BMG RESOURCES LIMITED
ACN 107 118 678

Annual Report | **2017**

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CORPORATE DIRECTORY

DIRECTORS	Anthony Trevisan	(Chairman)
	Bruce McCracken	(Managing Director)
	Simon Trevisan	(Non-Executive Director)
	Malcolm Castle	(Non-Executive Technical Director)
	Greg Hancock	(Non-Executive Director)

COMPANY SECRETARY

Fleur Hudson

REGISTERED AND PRINCIPAL OFFICE

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AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone:	(08) 9315 2333
Facsimile:	(08) 9315 2233

HOME EXCHANGE

Australian Securities Exchange Ltd
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Code: BMG

SOLICITOR

Jackson McDonald
Level 17
225 St Georges Terrace
PERTH WA 6000

BANKER

St George Bank
Level 2, Westralia Plaza
167 St Georges Terrace
PERTH WA 6000

LETTER TO SHAREHOLDERS

Dear Shareholder

On behalf of the Board I enclose BMG Resources Limited's Annual Report.

During the past year there has been a renewed interest amongst investors in the resources sector following what was a very difficult period for junior exploration companies when access to capital to fund exploration and development was very tight. The tide now appears to be turning and the Company is well positioned to pursue new investment opportunities.

The Company has been and remains very actively focussed on securing new investment opportunities in the resources and potentially non-resources sectors. In fact, during the course of the past year we've considered numerous opportunities (in excess of 50) around the world across mineral resources, technology, energy and industrial applications, and conducted detailed due diligence on a subset of those. We are particularly seeking opportunities with the potential to generate near term cash flow and significant shareholder value. We haven't yet been able to identify an opportunity that would provide appropriate value for shareholders, however we remain optimistic that this will occur soon.

The Company retains a 30% free carried interest in the Treasure copper and gold exploration project in Cyprus (**Treasure Project**), with New Cyprus Copper Company Ltd, the holder of the majority interest in the Treasure Project, responsible for operating and funding the project.

In December 2016 the Company completed a fully underwritten rights issue to raise $2.56m to retire all debt and accruals and provide working capital to pursue new investment opportunities. The Directors and the Transcontinental Group, a significant shareholder which provides management and administrative services to the Company, forgave a significant amount of accrued debt for unpaid services, and converted the remaining debt to equity as part of the rights issue. The Company is now debt free with over $1.3m in available cash.

We have continued to manage costs very carefully and the directors and management, including the Transcontinental Group, agreed to continue to 'park' their fees until a new investment opportunity is secured.

In February 2017 Greg Hancock joined the board bringing with him over 25 years' capital markets experience in Australia and overseas, particularly in the mining and natural resources sector. Greg is a welcome addition to the board and adds further experience and depth as we seek out new investment opportunities.

Thank you for your support of the Company during the past year. We are now well positioned to secure new investment opportunities and we remain positive and optimistic for the year ahead.

Anthony Trevisan
Chairman
Dated at Perth, Western Australia, this 28th September 2017.

OPERATIONAL REPORT

For 12 Months to 30 June 2017

During FY17 BMG Resources Limited (the **Company**; ASX: **BMG**) focussed on key Corporate initiatives following the divestment of a majority interest in the Treasure Project in Cyprus in FY16, with the Company's remaining interest now free carried and under management of New Cyprus Copper Company Limited (**New Cyprus**).

BMG completed a strategic review of capital initiatives and undertook a $2.56m fully underwritten rights issue to retire all debt and accruals and provide working capital to pursue new investment opportunities. This was completed in December 2016, and the Company currently has in excess of $1.3m in available cash.

The Company remains well positioned to secure new investment opportunities and continues to actively seek out and review investment opportunities in the resources and non-resources sectors. The key priority is to secure an advanced investment opportunity with strong potential to generate near term cash-flow and to create value for shareholders. The Company has reviewed a significant number of investment opportunities in past 12 months and remains confident it will secure a new opportunity that meets this investment criteria.

The Company will continue to manage all costs very closely, with directors and management, together with the Transcontinental Group which provides support services to the Company, agreeing to substantially hold all fees (ie, no charge) until a new investment opportunity is secured.

TREASURE PROJECT - CYPRUS

BMG has a 30% free carried interest in the Treasure Project in Cyprus. The Treasure Project's operator, New Cyprus, is responsible for maintaining the project and progressing the exploration program. The Treasure Project includes nine advanced prospects where copper (+Au-Zn-Ag) was mined after 1920 and eleven other prospects where evidence of similar mineralisation is exposed. In addition, the Black Pine project area contains the Pevkos and Laxia prospects where exposed massive sulphide veins containing very high-grade copper, nickel, cobalt and gold have been successfully drilled, and two other prospects are yet to be drilled. The Treasure Project has four project areas and currently comprises 10 licences for a total of 36.7 km2.

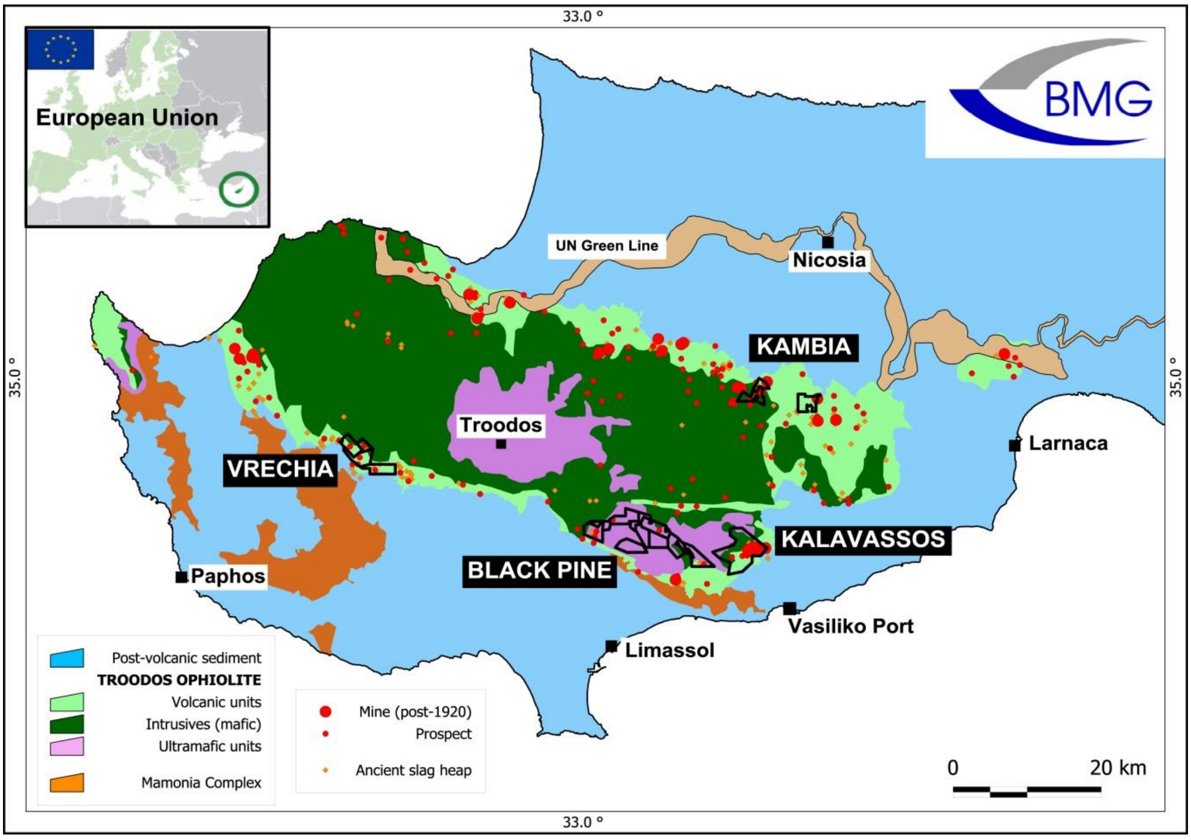


Figure 1: Treasure Project in Cyprus

OPERATIONAL REPORT

TENEMENTS

The Treasure Project, of which BMG currently owns a 30% interest, comprises 10 exploration licences for a total of 36.7 km^2.

Project	Licence number	Status	BMG Interest (%)
BLACK PINE	EA4589	granted	100
	EA4590	granted	100
	EA4591	granted	100
	EA4610	granted	100
	EA4612	granted	100
VRECHIA	EA4457	granted	100
KALAVASSOS	AE4607	granted	100
	AE4608	granted	100
KAMBIA	EA4447	granted	100
	EA4448	granted	100

DIRECTORS' REPORT

Your Director's present their report on the Consolidated Entity (referred to hereafter as the **Group**) consisting of BMG Resources Limited (**BMG** or **the Company**), being the Company and its subsidiaries (**Consolidated Entity**), at the end of, or during, the year ended 30 June 2017 and the Auditor's report thereon.

DIRECTORS

The names and details of the Directors in office during the financial year and until the date of this report are set out below.

- Anthony Trevisan (Chairman)
- Bruce McCracken (Managing Director)
- Simon Trevisan (Non-Executive Director)
- Malcolm Castle (Non-Executive Director)
- Greg Hancock (Non-Executive Director – appointed on 6 February 2017)

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year comprised of mineral resource exploration and development.

OPERATING RESULTS

The Consolidated Entity's profit after providing for income tax for the year ended 30 June 2017 amounted to $102,994 (2016: loss $2,678,099).

DIVIDENDS PAID OR RECOMMENDED

The Directors' of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2017.

REVIEW OF OPERATIONS

The Consolidated Entity's operations are discussed in the Operational Report from page 4.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 September 2017, the Company has issued 2,500,000 new ordinary shares at issue price of the shares ($0.01 per share) to Azure Capital Limited as payment for professional consultancy services provided.

There are no other matters or circumstances that have arisen since the reporting date.

LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Directors are of the opinion that further information as to the likely developments in operations of the Consolidated Entity and the expected results of those operations, would be speculative and prejudicial to the interests of the Group and its Shareholders.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION

The Board believe that the Consolidated Entity has adequate systems in place for the management of environmental requirements and is not aware of any breach of environmental requirements as they apply to the Consolidated Entity.

National Greenhouse and Energy Reporting Act 2007

This is an Act to provide for the reporting and dissemination of information related to greenhouse gas emissions, greenhouse gas projects, energy production and energy consumption, and for other purposes. The Consolidated Entity is not subject to the *National Greenhouse and Energy Reporting Act 2007*.

BOARD OF DIRECTORS

Anthony A Trevisan – Chairman	
Experience and Expertise	Mr Trevisan has played major roles in a large number of corporate scenarios involving financing mergers and acquisitions, the restructuring of property and petroleum and mineral resources based public companies and the establishment of substantial operating businesses. Mr Trevisan has had extensive experience in raising and structuring financial instruments to fund the development of a number of significant projects in Australia and overseas, and has been responsible for public offerings and the floating of companies on the Australian Stock Exchange and other major exchanges internationally involving well over a billion dollars. He has held senior executive positions in listed public companies with a wide range of interests including oil & gas, mining, industrial and property, including Mediterranean Oil & Gas Plc (founder and executive director, Ombrina Mare oil discovery), Arabex Petroleum NL (founder and executive director, Rubiales oil discovery), Callina NL (executive chairman, petroleum work-over project at Komi Oil field, Russia), Aqua Vital (Australia) Ltd (executive chairman, now owned by Coca Cola), TRG Properties and the Roy Weston Group (executive chairman) amongst others.
Other Current Directorships	Chairman of Transcontinental Group (Private Entities)
Former Directorships in last 3 years	None
Special Responsibilities	Chairman Member of the Nomination and Remuneration Committee
Interests in Shares and Options	56,387,496 ordinary shares in BMG Resources Limited 22,844,687 Unlisted Options over ordinary shares in BMG Resources Limited

Bruce Alexander McCracken B Com, LLB, MBA, GAICD – **Managing Director**	
Experience and Expertise	Mr McCracken is an experienced business executive having spent over 25 years working across a broad range of industries based in Perth, Melbourne and Sydney. Prior to joining BMG Resources Limited Mr McCracken worked in the Corporate sector as a Senior Executive with the Kirin Group-owned Lion Pty Ltd (previously Lion Nathan) and the private equity owned Amatek Group, now part of the Fletcher Building Group. Before working in the corporate environment he was an Investment Banker based in both Perth and Melbourne in specialist corporate advisory and project finance roles and has also practiced as a Banking and Finance Solicitor. During his time as an Investment

	Banker Mr McCracken worked across a broad range of corporate and financial advisory assignments, primarily in the diversified industrials and mining and resources sectors. Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.
Other Current Directorships	Director of AssetOwl Limited
Former Directorships in last 3 years	None
Special Responsibilities	Managing Director
Interests in Shares and Options	18,433,375 Ordinary shares in BMG Resources Limited 11,216,687 Unlisted Options over ordinary shares in BMG Resources Limited

Simon Trevisan B Econ, LLB (Hons), MBT **– Director**	
Experience and Expertise	Simon Trevisan is the managing director of the Transcontinental Group including TRG Properties Pty Ltd. He has 20 years' experience in public and private investments, corporate finance and management of large public and private businesses. He has been responsible for the funding and management of a number of public companies and TRG Properties' substantial property investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM listed oil and gas company with production and a substantial oil discovery in Italy. Mr Trevisan was Executive Chairman of ASX listed gold explorer Aurex Consolidated Ltd and a founding executive director of ASX-listed Ausgold Limited and AssetOwl Limited (previously Regalpoint Resources Ltd). He was also responsible for arranging debt funding for the development of in excess of $500 million of property and significantly involved in arranging and drawing down one of the first foreign bank project facilities for a resources development in Indonesia. He has a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming managing director of the Transcontinental Group, Simon practised as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources divisions. Simon is also currently a director of ASX-listed AssetOwl Ltd, Zeta Petroleum plc and Neurotech International Limited. He is a board of not for profit St George's College Foundation, St Georges College Inc and Cystic Fibrosis WA Inc. Mr Trevisan is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee.
Other Current Directorships	Managing Director of Transcontinental Investments Pty Ltd Managing Director of TRG Properties Pty Ltd Non-Executive Director of AssetOwl Limited Non-Executive Director of Neurotech International Limited Non-Executive Director of Zeta Petroleum Plc Director of Perry Lakes No 229 Pty Ltd Director of Port Coogee No 790 Pty Ltd
Former Directorships in last 3 years	None
Special Responsibilities	Chairman of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in Shares and Options	76,900,311 ordinary shares in BMG Resources Limited

	35,106,687 Unlisted Options over ordinary shares in BMG Resources Limited

Malcolm John Castle B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM – **Director**	
Experience and Expertise	Mr Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an Exploration Geologist. He has wide experience in a number of commodities including iron ore, gold, base metals, uranium and mineral sands. He has been responsible for project discovery through to feasibility study and development in Indonesia and the Pilbara in Western Australia and technical audits in many countries. Mr Castle was a founding member and permanent employee of Fortescue Metals Group as Technical Services Manager for expansion projects and was an integral member of the team developing the definitive feasibility study for start-up projects at Cloudbreak and Christmas Creek. Mr Castle is Chief Geologist for the Transcontinental Group. Mr Castle completed a Bachelor's Degree in Applied Geology with the University of New South Wales in 1965 and was awarded a B.Sc (Hons) degree. He completed postgraduate studies with the Securities Institute of Australia in 2001 and was awarded a Graduate Certificate in Applied Finance and Investment in 2004. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has the appropriate relevant experience and qualifications to be an 'Expert' and 'Competent Person' under the Australian Valmin and JORC Codes respectively. Mr Castle is the Chairman of the Board's Audit and Risk Committee and a member of the Board's Nomination and Remuneration Committee.
Other Current Directorships	None
Former Directorships in last 3 years	None
Special Responsibilities	Chairman of the Audit and Risk Committee Member of the Nomination and Remuneration Committee
Interests in Shares and Options	6,040,076 Ordinary shares in BMG Resources Limited 2,721,110 Unlisted Options over ordinary shares in BMG Resources Limited

Greg Hancock – BA(Econs); B Ed (Hons) F Fin – **Director (Appointed on 06 February 2017)**	
Experience and Expertise	Mr Hancock has over 25 years' experience in capital markets practicing in the area of Corporate Finance. He has extensive experience in both Australia and the United Kingdom. In this time he has specialised in mining and natural resources and has a background in the finance and management of small companies. Mr Hancock is currently a director of ASX listed companies Ausquest Ltd, where he serves as Chairman, Strata-X Energy Ltd as non-executive director and Zeta Petroleum PLC., as non-executive director. Mr. Hancock was appointed as a director of BMG Resources Limited on 06 February 2017. Mr Hancock is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee.
Other Current Directorships	Ausquest Ltd Strata-X Energy Ltd

	Zeta Petroleum Plc
Former Directorships in last 3 years	None
Special Responsibilities	Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in Shares and Options	NIL

COMPANY SECRETARY

Fleur Hudson BA, LLB, LLM (Disp. Res.)	
Experience and Expertise	Mrs Hudson has a Bachelor of Arts, a Bachelor of Laws and Master of Laws degrees. She has been a Director of Transcontinental Group since 2009 and was appointed as Company Secretary of Regalpoint Resources Limited and BMG Resources Limited in 2010 and Ausgold Limited (resigning in November 2011). Prior to that, Mrs Hudson practiced as a Solicitor with international law firms in Perth and London since 1998. As a Solicitor, she has advised large national and international companies with respects to a variety of civil construction, infrastructure and commercial issues.

DIRECTORS' MEETINGS

During the financial year, 2 Board of Directors' Meetings and 2 Audit Committees were held. Attendances by each Director during the year were as follows:

2017	Directors' Meetings		Audit and Risk Committee*		Nomination and Remuneration Committee**	
Director	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Anthony Trevisan	2	1	-	-	-	-
Bruce McCracken	2	2	-	-	-	-
Simon Trevisan	2	2	2	2	-	-
Malcolm Castle	2	2	2	2	-	-
Greg Hancock	1	1	-	-	-	-

* During the financial year Mr Castle was Chairman of the Audit and Risk Committee with Mr Trevisan being a member. Mr Hancock was appointed to the Audit and Risk Committee subsequent to the end of the financial year.

** During the financial year Mr Castle was Chairman of the Nomination and Remuneration Committee with Mr Trevisan and Mr Hancock being members.

DIRECTORS' REPORT

DIRECTORS' SHAREHOLDINGS

The following table sets out each Director's relevant interest in shares and options of the Company for the year ended 30 June 2017.

Director	Number Shares	Unlisted Number Options
Anthony Trevisan[1]	8,799,985	-
Anthony Trevisan / Simon Trevisan[2]	47,278,177	22,844,687
Anthony Trevisan[3]	40,000	-
Anthony Trevisan[4]	66,000	-
Anthony Trevisan[4]	10,000	-
Anthony Trevisan / Simon Trevisan[5]	193,334	-
Bruce McCracken[6]	18,433,375	11,216,688
Simon Trevisan[7]	29,428,800	12,262,000
Malcolm Castle[8]	5,457,220	2,721,110
Malcolm Castle[8]	39,896	-
Malcolm Castle[9]	542,960	-

1 Relevant interest as Director and sole shareholder of Transcontinental Resource Group Resources Group 2013 Pty Ltd.
2 Anthony Trevisan is the Chairman of Transcontinental Investments Pty Ltd. Simon Trevisan is the Managing Director of Transcontinental Investments Pty Ltd.
3 Indirect interest as a Trustee of Kippy Superannuation Fund.
4 66,000 shares are directly held and 10,000 indirect interests as a spouse of Karen Trevisan.
5 Indirect interest as a Trustee of Trevisan Superannuation Fund. Anthony and Simon Trevisan are beneficiaries of the Trevisan Superannuation Fund.
6 Relevant interest in 18,253,375 shares and 8,641,687 options as a beneficiary of the McCracken Family Trust and 180,000 shares and 2,575,000 options are directly held.
7 Relevant interest as director of TRG Equity Investments Pty Ltd.
8 5,457,220 shares and 2,721,110 options are directly held and 39,896 shares indirect interests as a spouse of Susan Castle.
9 Relevant interest as Director and sole Shareholder of Agricola Mining Consultants Pty Ltd.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Consolidated Entity and has been audited in accordance with the requirements by section 308(3C) of the *Corporations Act 2001* and the Corporations Regulations 2001.

For the purposes of this report, Key Management Personnel of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

Key Management Personnel disclosed in the Report

Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

Anthony Trevisan	(Chairman)
Bruce McCracken	(Managing Director)
Simon Trevisan	(Non-executive Director)
Malcolm Castle	(Non-executive Director)
Greg Hancock	(Non-executive Director – appointed 6 February 2017)

Key Management Personnel Compensation

The individual Directors and Executives compensation for the year ended 30 June 2017 comprised:

	2017 ($)	2016 ($)
Short-term employee benefits		
Anthony Trevisan[1]	-	-
Bruce McCracken[2]	(132,335)	178,000
Simon Trevisan[1]	-	-
Malcolm Castle[3]	(12,848)	40,000
Greg Hancock[4]	9,000	-
Christopher Eager[5]	-	54,000
Michael Green [6]	-	79,916
	(136,183)	**351,916**
Post-employee benefits		
Bruce McCracken	-	16,910
Malcolm Castle	-	3,800
	-	**20,710**
Share-based payments		
Bruce McCracken	-	(68,751)
Michael Green	-	(48,272)
	-	**(116,993)**

1. Mr Anthony Trevisan and Mr Simon Trevisan do not receive remuneration directly from BMG Resources Limited. BMG has an agreement with Transcontinental Investments Pty Ltd, an entity of which Mr Anthony Trevisan and Mr Simon Trevisan are directors. The Company must pay a monthly fee to TRG plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Group during the month. From 1 July 2016 TRG agreed to stop charging the management fee for Administration Services.
2. Mr McCracken has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board. The negative $132,335 represents the reduction of the prior year accrued director's fee which has been agreed by Mr McCracken. For more information refer to right issue prospectus on 01 December 2016.
3. Mr Castle has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board. The negative $12,848 represents the reduction of the prior year accrued director's fee which has been agreed by Mr Castle. For more information refer to right issue prospectus on 01 December 2016.
4. Mr Hancock received $3,000 per month as remuneration from April 2017 to 30 June 2017
5. Mr Eager resigned on 15 April 2016.
6. Mr Green resigned on 15 April 2016.

Remuneration Governance

The Remuneration and Nomination Committee provides assistance to the Board with respect to the following:

(a) Remuneration policies and practices;

(b) Remuneration of the Executive Officer and Executive Directors;

(c) Composition of the Board; and

(d) Performance Management of the Board and of the Executive Officer.

Use of Remuneration Consultant

During the year, the Company has not required or used any remuneration consultants.

Membership and Composition

The minimum number of members required on the Committee is two Directors. At least one member of the Committee must be a Non-Executive Director of the Board.

The Chair of the Committee is to be a Non-Executive Director, nominated by the Board, who may be the Chairman of the Board.

The Secretary of the Committee shall be the Company Secretary or such other person as nominated by the Board.

Executive Remuneration Policy and Framework

The Remuneration and Nomination Committee is to review and make recommendations regarding the following:

(a) strategies in relation to Executive remuneration policies;

(b) compensation arrangements for the Managing Director, Non-Executive Directors and other Senior Executives as appropriate;

(c) performance related incentive policies;

(d) the Company's recruitment, retention and termination policies;

(e) the composition of the Board having regard to the skills/experience desired and skills/experience represented;

(f) the appointment of Board members;

(g) the evaluation of the performance of the Managing Director and Chief Operating Officer;

(h) consideration of potential candidates to act as Directors; and

(i) succession planning for Board members.

Processes

The Committee shall meet as frequently as required to undertake its role effectively and properly. A quorum for the Committee meeting is when at least two members are present. Any relevant employees may be invited to attend the Committee meetings.

The issues discussed at each Committee meeting as well as the Minutes of each meeting are reported at the next Board Meeting. The Committee Chair shall report the Committee's recommendations to the Board after each meeting.

The Committee reviews, and may recommend to the Board, any necessary action to require at least annually, and recommends any changes it considers appropriate to the Board. The Committee may undertake any other special duties as requested by the Board.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of Key Management Personnel for the economic entity is as follows:

The remuneration structure for Key Management Personnel is based on a number of factors, including length of service and the particular experience of the individual concerned. The contracts for service between the Group and Key Management Personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

The Remuneration Committee determines the proportion of fixed and variable compensation for each Key Management Personnel.

Executive and Non-Executive Director Remuneration Policy

On appointment to the Board, all Executive and Non-Executive Directors enter into an agreement with the Company. The letter of appointment summarises the Board's policies and terms, including remuneration, relevant to the Office of Director.

Non-Executive Directors receive a Board fee and fees for chairing or participating on Board committees. The Non-Executive Chairman does not receive additional fees for participating in or chairing committees.

Non-Executive Directors do not receive retirement allowances.

Fees provided to Executive Director and Executive Technical Director is inclusive of superannuation.

The Executive and Non-Executive Directors do not receive performance-based pay. Please see the table below for the details of the nature and amount of each major element of remuneration for each Key Management Personnel of the Group during the year.

	From 1 July 2017	From 1 July 2016 to 30 June 2017
Base fees		
Chairman (Anthony Trevisan) [1]	-	-
Managing Director (Bruce McCracken) [2]	$178,000 [2]	$178,000
Non-Executive Director (Simon Trevisan)[1]	-	-
Non-Executive Director (Malcolm Castle) [3]	$40,000 [3]	$40,000
Non-Executive Director (Greg Hancock) [4]	$36,000	$36,000

1. Mr Anthony Trevisan and Mr Simon Trevisan do not receive remuneration directly from BMG Resources Limited. BMG has an agreement with Transcontinental Investments Pty Ltd, an entity of which Mr Anthony Trevisan and Mr Simon Trevisan are directors. The Company must pay a monthly fee to TRG plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Group during the month. From 1 July 2016 TRG agreed to stop charging the management fee for Administration Services.
2. Mr McCracken has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board.
3. Mr Castle has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board.
4. Mr Hancock received $3,000 per month as remuneration as Director from April 2017 to 30 June 2017.

The amounts above are the annualised remuneration values for Key Management Personnel in the respective positions. The amounts above are exclusive of superannuation.

There were no other additional fees paid to the Non-Executive Chairman and Non-Executive Directors for participating in Audit Committees, Nomination Committees and/or Remuneration Committees.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The Remuneration Policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Each year the Board reviews Directors remuneration and will consider the issue of options as part of the Director's remuneration to encourage the alignment of personal interest and shareholder interests. During the year, the Company has not required or used any remuneration consultants.

Voting and comments made at the Group's 2016 Annual General Meeting

The Company received 76% of "yes" votes on its Remuneration Report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Performance based remuneration

Due to the size of the Group, its current stage of activities and its relatively small number of employees, the Group has not implemented performance-based remuneration for the current year. There is an existing Employee Option Plan based on the achievement of key milestones and to increase goal congruence between Executives, Directors and Shareholders.

DIRECTORS' REPORT

Consequences of Group Performance on Shareholder wealth

An analysis of the Group's performance over the five financial years to 30 June 2017 is provided below:

	2017	2016	2015	2014	2013
Net profit/(loss) attributable to owners of BMG Resources Limited	102,994	(2,678,099)	(922,896)	(841,065)	(20,026,349)
Change in share price	0.00	0.00	0.03	0.01	0.01
Loss per share for profit from continuing operations attributable to the ordinary equity holders of the Company					
Basic profit/(loss) per share (cents per share)	0.04	(4.19)	(1.45)	(0.13)	(7.31)
Diluted loss per share (cents per share)	N/A	N/A	N/A	N/A	N/A

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		At Risk – Short Term Incentive		At Risk – Long Term Incentive*	
	2017	2016	2017	2016	2017	2016
Anthony Trevisan	-	-	-	-	-	-
Bruce McCracken	(100%)	155%	-	-	-	(55%)
Simon Trevisan	-	-	-	-	-	-
Christopher Eager	-	100%	-	-	-	-
Malcolm Castle	(100%)	100%	-	-	-	-
Greg Hancock (appointed 6 February 2017)	100%	-	-	-	-	-

* Since the long-term incentives are provided exclusively by way of options, the percentages disclosed also reflect the value of remuneration consisting of options, based on the value of options expensed during the year. Negative amounts indicate expenses reversed during the year due to a failure to satisfy the vesting conditions.

Settlement of Accrued Fees and Repayment of Loan

During the year, the company settled the prior year accrued Directors fees, Management fee payable to Transcontinental Investments and outstanding loan to Transcontinental Investment has been paid in full by cash and shares as per detail table below.

Settlement of Accrued Fees and Repayment of Loan	Financial year up to 30 June 2016	Agreed to Write off	Fees Payable (net of amount written off) Payable	Settled in Shares	Settled in Cash
Payment of accrued executive director's fee to Bruce McCracken	$357,335	$132,335	$225,000	$139,467, being 17,433,375 New Shares and 8,716,687 Free Attaching Options	$85,533 in cash as part of PAYG Withholding Tax of $64,158 paid on 28 February 2017 and Superannuation of $21,375 was paid on 7 February 2017
Payment of accrued non-executive director's fee to Malcolm Castle	$80,300	12,848	67,452	$43,537.76, being 5,442,220 New Shares and 2,721,110 Free Attaching Options	$23,914.24 in cash
Payment of accrued management fees to Transcontinental Investments Pty Ltd	$255,000	40,800	214,200	$214,200, being 26,775,000 new Shares and 13,387,500 Free Attaching Options	None
Repayment of loan to Transcontinental Investments Pty Ltd	$348,657	-	$348,657	$347,507, being 43,438,375 new Shares and 21,719,187 Free Attaching Options	$1,150 in cash
Payment of accrued non-executive director's fee to former Chairman, Christopher Eager	$108,000	78,000	30,000	$30,000, being 3,750,000 new Shares and 1,875,000 Free Attaching Options	None

DIRECTORS' REPORT

Details of Remuneration

2017 Key Management Person	Short-term Benefits			Post-employment Benefits		Share-based payment		
	Salary ($)	**Other Fees ($)**	**Non-monetary benefits ($)**	**Superannuation ($)**	**Termination benefits ($)**	**Equity ($)**	**Options ($)**	**Total ($)**
DIRECTORS								
Anthony Trevisan[1]	-	-	-	-	-	-	-	-
Bruce McCracken[2]	(132,335)	-	-	-	-	-	-	(132,335)
Simon Trevisan[1]	-	-	-	-	-	-	-	-
Malcolm Castle[3]	(12,848)	-	-	-		-		(12,848)
Greg Hancock[4]	9,000	-	-	-	-	-	-	9,000
TOTAL	**(136,183)**	**-**	**-**	**-**	**-**	**-**	**-**	**(136,183)**

1. Mr Anthony Trevisan and Mr Simon Trevisan do not receive remuneration directly from BMG Resources Limited. BMG has an agreement with Transcontinental Investments Pty Ltd, an entity of which Mr Anthony Trevisan and Mr Simon Trevisan are directors. The Company must pay a monthly fee to TRG plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Group during the month. From 1 July 2016 TRG agreed to stop charging the management fee for Administration Services.
2. Mr McCracken has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board. The negative $132,335 represents the reduction of the prior year accrued director's fee which has been agreed by Mr McCracken. For more information refer to right issue prospectus on 01 December 2016.
3. Mr Castle has agreed not to receive any director fee until new project acquired, at which time directors' remuneration will be discussed in due course by the Board. The negative $12,848 represents the reduction of the prior year accrued director's fee which has been agreed by Mr Castle. For more information refer to right issue prospectus on 01 December 2016.
4. Mr Hancock appointed as Director on 6 February 2017. He received remuneration $3,000 per month for period April 2017 – June 2017

2016 Key Management Person	Short-term Benefits			Post-employment Benefits		Share-based payment		
	Salary ($)	Other Fees ($)	Non-monetary benefits ($)	Superannuation ($)	Termination benefits ($)	Equity ($)	Options ($)	Total ($)
DIRECTORS								
Christopher Eager[1]	54,000	-	-	-	-	-	-	54,000
Anthony Trevisan[2]	-	-	-	-	-	-	-	-
Simon Trevisan[2]	-	-	-	-	-	-	-	-
Bruce McCracken[3]	178,000	-	-	16,910	-	-	(68,751)	126,159
Malcolm Castle[4]	40,000	-	-	3,800		-		43,800
Michael Green[5]	79,917	-	-	-	-	-	(48,242)	31,675
TOTAL	**351,917**	**-**	**-**	**20,710**	**-**	**-**	**(116,993)**	**255,634**

1 Mr Eager received $6,000 per month as remuneration as Non-Executive Chairman and agreed to accrue 100% of his remuneration from 01 October 2014 to 31 March 2016. On 15 April 2016 he resigned as Non-Executive Chairman. At the time of his resignation on 15 April 2016, total accrued fee was $108,000.

2 Mr Anthony Trevisan and Mr Simon Trevisan do not receive remuneration directly from BMG Resources Limited. BMG has an agreement with Transcontinental Investments Pty Ltd, an entity of which Mr Anthony Trevisan and Mr Simon Trevisan are directors. The Company must pay a monthly fee to TRG plus reimbursement for certain costs, expenses and liabilities incurred and/or paid by TRG on behalf of the Group during the month. From 1 July 2016 TRG agreed to stop charging the management fee for Administration Services.

3 Mr McCracken received $14,833 per month as remuneration plus super as Managing Director and agreed to accrue 100% of his remuneration from 1 September 2014 to 30 June 2016. At the end of the financial year ended 30 June 2016, total accrued fee was $194,910 and the reversal of a share based payment expenses of $68,751.

4 Mr Castle received $3333 per month as remuneration plus super as Non-Executive Director and agreed to accrue 100% of his remuneration from 01 September 2014 to 30 June 2016. At the end of the financial year ended 30 June 2016, total accrued fee was $43,800.

5 Mr Green's total accrued fee of $79,917 was transferred to New Cyprus Copper Company on 15 April 2016 under the terms of the disposal of 70% of BMG's interest. At the time of his resignation on 15 April 2016, there was no accrued fee and the reversal of a share based payment expenses of $48,242.

DIRECTORS' REPORT

Equity Instruments Disclosure Relating to Key Management Personnel Shareholdings

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2017 Name	Balance at the start of the year	Allotment during the year	Received during the year on the exercise of options	Other Changes during the year	Balance at the end of the year
Directors of BMG Resources Limited Ordinary Shares					
Non-Executive					
Anthony Trevisan[1]	10,698,121	45,689,375	-	-	56,387,496
Bruce McCracken[2]	1,000,000	17,433,375	-	-	18,433,375
Simon Trevisan[3]	6,686,936	70,213,375	-	-	76,900,311
Malcolm Castle[4]	597,856	5,442,220	-	-	6,040,076
Greg Hancock (Appointed on 6 February 2017)	-	-	-	-	-

1 Relevant interest in 8,799,985 as Director and sole Shareholder of Transcontinental Resources Group 2013, 47,278,177 shares as Chairman of Transcontinental Investments, 193,334 shares as a trustee of Trevisan Superannuation Fund, 40,000 shares as a trustee of the Kippy Superannuation Fund, 10,000 as a spouse of Karen Trevisan and 66,000 shares directly held, totalling 56,387,496 share held.

2 Relevant interest in 18,253,375 shares as a beneficiary of the McCracken Family Trust and 180,000 shares directly held.

3 Relevant interest in 29,428,800 as Director of TRG Equity Investments, 47,278,177 shares as Director of Transcontinental Investments, 193,334 shares as a trustee of Trevisan Superannuation Fund, totalling 76,900,311 shares held.

4 Relevant interest as Director and sole Shareholder of Agricola Mining Consultants Pty Ltd of 542,960 shares, indirect interest as a spouse of Susan Castle of 39,896 and 5,457,220 shares directly held.

Options provided as Remuneration and Shares issued on Exercise of Such Options

Details of options provided as remuneration and shares issued on the exercise of such options, together with term and conditions of the options.

Option Holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of BMG Resources Limited and other Key Management Personnel of the Group, including their personally related parties, are set out below.

2017 Directors	Balance at the start of the year	Granted as compensation	Granted during Right Issue	Exercised	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
Directors of BMG Resources Limited Option Holdings								
Non-Executive								
Anthony Trevisan[1]	-	-	22,844,687	-	-	22,844,687	22,844,687	-
Bruce McCracken [2]	2,500,000	-	8,716,687	-	-	11,216,687	8,716,687	2,500,000
Simon Trevisan[3]	-	-	35,106,687	-	-	35,106,687	35,106,687	-
Malcolm Castle[4]	-	-	2,721,110	-	-	2,721,110	2,721,110	-
Greg Hancock (Appointed 6 February 2017)	-	-	-	-	-	-	-	-

1 Relevant interest in 22,844,687 options as Chairman of Transcontinental Investments

2 Relevant interest in 8,641,687 options as a beneficiary of the McCracken Family Trust and 75,000 directly held.

3 Relevant interest in 12,262,000 options as Director of TRG Equity Investments and 22,844,687 options as Director of Transcontinental Investments

4 Relevant interest in 2,721,110 options directly held.

DIRECTORS' REPORT

Options issued as part of Remuneration for the Year ended 30 June 2017

During the year, the Company has not required or used any remuneration consultants and remuneration package with external consultants.

Shares issued on Exercise of Compensation Options

There were no compensation options exercised by Directors or Key Management Personnel during the year ended 30 June 2017.

Loans to/from Key Management Personnel

There were no loans to individuals or directors of the Company during the year ended 30 June 2017 other than accrued directors' fees as noted in the remuneration report.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Transactions with the Company

A number of Key Management Personnel or their related parties hold positions in other Entities that result in them having control or significant influence over the financial or operating policies of those Entities. A number of those Entities transacted with the Company during the year. The terms and conditions of those transactions were no more favorable than those available or, which might reasonably be expected to be available, on similar transactions to unrelated Entities on an arm's length basis.

Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

DIRECTORS' REPORT

The following transaction occurred with related parties for the year ended 30 June 2017.

	2017 ($)	2017 ($)	2016 ($)
Other transactions			
Administration Fee to Transcontinental Investments		-	105,000
Settlement of outstanding liabilities with Transcontinental Investments			
Balance of Accrued Administration Fee as at 01 July 2016	(255,000)		-
Amount waived		40,800	-
Settled by Shares		214,200	-
Balance of Accrued Administration Fee as at 30 June 2017	-		
Balance of loan as at 01 July 2015	-		
Loan provided			168,657
Balance of loan as at 01 July 2016	(348,657)		
Settlement of loan by issue of Shares		347,507	
Settlement of loan with cash		1,150	
Balance of loan as at 30 June 2017	-		-
Value of funds lent to Company by Transcontinental investments during the year and repaid with cash in the same year. (Net transaction value is $0)	43,343		
	(560,314)	**603,657**	**273,657**

*Total outstanding loan to Transcontinental as at 30 June 2016 is $348,657 plus loan provided during this year $43,343 bringing the total loan to $392,000. This was then paid in full during the year, $44,493 paid by cash and $347,507 paid by shares

The aggregate amount recognised during the year relating to Key Management Personnel and their related parties were as follows.

Director	Transaction	Transactions value for the year ended 30 June		Balance outstanding as at 30 June	
		2017 ($)	2016 ($)	2017 ($)	2016 ($)
Anthony Trevisan and Simon Trevisan (Directors and controlling Shareholders of Transcontinental Investments Pty Ltd (TRG))	Administrative fee for office space, telecommunications, office supplies, accounting support and administration and business support services	-	105,000	-	255,000
Anthony Trevisan and Simon Trevisan (Directors and controlling Shareholders of Transcontinental Investments Pty Ltd (TRG))	2017: Settlement of accrued administration fee's and settlement of outstanding loans as at 30 June 2016 2016: Cash loan by Transcontinental Investments as per letter of support provided by TRG	603,657	168,657	-	348,657
		603,657	**273,657**	**-**	**603,657**

* Total outstanding loan to Transcontinental as at 30 June 2016 is $348,657 plus loan provided during this year $43,343 bringing the total loan to $392,000. This has been paid in full, $44,493 paid by cash and $347,507 settled in shares

Notes in relation to the table of related party transactions.

A Company associated with Anthony and Simon Trevisan provides office space, office equipment, supplies, corporate management and administration services in connection with the operations of the Company and amounts are payable on a monthly basis.

Corporate administration services include those services necessary for the proper administration of a small public Company, including:

(a) company secretarial and accounting, corporate governance and reporting and administration support, management of the Company's website, management of third party professional and expert service providers including legal, accounting, tax, audit and investment banking, independent technical expert and other services associated with proper administration of a listed public Company;

(b) operating, marketing, strategic and financial activities required in relation to the Company's Australian mining and exploration projects; and

(c) provision of 'A' grade office space in a central business district office for the Company's main corporate office including use of IT, photocopying and other office equipment and supplies.

The Company capped a monthly fee of $5,000 per month plus GST to Transcontinental Investments Pty Ltd (TRG) plus reimbursement each month for certain costs, expenses paid by TRG on behalf of the Company during the month. From 1 July 2016 TRG has agreed to stop charging the management fee for Administration Services until the Company identifies and acquires a new project, at which time fees payable to TRG will be reconsidered by the Board.

There were no related party transactions to individual or Directors of the Company during the year ended 30 June 2017.

This is the end of the Audited Remuneration Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Entity or 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNIFYING DIRECTORS AND OFFICERS

The Company has made an Agreement to indemnify all the Directors and Officers of the Company against all losses or liabilities incurred by each Director and Officer in their capacities as Directors and Officers of the Company. During the period ended 30 June 2017, the Company paid insurance premiums in respect of Directors and Officers Liability Insurance for Directors and Officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Entity and related joint venture companies to the extent permitted by the *Corporations Act 2001*. On 4^{th} May 2017, the Company paid an insurance premium of $5,827 covering the period 30 April 2017 to 30 April 2018 (2016: $4,740).

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

The Board and the Audit and Risk Committee have considered the non-audit services provided during the financial year by the Auditor and are satisfied that the provision of those non-audit services during the financial year by the Auditor is compatible with, and did not compromise, the Auditor's independence requirements of the *Corporations Act 2001* for the followings reasons:

(a) all non-audit services were subject to the Corporate Governance procedures adopted by the Group; and

(b) the non-audit services provided do not undermine the general principals relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

DIRECTORS' REPORT

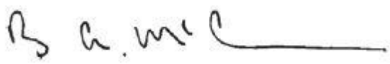
Details of the amount paid to the Auditor of the Group, BDO Audit (WA) Pty Ltd and its related practices for audit and non-audit services provided during the financial year are set out below. In addition, amounts paid to other Auditors for the statutory audit have been disclosed:

	2017 ($)	2016 ($)
Audit and Other Assurance Services		
BDO Audit (WA) Pty Ltd	22,791	35,206
Total remuneration for Audit and Other Assurance Services	**22,791**	**35,206**
Other Service		
BDO Corporate Finance (Preparation of Pro forma balance sheet in a prospectus)	3,060	-
Total remuneration for Other Service	**3,060**	**-**

AUDITORS INDEPENDENCE DECLARATION

The Auditors Independence Declaration for the year ended 30 June 2017 has been received and can be found on page 28.

Signed in accordance with a resolution of the Board of Directors.



Bruce McCracken
Managing Director
Dated at Perth, Western Australia, this 28th September 2017.

CORPORATE GOVERNANCE STATEMENT

The Board is responsible for the overall Corporate Governance of the Company, and it recognises the need for the highest standards of ethical behaviour and accountability. It is committed to administering its corporate governance structures to promote integrity and responsible decision making.

The Company's corporate governance structures, policies and procedures are described in its Corporate Governance Statement which is available on the Company's website at

http://www.bmgl.com.au/corporate/corporate-governance.html

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF BMG RESOURCES LIMITED

As lead auditor of BMG Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of BMG Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	30 June 2017 ($)	30 June 2016 ($)
Revenue from continuing operations	7	8,343	128
Other Income	8	263,983	-
Employee benefits expense	9	(9,000)	(377,390)
Employee options expenses (reversed)		-	116,993
Depreciation and amortisation expense	13	(2,028)	(7,581)
Accounting & audit fee		(34,082)	(53,893)
Management and service fees		-	(105,000)
Corporate and administration expenses		(58,102)	(86,913)
Loss on Disposal	26	-	(2,555,809)
Gain on Foreign Exchange Difference		-	431,798
Other expenses from ordinary activities		(44,493)	(40,432)
Share of net profit/(loss) of associates		(21,627)	-
PROFIT/(LOSS) BEFORE INCOME TAX		**102,994**	**(2,678,099)**
Income tax expense	10	-	-
PROFIT/(LOSS) AFTER INCOME TAX		**102,994**	**(2,678,099)**
Profit is attributable:			
Owners of BMG Resources Limited		**102,994**	**(2,678,099)**
NET PROFIT/(LOSS) FOR THE YEAR		**102,994**	**(2,678,099)**
Other Comprehensive Loss			
Items that may be reclassified to profit or loss			
Changes in foreign operations translation		-	(435,050)
		102,994	**(3,113,149)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**102,994**	**(3,113,149)**
Total comprehensive Profit/(loss) for the year is:			
Attributable to the owners of BMG Resources Limited		**102,994**	**(3,113,149)**
Basic earnings per share (cents per share)	20	0.04	(4.19)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 ($)	30 June 2016 ($)
CURRENT ASSETS			
Cash and cash equivalents	11	1,390,397	29,056
Trade and other receivables	12	3,748	1,795
TOTAL CURRENT ASSETS		**1,394,145**	**30,851**
NON-CURRENT ASSETS			
Property, plant and equipment	13	-	7,112
Investment in Associate		6,637	28,265
TOTAL NON-CURRENT ASSETS		**6,637**	**35,377**
TOTAL ASSETS		**1,400,782**	**66,228**
CURRENT LIABILITIES			
Trade and other payables	14	16,678	17,786
Borrowings	15	-	1,149,292
TOTAL CURRENT LIABILITIES		**16,678**	**1,167,078**
TOTAL LIABILITIES		**16,678**	**1,167,078**
NET ASSETS/(NET ASSET DEFICIENCY)		**1,384,104**	**(1,100,850)**
EQUITY			
Contributed equity	16	42,179,604	39,797,644
Reserves	17	482,777	482,777
Accumulated Loss	18	(41,278,277)	(41,381,271)
TOTAL EQUITY/(DEFICIENCY IN EQUITY)		**1,384,104**	**(1,100,850)**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Contributed Equity ($)	Accumulated Losses ($)	Option Reserve ($)	Foreign Currency Reserve ($)	Total ($)
BALANCE AT 1 JULY 2016	**39,797,644**	**(41,381,271)**	**482,777**	**-**	**(1,100,850)**
Total Profit for the year	-	102,994	-	-	102,994
Foreign exchange movement			-	-	-
Transactions with owners in their capacity as owners:					
Issue of shares under Right Issue	2,556,914	-	-	-	2,556,914
Capital Raising Costs	(174,954)	-	-	-	(174,954)
Employee share options	-	-	-	-	-
BALANCE AT 30 JUNE 2017	**42,179,604**	**(41,278,277)**	**482,777**	**-**	**1,384,104**
BALANCE AT 1 JULY 2015	**39,797,644**	**(38,703,172)**	**599,770**	**435,050**	**2,129,292**
Total loss for the year	-	(2,678,099)	-	-	(2,678,099)
Foreign exchange movement			-	(435,050)	(435,050)
Transactions with owners in their capacity as owners:					
Employee share options	-	-	(116,993)	-	(116,993)
BALANCE AT 30 JUNE 2016	**39,797,644**	**(41,381,271)**	**482,777**	**-**	**(1,100,850)**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Notes	30 June 2017 ($)	30 June 2016 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(253,100)	(174,277)
Interest received		8,343	128
NET CASH (USED IN) OPERATING ACTIVITIES	19	**(244,757)**	**(174,149)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		-	(53,635)
Proceed on sale of subsidiary		-	51,944
Net Cash Disposed of with subsidiary		-	(28,894)
NET CASH (USED IN) INVESTING ACTIVITIES		**-**	**(30,585)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from share issue		1,782,202	-
Transaction costs related to issue of shares		(174,954)	-
Proceeds of Borrowing		43,343	168,657
Repayment of Borrowing		(44,493)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		**1,606,098**	**168,657**
NET INCREASE/(DECREASE) IN CASH HELD		**1,361,341**	**(36,077)**
Cash and cash equivalents at beginning of year		29,056	65,133
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	**1,390,397**	**29,056**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The primary accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Reporting Company

BMG Resources Limited ('the **Group**') is a Company domiciled in Australia. BMG Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Consolidated Financial Report of the Company as at and for the year ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the '**Consolidated Entity'**).

The Group advises that in accordance with ASX Listing Rule 4.10.19 during the financial year ended 30 June 2017 it used its cash and assets that are readily convertible to cash in a way that is consistent with its business objectives.

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

(b) Basis of Preparation

(i) Statement of Compliance

The Consolidated Financial Statements are general purpose Financial Statements for the reporting year ended 30 June 2017 and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001*. BMG Resources Limited is a for profit entity for the purpose of preparing the Financial Statements.

Compliance with IFRS

The Consolidated Financial Statements of BMG Resources Limited Group also comply with the International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB).

The Board of Directors have prepared the financial report on a going concern basis, any additional funding that may be required is anticipated to be obtainable and will allow the Group to continue to fund its operations and further develop their mineral exploration and evaluation assets during the twelve month period from the date of this financial report.

The Financial Statements were approved by the Board of Directors on 28th September 2017.

(ii) Historical cost convention

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

All amounts are presented in Australia dollars, unless otherwise noted.

(c) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts in the Financial Statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are outlined below:

(i) Significant Accounting Judgments

Exploration Expenditure

The write-off and carrying forward of exploration acquisition costs is based on an assessment of an area of interest's viability and/or the existence of economically recoverable reserves. Information may come to light in a later period which results in the asset being written off as it is not considered viable.

(ii) Significant Accounting Estimates and Assumptions

Critical Accounting Estimate

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to Management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

Impairment of Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model.

(d) Adoption of new and revised accounting standards

During the year, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2016.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(e) Summary of Significant Accounting Policies

(i) Principles of Consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all the subsidiaries that BMG Resources Limited ('the **Parent Entity**') has the power to control the Consolidated Entity when the Group is exposed to, or has rights to, variable returns from its involvement with the Consolidated Entity and has the ability to affect those returns through its power to direct the activities of the Consolidated Entity, the financial and operating policies as at 30 June 2017 and the results of all subsidiaries for the year ended 30 June 2017. All inter-company balances and transactions between the Group and the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Consolidated Entity.

Subsidiaries

Subsidiaries are all entities controlled by the Consolidated Entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Consolidated Entity.

In the Consolidated Entity's Financial Statements, investments in subsidiaries are carried at cost. The Financial Statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In preparing the Consolidated Financial Statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from inter-entity transactions have been eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries held by BMG Resources Limited are accounted for at cost in the separate Financial Statements of the Company less any impairment charges. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(ii) Foreign Currency

Functional and presentation currency

Items included in the Financial Statements of each of the Company 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 (A$), which is BMG Resources Limited's functional and presentation currency.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Foreign Operations

The Statement of Profit or Loss and other Comprehensive Income is translated at the average exchange rates for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of the foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(iii) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Strategic Steering Committee.

(iv) Cash and Cash Equivalents

'Cash and cash equivalents' includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(v) Trade and Other Receivables

Trade debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

(vi) Revenue Recognition

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(vii) Investments and Other Financial Assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held‑to‑maturity, re‑evaluates this designation at the end of each reporting date.

Loans and receivables

Loans and receivables are non‑derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non‑current assets. Loans and receivables are included in trade and other receivables and payable in the Statement of Financial Position.

(viii) Exploration and Evaluation Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

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.

Exploration and evaluation expenditure incurred by the Group is accumulated for each area of interest and recorded as an asset if:

A. the rights to tenure of the area of interest are current; and

B. at least one of the following conditions is also met:

   (i) 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; and

   (ii) 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, and active and significant operations in, or in relation to, the areas of interest are continuing.

For each area of interest, expenditure incurred on the Exploration of Tenements throughout Brazil and Cyprus is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. A provision for unsuccessful exploration and evaluation is created against each area of interest by means of a charge to the Statement of Profit or Loss and Other Comprehensive Income. The recoverable amount of each area of interest is determined on a bi-annual basis and the provision recorded in respect of that area adjusted so that the net carrying amount does not exceed the recoverable amount. For areas of interest that are not considered to have any commercial value, or where exploration rights are no longer current, the capitalised amounts are written off against the provision and any remaining amounts are charged against profit. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Property, Plant and Equipment

Items of property, plant and equipment are initially recorded at cost, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, and depreciated. Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on a cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciation amount of all the fixed assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives to the economic entity commencing from the time the asset is held ready to use at the end of each reporting period.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	11 - 33%

(g) Impairment

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that largely are independent from other assets and Groups. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Income Tax Expenses or Benefit

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit. Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities, associates and interests in joint ventures where the Parent Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not be reversed in the foreseeable future. Current and deferred tax balances relating to amounts recognised directly in equity.

BMG Resources Limited and its resident subsidiaries have unused tax losses. However, no deferred tax balances have been recognised, as it is considered that asset recognition criteria have not been met at this time.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount 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.

Cash flows are included in the Statement of Cash Flow 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 authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Consolidated Entity. Trade accounts payable are normally settled within 60 days.

(l) Employee Benefits

Short term Employee Benefit Obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term Employee Benefit Obligations

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The obligations are presented as current liabilities in the Statement of Financial Position if the Entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the followings dates:

(a) when the Company can no longer withdraw the offer of those benefits; and

(b) when the Entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Share-based payments

The fair value of options granted under BMG Resources Limited is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each Statement of Financial Position date, the Entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised in each period takes into account the most recent estimate.

The market value of shares issued to employees for no cash consideration under the Employee Share Scheme is recognised as an employee benefits expense with a corresponding increase in equity when the employees become entitled to the shares.

(m) Share-based Payment Transactions

The grant date fair value of options granted to employees (including Key Management Personnel) is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

Share-based payment arrangements in which the Consolidated Entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Consolidated Entity.

(n) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

(o) Earnings or Loss per share

Basic earnings or loss per share are calculated by dividing the net profit or loss attributable to members of the Parent Entity for the reporting period by the weighted average number of ordinary shares of the Company.

Determination of Fair Values

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the Notes specific to that asset or liability.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(p) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(q) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Entity for the year ended 30 June 2017. These are outlined in the table below.

<table>
<tr><th>AASB reference</th><th>Title</th><th>Summary</th><th>Application date of standard</th><th>Impact on financial report</th><th>Application date for Company</th></tr>
<tr><td>AASB 9 Financial Instruments (December 2010)</td><td>AASB 139 Financial Instruments: Recognition and Measurement</td><td>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 & 2010 and includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning in or after 01 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on more timely basis.

Amendments to AASB 9 issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

(a) Financial assets that are debt instruments will be classified based on:
(1) the objective of the Entity’s business model for managing the financial assets; and
(2) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</td><td>Periods beginning on or after 01 January 2018</td><td>Considering the nature of the Financial Assets and Financial Liabilities that the Company currently holds, at this point, the adoption of AASB 9 is not expected to have a significant impact on the Company’s financial statements.</td><td>01 July 2018</td></tr>
</table>

AASB reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Company
		(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ➢ The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and ➢ The remaining change is presented in profit or loss. AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit and loss.			
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ➢ The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ➢ Share-based payment transactions with a net settlement feature for withholding tax obligations ➢ A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	*It is likely that the impact of this standard being applied will not be material.*	01 July 2018
IFRIC 23	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ➢ Whether an entity considers uncertain tax treatments separately ➢ The assumptions an entity makes about the examination of tax treatments by taxation authorities ➢ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ➢ How an entity considers changes in facts and circumstances.	1 January 2019	*It is likely that the impact of this standard does not apply mandatorily before 1 January 2019, and has not yet made a detailed assessment of this standard.*	01 July 2019

Australian Accounting Standards *AASB15 Revenue from Contracts with Customers* and *AASB 16 Leases* have been issued by the Australian Accounting Standards board as at 30 June 2017. From the date when these standards become effective, based on the consolidated entity's current operations, there will be no impact on the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Entity in the current or future reporting periods.

2. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of components of the Consolidated Entity that are regularly reviewed by the Chief Operating Decision Makers (CODM) in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity has identified the following segments:

(a) Exploration (Cyprus) – consists of the exploration expenditure involved in the search and discovery of minerals;

(the Group has a 30% free carried interest in the Treasure Project in Cyprus;

(b) Corporate (Australia) – includes corporate and other costs incurred by the Parent Entity.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Consolidated Entity's principal activities continue to be in mineral exploration and projects are managed on a project-by-project basis.

(a) Segment Performance

Year ended 30 June 2017

	Exploration (Brazil)	Exploration (Cyprus)	Unallocated	Total Consolidated Entity
External revenues	-	-	272,326	272,326
Corporate and administration	-	-	(101,184)	(101,184)
Depreciation and amortisation expense	-	-	(2,028)	(2,028)
Other expenses	-	-	(44,493)	(44,493)
Share net profit/(loss) associates	-	(21,627)	-	(21,627)
Reportable segment profit before income tax	**-**	**(21,627)**	**124,621**	**102,994**

Year ended 30 June 2016

	Exploration (Brazil)	Exploration (Cyprus)	Unallocated	Total Consolidated Entity
External revenues	-	128	-	128
Corporate and administration	-	(11,416)	(180,498)	(191,914)
Depreciation and amortisation expense	-	(4,714)	(2,867)	(7,581)
Loss on Disposal	-	-	(2,555,809)	(2,555,809)
Employees shares based payments	-	-	116,993	116,993
Gain on Foreign Exchange Difference	-	-	431,798	431,798
Other expenses	(913)	(14,376)	(456,425)	(471,714)
Reportable segment profit before income tax	**(913)**	**(30,378)**	**(2,646,808)**	**(2,678,099)**

(b) Segment Assets and Liabilities

Year ended 30 June 2017

	Exploration (Brazil)	Exploration (Cyprus)	Unallocated	Total Consolidated Entity
Assets				
Current assets	-	-	1,394,145	1,394,145
Property, plant & equipment	-	-	-	-
Exploration and evaluation expenditure	-	6,637	-	6,637
Total Segment Assets	**-**	**6,637**	**1,394,145**	**1,400,782**
Current liabilities	-	-	16,678	16,678
Total Segment Liabilities	**-**	**-**	**16,678**	**16,678**
Net Assets/(Liabilities) Employed	**-**	**6,637**	**1,377,467**	**1,384,104**

Year ended 30 June 2016

	Exploration (Brazil)	Exploration (Cyprus)	Unallocated	Total Consolidated Entity
Assets				
Current assets	-	-	30,851	30,851
Property, plant & equipment	-	-	7,112	7,112
Exploration and evaluation expenditure	-	28,265	-	28,265
Total Segment Assets	**-**	**28,265**	**37,963**	**66,228**
Current liabilities	-	-	(1,167,078)	(1,167,078)
Total Segment Liabilities	**-**	**-**	**(1,167,078)**	**(1,167,078)**
Net Assets/(Liabilities) Employed	**-**	**28,265**	**(1,129,115)**	**(1,100,850)**

3. CONTINGENT LIABILITIES

The Board is not aware of any circumstance or information which leads them to believe there are any contingent liabilities outstanding as at 30 June 2017.

4. DIVIDENDS

The Company has not paid or provided for dividends during this year.

5. SHARE BASED PAYMENTS

The primary purpose of the Director options is to provide incentive to the participating Directors to drive the Company's assets forward. All options granted to Key Management Personnel are over ordinary shares in BMG Resources Limited, which confer a right of one ordinary share for every option held.

Employee Option Plan

The Employee Option Plan is designed to provide long-term incentives for Senior Managers and above (including Executive Directors) to deliver long-term Shareholder returns.

There were no options issued under the employee option plan in the 2017 financial year.

Options granted under the plan for no consideration, and options granted under the plan carry no dividend or voting rights.

Set out below are summaries of options under the plan:

2017 Grant Date	Expiry Date	Exercise price	Balance at start of the year number	Granted during the year number	Expired during the year number	Shares Consolidation of 1 for 10 Basis*	Balance at end of the year number	Vested and exercisable at end of the year number
13/12/2013	13/12/2016	$0.35	500,000	-	(500,000)	-	-	-
09/12/2011	01/07/2016	$2.00	140,000	-	(140,000)	-	-	-
09/12/2011	01/07/2016	$2.20	260,000	-	(260,000)	-	-	-
Total			**900,000**		**(900,000)**	**-**	-	-
Weight average exercise price			$1.14	-	-	-	-	-

2016 Grant Date	Expiry Date	Exercise price	Balance at start of the year number	Granted during the year number	Expired during the year number	Shares Consolidation of 1 for 10 Basis*	Balance at end of the year number	Vested and exercisable at end of the year number
13/12/2013	13/12/2016	$0.35	500,000	-	-	-	500,000	500,000
09/12/2011	01/07/2016	$2.00	140,000	-	-	-	140,000	140,000
09/12/2011	01/07/2016	$2.20	260,000	-	-	-	260,000	260,000
Total			**900,000**		**-**	**-**	**900,000**	**900,000**
Weight average exercise price			$1.14	-	-	-	$1.14	$1.14

Options Expensed

There is no options expense recognised in the year to 30 June 2017.

In the year to 30 June 2016, the Directors reviewed the performance options then on issue and assessed the likelihood of satisfying the performance conditions which relate to the Treasure Project in Cyprus. Following the sale of 70% of the Treasure Project, the Directors assessed that it was unlikely the performance conditions would be met. As a result, the share based payment expense relating to those performance conditions was reversed in the year.

Expenses arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2017 ($)	2016 ($)
Share-based payment		
Reversal of shared based payment	-	(116,993)
	-	**(116,993)**

6. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company and the Consolidated Entity have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information about the Company's and Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and the management of capital.

The Group's Risk Management Framework is supported by the Board, Management and the Audit and Risk Committee. The Board is responsible for approving and reviewing the Company's and Consolidated Entity's Risk Management Strategy and Policy. Management is responsible for monitoring appropriate processes and controls that are in place to effectively and efficiently manage risk. The Audit and Risk Committee is responsible for identifying, monitoring and managing significant business risks faced by the Company and Consolidated Entity and considering the effectiveness of its internal control system. Management and the Audit and Risk Committee report to the Board.

The Board has established an overall Risk Management Policy which sets out the Company's and Consolidated Entity's system of risk oversight, management of material business risks and internal control.

The Consolidated Entity holds the following financial instruments:

	2017 ($)	2016 ($)
Financial assets		
Cash and cash equivalents	1,390,397	29,056
	1,390,397	**29,056**
Financial liabilities		

Trade and other payable	16,178	17,786
Borrowings	-	1,149,292
	6,178	**1,167,078**

(b) Financial Risk Management Objectives

The overall financial Risk Management Strategy focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on financial performance and protect future financial security.

(c) Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For the Company it arises from receivables and cash held due from subsidiaries. The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	2017 ($)	2016 ($)
Cash at bank and short-term bank deposits		
Cash at bank	1,390,397	29,056
	1,390,397	**29,056**

Exposure to Credit Risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	2017 ($)	2016 ($)
Cash and cash equivalents	1,390,397	29,056
Total	**1,390,397**	**29,056**

(d) Liquidity Risk

Liquidity risk arises from the financial liabilities of the Consolidated Entity and the Consolidated Entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors. The Board has determined an appropriate Liquidity Risk Management Framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than 6 months	6 – 12 months	Total	Carrying Amount
Group – as at 30 June 2017	$	$	$	$
Trade payables	16,178	-	16,178	16,178
Total	**16,178**	**-**	**16,178**	**16,178**
Group – as at 30 June 2016	$	$	$	$
Trade payables	17,786	-	17,786	17,786
Loan from TRG (Non-interest bearing)	348,657	-	348,657	348,657
Accrued Management Fee	255,000	-	255,000	255,000
Accrued Directors' Fee	545,635	-	545,635	545,635
Total	**1,167,078**	**-**	**1,167,078**	**1,167,078**

(e) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices and affect the Consolidated Entity'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 return.

Foreign Currency Risk

The Consolidated Entity is exposed to currency risk on financial assets or liabilities that are denominated in a currency other than the respective functional currencies of the Consolidated Entity's, the Australian Dollar (AUD) for Parent Entity and US Dollars and Euro (EUR) for the subsidiaries of Consolidated Entity.

At the end of the reporting period the Group did not have any exposure to fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows since it had no financial assets and liabilities denominated in foreign currency.

The Consolidated Entity is exposed to changes in foreign exchange rates as it has operational liabilities in Euro. There has been no material exposure to non-functional currency amounts during the financial year.

Interest Rate Risk

The Consolidated Entity's exposure to interest rates primarily relates to the Consolidated Entity's cash and cash equivalents. The Consolidated Entity manages market risk by monitoring levels of exposure to interest rate risk and assessing market forecasts for interest rates.

Profile

At the reporting date the interest rate profile of the Consolidated Entity's interest bearing financial instruments was:

	2017 ($)	2016 ($)
Financial Assets	1,390,397	29,056
	1,390,397	**29,056**

The Group manages its interest rate risk by monitoring available interest rates while maintaining an overriding position of security whereby the majority of cash and cash equivalents are held in AA-rated bank accounts. The Group's exposure to interest rate risk and effective weighted average interest rate by maturing periods is set out in tables below.

	Weighted Average Effective Interest Rate	Floating Interest Rate ($)	Maturing within 1 Year	Non- Interest Bearing ($)	Total ($)
	2017	2017	2017	2017	2017
Financial Assets					
Cash and cash equivalents	1.5%	1,390,397	-	-	1,390,397
Total Financial Assets	**-**	**1,390,397**	**-**	**-**	**1,390,397**
Trade and other payables	-	-	-	16,178	16,678
Total Financial Liabilities	**-**	**-**	**-**	**16,178**	**16,678**

	Weighted Average Effective Interest Rate	Floating Interest Rate ($)	Maturing within 1 Year	Non- Interest Bearing ($)	Total ($)
	2016	2016	2016	2016	2016
Financial Assets					
Cash and cash equivalents	1.25%	29,056	-	29,056	29,056
Total Financial Assets	**-**	**29,056**	**-**	**29,056**	**29,056**
Trade and other payables	-	-	-	1,167,078	1,167,078
Total Financial Liabilities	**-**	**-**	**-**	**1,167,078**	**1,167,078**

Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The Board assessed a 100 basis point movement as being reasonably possible based on forward treasury rate projections. This analysis assumes that all other variables remain constant.

A change of 100 basis points in interest rates would have increased or decreased the Consolidated Entity's profit or loss by $13,904 (2016: $290).

	+1% (100 basis points) ($)	-1% (100 basis points) ($)	+1% (100 basis points) ($)	-1% (100 basis points) ($)
	2017	2017	2016	2016
Cash and cash equivalents	13,904	(13,904)	290	(290)
	13,904	**(13,904)**	**290**	**(290)**

(f) Capital Management

When managing capital, the Board's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other Stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Consolidated Entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing Management may issue new shares, sell assets to reduce debt.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position although there is no formal policy regarding gearing levels whilst this position has not changed.

The Consolidated Entity has no formal financing and gearing policy or criteria during the year having regard to the early status of its development and low level of activity. This position has not changed from the previous year.

(g) Fair value measurements

The fair values of financial assets and liabilities are determined in accordance with generally accepted pricing models based on estimated future cash flow. There are currently no assets and liabilities which require fair valuing under the measurement hierarchy. Due to their short-term nature, the carrying amounts of the current receivables, current payables and current borrowings are assumed to approximate their fair value.

7. REVENUE FROM CONTINUING OPERATIONS

	2017 ($)	2016 ($)
Interest received from continuing operation	8,343	128
	8,343	**128**

8. OTHER INCOME

	2017 ($)	2016 ($)
Waiver of Directors' Fee's accrued	223,183	-
Waiver of Management Fee liability	40,800	-
	263,983	**-**

The Directors' fee and management fee reduction relates to the forgiveness of accrued directors' fee and management fees that had been accrued to 30 June 2016 (refer page 17)

9. EMPLOYEE BENEFITS EXPENSE

	2017 ($)	2016 ($)
Directors' fees	(9,000)	(351,917)
Superannuation	-	(20,710)
Other personnel expenses	-	(4,763)
	(9,000)	**(377,390)**

10. INCOME TAX

	2017 ($)	2016 ($)
Income tax benefit		
Tax Rates	27.5%	30%
The potential tax benefit in respect of tax losses not brought into account has been calculated at 27.5%.		
Numerical reconciliation between tax expenses and pre-tax net loss		

Income tax benefit at the beginning of the year	-	-
Profit/(Loss) before income tax expense	102,994	(2,678,099)
Income tax benefit/(expenses) calculated at rates noted above	28,323	(803,430)
Tax effect on amounts which are not tax deductible	10,520	(13,923)
Financial asset impairment	-	-
Write off of exploration costs	-	828,703
Tax effect on timing differences	(8,703)	9,040
Tax effect on non-assessable income	(72,595)	(167,523)
Tax effect on deductible capital raising costs/other	(39,841)	(34,054)
Deferred tax asset on tax losses not brought to account	82,296	181,187
Income tax benefit	-	-
Net deferred tax assets not brought to account		
Unused tax losses	9,795,954	9,496,872
Timing differences	14,000	48,143
Capital raising cost in equity	180,994	133,011
Tax at 27.5% (2016: 30%)	**2,747,511**	**2,903,408**

The benefit for tax losses will only be obtained if:

(a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the Company continues to comply with the conditions for deductibility imposed by Law; and

(c) no changes in tax legislation adversely affect the ability of the Company to realise these benefits.

11. CASH AND CASH EQUIVALENTS

	2017 ($)	2016 ($)
Cash at bank and on hand	1,390,397	29,056
	1,390,397	**29,056**

During this half year, the Company completed a right issue raising for a total value of $1,792,629 in cash and $774,712 was non-cash due to converting liabilities to shares. The movement in cash for the period is shown on the Consolidated Statement of Cash Flows on page 32.

(a) Reconciliation to cash at the end of the year

	2017 ($)	2016 ($)
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:		
Balances as above	1,390,397	29,056
Balances per Statement of Cash Flows	**1,390,397**	**29,056**

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 6. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are discussed in Note 6.

12. OTHER RECEIVABLES

	2017 ($)	2016 ($)
CURRENT		
Taxation receivables	3,748	1,795
	3,748	**1,795**

13. PROPERTY, PLANT AND EQUIPMENT

	2017 ($)	2016 ($)
Year Ended 30 June 2017		
At 1 July, net of accumulated depreciation	7,112	41,447
Movement in foreign currency assets	-	809
Disposal	-	(8,161)
Asset in subsidiary disposed of	-	(19,402)
Assets written off	(5,084)	-
Depreciation Charge for the year	(2,028)	(7,581)
At 30 June 2017, net of accumulated depreciation	**-**	**7,112**
At 30 June 2017		
Cost	-	37,521
Accumulated Depreciation	-	(30,409)
Net carrying amount	**-**	**7,112**

14. TRADE AND OTHER PAYABLES

	2017 ($)	2016 ($)
CURRENT LIABILITIES		
Trade creditors and accruals	16,678	17,786
	16,678	**17,786**

(a) Risk exposure

Information about the Group's exposure to foreign exchange risk in relation to trade creditor and other payables is provided in Note 6.

15. BORROWINGS

	2017 ($)	2016 ($)
CURRENT LIABILITIES		
Borrowings (Transcontinental Investments)*	-	348,657
Other creditors (Accrued Management Fees)	-	255,000
Other creditors (Accrued Directors Fee) **	-	545,635
	-	**1,149,292**

*There is no interest charge on this loan and it was fully repaid on 19 January 2017.
**All Accrued Directors' fees have been settled by the issue of shares net of the written off. (Refer page 17).

16. CONTRIBUTED EQUITY

A reconciliation of the movement in capital and reserves for the Company can be found in the Statement of Changes in Equity.

	2017 ($)	2016 ($)
Contributed equity as at 1 July	39,797,644	39,797,644
Conversion of Transcontinental Investments cash advance loan to equity under Right Issue	347,507	-
Conversion of Transcontinental Investments accrued management fees to equity under Right Issue	214,200	-
Conversion of Mr McCracken's accrued director fees to equity under Right Issue	139,467	-
Conversion of Mr Eager's accrued director fees to equity under Right Issue	30,000	-
Conversion of Mr Castle 's accrued director fees to equity under Right Issue	43,538	-
Issue of shares under Rights Issue for cash	1,792,628	
Capital Raising Costs	(174,954)	
Cash refund for unissued shares	(10,426)	-
	42,179,604	**39,797,644**

(a) Movements of share capital during the year

Date	Details	No of shares	Issue price ($)	$
01.07.2016	Opening Balance	63,922,852	-	39,797,644
16.12.2016	Conversion of Transcontinental Investments cash advance loan to equity under Right Issue	43,438,375	$0.008	347,507
16.12.2016	Conversion of Transcontinental Investments accrued management fees to equity under Right Issue	26,775,000	$0.008	214,200
16.12.2016	Conversion of Bruce McCracken's accrued director fees to equity under Right Issue	17,433,375	$0.008	139,467
16.12.2016	Conversion of Christopher Eager's accrued director fees to equity under Right Issue	3,750,000	$0.008	30,000
16.12.2016	Conversion of Malcolm Castle 's accrued director fees to equity under Right Issue	5,442,220	$0.008	43,538
16.12.2016	Issue of shares under Rights Issue for cash	222,775,290	$0.008	1,792,628
16.12.2016	Capital Raising Costs			(174,954)
14.03.2017	Cash refund for unissued shares			(10,426)
Closing Balance as at 30/06/2017		**383,537,112**	-	**42,179,604**

Ordinary Shares

The holder of Ordinary Shares is entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Company does not have a limited amount of authorised capital.

Options

During or since the end of the year, the unissued ordinary shares of the Company under unlisted option were as follows.

Date of Expiry	Exercise Price	Balance at beginning of year	Granted during the year	Number Exercised	Options Lapsed during period	Balance at end of year
01/07/2016	$2.00	140,000	-	-	(140,000)	-
01/07/2016	$2.20	260,000	-	-	(260,000)	-
15/10/2016	$0.35	500,000	-	-	(500,000)	-
15/10/2016	$0.50	500,000	-	-	(500,000)	-
30/06/2019	$0.02	-	159,807,122*	-	-	159,807,122
3 years from the vesting date	$0.35	500,000	-	-	-	500,000
3 years from the vesting date	$0.40	500,000	-	-	-	500,000
3 years from the vesting date	$0.45	500,000	-	-	-	500,000
3 years from the vesting date	$0.50	1,000,000	-	-	-	1,000,000
3 years from the vesting date	$0.35	300,000	-	-	(300,000)	-
3 years from the vesting date	$0.40	300,000	-	-	(300,000)	-
3 years from the vesting date	$0.45	300,000	-	-	(300,000)	-
3 years from the vesting date	$0.50	800,000	-	-	(800,000)	-
		5,600,000	**159,807,122**	**-**	**(3,100,000)**	**162,307,122**

*Options issued during rights issue on 1 December 2016. Pro rata offer of five (5) new shares for every one (1) Share held by shareholders at an issue price of $0.008 per new shares, with one (1) free attaching option exercisable at $0.02 each on or before 30 June 2019 for every (2) new shares issued.

The weighted average remaining contractual life of share options outstanding at the end of the period was 2 years (2016–0.002 years).

17. RESERVES

	2017 ($)	2016 ($)
Reserve at the beginning of the year	482,777	1,034,820
Foreign exchange movement	-	(435,050)
Share based payment	-	(116,993)
Reserve at the end of the year	**482,777**	**482,777**

(a) Option Reserve

The option reserve is used to record the value of the share based payments provided to employees, consultants and for options issued pursuant to any acquisitions or in exchange for services.

(b) Foreign Currency Reserve

The foreign currency reserve records foreign currency differences arising from the translation of Financial Statements of all foreign controlled subsidiaries.

18. ACCUMULATED LOSS

	2017 ($)	2016 ($)
Accumulated loss at the beginning of the year	**(41,381,271)**	**(38,703,172)**
Net profit / (loss) attributable to shareholders	102,994	(2,678,099)
Accumulated loss at end of the year	**(41,278,277)**	**(41,381,271)**

19. CASH FLOW INFORMATION

	2017 ($)	2016 ($)
Reconciliation of cash flow from operating activities with the loss from continuing operations after income tax:		
Non-cash flows in profit from ordinary activities		
Net Profit after Income Tax	102,994	(2,678,099)
Depreciation & Amortisation	2,028	7,581
Employee option expense	-	(116,993)
FX realised on deconsolidation of foreign operation	-	107,270
Loss on Disposal	-	2,555,809
Asset written off	5,084	-
Debt forgiveness Directors Fees and Management Fees	(263,983)	
Exchange movement	-	(431,798)
Changes in assets & liabilities net of purchase & disposal of subsidiaries		
(Increase)/Decrease in receivables	-	3,560
(Increase)/Decrease in investment in associate	21,627	
Increase/(Decrease) in trade creditor	(112,507)	(31,891)
Increase in accrued management fee	-	105,000
Increase in accrued director fees	-	305,412
Cash flow from Operating Activities	**(244,757)**	**(174,149)**

Non -cash Financing Activities:

During the year, the company settled the prior year accrued Directors fees, Management fee payable to Transcontinental Investments and outstanding loan to Transcontinental Investment has been paid in full by issue of shares. (Refer page 17)

20. EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2017 was based on the profit attributable to ordinary Shareholders of $102,994 (2016: $2,678,099) and a weighted average number of ordinary shares outstanding during the year of 235,551,332 (2016: 63,922,852). The following reflects the income and share data used in the calculations of basic earnings per share:

		2017 ($)	2016 ($)
(a)	**Reconciliation of earnings to profit or loss**		
	Net profit / (loss) used in calculating basic earnings per share	102,994	(2,678,099)
(b)	**Weighted average number of ordinary shares outstanding during the year**		
	Weighted average number of ordinary shares used in calculating basic earnings per share	235,551,332	63,922,852

The basic and diluted earnings per share are the same as there are no dilutive effects on earnings as the effect of the exercise of share options would be to decrease the earnings per share.

21. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 September 2017, the Company has issued a total of 2,500,000 new ordinary shares at issue price of the shares ($0.01 per share) to Azure Capital Investment as payment for professional consultancy services provided.

There are no other matters or circumstances that have arisen since the reporting date.

22. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the Auditor of the Entity and its related parties.

	2017 ($)	2016 ($)
Audit and Other Assurance Services		
BDO Audit (WA) Pty Ltd	22,791	35,206
Total remuneration for Audit and Other Assurance Services	**22,791**	**35,206**
BDO (WA) Pty Ltd - Other Service		
BDO (WA) Pty Ltd - Preparation of Pro forma balance sheet	3,060	-
Total remuneration for BDO Audit (WA) Pty Ltd - Other Service	**3,060**	**-**

23. COMMITMENTS

Management Fees Commitment

From 1 July 2016 TRG has agreed to stop charging the management fee for Administration Services until the Company identifies and acquires a new project, at which time fees payable to TRG will be reconsidered by the Board.

There is no commitment as at 30 June 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. RELATED PARTY INFORMATION

Parent Entity

The legal Parent Entity within the Group is BMG Resources Limited. BMG owns 30% of the issued ordinary shares of Treasure Development Limited (directly).

Wholly-owned Group transactions

Loans made by BMG Resources Limited to wholly-owned subsidiary companies are contributed to meet required expenditure payable on demand and are not interest bearing.

Key Management Personnel

The individual Directors and Executives compensation comprised as at 30 June 2017. During the year, the company settled the prior year accrued Directors fees by Issue of shares (Refer page 17).

	2017 ($)	2016 ($)
Short-term employee benefits		
Christopher Eager [1]	-	54,000
Bruce McCracken [2]	(132,335)	178,000
Malcolm Castle [3]	(12,848)	40,000
Greg Hancock [4]	9,000	-
	(136,183)	**272,000**
Post- employee benefits		
Bruce McCracken	-	16,910
Malcolm Castle	-	3,800
	-	**20,710**
Share-based payments		
Bruce McCracken	-	(68,751)
Michael Green[5]	-	(48,242)
	-	**(116,993)**

1. Mr Eager resigned on 15 April 2016.
2. Mr McCracken has agreed not to receive any director fee until new project acquired, at which time director s' remuneration will be discussed in due course by the Board. The negative $132,335 represents the reduction of the prior year accrued director's fee which has been agreed by Mr McCracken. For more information refer to right issue prospectus on 01 December 2016.
3. Mr Castle has agreed not to receive any director fee until new project acquired, at which time director s' remuneration will be discussed in due course by the Board. The negative $12,848 represents the reduction of the prior year accrued director's fee which has been agreed by Mr Castle. For more information refer to right issue prospectus on 01 December 2016.
4. Mr Greg Hancock was appointed as Director on 6 February 2017. He received $3,000 per month as remuneration from period April 2017 – June 2017
5. Mr Green resigned on 15 April 2016

Detailed remuneration disclosures are provided in the Remuneration Report on pages 11 to 25.

Transactions with Related Parties

During this year, all the accrued directors' fee and management fees have been settled by shares and partial forgiveness of accrued directors' fee and management fees that had been accrued to 30 June 2016.

From 1 July 2016 TRG has agreed to stop charging the management fee for Administration Services until the Company identifies and acquires a new project, at which time fees payable to TRG will be reconsidered by the Board.

There were no other related party transactions to Directors of the Company, or other related during the year ended 30 June 2017.

Loans to/from Related Parties

There were no loans to individual or Directors of the Company during the year ended 30 June 2017.

Individual Key Management Personnel Compensation Disclosures

Information regarding individual Key Management Personnel compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report.

Other Key Management Personnel Transactions with the Company

A number of Key Management Personnel or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Other than director fees, there were no transactions with the entities.

For details refer to the Remuneration Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. PARENT ENTITY INFORMATION

The following details information related to the Parent Entity, BMG Resources Limited, as at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2017 ($)	2016 ($)
Current assets	1,394,144	30,851
Non-current assets	-	7,112
Investment and Financial Assets	-	-
Total Assets	**1,394,144**	**37,963**
Current liabilities	(16,678)	(1,167,078)
Total Liabilities	**(16,678)**	**(1,167,078)**
Net Assets/(Liabilities)	**1,377,466**	**(1,129,115)**
Contributed equity	42,179,604	39,797,644
Retained earnings/(accumulated losses)	(41,284,914)	(41,409,535)
Option reserve	482,776	482,776
Total Equity/(Deficiency in Equity)	**1,377,466**	**(1,129,115)**
Profit for the year	124,621	(3,131,628)
Other comprehensive (loss) for the year	-	-
Total Comprehensive (loss) for the Year	**124,621**	**(3,131,628)**

There are no other separate commitments and contingencies for parent entity as at 30 June 2017.

26. LOSS ON DISPOSAL OF SUBSIDIARY

	2017 ($)	2016 ($)
Proceed on sale of subsidiary	-	51,944
Assets of disposal Group held for sale	-	
Cash	-	(29,431)
Liabilities Assumed	-	102,635
Property, Plant and Equipment	-	(19,402)
Exploration and Evaluation Expenditure	-	(2,839,826)
Foreign Exchange movement	-	178,271
Loss on Disposal	**-**	**(2,555,809)**

On 15 April 2016, the Group completed the sale of 70% of majority interest in Treasure Development Limited (TDL) to New Cyprus Copper Company Limited (NCCC).

The key commercial terms for the divestment were as follows:

- New Cyprus acquired an initial 70% interest in TDL;
- New Cyprus assumed ongoing responsibility for all costs and liabilities associated with the operation of TDL and the Treasure Project, including exploration expenditure and maintaining the tenements in good standing;
- Following Completion, New Cyprus paid BMG €35,000 (A$ 51,944) and $79,917 of liabilities relating to the Treasure Project were transferred to New Cyprus;
- New Cyprus will undertake an initial 2 year exploration plan as agreed between the parties. Once completed, BMG will transfer to New Cyprus an additional 20% of the TDL (bringing New Cyprus's interest to 90%) and retain a 10% free carried interest in TDL;
- New Cyprus may increase its interest in TDL to 100% by acquiring the remaining 10% of TDL by either:
    - Payment to BMG of $2 million in cash within 12 months of reaching its 90% interest; or

Payment to BMG of a 1% Net Smelter Royalty from any future production and 10% share of net profits until $2 million is received by BMG.

DIRECTORS' DECLARATION

In the opinion of the Directors of BMG Resources Limited (**Company**):

(a) the Financial Statements and Notes set out on pages 29 to 64, are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of their performance, for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1; and

(c) 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* by the Financial Officer for the financial year ended 30 June 2017.

Signed in accordance with a resolution of the Directors.

Bruce McCracken
Managing Director
Dated at Perth, Western Australia, this 28th September 2017.

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INDEPENDENT AUDITOR'S REPORT

To the members of BMG Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of BMG Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) 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 *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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Settlement of Related Party Liabilities

Key audit matter	*How the matter was addressed in our audit*
During the year ended 30 June 2017, the company settled liabilities for accrued director fees, accrued management fees and related party loans (collectively the 'Liabilities') by way of either the issue of shares, payment of cash or the counterparties agreeing to forgive an amount of the Liabilities. The Group recorded a gain of $263,983 in Other Income on the settlement of the Liabilities as disclosed in Note 8 of the financial report. Details of the shares issued to settle the Liabilities are disclosed in Note 16 of the financial report. The accounting for the settlement of the Liabilities is a key audit matter due to it being a significant transaction with related parties.	Our procedures included, but were not limited to the following: • Obtaining confirmations from the related parties of the Liabilities which have been forgiven and settled during the year, and the balances of any amounts owing at 30 June 2017; • Agreeing the settlement of the Liabilities to supporting documentation; • Assessing the accounting for the settlement of the Liabilities with reference to the applicable accounting standards; • Recalculating the amounts recorded in share capital and profit or loss arising from the settlement of the Liabilities; and • Assessing the adequacy of the related disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the unaudited information contained in the directors' report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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 ability of the group 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 has 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 (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.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 11 to 25 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of BMG Resources Limited, for the year ended 30 June 2017, 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.

BDO Audit (WA) Pty Ltd

BDO

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Director

Perth, 28 September 2017

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 25 September 2017.

(a) Distribution of equity securities

Holding	Shares	Options
	Number of Holders	
1 - 1,000	215	3
1,001 - 5,000	164	9
5,001 - 10,000	92	3
10,001 - 100,000	200	17
100,001 and over	224	64
	895	**96**

There were 575 holders of less than a marketable parcel of ordinary shares.

(b) Top twenty shareholders

	Listed Fully Paid Ordinary Shares	Number of Shares	Percentage of Shares
1	TRANSCONTINENTAL INVESTMENTS	47,278,177	12.25%
2	MR MICHAEL HSIAU YUN LAN	19,301,854	5.00%
3	TRG EQUITY INVESTMENTS PTY LTD	18,900,000	4.90%
4	MR BRUCE MCCRACKEN	18,253,375	4.73%
5	1215 CAPITAL PTY LTD	16,596,361	4.30%
6	JOJO ENTERPRISES PTY LTD	12,232,698	3.17%
7	TRG EQUITY INVESTMENTS	10,168,800	2.63%
8	A22 PTY LIMITED	9,000,000	2.33%
9	MRS LEONI DOLORES KAPLAN	7,000,000	1.81%
10	MR MICHAEL MCMAHON	6,800,000	1.76%
11	MR DOBRIVOJ KOLUNDZIJA	6,659,333	1.73%
12	MR VINCENZO BRIZZI &	6,319,610	1.64%
13	AUSEPEN PTY LTD	6,000,000	1.55%
14	TRANSCONTINENTAL RESOURCES	5,879,985	1.52%
15	MR MALCOLM CASTLE	5,442,220	1.41%
16	JOLUK INVESTMENTS PTY LTD	5,000,000	1.30%
17	NEWTON6 PTY LIMITED	4,929,883	1.28%
18	MR SHAUN FACTOR &	4,225,380	1.09%
19	ARIBEC SUPERCO PTY LTD	4,000,000	1.04%
20	MR MARK JOHN BAHEN &	4,000,000	1.04%
		217,987,676	**56.47%**

ASX ADDITIONAL INFORMATION

(c) Top twenty Option Holders

		Number of Options	Percentage of Options
1	TRANSCONTINENTAL INVESTMENTS	22,844,687	14.30%
2	MR PETER ANDREW PROKSA	14,000,000	8.76%
3	JOJO ENTERPRISES PTY LTD	12,866,349	8.05%
4	MR BRUCE MCCRACKEN	8,641,687	5.41%
5	TRG EQUITY INVESTMENTS PTY LTD	7,875,000	4.93%
6	MR MATTHEW CHARLES NEWHAM	7,240,000	4.53%
7	MR AARON JERMAINE PROKSA	7,000,000	4.38%
8	MR MICHAEL HSIAU YUN LAN	6,894,833	4.31%
9	BT PORTFOLIO SERVICES LIMITED	5,721,957	3.58%
10	MR ROBERT HEASLOP	5,000,000	3.13%
11	TRG EQUITY INVESTMENTS	4,237,000	2.65%
12	MR DAVID FAGAN	4,000,000	2.50%
13	KARAKORAM NO2 PTY LTD	4,000,000	2.50%
14	KOBIA HOLDINGS PTY LTD	3,500,000	2.19%
15	MR MALCOLM CASTLE	2,721,110	1.70%
16	MR VINCENZO BRIZZI &	2,549,838	1.60%
17	MR BIN LIU	2,460,000	1.54%
18	MR MARK JOHN BAHEN &	2,288,783	1.43%
19	ALLORA EQUITIES PTY LTD	2,059,904	1.29%
20	MR JAMES WILLIAM BUCKLEY	2,000,000	1.25%
		127,901,148	**80.03%**

(d) Substantial Shareholders

The names of Substantial Shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares	Percentage of Shares
TRANSCONTINENTAL INVESTMENTS	47,278,177	12.25%
MR MICHAEL HSIAU YUN LAN	19,301,854	5.00%

ASX ADDITIONAL INFORMATION

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(f) Unlisted Options

The Company’s Managing director, Mr Bruce McCracken holds 2,500,000 options over ordinary shares in the Company, with an exercise price of between $0.35 and $0.50, these options are unvested. Refer to note 16, page 58 for further detail.

(g) Cash Usage

Since the time of listing on the ASX, the Entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of the ASX in a manner which is consistent with its business objectives.

SCHEDULE OF MINING TENEMENTS AND INTERESTS

The Treasure Project, of which BMG currently owns a 30% interest, now comprises 10 exploration licences for a total of 36.654km^2.

Project	Licence number	Status	Interest (%)
BLACK PINE	EA4589	granted	100
	EA4590	granted	100
	EA4591	granted	100
	EA4610	granted	100
	EA4612	granted	100
VRECHIA	EA4457	granted	100
KALAVASSOS	AE4607	granted	100
	AE4608	granted	100
KAMBIA	EA4447	granted	100
	EA4448	granted	100