

29 September 2017

### **Additional Disclosure – K Joyce Remuneration**

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As detailed in the findings of the Corporate Review (*BGS 16 Aug 2017*), Birimian Limited (ASX: *BGS*; **Birimian** or the **Company**) is of the view that the Company's former Managing Director, Mr Kevin Joyce (**Joyce**), was an employee of Birimian, pursuant to the terms of his employment contracts over six years, however his salary payments during this time were made to Wavecape Holdings Pty Ltd (**Wavecape**), a company associated with Joyce.

In the course of the audit process, additional remuneration paid indirectly to Wavecape came to light that was not identified during the recent Corporate Review and had not been disclosed in the Related Party transactions in the December Half-year Financial Statements. This disclosure therefore was not included in the unaudited adjustments to the 31 December 2016 Half-year Financial Statements included in Annexure B to the ASX release of 16 August 2017.

The additional remuneration relates to a cash payment of \$182,000, plus GST, paid to MQB Ventures Pty Ltd (**MQB**), apparently in relation to a Wavecape invoice provided to MQB for a "*Bonus in lieu of execution of Randgold Option Agreement*." At the relevant time, MQB was contracted to Birimian to provide office and administrative services and not any management or executive services.

It is the Company's understanding that the amount paid to MQB was then on-paid to Wavecape. On review, this payment may have been calculated on the basis of an annexure to Joyce's Employment Contract of 10 August 2015, entitled "Annexure A, broad terms of equity remuneration." Details of the Employment Contract and its terms, including potential issues of equity, were never disclosed to ASX and, in any event, there was no enforceable agreement between Birimian and Joyce for "equity remuneration." The Employment Contract expressly stated that any such remuneration was "to be agreed between the Board and [Joyce] in due course". No such agreement was reached with the Board. It would appear from information contained within the emails that have recently come to light that the cash payment was calculated on the basis of 607,000 shares at a deemed issue price of 30 cents each converted to the cash equivalent.

The payment will be disclosed in the 2017 Audited Financial Statements and Remuneration Report, the Company has demanded by letter dated 28 September 2017 that the payment be returned and the Company is considering the circumstances surrounding this payment.

Yours faithfully,



**Greg Walker**  
Executive Director and CEO