

Appendix 4E

Preliminary Final Report

1. Company Details

| | |
|--------------------------------|--------------------------------|
| Name of entity: | BKM Management Limited |
| ABN: | 61 009 146 543 |
| Reporting Period: | Year ended 30 June 2013 |
| Previous Corresponding Period: | Year ended 30 June 2012 |

2. Results for announcement to the market

| | | | | |
|---|------|--------|----|-------------|
| Revenues | down | 34.03% | to | \$1,357,098 |
| Loss after tax attributable to members | down | 27.90% | to | (\$498,674) |
| Net loss for the period attributable to members | down | 27.90% | to | (\$498,674) |

Comments

I am pleased to report that shareholder's patience are being rewarded with the Company reaching an agreement with the acquisition of Lymex Tenements which will lead to being renamed Oakdale Resources Limited.

The proposed transaction will see the Company control an exciting graphite project located on central-western Eyre Peninsula, South Australia.

Preliminary metallurgy on already drilled oxidised graphite material has recovered jumbo, course and fine flake graphite, which would be a very valuable and saleable product. The board sees that the transaction would be highly positively transformative for the company.

During the period under review, the Company continued in its efforts in restructuring its balance sheet and focussed on cost vigilance whilst reviewing potential expansion and growth plans.

BKM has maintained its interest in both Scene Model Management Pty Ltd (Scene) and IGC Asia Pte Ltd (IGC) during the years as discussed below. Following shareholder approval for the Oakdale/Lymex transaction, these assets are expected to be sold.

Scene Model Management Pty Ltd

During the year, the general slowdown in retail activity in the Australian economy has appeared to have had an impact on general business' turnover. Furthermore, Scene's Melbourne's branch faced turnover of some key personnel due to the more challenging operating conditions. The Melbourne business is in the process of being reviewed by management to move the struggling branch forward.

IGC Asia Pte Ltd

As intimated in the previous report, the changes in the operating procedures at IGC Asia to better operate in the economic climate has provided IGC with improving returns and shown a return to profitability. Furthermore, IGC continues to receive strong support by its parent CBS to continue to improve IGC's operations with a view to returning it on a strong growth trajectory.

3. NTA backing

Net Tangible Asset per Security

| | |
|--------------------|--------------|
| As at 30 June 2013 | (0.02) cents |
| As at 30 June 2012 | (0.02) cents |

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Preliminary Financial Report

4. Control gained over entities

| | |
|---|----------------|
| Name of entities (or group of entities) | Not applicable |
| Date control gained | Not applicable |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material) | \$- |
| Profit/(loss) from ordinary activities after tax of the controlled entity (or group entities) for the whole of the previous corresponding period (where material) | \$- |

5. Loss of control over entities

| | |
|---|----------------|
| Name of entities (or group of entities) | Not applicable |
| Date control lost | Not applicable |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material) | \$- |
| Profit/(loss) from ordinary activities after tax of the controlled entity (or group entities) for the whole of the previous corresponding period (where material) | \$- |

6. Dividends

Current period

There were no dividends paid or declared during the current financial period.

Previous corresponding period

There were no dividends paid or declared during the previous financial period.

7. Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

No applicable.

10. Audit qualification or review

Details of audit dispute or qualification (if any):

The accounts are currently in the process of being audited.

The audit of the consolidated entity is currently in progress and there are unresolved matters which may require some form of modification to the Auditor's Report. In particular, these matters include the valuation of the investment in IGC Asia Pte Ltd which has a net carrying value of \$418k.

The investment was the subject of a qualification by the auditors in the prior year and may also be qualified in the current year.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Financial Report of BKM Management Limited for the year ended 30 June 2013 is attached.

12. Signed



Mr. Alvin Tan
Non Executive Chairman

BKM Management Limited
Dated: Friday, 30th August 2013

BKM Management Limited

ABN: 61 009 146 543

Preliminary Financial Report

for the year ended

30 June 2013

(and previous corresponding period: year ended 30 June
2012)

In compliance with Listing Rule 4.3A

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2013

| | Note | 30-June-2013 \$ | 30-June-2012 \$ |
|---|------|--------------------|--------------------|
| Revenue from Ordinary Activities | 2 | 1,357,098 | 2,057,096 |
| Corporate Administration Expenses | | (241,592) | (258,277) |
| Due Diligence Transaction Costs | | (80,335) | - |
| Employment and Consulting Fees | | (428,358) | (271,307) |
| Finance Costs | | (12,623) | (80,571) |
| Impairment Expenses | | - | (630,711) |
| Loss on Sale of Assets | | - | (231) |
| Model and Talent Costs | | (1,018,164) | (1,437,008) |
| Occupancy Costs | | (74,700) | (70,645) |
| Loss Before Income Tax | 3 | (498,674) | (691,654) |
| Income Tax Expense | | - | - |
| Loss After Income Tax for the Period | | (498,674) | (691,654) |
| Other Comprehensive income for the Period, Net of Tax | | - | - |
| Total Comprehensive Income for the Period | | (498,674) | (691,654) |
| Loss for the Year is Attributable to: | | | |
| Owners of the BKM Management Limited | | (472,715) | (696,049) |
| Non-Controlling Interests | | (25,959) | 4,395 |
| | | (498,674) | (691,654) |
| Total Comprehensive Income Attributable to: | | | |
| Owners of the BKM Management Limited | | (472,715) | (696,049) |
| Non-Controlling Interests | | (25,959) | 4,395 |
| | | (498,674) | (691,654) |
| | | Cents | Cents |
| Loss per share for loss from attributable to the ordinary equity holders of the company: | | | |
| Basic earnings per share | 8 | (0.05) | (0.09) |
| Diluted earnings per share | 8 | (0.05) | (0.09) |

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION

30 JUNE 2013

| | Note | 30-June-2013 | 30-June-2012 |
|--------------------------------------|------|------------------|------------------|
| | | \$ | \$ |
| Assets | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 4 | 268,279 | 306,319 |
| Trade and Other Receivables | | 106,355 | 206,003 |
| Other | | 2,655 | 2,236 |
| Total Current Assets | | 377,289 | 514,558 |
| Non-Current Assets | | | |
| Other Financial Assets | | 417,756 | 417,756 |
| Plant and Equipment | | 11,159 | 4,666 |
| Intangibles | | 49,878 | 49,878 |
| Total Non-Current Assets | | 478,793 | 472,300 |
| TOTAL ASSETS | | 856,082 | 986,858 |
| Current Liabilities | | | |
| Trade and Other Payables | | 805,415 | 655,503 |
| Borrowings | | 123,970 | 416,970 |
| Employee Benefits | | 6,028 | 20,911 |
| Total Current Liabilities | | 935,413 | 1,093,384 |
| Non-Current Liabilities | | | |
| Employee Benefits | | 37,937 | 34,483 |
| Total Non-Current Liabilities | | 37,937 | 34,483 |
| TOTAL LIABILITIES | | 973,350 | 1,127,867 |
| NET ASSETS/(LIABILITIES) | | (117,268) | (141,009) |
| Equity | | | |
| Issued Capital | 5 | 26,667,747 | 26,145,332 |
| Retained Profits | | (26,754,062) | (26,281,347) |
| Parent Entity Interest | | (86,315) | (136,015) |
| Non-Controlling Interest | | (30,953) | (4,994) |
| TOTAL EQUITY | | (117,268) | (141,009) |

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
30 JUNE 2013

| Economic Entity | Share capital \$ | Other components of equity \$ | Retained Earnings \$ | Total \$ | Non- controlling interests \$ | Total \$ |
|--|---------------------|--|----------------------------|------------------|--|------------------|
| Balance as 30 June 2011 | 25,113,948 | - | (25,585,298) | (471,350) | (9,389) | (480,739) |
| Profit/(Loss) for the period | | | (696,049) | | 4,395 | (691,654) |
| Total comprehensive income for the period | - | - | (696,049) | (696,049) | 4,395 | (691,654) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Shares Issued Net of Costs | 1,031,384 | - | - | 1,031,384 | - | 1,031,384 |
| Balance at 30 June 2012 | 26,145,332 | - | (26,281,347) | (136,015) | (4,994) | (141,009) |
| Profit/(Loss) for the period | | | (472,715) | | (25,959) | (498,674) |
| Total comprehensive expense for the period | - | - | (472,715) | (472,715) | (25,959) | (498,674) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | | |
| Shares Issued Net of Costs | 522,415 | - | - | 522,415 | - | 522,415 |
| Balance at 30 June 2013 | 26,667,747 | - | (26,754,062) | (86,315) | (30,953) | (117,268) |

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

BKM MANAGEMENT LIMITED
STATEMENT OF CASH FLOWS

30 JUNE 2013

| | Note | 30-June-2013 \$ | 30-June-2012 \$ |
|---|------|--------------------|--------------------|
| Cash Flows Related To Operating Activities | | | |
| Receipts from Customers | | 1,465,271 | 2,011,624 |
| Payments to Suppliers and Employees | | (1,668,964) | (2,070,288) |
| Interest Received | | 2,630 | 4,894 |
| NET OPERATING CASH OUTFLOWS | | (201,063) | (53,770) |
| Cash Flows Related to Investing Activities | | | |
| Payment for purchases of plant and equipment | | (9,197) | (2,727) |
| NET INVESTING CASH OUTFLOWS | | (9,197) | (2,727) |
| Cash Flows Related to Financing Activities | | | |
| Proceeds from issues of securities | | 208,500 | - |
| Capital raising costs | | (6,281) | (4,995) |
| Repayment of borrowings | | (30,000) | - |
| NET FINANCING CASH INFLOWS | | 172,219 | (4,995) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | (38,041) | (61,492) |
| Cash and Cash Equivalents at the Beginning of the Period | | 306,319 | 367,811 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 7 | 268,278 | 306,319 |

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

Note 1: Basis of Preparation

This general purpose financial report for the year ended 30 June 2013 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

The Company's preliminary financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Australian equivalents to International Financial Reporting Standards ("A-IFRS").

The Company's preliminary financial report does not include all the notes of the type normally include in an annual financial report. The preliminary financial report has been prepared in accordance with the recognition and measurement requirements, but not all disclosure requirements of Australian Accounting Standards and Interpretations and the *Corporations Act 2001*. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards.

Accounting Policies

Significant accounting policies adopted in preparation of the preliminary financial report are consistent with those adopted by the Company in preparation of the 30 June 2012 financial report and the 31 December 2012 half year financial report. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosure.

The preliminary financial report is presented in Australian dollars.

Going Concern

As at 30 June 2013, the consolidated entity incurred an operating loss of \$498,674 (2012:\$691,654) and net liabilities were \$117,268 (2012: net liabilities \$141,009). The consolidated entity's cash position has decreased to \$268,279 from \$306,319 at June 2012.

The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation:

- The Company is in the process of obtaining shareholder approval to acquire the Oakdale Graphite Project and associated tenements from Lymex Limited as announced to the ASX on 6 March 2013;
- The Company is also seeking shareholder approval to issue additional equity to raise between \$3,000,000 to \$6,000,000 through a capital raising. The funds will be used to undertake significant drilling at the Oakdale Graphite project, to meet the costs of the transaction and for general working capital purposes;
- The trade and other payables balance as at 30 June 2013 contains accrued directors fees of \$123,060 (June 2012:\$25,060) and related party payables for director controlled entities of \$283,935 (June 2012: \$164,600). An undertaking has been provided to the consolidated entity by the directors that repayments of these amounts, and future director fees, will only be demanded in the event that the consolidated entity has sufficient cash flows available;
- The consolidated entity has the ability to scale down its operations sufficiently should the above not occur.

As a consequence of the above, the directors believe that the consolidated entity will be able to continue as a going concern and, therefore these financial statements have been prepared on a going concern basis. Accordingly, the financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets, or to the amounts of classification or liabilities that might be necessary should the consolidate entity not be able to continue as a going concern.

BKM MANAGEMENT LIMITED
ABN: 61 009 146 543
Financial Statements

Note 2: Revenue

| | 30-June-2013 | 30-June-2012 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Agency Fee | 1,354,468 | 2,046,130 |
| Total operating revenue | 1,354,468 | 2,046,130 |
| Non-operating activities | | |
| Interest Received | 2,630 | 4,894 |
| Other Revenue | - | 6,072 |
| Other non-operating activities | 2,630 | 10,966 |
| | 1,357,098 | 2,057,096 |

Note 3: Profit/(Loss) for the year

| | 30-June-2013 | 30-June-2012 |
|--|--------------|--------------|
| | \$ | \$ |
| <i>Depreciation</i> | | |
| Plant and Equipment | 2,704 | 509 |
| <i>Finance costs</i> | | |
| Convertible securities | 12,623 | 128,218 |
| <i>Rental expense relating to operating leases</i> | | |
| Minimum lease payments | 65,016 | 62,023 |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | 27,358 | 27,909 |
| <i>Employee benefits expense</i> | | |
| Employee benefits expense | 401,000 | 436,851 |

Note 4: Cash and Cash Equivalents

| | 30-June-2013 | 30-June-2012 |
|--------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank | 268,279 | 306,319 |
| | 268,279 | 306,319 |

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

Note 5: Equity – Contributed

| | Note | 30-June-2013 | | 30-June-2012 | |
|--------------------------------|------|--------------|-------------------|--------------|-------------------|
| | | No. | \$ | No. | \$ |
| Ordinary Shares | 5a | 989,619,878 | 26,666,983 | 813,387,549 | 26,144,568 |
| Options over Fully Paid Shares | 5b | - | 764 | - | 764 |
| | | | 26,667,747 | | 26,145,332 |

| 5a Ordinary Shares | Note | 30-June-2013 | | 30-June-2012 | |
|--------------------|------|--------------|----|--------------|----|
| | | No. | \$ | No. | \$ |

a) Ordinary Shares

| | | | | | |
|--|-----|-------------|------------|-------------|------------|
| At the beginning of the reporting period | | 813,387,549 | 26,144,568 | 640,657,733 | 25,113,184 |
| Shares issued during year | (i) | 176,232,329 | 528,696 | 172,729,816 | 1,036,379 |
| Transaction costs relating to share issues | | - | (6,281) | - | (4,995) |
| At reporting date | | 989,619,878 | 26,666,983 | 813,387,549 | 26,144,568 |

| (i) | Details | Number | Issue price \$ | \$ |
|-----------|--|-------------|----------------|---------|
| 11-Oct-12 | Issue of Shares - Interest expense on convertible notes | 14,666,667 | 0.003 | 44,000 |
| 18-Dec-12 | Issue of Shares - Conversion of convertible notes | 92,065,662 | 0.003 | 276,196 |
| 15-Mar-13 | Issue of Shares - As per Company announcement dated 6 March 2013 | 69,500,000 | 0.003 | 208,500 |
| | | 176,232,329 | | 528,696 |

| 5b Options over Shares | Note | 30-June-2013 | | 30-June-2012 | |
|------------------------|------|--------------|----|--------------|----|
| | | No. | \$ | No. | \$ |

b) Options

| | | | | | |
|--|--|---|-----|---|-----|
| At the beginning of the reporting period | | - | 764 | - | 764 |
| At reporting date | | - | 764 | - | 764 |

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for each stakeholder and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

By regularly reviewing undiscounted cash flows forecasts and actual cash flows provided to the Board of directors by management, the Board is able to monitor the consolidated entity's capital needs.

The capital risk management policy remains unchanged from 30 June 2012 Annual Report.

BKM MANAGEMENT LIMITED

ABN: 61 009 146 543

Financial Statements

Note 6. Events subsequent to Balance Date

5th August 2013 – BKM Management Limited released a Notice of Meeting to gain shareholder approval on the following resolutions:

- a) Change the nature and scale of their current operating activities;
- b) Issue of ordinary shares to Lymex Shareholders as consideration for the acquisition of Lymex Tenements Pty Ltd;
- c) Matamin Pty Ltd to acquire relevant interest in excess of 20%;
- d) Consolidation of Capital;
- e) Capital Raising;
- f) Appointment of John Lynch, Rob Clifton-Steele and Graham White as Directors;
- g) Issue of options to shareholders of the Company who participated in the private placement of shares in or around February 2013;
- h) Change of Company name to Oakdale Resources Limited;

Other than the matters listed above, no other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the economic entity, the result of those operations or the state of affairs of the economic entity in subsequent financial years.

Note 7. Reconciliation of loss after income tax to net cash used in operating activities

| | 30-June-2013 | 30-June-2012 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Reconciliation of cash flow from operations with loss after income tax | | |
| Loss for the period | (498,674) | (691,654) |
| Add back depreciation expense | 2,704 | 1,321 |
| Add back impairment of asset | - | 630,711 |
| Add back interest on borrowings | 12,623 | 80,571 |
| (Increases)/Decreases in Accounts Receivable | 115,025 | 11,633 |
| (Increases)/Decreases in Other Current Assets | (419) | 8,311 |
| Increases/(Decreases) in Accounts Payable | 159,165 | (100,702) |
| Increases/(Decreases) in Other Current Liabilities | 8,515 | 6,039 |
| Cash flow from operations | (201,061) | (53,770) |

Note 8. Earnings per share

| | 30-June-2013 | 30-June-2012 |
|---|---------------------|---------------------|
| | \$ | \$ |
| a) Reconciliation of earnings to profit/loss | | |
| Net loss attributable to ordinary equity holders of the parent | (498,674) | (691,654) |
| Add back loss attributable to non-controlling interests | 25,959 | (4,395) |
| Earnings used to calculate basic EPS | (472,715) | (696,049) |
| | No. | No. |
| b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 891,235,543 | 741,456,228 |
| Weighted average number of options outstanding * | - | - |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | 891,235,543 | 741,456,228 |
| * - Includes instruments with dilutive impact on EPS only | | |
| Options that are considered to be potential ordinary shares are excluded from the weighted average number of ordinary shares used in the calculation of basic loss per share. Where dilutive, potential ordinary shares are included in the calculation of diluted loss per share. All the options on issue do not have the effect to dilute the loss per share, therefore have been excluded from the calculation of diluted loss per share. | | |
| | Cents | Cents |
| c) Basic earnings/loss per share | (0.05) | (0.09) |
| d) Diluted earnings/loss per share | (0.05) | (0.09) |