900	65,512
Option premium received	-	-	-	50
Options exercised	(165,207,011)	(8,327,616)	-	-
Transfer to share capital	-	-	(186,800)	-
Options expired	(10,117,221)	-	(7,200)	-
Performance rights granted to directors	-	-	-	352,877
Performance rights converted to Shares	-	(28,000,000)	-	(2,240,000)
	61,500,000	223,824,232	2,252,960	2,253,060

Note: Options granted during the current and previous year are subject to vesting conditions and have the following terms (refer to note 22 for further information):
* 5,000,000 options exercisable at 7.8 cents each and expiring on 15 June 2022;
** 1,500,000 options exercisable at 6 cents each and expiring on 30 June 2021; and
** 13,000,000 options exercisable at 6.5 cents each and expiring on 7 November 2022.

Note 22. Share-based payments

During the past two years, the following equity-settled share-based payments have been made:

	2020 $	2019 $
Grant of options as remuneration	106,015	352,877
Grant of options to employees	72,215	65,512
Included in share based payments expense	178,230	418,389
Grant of options to consultants included in capital raising costs	-	143,835
Expiry of options	(7,200)	-
Total share based payments during the year	171,030	562,224

The outstanding balance of options granted as share based payments on issue as at 30 June 2020 is represented by:

- 40,000,000 Unlisted Options exercisable at 7.8 cents each and expiring on 15 June 2022;
- 7,000,000 Unlisted Options exercisable at 7 cents each and expiring on 30 November 2020;
- 1,500,000 Unlisted Options exercisable at 6 cents each and expiring on 30 June 2021; and
- 13,000,000 Unlisted Options exercisable at 6.5 cents each and expiring on 7 November 2022.

In addition to the above the Company had 175,324,232 listed options on issue at 30 June 2019 that were granted as bonus options in connection with a share placement in the year ended 30 June 2017 and were not considered share based payments. Of these options, 165,207,011 were exercised in the current year and 10,117,221 expired. Refer to note 21 for further information.

Note 22. Share-based payments (continued)

The following table illustrates the number and weighted average exercise price (WAEP) of share options at the beginning and end of the financial year:

	Number of options 2020	Weighted average exercise price 2020	Number of options 2019	Weighted average exercise price 2019
Outstanding at the beginning of the year	57,000,000	$0.070	50,500,000	$0.070
Granted by the Company during the year	13,000,000	$0.070	6,500,000	$0.070
Listed options held by consultants exercised/expired during the year	(8,500,000)	$0.030	-	$0.000
Outstanding at the end of the financial year	61,500,000	$0.070	57,000,000	$0.070
Exercisable at the end of the financial year	48,500,000	$0.070	56,750,000	$0.070

(a) Weighted Average Remaining Contractual Life

The weighted average remaining contractual life of options outstanding as at 30 June 2020 was 1.84 years (2019: 2.38 years).

(b) Range of Exercise Prices

The range of exercise prices for options outstanding as at 30 June 2020 was $0.060 to $0.078 (2019: $0.03 to $0.078).

(c) Weighted Average Fair Value

The weighted average fair value of share options granted during the year was $0.023 (2019: $0.04).

The fair value of the unlisted equity-settled share options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the options were granted. The fair value of the listed equity-settled share options granted is estimated as at the date of grant using the volume weighted average listed option price on the date of grant. The fair value of the performance rights granted and shares issued is estimated as at the date of grant using the volume weighted average share price on the date of grant or issue.

The following table lists the inputs to the valuation model used for unlisted share options granted by the Group during the years ended 30 June 2020 and 30 June 2019:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility*	Dividend yield**	Risk-free interest rate	Fair value at grant date
05/06/2018	15/06/2022	$0.069	$0.078	95.000%	-	2.310%	$0.045
05/06/2018	30/11/2020	$0.069	$0.070	95.000%	-	2.190%	$0.038
01/07/2018	30/07/2021	$0.074	$0.060	95.000%	-	2.080%	$0.048
21/11/2018	15/06/2022	$0.051	$0.078	95.000%	-	2.150%	$0.029
24/10/2019	07/11/2022	$0.045	$0.065	95.000%	-	0.737%	$0.023

*The expected volatility reflects the assumption that historical volatility is indicative of future trends which may not be the actual outcome.
**The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

Note 22. Share-based payments (continued)

Accounting policy for share-based payments
Equity-settled transactions:
The Company has provided benefits to directors and other employees, consultants, advisors or service providers of the Company in the form of share-based payments, whereby services are rendered in exchange for shares, options or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price and liquidity of the shares of Myanmar Metals Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant holders become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met, as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 10).

Note 23. Financial risk management

Financial risk management objectives
The Company's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the entity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is not exposed to equity security price risk and holds no equity investments. The Company is exposed to foreign exchange risk as a result of activities overseas

Note 23. Financial risk management (continued)

(a) Foreign exchange risk

The Group's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income can be affected by movements in exchange rates. The Group also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of a group entity. The Group's exposure to foreign currency risk throughout the current year primarily arose from entities included in the consolidated results whose functional currency is US Dollars ("USD") and Company transactions and balances denominated in USD. Additional exposure arises from transactions and balances in Myanmar Kyat ("MMK").

Foreign currency risk also arises on translation of the net assets of companies included in the Group's consolidated balances to Australian dollars. In the Group accounts, the foreign currency gains or losses arising from this risk are recorded through the foreign currency translation reserve.

During the year ended 30 June 2020, the Group entered into option contracts to buy USD over twelve months to manage its foreign currency exposure. This policy has been reviewed subsequent to the year end and the policy has been amended to not enter into any hedging or derivative transactions to manage foreign exchange risk at this time.

At the reporting date, the AUD equivalent of the Group's exposure to financial instruments denominated in USD was:

	2020 $	2019 $
Cash and cash equivalents	2,419,168	5,870,724
Trade and other receivables (current and non-current)	4,856,705	3,104,645
Trade and other payables	(370,356)	(1,575,373)
	6,905,517	7,399,996

Sensitivity to movements in the AUD USD exchange rate is shown below:

	Profit or loss		Other equity	
	10% increase	10% decrease	10% increase	10% decrease
2020	(274,181)	335,110	(353,593)	432,170
2019	(519,366)	634,781	(153,361)	187,441

(b) Interest rate risk

Interest rate risk arises from investment of cash at variable rates. Any excess funds are kept in a cash on deposit account and transferred to the operating account as required. The Company's income and operating cash flows are not materially exposed to changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	2020 $	2019 $
Cash at bank and on hand - interest bearing	7,617,725	16,430,901
Cash at bank and on hand - non-interest bearing	3,498,413	6,450,103
Cash and cash equivalents	11,116,138	22,881,004

An increase of 100 basis points (decrease of 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as the prior year. The following table summarises the sensitivity of the Company's financial assets (cash) to interest rate risk:

Note 23. Financial risk management (continued)

	Carrying amount $	Profit or Loss 100bp increase $	Profit or Loss 100pb decrease $	Equity 100bp increase $	Equity 100pb decrease $
2020					
Variable rate instruments					
Cash and cash equivalents	7,617,725	76,177	(76,177)	76,177	(76,177)
2019					
Variable rate instrument					
Cash and cash equivalents	16,430,901	164,309	(164,309)	164,309	(164,309)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk other than the receivable due to the Group from participants of the Bawdwin project disclosed in note 13. Credit risk arises from cash and cash equivalents held with the bank and financial institutions, deposits and receivables due from other entities. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The maximum exposure to credit risk is the carrying amount of the financial asset.

The maximum exposure to credit risk at the reporting date was:

	2020 $	2019 $
Cash at bank and on hand	11,116,138	22,881,004
Deposits	67,084	65,515
Other receivables	4,899,350	3,104,645
	16,082,572	26,051,164

At 30 June 2020 and 30 June 2019 there were no financial assets that were past due. A provision for impairment of $5,222,690 was raised in or before the year ended 30 June 2017 in respect of a loan from AXIS Consultants Pty Ltd and this loan was written off in the current year, refer to note 13 for further information.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk arises from operational commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management aims at maintaining flexibility in funding by regularly reviewing cash requirements and monitoring forecast cash flows.

Note 23. Financial risk management (continued)

The following are the contractual maturities of financial liabilities:

	Carrying amount $	Total contractual cashflows $	6 months or less $	6 - 12 months $	1 - 5 years $
2020					
Financial liabilities					
Trade and other payables	934,865	934,865	934,865	-	-
2019					
Financial liabilities					
Trade and other payables	2,418,227	2,418,227	2,418,227	-	-

Note 24. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

Cash and cash equivalents, trade and other receivables, trade creditors, other creditors, accruals and employee entitlements have been excluded from the above analysis as their fair values are equal to the carrying values.

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value determined in accordance with the Group's accounting policies.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 25. Capital management

The Company's policy in relation to capital management is for management to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Company's need for additional funding by way of either share placements or loan funds depending on market conditions at the time. Management defines working capital in such circumstances as its excess liquid funds over liabilities and defines capital as being the ordinary share capital of the Company. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Note 26. Group structure

Subsidiaries

		Ownership interest	
	Principal place of business /	2020	2019
Name	Country of incorporation	%	%
Bright Mountain Pty Ltd	Australia	100%	100%
Bright Mountain Resources Myanmar Ltd	Myanmar	100%	100%
Locrian WA Pty Ltd	Australia	100%	-

All transactions with subsidiaries are eliminated in the consolidated entity financial statements.

Note 27. Interests in other entities

During the year ended 30 June 2018, the Group acquired a 51% participating interest in the Bawdwin polymetallic project, in Shan State, Myanmar. The cost of acquisition of the rights to the Bawdwin project of $19,579,997 have been capitalised as exploration and evaluation assets. All subsequent expenditure on the project is being expensed until completion of a bankable feasibility study.

During the year ended 30 June 2019, BJV Company Limited (formerly BJV Service Company Limited) ("BJV") was incorporated in Myanmar to undertake the activities of the Bawdwin project.

The Group holds a 69.375% interest in BJV, reflective of its funding interest in the project during the feasibility study stages. Due to the nature of the voting arrangements of BJV, the Group does not control, nor have joint control of, BJV.

The Group has recognised its share of the assets and liabilities of BJV as at 30 June 2020 and has expensed its share of the costs of BJV for the year ended 30 June 2020 in accordance with the Group's accounting policy for exploration and evaluation expenditure.

As required by Myanmar legislation, BJV has a financial year end of 30 September (formerly 31 March). Consolidated accounts includes information for the period 1 July 2019 to 30 June 2020

At 30 June 2020, the Group's share of the assets and liabilities of BJV included in the consolidated statement of financial position are as set out below:

	2020 $	2019 $
Cash and cash equivalents	795,097	2,160,508
Other current assets	44,487	33,980
Plant and equipment	114,589	80,573
Right-of-use asset	73,504	-
Current liabilities	(600,668)	(2,165,640)
Lease liability (non-current)	(1,497)	-

Note 28. Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 $	2019 $
Balance sheet		
Current asset	10,424,729	20,752,903
Non-current asset	25,046,059	22,872,911
Total assets	35,470,788	43,625,814
Current liabilities	639,668	368,765
Shareholder's equity		
Issued capital	92,606,479	87,467,468
Share based payment reserve	2,237,290	2,253,060
Other equity	777,194	777,194
Accumulated losses	(60,789,843)	(47,240,673)
	34,831,120	43,257,049

The parent entity has not provided any guarantees in respect of subsidiaries. Details of contingent liabilities of the parent entity are included in note 31.

	Parent	
	2020 $	2019 $
Profit or Loss for the year	(27,731,556)	(15,548,755)

Note 29. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in the Remuneration Report of the Director's Report. A summary of these transactions is as follows:

	2020 $	2019 $
Primary benefits	1,555,311	1,271,486
Post-employment benefits	73,118	47,511
Share based payments	-	352,877
	1,628,429	1,671,874

(b) Transactions with related parties

Other than the transactions disclosed above and the receivables in note 13, there were no other transactions with related parties during the year ended 30 June 2020 (30 June 2019: nil).

Note 30. Remuneration of auditors

During the financial year the following fees were paid or are payable for services provided by the auditors of the Group:

	2020 $	2019 $
Auditor of the parent entity - Grant Thorton Audit Pty Ltd		
Audit or review of the financial statements	34,799	32,720
Audit of other consolidated entities - other audit firms		
Audit or review of the financial statements	9,766	4,116
Other services (tax)	35,207	-
	44,973	4,116

Note 31. Contingencies and commitments

The Company and Group have no contingent liabilities as at 30 June 2020 (30 June 2019: nil).

The Group does not have any other significant capital expenditure commitments at 30 June 2020 (30 June 2019: nil).

Note 32. Events after the reporting period

As at the date of this report, since 30 June 2020, no other events have arisen that have materially affected the operations of the consolidated entity, the results of the consolidated entity or the state of affairs of the consolidated entity except those noted below:

Grant of Tarlay Gold Exploration Licence and exercise of the option
The Group announced on 3 August 2020 that Myanmar's Department of Geological Survey and Mineral Exploration has granted the Tarlay Copper - Gold Integrated Exploration Licence ('Tarlay') held by Locrian Precious Metals Limited ('Locrian'). The Group holds an option to acquire a controlling interest in Locrian and has received a Grant Notice from the vendor. In accordance with the share acquisition agreement the Company had 30 days to decide whether to exercise the option. On the 26 August 2020 the Group announced the Board of Directors has elected to exercise the Locrian option and has issued the Exercise Notice to the vendor. As a result, the Group will hold 51% shareholding in Locrian and is able to earn up to an 85% interest in Locrian under the terms of the acquisition.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Rowan Caren
Director

4 September 2020
Perth

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Independent Auditor's Report

To the Members of Myanmar Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Myanmar Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Exploration and evaluation assets - Note 15</td></tr>
<tr><td>
At 30 June 2020 the carrying value of exploration and evaluation assets was $19,616,523.
In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.
</td><td>
Our procedures included, amongst others:

reviewing the operating agreement for the Bawdwin Project and consider whether the accounting treatment is in accordance with applicable accounting standards;
obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
reviewing management's area of interest considerations against AASB 6;
conducting a detailed review of management’s assessment of trigger events prepared in accordance with AASB 6 including;

tracing the project to a third party signed agreement to ensure whether the right to tenement existed;
enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s cash-flow forecast models and budgeted expenditure;
understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and

reviewing the appropriateness of the related disclosures within the financial statements.

</td></tr>
<tr><td colspan="2">Going concern – Note 2</td></tr>
<tr><td>
The Group is not yet generating any revenue and is still in the exploration and evaluation stage. We therefore considered the availability of sufficient funding for the Group to meet its obligations is considered to be a key part of our going concern assessment and therefore a significant aspect of our audit.
The assessment is largely based on the expectations and estimates made by the Group. The expectations and estimates can be influenced by variable inputs including adjustable discretionary spending on the Group’s Baldwin Project. The Group’s financial report is prepared on a going concern basis. The Group’s assessment in respect of going concern is set out Note 2 to the financial report.
</td><td>
Our procedures included, amongst others:

challenging the Group’s cash flow forecast and enquired with management to gain an understanding of the inputs and process underpinning the cash flow forecast prepared for the purpose of the going concern assessment;
reviewing management’s ability to accurately forecast against historical results, agreements and committed expenditure approved budget by the Directors;
conducting sensitivity analysis of the Group cash flow forecast;
assessing the possible mitigating actions identified by the Group in the event that actual cash flows are below cash flow forecast; and
reviewing the appropriateness of the related disclosures within the financial statements.

</td></tr>
</table>

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 8 to 13 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Myanmar Metals Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 4 September 2020