16 August 2017

FINDINGS OF CORPORATE REVIEW

KEY POINTS

- Taxation, corporate governance, compliance and disclosure issues identified after an extensive due diligence process.
    - Remediation steps undertaken on all substantive issues identified.
    - Tax related liabilities (including interest and penalties) in Australia and Mali have been quantified (approximately $1.8 million) and seeking reduction for voluntary/amended disclosure.
    - Disclosure of additional contingent non–tax liabilities totalling $386,533 (USD300,800).
    - Materially restated valuation of shares, options and performance rights.
- Significant advances to the Company's Goulamina Project in Mali during the period of voluntary suspension.
- Solid corporate foundation now in place.
- Proposal to be submitted to the ASX for the reinstatement of Birimian's securities to trading.

INTRODUCTION

Birimian Limited (ASX:BGS) (**Birimian** or the **Company**) wishes to:

- update shareholders on the outcome of the internal corporate review (the **Review**) on the Company and its subsidiaries (together the **Group**) undertaken during the past four months; and
- report on findings and measures taken, or proposed to be taken, to resolve the matters identified during the Review, including notifying shareholders of the corporate governance measures which have now been adopted.

BIRIMIAN

BACKGROUND TO SUSPENSION

The Company's securities have been suspended from trading on the ASX since 2 May 2017. As previously announced (*BGS 2 May 2017*), the Board informed the market that it would not seek to have the ASX suspension lifted until it was in a position to provide shareholders with more information about the impact of the Review.

Principal issues of concern which were identified related to potential liabilities relating to the non-payment or underpayment of taxes in Australia and Mali; arrangements in place for payment of the former managing director Mr Kevin Joyce's (**Mr Joyce**) salary; the manner and means by which certain shares, options and performance rights to entities associated with former directors were granted, serious corporate governance related matters and various disclosure issues, including misstatement of the Company's accounts.

REVIEW OUTCOMES

1 Appointment of Advisers and Technical Experts

Birimian engaged:

- PricewaterhouseCoopers (**PwC**) to advise the Company on certain Australian taxation matters.

- EGCC International, an accounting and audit firm based in Bamako, Mali, to conduct due diligence and audit its three Malian subsidiary companies.

- Gilbert + Tobin to provide Australian legal advice.

- Edward Nathan Sonnenbergs Inc. (**ENS Africa**), to provide advice on Mali mining law and practice, the status of the Company's tenements and the governance of Birimian's commercial subsidiaries in Mali.

- Consulting geologist, Dr Andrew Wilde (**Dr Wilde**), to examine exploration work programmes and results to-date and mining process consultant Darryl Butcher (**Mr Butcher**) to review the status of the Preliminary Feasibility Study on the Goulamina Lithium Project.

Investigation by these parties further expanded the scope and complexity of the Review, given the extent of issues already identified and others that subsequently came to light.

2 Replacement of Auditor

Grant Thornton Audit Pty Ltd (**Grant Thornton**) resigned as the auditor of Birimian and subsequently Birimian appointed PwC in its place (*BGS 29 June 2017*). Birimian sought access to Grant Thornton's working papers from its audit of Birimian's 30 June 2016 financial statements and its review of Birimian's 31 December 2016 financial statements. Pursuant to a professional guidance note, granting of access to an auditor's working papers is at the discretion of the auditor and in response to a request for access Grant Thornton advised Birimian that it was only prepared to grant access on conditions which were unacceptable to Birimian. Consequently, in order to complete its audit of Birimian's 30 June 2017 financial statements, PwC will be required to carry out additional audit work at Birimian's cost.

3 Management Changes

The Company has accepted the resignation of its Chief Financial Officer and Company Secretary, Ms Beverley Nichols, effective 31 October 2017 (or such other date as may be mutually agreed).

Birimian has appointed Mr Butcher as Project Manager and Dr Wilde as Exploration Manager to be responsible for the technical aspects of the development of the Goulamina Project. The experience of each of these executives is detailed in Annexure A to this announcement.

4 Morila Option Agreements

On 4 November 2016, the Company announced that Birimian Gold Mines SARL (**BGM**) had entered into two option agreements (**Option Agreements**) with Société des Mines de Morila SA (**Morila**) to permit Morila to gain control of the Viper and N'tiola gold deposits (referred to as the **Areas of Interest**), which are located on the Finkola (PR 13/640) and N'tiola (PR 14/715) permits. The transaction requires BGM to surrender the Areas of Interest from its permits and Morila to have those areas included within its existing exploitation permit which is contiguous to the Area of Interest.

Morila exercised the options on 24 April 2017 (*BGS 28 April 2017*). There are certain risks to BGM resulting from the Option Agreements entered into by BGM and Morila and as such, there is currently no certainty regarding:

(a) whether the conditions that must be satisfied (or waived) by Morila before the payment of USD500,000 is payable to BGM under each of the Option Agreements will be satisfied (or waived), with the consequence that, notwithstanding BGM may have surrendered its rights to the Areas of Interest, BGM will not contractually be entitled to the consideration until the conditions are satisfied (or waived). The conditions are set out below and include matters outside the control of BGM, namely:

(i) that the underlying permits are in good standing and free of any prospecting or reconnaissance permits, other than those held by BGM or Morila and of any encumbrances;

(ii) the surrender, transfer and reassignment of the Areas of Interest being unconditionally accepted by Direction Nationale de la Géologie et des Mines (Department of Geology and Mines) (**DNGM**);

(iii) the DNGM enlarging the area of Morila's existing exploitation permit so as to include the Areas of Interest; and

(iv) no force majeure event having occurred or being likely to occur; there being no change in control in BGM and the KYC (know your client) documentation provided by BGM to Morila remaining accurate;

(b) if the transaction terminates for failure to satisfy the conditions precedent, whether BGM will be entitled to have the Areas of Interest 're-assigned' to it or, if not, BGM could lose title;

(c) whether BGM will be able to facilitate Morila obtaining title to the Viper deposit which is located on the N'tiola permit (PR 14/715) where La Société Hanne General Trading SARL (**Hanne**), has reserved to itself a 5% interest in the N'tiola permit. Hanne may be separately entitled to a 1% net smelter return on production from an exploitation permit granted to BGM in respect of the area covered by the N'tiola permit. In the dealing with Morila, BGM does not apply for an exploitation permit and so if BGM does not reach an agreement with Hanne in relation to BGM's dealings with Morila on the Viper deposit, then Hanne may be able to bring a claim against BGM for the way it has dealt with the Viper deposit;

(d) whether there is any liability for 'Founder's Fees' (see section 5 of this announcement for a description of what these fees are and a discussion on the potential liability of the Birimian's subsidiaries for such fees);

(e) whether BGM will be subject to a claim from Morila under the Option Agreements if the DNGM does not renew one of the exploration permits on which the Areas of Interest are located and further, whether BGM will be subject to a claim from Morila for other breaches of warranty in such circumstances. BGM is subject to an "all costs indemnity" under the provisions of the Option Agreements. Currently, the initial term of the N'tiola permit on which the Viper deposit is located, has expired and, although BGM lodged an application for renewal before its expiry, which was considered eligible by the DNGM, this application remains to be approved by Ministerial Order; and

(f) whether the taxation authority in Mali may seek to apply a capital gains and registration duties tax liability on BGM for the way it has dealt with the Areas of Interest.

5 Founder's Fees (Mali)

Through its wholly-owned Australian subsidiary, Birimian Gold Mali Pty Ltd (**Birimian Mali**), the Company holds 100 per cent equity in three subsidiary companies incorporated in Mali, viz. BGM, Timbuktu Ressources SARL (**TR**) and Sudquest SARL. The Group holds 11 exploration permits, two of which are lithium-focused and nine cover gold prospects, in three discrete projects: the Goulamina Lithium Project and the Massigui and Dankassa Gold Projects.

Pursuant to each Establishment Convention entered into by a Birimian Mali subsidiary, as a holder of an exploration permit, and the State of Mali under the provisions of Mali's 2012 Mining Code, it has been agreed that a "Founder's Fee" (the **Fee**) is payable to the State of Mali represented by the DNGM. Although agreed to by the holder of an exploration permit, the Fee is payable by the exploitation company that must be formed in Mali to take a transfer of the exploitation (mining) permit once granted to the holder of the exploration permit. The establishment of an exploitation company to hold the exploitation permit is a requirement of article 65 of the 2012 Mining Code.

The Fee is defined as a fixed amount payable in USD to the State of Mali in each relevant applicable Establishment Convention and is payable in the event of the grant of an exploitation permit in respect of all or part of the area of the exploration permit. The calculation of this Fee is by reference to the area of the exploration permit. The Fee is intended to compensate the State of Mali for previous geological work it has undertaken over the area the subject of each exploration permit.

Under the Establishment Conventions with respect to the Finkola and N'tiola permits, BGM agreed to Fees of USD300,800 and USD192,512 respectively with respect to those permits.

It is not clear whether, as a result of the transactions with Morila referred to in section 4 of this announcement, there will be any liability to pay a Fee to the DNGM as a consequence of the Areas of Interest being included within an enlarged exploitation permit held by Morila. Certainly, Morila has no direct liability to the State of Mali as a consequence of the Establishment Conventions which BGM entered into. There is a possibility that the State of Mali may, in the circumstances, request a payment of the Fee from BGM, notwithstanding there is a doubt over the legal basis for doing so. This uncertainty stems from the legal requirements for the payment of Fees being contained in the Establishment Conventions that are binding upon BGM and not Morila and the fact that both the Establishment Conventions and the 2012 Mining Code are silent on the manner in which the liability, if any, for the Fee is to be dealt with where there are transactions similar to those described in the Option Agreements.

On 27 October 2016, TR announced it was undertaking a scoping study on the Torakoro permit (*BGS 27 October 2016*). Your Directors have taken advice and believe that given TR was, by 31 December 2016, undertaking a scoping study over the Torakoro permit, the potential liability for the Fee became a contingent liability totalling USD300,800 and as such, should have been disclosed as a contingent liability in the 31 December 2016 financial statements.

6 Goulamina Project (formerly known as the Bougouni Lithium Project)

At the time TR was granted the Torakoro permit, it had entered into a heads of agreement with La Société Cooperative Femima (**Femima**). Femima is a previous holder of rights over the ground that is now the subject of the Torakoro permit. The heads of agreement contemplated the parties entering into a more formal agreement which they are still yet to do and this formal agreement is required in order for TR to be fully compliant with the laws of Mali. The Company can confirm that the Torakoro permit has been validly granted to TR.

7 Capital structure

The current capital structure of the Company is as follows:

Class of security	Number
Listed fully paid ordinary shares	194,251,493
Unlisted performance rights expiring on 01/12/2021	300,000
Unlisted options with an exercise price of $0.21 and an expiry date of 12/12/2017	1,450,000
Unlisted options with an exercise price of $0.336 and an expiry date of 30/06/2018	4,000,000
Unlisted options with an exercise price of $0.104 and an expiry date of 01/12/2021	200,000
Unlisted options with an exercise price of $0.316 and an expiry date of 01/12/2018	4,500,000

The Directors note the following in relation to the Company's capital structure:

7.1 Performance rights and options held by entities associated with former directors

As announced on 14 June 2017, the Board determined that a total of 1,975,000 performance rights expiring on 30 June 2021 and 7,315,000 options exercisable at $0.104 and expiring on 26 February 2021 held by entities associated with former directors had lapsed (*BGS 14 June 2017*). The Company has been informed by lawyers for the entities associated with the former directors that their clients do not agree with the actions of the Company in determining that the securities have lapsed and entities associated with two of the former directors have reserved their rights against the Company in relation to the lapsed securities.

Shareholders should note that, notwithstanding that the securities described above have lapsed, it will not affect their accounting treatment in the Company's financial statements and, accordingly, their value will still be expensed in accordance with accounting standards.

7.2 Adviser options

On 22 August 2016, a director of the Company signed a document from Merchant Corporate Pty Ltd (**Merchant**) entitled a "China Engagement Mandate with Birimian Limited and Merchant Corporate". The document was also signed by MineMark Global (**MineMark**). The document bears the statement that it is a "High Level Term Sheet for Discussion Purposes Only". The Company considers that it is, at best, an agreement to agree and that it does not give rise to any enforceable obligations on the Company or any other entity.

This document stated that the Company would, if Merchant and MineMark secured a "Memorandum of Understanding (**MOU**) for offtake and possibly subsequent investment" in the Company, grant 9,000,000 options at an exercise price determined by reference to the 60-day VWAP as at 26 August 2016 and each option would be for a term of 2 years. The document and its contents were not announced to the market, notwithstanding that it purported to contain an agreement to issue securities.

The Company has entered into two non-binding memoranda of understanding to cooperate and work towards an offtake arrangement with two separate Chinese parties being Tongdow E-Commerce Group Co., Ltd (**Tongdow**) (*BGS 31 October 2016*) and Far East First Energy 6008.69.5 SA (**First Battery)** (*BGS 20 December 2016*). After entering into the first non-binding memorandum of understanding, the Company granted 4,500,000 of the 9,000,000 options with an exercise price of $0.316 and an expiry date of 1 December 2018 to nominees of MineMark. Your Directors believe the Company had no legal obligation to grant any of the options including the remaining 4,500,000 options. The party which claimed to be entitled to the further 4,500,000 options has accepted Birimian's position with respect to the Company being under no obligation to grant these additional options.

7.3 Shares issued to related party without shareholder approval

On 15 March 2017, the Company issued 76,242 shares to Wavecape Holdings Pty Limited (**Wavecape**) a company associated with Mr Joyce in lieu of remuneration owing to Mr Joyce of $24,200.

The issue of these shares had not been approved by shareholders (although in the previous two years shares in lieu of remuneration were issued to Wavecape with the approval of shareholders). It is not possible for shareholders to ratify the issue of these shares under the ASX Listing Rules and ASX has requested that Wavecape sells the shares with the net sale proceeds donated to charity. Lawyers for Wavecape have informed the Company that Wavecape has agreed to this proposal, although a written agreement has not been reached between the Company and Wavecape. Mr Joyce remains entitled to the remuneration of $24,200.

8 Liberia

The Company is no longer active in Liberia, holding no tenements in that country. Birimian still has a subsidiary in Liberia, Birimian Gold Liberia Inc. (**BGL**) which the Company is yet to wind up. Your Directors are unaware if there are any residual liabilities in this subsidiary. A Liberian law firm has been engaged to undertake a due diligence of BGL and its activities in Liberia. The firm will then commence the deregistration process required under Liberian law, involving the filing of a Corporate Resolution and Articles of Dissolution.

9 Tax obligations

Birimian has reviewed its compliance with its tax obligations in Australia and Mali and, as a result:

(a) has made a voluntary disclosure to the Australian Taxation Office and is amending disclosures for submission to other relevant tax authorities; and

(b) proposes to resolve the non-compliance with tax obligations with the relevant tax authorities. The non-compliance arises as a result of entities in the Group:

   (i) not meeting their obligations to pay withholding tax and VAT in Mali;

   (ii) not meeting their PAYG obligations on amounts paid to employees in Australia;

   (iii) not making certain superannuation payments by the due date in Australia;

   (iv) lodging Business Activity Statements in Australia (in respect of GST obligations) in which amounts were incorrectly claimed as input credits;

   (v) not meeting the reporting requirements in Australia for employee share schemes; and

   (vi) not correctly calculating payroll tax liability in Western Australia.

The Company's position is that Mr Joyce has always been an employee of Birimian as a result of his employment contracts with the Company spanning a period of six years. Your current Directors maintain that the employment contracts have been incorrectly described as consulting services agreements on successive occasions in the Company's Annual Reports and, to the extent that salary payments were made to Wavecape, rather than to Mr Joyce directly, the contracts were not performed in accordance with their terms over this period. Lawyers for Mr Joyce have reserved their client's rights with respect to the Company's position that Mr Joyce was an employee.

Birimian has taken advice in relation to the Company's outstanding Australian and Malian tax related liabilities. Taking a conservative view, Birimian has now made a total provision of $1,854,803 as at 31 December 2016 reflecting the Company's expectation as to the Group's then potential outstanding liability to the various tax authorities in Australia and Mali. This provision has been created using exchange rates applicable as at 31 December 2016. The Company is working with its advisors to seek where appropriate, a remission of any interest and penalties imposed by the relevant revenue authority which, if remitted, would reduce the liability of the Group.

Of this amount $475,862 (USD370,316) has recently been provisioned as a result of advice received that, despite Mali having a regime which allows for companies involved in exploration to be exempted from VAT, those companies seeking the benefit of these exemptions need to hold a VAT exemption certificate issued by the Malian tax authority. The Company's Malian subsidiaries did not hold a VAT exemption certificate and as a result those subsidiaries are believed to be liable for accrued VAT.

Your Directors believe it could take up to six months for Birimian to be able to quantify more specifically the Group's tax liabilities in relation to these matters.

10 Payments to related parties

On or about 16 March 2017 and under the former Board, the Company paid $20,704 plus GST to Wavecape on account of Mr Joyce's accrued long-service leave. This amount should not have been paid as although a provision was made in the financial statements of the Company as required by accounting standards, Mr Joyce was only employed by the Company for five and a half years when the payment was made. Accordingly, there was no obligation on Birimian to make the payment and the Company has requested repayment of $20,704 plus GST. Lawyers for Mr Joyce have reserved their client's rights with respect to the long service leave payment.

During Mr Joyce's period of employment, he was entitled to receive superannuation entitlements in accordance with his employment contracts. Birimian paid an amount of $21,012.20 in excess of those entitlements. The Company will seek a refund of $21,012.20 directly from Mr Joyce's superannuation fund.

Mr Joyce's outstanding salary and statutory entitlements for the period up to his resignation on 30 April 2017 is $29,612.31, which amount has not been paid by the Company.

To the extent possible, all amounts owing by Mr Joyce or Wavecape to the Company will be sought to be set off against amounts owed by the Company to Mr Joyce or Wavecape.

Approved thresholds for individual non-executive directors of no more than $30,000 per annum and $36,000 per annum for a non-executive chairman were exceeded for the financial years ended 30 June 2012, 2014, 2015 and 2016 and, in the case of the fees paid to the non-executive chairman, 30 June 2017. The maximum approved total fees for non-executive directors of $180,000 was not exceeded. It is the intention of your Directors, in the interests of good governance, to put to shareholders a resolution to ratify that portion of the payments which exceeded the threshold that shareholders had authorised.

11 Restatement of Financial Statements

Your Directors consider that there have been material errors in the 2016 Annual Report and the 31 December 2016 Half Year Financial Report. Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provides the relevant rules for dealing with such errors. In accordance with the above Accounting Standard, the Company will make the required adjustment retrospectively in the 30 June 2017 financial statements. At this time, there will be additional disclosure with respect to the prior period restatements. The restatements are made at a point in time namely, 30 June 2016 and 31 December 2016.

With respect to the remuneration report for the period ended 30 June 2017, the comparative information for the period ended 30 June 2016 will be restated, accompanied by disclosure of the errors and their quantum.

The details and value of the material errors identified through the Review and the adjustments required to previously presented financial statements are set out in the Annexure B to this announcement, which is unaudited by PwC at this time. In summary, the material errors identified through the Review relate to:

BIRIMIAN

(a) the identification of a liability of up to $1,378,941 for potential tax, interest and penalties payable to Australia taxation and revenue authorities (which liability is, at the date of this announcement, increased to up to $1,573,219), primarily due to the incorrect treatment of the employment contracts between the Company and Mr Joyce as consulting services agreements, with salary payments being incorrectly made to Wavecape. This resulted in the Company not meeting its PAYG obligations and incorrectly claiming GST input credits (discussed further in this section 9);

(b) the identification of a liability of up to USD370,316 ($475,862) for unpaid tax for goods and services provided to the Company's Malian subsidiaries, including VAT, IRF ("Impôt sur les revenus fonciers" - Income Tax on Property Income) and IBIC (L'impôt sur les bénéfices industriels et commerciaux - Tax on Industrial and Commercial profits) withholding tax and registration duties on lease agreements for the financial years ending 30 June 2014, 2015 and 2016;

(c) a previously undisclosed contingent liability of up to USD300,800 ($386,533) for "Founder's Fees" (discussed further in section 5); and

(d) a number of shares, options and performance rights issued to related and non-related parties have not been valued in accordance with AASB 2 *Share-based payment*, with the consequence that the values of these securities have, in most cases been significantly understated, with a corresponding material impact (amongst other impacts) on the disclosure of key management personnel remuneration.

As a proportion of the tax related liabilities relate to a period dating prior to 30 June 2016, these liabilities are retrospectively adjusted in the opening balance sheet position as at 1 July 2015.

12 Corporate Governance

As a result of your Directors reviewing the corporate governance within the Group:

(a) the Company is making additional disclosures in this announcement to ensure all material matters which have been identified are disclosed to the market;

(b) the Company has adopted a suite of new governance policies and procedures which can be viewed at:

http://www.birimian.com/CorporateGovernance.html

The Company has also adopted a Tax Risk Governance Framework;

(c) record-keeping by the Company has been upgraded; and

(d) statutory filings will be made by the subsidiaries in Mali (having obtained Court approval to extend the time) to ensure Birimian's corporate governance and statutory filings are at the required standard.

13 Memoranda of Understanding

In section 7.2 of this announcement reference has been made to the non-binding memoranda of understanding which the Company has entered into with First Battery and Tongdow. The arrangements referred to in those non-binding memoranda of understanding have not been formalised despite contact being made by the current Board with both First Battery and Tongdow.

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REVIEW COST

The Review has been an essential but time-consuming and costly exercise for the Company. Directly related expenditure to-date incurred in Australia and Africa is approximately $500,000, which is in addition to the provision of $1,854,803 to meet the Group's taxation obligations, as detailed elsewhere in this announcement.

SHAREHOLDER MEETING

The Company intends to call a meeting, to be held as soon as practicable, at which Shareholders will be asked to approve various resolutions to:

(a) ratify the overpayment of non-executive director fees;

(b) increase the non-executive director fee pool;

(c) adopt a new Constitution; and

(d) approve an issue of 2,500,000 options to each of your Directors on the following key terms:

  (i) Exercise price: $0.45

  (ii) Expiry Date: 2 years from the date of grant.

  (iii) Vesting conditions: Options will be exercisable at any time after the occurrence of any of the following:

  - the Company has demonstrated a mineral resource (inferred or greater) of at least 70Mt within the Goulamina Project;
  - completion by the Company of a definitive feasibility study on the Goulamina Project;
  - the granting of an exploitation licence for the Goulamina Project; or
  - a change of control event.

A separate more detailed announcement will be issued by the Company with respect to the calling of this general meeting.

REINSTATEMENT

The Company is working with ASX to get the Company reinstated and the market will be kept updated.

Greg Walker
Executive Director and CEO

BIRIMIAN

ANNEXURE A

EXECUTIVE APPOINTMENTS

Project Manager

Mr Butcher commenced his career at Greenbushes Tin and has almost 40 years' experience in the resources sector, in corporate, operational and development roles within Australia and internationally, including West Africa (Mauritania). He holds a Bachelor of Science degree from the University of Western Australia in Chemistry (1979) and is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. Mr Butcher will be accountable for completion of the preliminary feasibility study (PFS) and, subject to relevant Board approvals, would lead the owner's team for the Goulamina Definitive Feasibility Study (DFS) and would oversee Project construction and commissioning following granting of an exploitation permit.

Exploration Manager

Dr Wilde has more than 35 years' experience in industry and academia, including extensive overseas experience, including in Mali. He is a Registered Professional Geoscientist, a Fellow of the Australian Institute of Geoscientists and a Fellow of the Society of Economic Geologists. Dr Wilde qualifies as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

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ANNEXURE B

CORRECTION OF PRIOR PERIOD ERRORS (UNAUDITED)

For the half year ended 31 December 2016 – unaudited

Consolidated statement of financial position	**31 December 2016 before correction of errors**	**Correction of errors**	**31 December 2016 restated for correction of errors**
	$	**$**	**$**
Exploration and evaluation expenditure (ii)	6,946,482	475,862	7,422,344
Trade creditors and accruals (i)	(913,798)	(1,854,803)	(2,768,601)
Contributed equity (iii)	(29,063,200)	(1,815,246)	(30,878,446)
Reserves (iii)	(5,004,402)	(3,435,526)	(8,439,928)
Accumulated losses (iii)	20,406,244	6,629,712	27,035,956
Total equity	**13,661,358**	**(1,378,940)**	**12,282,418**

Consolidated statement of profit or loss and other comprehensive income	**31 December 2016 before correction of errors**	**Correction of errors**	**31 December 2016 restated for correction of errors**
	$	**$**	**$**
Consultants and directors fees (iii), (iv)	1,692,456	(1,614,559)	77,897
Reclassification of share based payments from the above amount		1,577,041	1,577,041
Employee salaries (iv)	23,764	37,518	61,282
Interest and penalties (i)	-	146,699	146,699
Share based payments re-measurement (iii), (iv)	-	1,395,090	1,395,090
Total comprehensive loss for the period attributable to the owners of Birimian Limited	**1,676,768**	**1,541,789**	**3,473,838**

Loss per share	**31 December 2016 before correction of errors**	**Correction of errors**	**31 December 2016 restated for correction of errors**
	$	**$**	**$**
Basic and diluted loss per share (cents per share)	1.07	1.15	2.22

(i) Recognition of unrecorded taxes and associated interest and penalties payable and disclosure of related party transactions

The Company has identified the following liabilities which were not recognised as at 31 December 2016:

a) Under Malian tax law, services provided by employees, consultants and contractors to Birimian Gold Mali SARL and Timbuktu Ressources SARL, the Company's 100% owned Malian subsidiaries, should have been subject to withholding tax. Estimated withholding tax payable is up to $236,352 (USD$183,929).

b) Although an exploration company in Mali is able to claim an exemption from the payment of VAT on goods and services acquired in Mali, this would have required the Company's Malian subsidiaries to register for a VAT exemption certificate for that purpose. This did not occur and as a consequence, Birimian Gold Mali SARL and Timbuktu Ressources SARL have an estimated VAT liability of $239,510 (USD$186,387).

c) Potential tax, interest and penalties payable to Australian tax authorities resulting from tax liabilities associated with the Company's former directors totalling up to $1,378,941, as outlined in *Section 2 Tax obligations*.

In addition, annual and long service leave provisions for Key Management Personnel (**KMPs**) were aggregated into "Trade payables and accruals". A separate caption for these related party transactions denoted "Annual and long service leave" will be disclosed within Trade Creditors and Accruals, totalling $138,610.

(ii) Capitalisation of additional costs related to exploration and evaluation activity

The recognition of a liability for item (i)(a) above relates to services rendered in conjunction with the exploration and evaluation of the Company's tenements in Mali in order to advance these projects. As such expenditure of $475,862 has been capitalised as a deferred exploration and evaluation asset.

(iii) Measurement of shares, options and performance rights granted, impacting on contributed equity and share based payments reserve

The Company has identified that a number of shares, options and performance rights issued to directors, employees, consultants and advisers since 1 July 2014 have not been measured in accordance with AASB 2 *Share-based payment* which generally requires these equity instruments to be recognised at the fair value on the date on which they are granted. For options and performance rights issued, the Company has valued these using a Black Scholes model and has updated significant inputs in the model as outlined below. The following shares, options and performance right grants have been remeasured:

Description of securities	**Original measurement**	**Re-measurement**	**Basis of re-measurement**
Options issued from 17 December 2012 to 15 June 2015	$1,032,241	$2,666,625	To reflect the fair value of on the various grant dates, utilising a Black Scholes model and assumptions disclosed in the historical financial statements of the Company.
844,109 shares issued to directors in lieu of director fees in May 2016.	$59,123	$312,320	Utilising a share price of $0.37, being the share price on grant date, rather than the value calculated pursuant to the Director Fee Plan.
2,000,000 shares issued to Mr Joyce as an incentive payment.	$110,000	$576,000	Utilising a share price of $0.288, being the share price on grant date, rather than the share price of $0.055 as disclosed in Note 12(b) to the 30 June 2016 financial statements.
6,000,000 options issued to Merchant Corporate Finance Pty Ltd (or its nominees) as part of its underwriting fee in connection with the April 2016 entitlement issue.	$558,000	$1,650,000	On the basis that the share price on the date the options were granted was $0.35, rather than the exercise price of $0.093 as disclosed in Note 12(b) to the 30 June 2016 financial statements.
7,315,000 options issued to the directors in June 2016.	$97,083	$1,513,278	On the basis that the day these options were approved by shareholders the Company's share price was $0.27 as opposed to $0.055 as previously utilised. In addition, non-market vesting conditions attached to these options have

			been re-measured to correctly estimate the number of options expected to vest, rather than as disclosed in Note 3 to the 30 June 2016 financial statements.

Description of securities	Original measurement	Re-measurement	Basis of re-measurement
4,000,000 options issued to Zenix Nominees Pty Ltd (a Hartleys Limited associated entity) in June 2016 in consideration for corporate advisory and ongoing promotion services provided to the Company.	$643,189	$431,600	On the basis that the share price on the date these options were granted was $0.29, rather than the price of $0.336 as disclosed in Note 14 to the 30 June 2016 financial statements.
5,225,000 performance rights issued to directors in June 2016.	$138,463	$1,357,425	On the basis that the day these performance rights were approved by shareholders the Company's share price was $0.27 as opposed to $0.055 as previously utilised. In addition, non-market vesting conditions attached to these performance rights have been re-measured to correctly estimate the number of performance rights expected to vest, rather than as disclosed in Note 3 to the 30 June 2016 financial statements.
4,500,000 options issued to nominees of MineMark Global for consulting services.	$1,268,938	$1,039,050	On the basis that the calculation utilising a Black Scholes model has resulted in a revised valuation.
600,000 options and 900,000 performance rights issued to the in-country manager and the Company Secretary in December 2016.	$308,103	$497,730	Due to determination of the grant date of 1 December 2016 on which the Company's share price was $0.32 as opposed to the 2 December 2016 share price of $0.34 as disclosed in Note 11 to the 31 December 2016 half-year financial statements. In addition, non-market vesting conditions attached to these options and performance rights have been re-measured to correctly estimate the number of performance rights and options expected to vest.

The securities referred to above include options and performance rights issued to entities associated with former directors Messrs Joyce, Willesee and Bresser on 30 June 2016. These securities were issued with shareholder approval obtained at a general meeting held on 17 June 2016. Valuations of these securities were included in the meeting materials provided to shareholders (using two different market share price assumptions). However, it should be noted that the valuations included in the meeting materials will necessarily be different to the measurements for the purposes of the Company's financial statements.

The above transactions had a corresponding impact on the Company's share based payment expense (including the remuneration of the KMPs), share based payment reserve, contributed equity and accumulated losses accounts. Equity instruments issued to employees and directors for services rendered and charged to share based payment expense have increased the accumulated losses of the Company by $4,148,953. Accumulated losses have further increased due to the historical and current impact of other adjustments identified on the Company's consolidated statement of profit or loss and other comprehensive income for a total increase of $6,629,712.

Options issued to nominees of Merchant Corporate Finance Pty Ltd and Hartleys Limited have reduced the contributed equity of the Company's shareholders by $1,438,411. This has been offset by the remeasurement of shares granted and options exercised which has increased contributed equity overall by $1,815,246.

The Company has recognised share-based payment expenses relating to the options and performance rights granted to the directors in June 2016, during the half year end 31 December 2016 as follows:

Director	31 December 2016
Mr. Kevin Joyce	$688,769
Mr. Winton Willesee	$539,595
Mr. Hugh Bresser	$206,988
Total	$1,435,352

(iv) Presentation of employee salaries and disclosure of share based payments

As noted in *Section 2 Tax obligations*, the Company is of the view that Mr Joyce was an employee of Birimian Limited pursuant to the terms of the three employment contracts spanning a period of six years which have been incorrectly described as consulting services agreements in the Company's financial statements published over this period and, to the extent that salary payments were made to Wavecape, a company associated with Mr Joyce, rather than to Mr Joyce directly, the contracts were not performed in accordance with their terms over this period. For the half year ended 31 December 2016, Mr Joyce's salary expense, which was not capitalised to the deferred exploration and evaluation asset, was $38,940.

In addition, the Company has also correctly disclosed share based payments of $1,390,938 separately from consultants and directors' fees.

Other disclosure issues identified in the 31 December 2016 half year financial statements

In addition to the above, the following material disclosures were not included in the financial statements for the half year ended 31 December 2016:

Note 13 – Related party disclosures

Wavecape, a Company of which Mr Joyce is a director, was paid $132,000 with respect to Mr Joyce's salary and an amount of $12,540 was paid to a superannuation fund on behalf of Mr Joyce for the half year ended 31 December 2016. An amount of $22,000 was outstanding at half year end. This amount is included in Note 6 "Trade and other payables". The Company accrued $118,023 in annual leave and $20,704 in long service leave at half year end for Mr Joyce.

Note 14 – Contingent liabilities

Pursuant to each Establishment Convention entered into by a Birimian subsidiary as a holder of an exploration permit and the State of Mali under the provisions of Mali's 2012 Mining Code, it has been agreed that a "Founder's Fee" (the Fee) is required to be paid to the State of Mali represented by the Direction Nationale de la Géologie et des Mines (Department of Geology and Mines) (DNGM) by the exploitation company that must be formed in Mali to take a transfer of the exploitation (mining) permit which is to be applied for over that portion of an exploration permit. The establishment of an exploitation company to hold the exploitation permit is a requirement of article 65 of the 2012 Mining Code.

The Fee is calculated on the size of the area covered by the exploration permit and is intended to compensate the State of Mali for previous geological work it has undertaken over the area the subject of each exploration permit.

By 31 December 2016, the Company announced Timbuktu Ressources SARL was undertaking a scoping study on the Torakoro permit. Based on this announcement, there is now the potential that Timbuktu Ressources SARL will apply for an exploitation permit in due course, thereby creating a contingent liability with respect to the payment of the Fee which totals $475,862 (USD300,800). This should have been disclosed in the 31 December 2016 financial statements.

For the year ended 30 June 2016 - unaudited

Consolidated statement of financial position	**30 June 2016 before correction of errors $**	**Correction of errors $**	**30 June 2016 restated for correction of errors $**
Exploration and evaluation expenditure (ii)	4,751,336	301,339	5,052,675
Trade creditors and accruals (i)	(805,848)	(1,533,581)	(2,339,429)
Contributed equity (iii)	(27,752,950)	(1,379,799)	(29,132,749)
Reserves (iii)	(3,397,123)	(2,475,882)	(5,873,005)
Accumulated losses (iii)	18,475,643	5,087,922	23,563,565
Total equity	**12,674,430**	**(1,232,241)**	**11,442,189**

Consolidated statement of profit or loss and other comprehensive income	**30 June 2016 before correction of errors $**	**Correction of errors $**	**30 June 2016 restated for correction of errors $**
Consultants and directors fees (iii), (iv)	428,166	573,725	1,001,891
Employee salaries (iv)	-	255,472	366,672
Interest and penalties (i)	-	360,340	360,340
Share based payments (iii)	235,546	1,199,805	1,435,351
Total comprehensive loss for the year attributable to the owners of Birimian Limited	**1,047,970**	**2,389,342**	**3,437,312**

Loss per share	**30 June 2016 before correction of errors $**	**Correction of errors $**	**30 June 2016 restated for correction of errors $**
Basic and diluted loss per share (cents per share)	0.26	0.79	1.05

(i) Recognition of unrecorded taxes and associated interest and penalties payable and disclosure of related party transactions

The Company has identified that the following liabilities which were not recognised as at 30 June 2016:

a) Under Malian tax law, services provided by employees, consultants and contractors to Birimian Gold Mali SARL and Timbuktu Ressources SARL, the company's 100% owned Malian subsidiaries, should have been subject to withholding tax. Estimated withholding tax payable is up to $165,897 (USD$132,917).

b) Although an exploration company in Mali is able to claim an exemption from the payment of VAT on goods and services acquired in Mali, this would have required the Company's Malian subsidiaries to register a VAT exemption certificate. This did not occur and as a consequence, Birimian Gold Mali SARL and Timbuktu Ressources SARL have an estimated VAT liability of $161,806 (USD$129,639).

c) Potential tax, interest and penalties payable to Australian tax authorities resulting from tax liabilities associated with the company's former directors totalling up to $1,091,258, as outlined in *Section 2 Tax obligations*.

In addition, annual and long service leave provisions for KMPs was aggregated into "Trade payables and accruals". A separate caption for these related party transactions denoted "Annual and long service leave" will be disclosed within Trade Creditors and Accruals, totalling $127,610.

(ii) Capitalisation of additional costs related to exploration and evaluation activity

The recognition of a liability for item (i)(a) above relates to services rendered in conjunction with the exploration and evaluation of the Company's tenements in Mali in order to advance these projects. As such expenditure of $301,339 has been capitalised as a deferred exploration and evaluation asset.

(iii) Measurement of shares, options and performance rights granted impacting on contributed equity and share based payments reserve

The Company has identified that a number of shares, options and performance rights issued to directors, employees, consultants and advisers since 1 July 2014 have not been measured in accordance with AASB 2 *Share-based payment* which generally requires these equity instruments to be recognised at the fair value on the date on which they are granted. For options and performance rights issued, the Company has valued these using a Black Scholes model and has updated significant inputs in the model as outlined below. The following shares, options and performance right grants have been remeasured:

Description of securities	Original measurement	Re-measurement	Basis of re-measurement
Options issued from 17 December 2012 to 15 June 2015	$1,032,241	$2,666,625	To reflect the fair value of on the various grant dates, utilising a Black Scholes model and assumptions disclosed in the historical financial statements of the Company.
844,109 shares issued to directors in lieu of director fees in May 2016.	$59,123	$312,320	Utilising a share price of $0.37, being the share price on grant date, rather than the value calculated pursuant to the Director Fee Plan.
2,000,000 shares issued to Mr Joyce as an incentive payment.	$110,000	$576,000	Utilising a share price of $0.288, being the share price on grant date, rather than the share price of $0.055 as disclosed in Note 12(b) to the 30 June 2016 financial statements.
6,000,000 options issued to Merchant Corporate Finance Pty Ltd (or its nominees) as part of its underwriting fee in connection with the April 2016 entitlement issue.	$558,000	$1,650,000	On the basis that the share price on the date the options were granted was $0.35, rather than the exercise price of $0.093 as disclosed in Note 12(b) to the 30 June 2016 financial statements.
7,315,000 options issued to the directors in June 2016.	$97,083	$1,513,278	On the basis that the day these options were approved by shareholders the Company's share price was $0.27 as opposed to $0.055 as previously utilised. In addition, non-market vesting conditions attached to these options have been re-measured to correctly estimate the number of options expected to vest, rather than as disclosed in Note 3 to the 30 June 2016 financial statements.

Description of securities	Original measurement	Re-measurement	Basis of re-measurement
4,000,000 options issued to Zenix Nominees Pty Ltd (a Hartleys Limited associated entity) in June 2016 in consideration for corporate advisory and ongoing promotion services provided to the Company.	$643,189	$431,600	On the basis that the share price on the date these options were granted was $0.29, rather than the price of $0.336 as disclosed in Note 14 to the 30 June 2016 financial statements.
5,225,000 performance rights issued to directors in June 2016.	$138,463	$1,357,425	On the basis that the day these performance rights were approved by shareholders the Company's share price was $0.27 as opposed to $0.055 as previously utilised. In addition, non-market vesting conditions attached to these performance rights have been re-measured to correctly estimate the number of performance rights expected to vest, rather than as disclosed in Note 3 to the 30 June 2016 financial statements.

The securities referred to above include options and performance rights issued to entities associated with former directors Messrs Joyce, Willesee and Bresser on 30 June 2016. These securities were issued with shareholder approval obtained at a general meeting held on 17 June 2016. Valuations of these securities were included in the meeting materials provided to shareholders (using different two different market share price assumptions). However, it should be noted that the valuations included in the meeting materials will necessarily be different to the measurements for the purposes of the Company's financial statements.

The above transactions had a corresponding impact on the Company's share based payment expense (including the remuneration of the KMPs), share based payment reserve, contributed equity and accumulated losses accounts. Equity instruments issued to employees and directors for services rendered and charged to share based payment expense have increased the accumulated losses of the Company by $2,834,189. Accumulated losses have further increased due to the historical and current impact of other adjustments identified on the Company's consolidated statement of profit or loss and other comprehensive income for a total increase of $5,087,922.

Options issued to nominees of Merchant Corporate Finance Pty Ltd and Hartleys Limited have reduced the contributed equity of the Company's shareholders by $1,438,411. This has been offset by the remeasurement of shares granted and options exercised which has increased contributed equity overall by $1,379,799.

(v) Presentation of employee salaries and disclosure of share based payments

As noted in Section *2 Tax obligations*, the Company is of the view that Mr Joyce was an employee of Birimian Limited pursuant to the terms of the three employment contracts spanning a period of six years which have been incorrectly described as consulting services agreements in the Company's financial statements published over this period and, to the extent that salary payments were made to Wavecape, a company associated with Mr Joyce, rather than to Mr Joyce directly, the contracts were not performed in accordance with their terms over this period. For the year ended 30 June 2016, Mr Joyce's salary expense, which was not capitalised to the deferred exploration and evaluation asset, was $155,472.

In addition to the above, the following material disclosures were not included in the financial statements for the year ended 30 June 2016:

Note 21 – Related party disclosures

Wavecape, a company of which Mr Joyce is a Director, was paid $271,600 with respect to Mr Joyce's salary and an amount of $16,302 was paid to a superannuation fund on behalf of Mr Joyce for the year. An amount of $22,000 was outstanding at year end. Mr Joyce was also due $127,610 in annual leave and accrued long service leave at year end. Remuneration to Mr Joyce was also paid to MQB Ventures Pty Ltd which invoiced Birimian Limited, on behalf of Wavecape, for salary payments for Mr Joyce of $92,400 and superannuation of $8,778. The Company accrued $106,906 in annual leave and $20,704 in long service leave at half year end for Mr Joyce.

For the year ended 30 June 2016 – Remuneration Report – unaudited

As a result of the adjustments noted above, the following errors have also been identified in relation to the disclosure of remuneration of Directors of the Company in the 30 June 2016 Remuneration Report.

	Short term				**Share based**		**Post employment**	**Total**
2016 Director	Base salary $	Directors Fees $	Consulting Fees $	Incentive Payment $	Options $	Performance Rights $	Superannuation $	$
Mr. Kevin Joyce	-	-	406,940	-	47,240	177,375	25,080	656,635
Adjustment	378,492	-	(406,940)	576,000	315,841	148,313	-	1,011,706
Restated 2016								
Mr. Kevin Joyce	378,492	-	-	576,000	363,081	325,688	25,080	1,668,341

	Short term				**Share based**		**Post employment**	**Total**
2016 Director	Base salary $	Directors Fees $	Consulting Fees $	Incentive Payment $	Options $	Performance Rights $	Superannuation $	$
Mr. Winton Willesee	-	60,000	-	-	35,382	50,463	-	145,845
Adjustment	-	58,182	-	-	249,063	204,687	-	511,932
Restated 2016								
Mr. Winton Willesee	-	118,182	-	-	284,445	255,150	-	657,777

	Short term				**Share based**		**Post employment**	**Total**
2016 Director	Base salary $	Directors Fees $	Consulting Fees $	Incentive Payment $	Options $	Performance Rights	Superannuation $	$
Mr. Hugh Bresser	-	40,000	-	-	14,461	20,625	-	75,086
Adjustment	-	14,772	-	-	94,652	77,250	-	393,661
Restated 2016								
Mr. Hugh Bresser	-	54,772	-	-	109,113	97,875	-	261,760

The number of shares in the Company held during the financial year by KMP, including their related parties, as originally disclosed on page 15 of the remuneration report for the year ended 30 June 2016, is restated as follows:

Shareholdings of KMP and their related parties – originally disclosed

30 June 2016	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes	Balance at the end of the year
Mr. Winton Willesee	-	293,857	-	2,342,185	2,636,042
Mr. Kevin Joyce	13,640,000	633,124	-	(9,534,872)	4,738,252
Mr. Hugh Bresser	9,930,000	112,980	-	(8,937,000)	1,105,980
Ms. Beverly Nichols	2,000,000	352,629	-	(2,252,629)	100,000

Shareholdings of KMP and their related parties - restated

30 June 2016	Balance at the start of the year	Share consolidation	Granted during the year as compensation	Disposed during the year	Other changes	Balance at the end of the year
Mr. Winton Willesee	-	-	293,857	-	2,342,185	2,636,042
Mr. Kevin Joyce	13,640,000	(12,276,000)	2,633,124	-	741,128	4,738,252
Mr. Hugh Bresser	9,930,000	(8,937,000)	112,980	-	-	1,105,980
Ms. Beverly Nichols	2,000,000	(1,800,000)	352,629	(452,629)	-	100,000

The number of options in the Company held during the financial year by KMP, including their related parties, as originally disclosed on page 15 of the remuneration report for the year ended 30 June 2016, will be restated as follows:

Share options of KMP and their related parties – originally disclosed

30 June 2016	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes	Balance at the end of the year
Mr. Winton Willesee	6,000,000	2,765,000	-	(5,400,000)	3,365,000
Mr. Kevin Joyce	17,705,000	3,500,000	-	(16,105,000)	5,100,000
Mr. Hugh Bresser	6,000,000	1,050,000	-	(5,400,000)	1,650,000
Ms. Beverly Nichols	1,000,000	-	-	(900,000)	100,000

Share options of KMP and their related parties - restated

30 June 2016	Balance at the start of the year	Option consolidation	Granted during the year as compensation	Exercised during the year	Other changes	Balance at the end of the year
Mr. Winton Willesee	6,000,000	(5,400,000)	2,765,000	-	-	3,365,000
Mr. Kevin Joyce	17,705,000	(16,105,000)	3,500,000	-	-	5,100,000
Mr. Hugh Bresser	6,000,000	(5,400,000)	1,050,000	-	-	1,650,000
Ms. Beverly Nichols	1,000,000	(900,000)	-	-	-	100,000