

15 February 2018

**ATO WAIVES TAX PENALTIES FOLLOWING  
VOLUNTARY DISCLOSURE**

Birimian Limited (ASX: BGS; **Birimian** and the **Company**) is pleased to announce that the Australian Taxation Office (**ATO**) has informed Birimian of the ATO's decision to waive all penalties on the Company in relation to taxation obligations arising from past payments made to former directors of Birimian. In August 2017, Birimian announced (*BGS, 16 Aug 2017*) that a review undertaken internally by the current Board of Directors, with the assistance of PricewaterhouseCoopers (**PwC**), had revealed significant instances of prior non-compliance with tax obligations in Australia and Mali. These related to not meeting obligations to pay withholding tax and VAT in Mali and in Australia:

- i. Not meeting PAYG obligations on amounts paid to employees;
- ii. Not making certain superannuation payments by the due date;
- iii. Lodging Business Activity Statements (in respect of GST obligations) in which amounts were incorrectly claimed as input credits;
- iv. Not meeting the reporting requirements for employee share schemes; and
- v. Not correctly calculating payroll tax liability in Western Australia.

Birimian made a voluntary disclosure to the ATO in relation to the relevant Australian federal tax matters and a subsequent provision in its financial statements for potential tax, interest and penalty obligations in Australia and Mali of \$2,134,612, which included \$1,678,797 in relation to Australian tax matters the ATO was entitled to impose under the tax legislation. The Australian federal tax matters have been resolved and no payment is required to be made by Birimian to the ATO. Birimian advised in January 2018 (*BGS, 31 Jan 2018*) that the Company had lodged financial statements and tax returns for 2011-16 for each of its three subsidiaries with the Malian Tax Authorities (**MTA**) and paid a total of \$404,000 in outstanding taxes owed by the subsidiaries for this period.

The Company's Executive Director and Chief Executive Officer, Mr Greg Walker, said "Birimian is pleased to have resolved this matter with the ATO. The Company now has resolved almost all outstanding tax matters in Australia and Mali, with only the WA payroll tax issue to be resolved, which is not material. While provision was made for \$2.1M to settle all outstanding tax, interest and penalty payments, total expenditure to-date has amounted to \$404,000, which is an extremely good outcome for the Company. Accordingly, the provision will be substantially reversed."

**Greg Walker**

Executive Director and Chief Executive Officer