



Bluebird Merchant Ventures Limited

**Annual Report and Accounts
2016**

DIRECTORS, OFFICERS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Jonathan Charles Rowell Morley-Kirk Aidan Bishop Colin David Patterson Daniel Kesdan Fox-Davies Clive Sinclair Poulton Mitchell Tarr (Resigned 27 Nov 2015)	Non-Executive Chairman Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Senior Management	Charles Alexander Fordyce Barclay Andrew David Lincoln Wright	Chief Executive Officer Chief Financial Officer
Company Secretary	Oyster Trust Sarl 2nd Floor 3-5 Rue Du Conseil General CH-1205 Geneva Switzerland	
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CONTENTS

Overview

1	About us	4
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Strategic Report

2	Chairman's statement	5
3	Chief Executive's statement	6
4	Financial review	9
5	Business model and Strategy	10
6	Principal risks and uncertainties	13
7	Safety and health	18
8	Sustainable development	19

Review of Operations

9	Batangas Gold Project	20
10	Ore Reserves and Mineral Resources	29
11	Commodity Sales	32
12	Other	33

Directors and Governance

13	Board of Directors	34
14	Report of the Directors	36
15	Report on corporate governance	40
16	Remuneration report	46

Financial Statements

17	Independent auditor's report to the members on Bluebird Merchant Ventures Limited	48
18	Consolidated income statement	52
19	Consolidated statement of comprehensive income	53
20	Consolidated statement of financial position	54
21	Consolidated statement of changes in equity	55
22	Consolidated cash flow statement	56
23	Notes to the financial statements	57
24	Company balance sheet	80
25	Glossary	82

ABOUT US

Bluebird Merchant Ventures Limited (**Bluebird** or the **Company**) is an exploration and commodity trading company. The Company has an interest in the Batangas Gold Project (**BGP**) in the Republic of the Philippines and a copper concentrate trading business.

The Batangas Gold Project

The Batangas Gold Project is located 120km south of Manila, on the Island of Luzon in the Philippines.

The Batangas Gold Project includes two Mineral Production Sharing Agreements (**MPSA's**), Lobo MPSA 176-2001-IV and Archangel MPSA 177-2002-IV that contain all of the identified resources. In addition the project includes 9 granted Exploration Permits (EP's) and 3 EP applications.

The two MPSA's and the majority of the EP's are owned by the Philippines company Egerton Gold Philippines Inc (**EGPI**). Another Philippines company, MRL Gold Inc (MRL) holds a direct and indirect contractual right interest in EGPI and is 100% owned by Red Mountain Mining Singapore Limited (**RMMS**). Bluebird holds 25% of RMMS with a right to earn up to 50.1%. Red Mountain Mining Limited (ASX:RMX) owns the balance of the equity in RMMS.

The estimate of mineral resources of the MPSAs are in the table below.

Tenement	Resource Category	Tonnes	Au g/t	Au Oz
Lobo MPSA-176	Indicated	385,000	4.9	18,000
	Inferred	219,000	2.9	64,000
	Total	604,000	4.2	82,000
Archangel MPSA-177	Indicated	2,582,000	2.0	166,000
	Inferred	3,004,000	2.0	197,000
	Total	5,586,000	2.0	363,000
Total BGP	Indicated and Inferred	6,190,000	2.2	445,000

During the 2016 financial year a Pre-Feasibility Study (**PFS**) was finalised which showed that the Batangas Gold Project should generate USD\$34Mn in free cashflow during the first 7 years of production (after capital and pre corporate tax and administrative costs, at a price of USD\$1,250/oz). The PFS showed recovered production of 116,000 oz of gold, an increase of 26,000 oz of gold from the original Project Scoping Study, with an additional 320,000 oz of gold in majority of Inferred Resources available for future conversion.

Copper Concentrate Trading Business

The Group has financed the construction of a processing plant at Pantukan, Republic of the Philippines, and has conducted trial processing of copper ore, which has been sold and smelted by PASAR.

Since the end of the financial year, the Group has conducted a complete review of ore supplies, processing parameters and the testing regime. This has been completed and the re-commencement of ore purchases and processing is imminent.

CHAIRMAN'S STATEMENT

During 2016, the Group's focus was to complete the listing of Bluebird Merchant Ventures Limited on the London Stock Exchange (**LSE**) and to develop the Group's two major business units.

On 13 April 2016 the Company successfully listed on LSE, raising USD\$ 2,658,447, after costs.

Following the listing, through to the end of the financial year we completed our commitments with the Batangas Gold Project through further investments in Red Mountain Mining Singapore Limited (**RMMS**). The Group's total investment in RMMS is currently USD\$ 1,859,990.

Since the end of the financial year, we have informed Red Mountain Mining Limited (ASX:RMX), our partner in RMMS, that we have stopped funding for RMMS for the short term, until various matters have been resolved successfully. This has partially been brought about by the change in directors at RMX, a review of the cost structure of RMMS and by changes within the Department of Environment and Natural Resources (**DENR**), the governing body controlling mining activities in the Republic of the Philippines.

The change in the Administration of the DENR has created uncertainty in the mining sector as a whole and it will take sometime before a clearer picture emerges. The Administration of the Republic of the Philippines appears to be trying to stop all mining activities in the Philippines, whether or not there are environmental issues involved. The Group and RMX have always taken environmental protection and related matters very seriously and wish to be regarded as sensible and responsible mining companies in the Republic of the Philippines.

With respect to our commodity trading unit, we received payment for the initial copper ore shipment to the PASAR smelter in June 2016. However given the time delays and the testing of the concentrate, it was clear that our processes needed to be reviewed. Together with independent expert metallurgists we have reviewed all ore sources and processing methodologies. The testing process has been completed and plant design modifications have been made and we are looking to re-commence processing shortly.

Given the capital markets for financing exploration and mining projects in developing markets continue to be difficult, the 2016 year was difficult for the Group. The Company's listing on the LSE was one of the very few global listings of a junior miner in the year. Whilst we expect conditions for the 2017 financial year to be similar, the imminent recommencement of our trading business gives cause for cautious optimism.



Jonathan Morley-Kirk
Chairman

1 Nov '16

CHIEF EXECUTIVES STATEMENT

2016 Highlights

- Bluebird listed on the London Stock Exchange on 13 April 2016
- Pre-feasibility study on the whole of the Batangas Gold Project confirms USD\$34M of free cash-flow
- Expansion of ore supply arrangements and conclusion of professional metallurgical work in readiness for sustainable processing activities and sale of high grade copper, gold and silver ore

Batangas Gold Project

The Batangas Gold Project (Batangas or the Project) is located 120 km south of Manila on the Island of Luzon in the Republic of the Philippines. The Project is accessible by sealed road from Manila to Lobo township then by well formed roads to the Lobo resources, 2km to the east of Lobo, and 15 km via the coastal rid the Archangel (**Kay Tanda**) resources.

The Batangas Gold Project includes two Mineral Production Sharing Agreements (**MPSA's**), Lobo MPSA 176-2002-IV and Archangel MPSA 177-2002-IV, that contain all of the identified resources. In addition the project includes 9 granted Exploration Permits (**EP's**) and 3 EP applications.

The two MPSA's and the majority of the EP's are owned by the Philippines company Egerton Gold Philippines Inc (**EGPI**). Another Philippines company, MRL Gold Inc. (**MRL**) holds a direct and indirect contractual right interest in EGPI and is 100% owned by Red Mountain Mining Singapore Ltd (**RMMS**). The Batangas Joint Ventures is incorporated at the RMMS level, Red Mountain Mining Limited (ASX:RMX) currently holding 75% of RMMS and Bluebird holding 25% with the right to earn up to 50.1%.

A Pre-Feasibility Study (**PFS**) was completed during the 2016 financial year. This will be converted into a Definitive Feasibility Study (**DFS**), dependent on funding for RMMS and ongoing permitting issues. The additional work that needs to be completed for the DFS includes:

Geotechnical drilling and final pit designs
Detailed design of waste storage and water management structures
Final haul road design/upgrade from the Kay Tanda pits to the CIL processing plant at Lobo and,
Further detailed cost inputs associated with mining and milling parameters.

Key financial outcomes of the PFS

The financial cashflow model outcomes for the Batangas Gold Project PFS are summarised below. The Group has adopted the World Gold Council guidance on cost reporting measures.

Cash flows are undiscounted unless stated (eg NPV) and are not subject to inflation/escalation factors. The PFS has been prepared to an overall level of accuracy of approximately +/- 25%.

Batangas Gold Project	Unit	US\$
Mine life (processing)	Years	7.2
Tonnes Processed	Mt	1.44
Head Grade Gold (Au)	Au g/t	2.6
Head Grade Silver (Ag)	Ag g/t	9.0
Head Grade (Au Equ., including Ag credits)	Au Equ g/t	2.8
Metallurgical Recovery Gold (%)	%	91%
Recovered Ounces Gold including Silver credits	Oz 000s	116
Total Net Revenue from Gold Sales	\$ Mn	140
Total C1 Cost (inc Royalties & local taxes & silver credits)	\$ Mn	85
Operating C1 Cash Flow	\$ Mn	55
Operating C1 Cost/Oz	\$/Oz	735
Sustaining Capital	\$ Mn	5
Pre-Production Capital (including contingencies)	\$ Mn	16
Total C3 AIC Cost (including all capital)	\$ Mn	106
Total C3 AIC Cash Flow (incl all capital excl corporate tax and admin)	\$ Mn	34

Total C3 AIC Cost/Oz (including all capital)	\$/Oz	914
Net Present Value (NPV) (5%) (excluding corporate tax & admin)	\$ Mn	24
Gold Price	\$	1,250

For more detailed information see pages 20 to 31.

Processing throughput rates will vary from approximately 100,000 tpa for the South West Breccia and Japanese Tunnel production from the Lobo MPSA, recovering approximately 17,000 ozs Au per annum for the first 2 years. Processing throughput rates will then lift to 250,000 tpa for the Kay Tanda (West and East) production from the Archangel MPSA, recovering approximately 17,000 oz Au per annum for a further 5 years. Total recovered production is a planned 120,000 oz Au (including Ag credits) for the initial 7 years of operations.

Current Status

With respect to RMMS, we have informed our joint venture partner, RMX, that Bluebird will not be contributing further cash in the near future until the way forward for the completion of the DFS and the granting of further permits and authorisations is clearer. Further:

The RMX board has changed and it is currently unclear what RMX's strategy with respect to RMMS will be; Following the election of the new president in the Philippines, an anti-mining head of the Department of Environment and Natural Resources (DENR) has been appointed and she has already announced several anti-mining initiatives; and We are reviewing the cost structure of RMMS and the projected costs for the DFS process.

Commodity Sales

The Company has a direct 40% interest in White Tiger Minerals Corporation Inc (WTMR). WTMR entered originally into a MOA with Richard B. Garbo on 19 November 2014, which was superseded by a further MOA entered into on 16 November 2015. Richard B. Garbo trades under the name of CRRR Mineral Trading (CRRR), a sole proprietorship.

CRRR is an accredited trader of mineral products by the Mines and Geosciences Bureau of the Philippines (MGB). CRRR's accreditation was renewed on 29 January 2016 for a further two-year period.

WTMR has provided CRRR with a loan of USD 55,482 which has enabled CRRR to build a copper concentration plant using a gravity separation process. WTMR holds the plant and the land upon which it is located as security for that loan.

WTMR's agreement with CRRR is an exclusive agreement whereby WTMR will be buying copper concentrates for a period of 10 years. CRRR selects and buys high-grade copper ore from permitted small-scale producers in regions in close proximity to its plant. This copper ore is then crushed and undergoes a gravity separation process to produce a high-grade concentrate product. The initial output capacity of the plant was approximately 500 MT of copper concentrate per month. In the last few months additional machinery and equipment has been installed, to increase the output capacity to up to 2,000 MT per month. Additionally a laboratory has been established to minimise external assay work and improve delivery times.

CRRR buys high-grade copper ores from permitted small-scale producers that operate within permitted small-scale mining areas. These producers neither have the ability to produce a concentrate nor have direct market access to a smelter. CRRR does not have direct market access to a smelter, due to its reliance upon receiving advance funds from the Group in order to operate and buy ores. A smelter will not typically enter into such advance funding arrangements with small processors. CRRR aggregates copper ores from permitted small-scale producers using funds from the Group that are advance payments on Conditional Purchase Orders (CPO's) for copper concentrate and then moves the ore to its plant, where it produces the concentrate and prepares it for sale.

CRRR discovers the grade of ore prior to purchase through the analysis of samples it receives from the small-scale producers that is performed by laboratories in the region.

The initial 17.76 MT of copper concentrate was transported to PASAR, a local smelter on 25 October 2015. The Group experienced delays in its independent survey and analysis of the product and there was a considerable delay before the concentrate was smelted. Payment for this trial shipment was finally received from PASAR on 29 June 2016. The results of the first shipment revealed a copper content of 12.367%; gold content of 6.56 grams per ton; and silver content of 57.4 grams per ton. This was considered below our expectations and we stopped actively processing ores to re-assess the ore and the processing parameters.

Through Peter Wallwin Associates and in-house resources we have conducted a complete review of ore sources and undertaken work to optimise processing.

This review process has identified key ore targets and improvements to the plant, which have been completed. WTMR is now ready to re-commence ore purchases and processing.

Once WTMR has achieved monthly shipments of 500 MT then the Group will consider how best to increase monthly shipments. The Group expects that it would take at least 12 to 18 months in order to increase significantly shipments beyond 500 MT per month and, should the Group choose to do so, then the Group will take a staggered approach to increasing volume.

WTMR has an agreement to sell copper concentrates to PASAR, a local smelter, which pays WTMR based upon the metal content. Copper concentrate also contains gold and silver and as such are also considered payable metals. The formula used by the smelter and most of the world's concentrate buyers is to pay based upon the percentage of copper content subject to a deduction of 1% and then to calculate a gross payment of 96.5% of the copper value based on the LME Price. The grade of copper content is determined by the smelter or independent surveyor based upon analysis that is undertaken upon delivery of each shipment. The Treatment Charge (TC) and Refining Charge (RC) are then deducted from the gross copper value. The TC is presently USD107 per MT of concentrate treated and the RC is USD 0.107 per pound of refined copper. The smelter also pays based upon gold and silver content in the copper concentrate.

The Group has also reviewed the projected C1 cashflow from the trading activities, following the detailed metallurgical testing results, and it has been confirmed that the trading activity should be profitable, assuming current copper and gold prices.

Other Business

During the recent election in the Republic of the Philippines the newly elected President Duterte said that he admired the Australian and Canadian approach to mining. This has been mirrored by the newly appointed head of the DENR, Ms Regina "Gina" Lopez. She has quite rightly said that mining companies must adhere to the mining and environmental laws of the Philippines and has ordered a review of all mining companies active in the country. Whilst this has caused some uncertainty in the industry the Group continues to take these issues seriously in its future plans.

It must also be stressed that the Batangas Gold Project is not yet in production so any change in regulations can be incorporated in the Group's future operating plans.

President Duterte has also appointed a new head of the Mines and Geosciences Bureau, Mario Luis J. Jacinto, who will oversee the implementation of mining projects in the country. He is regarded as being generally supportive of the industry.

Whilst the review is underway that Group feels it prudent to look at other projects to diversify risk and increase opportunities.

Whilst no specific acquisitions have been targeted at present the Group is seeking to acquire projects that it deems attractive. These would be primarily advanced exploration stage gold projects with granted production permits and further mineral trading opportunities, which could be copper concentrate or other commodities. The Group considers advanced exploration projects to be those with established resources where sufficient historical technical information is available in order to adequately assess the potential. The Group has sought to identify such acquisitions primarily through its local knowledge and contact base. If such an acquisition is identified, then a process of rigorous technical and legal due diligence will take place. The Group will need to consider sources of funding for these acquisitions at the appropriate times.

The Group is waiting until consistent monthly trading volumes of copper concentrate have been achieved; and all logistical issues identified and controlled before it looks to expand its trading activities to other sites.



Charles Barclay
Chief Executive Officer

1 Nov '16 .

FINANCIAL REVIEW

Financial Highlights

Year ended 30 June	2016 Audited USD	2015 USD
USD		
Revenue	-	-
Gross profit loss	-	-
Loss from operations	(920,927)	(107,354)
Loss before tax	(920,927)	(107,354)
Analysed as:		
Loss from continuing operations	(920,927)	(50,209)
Loss from discontinued operations	-	(57,145)
Net cash generated by operations	251,171	7,748
Investments in RMMS	1,859,990	996,528
Investment in WTMR	-	6,344



Charles Barclay
Chief Executive Officer

1. Nov '16

BUSINESS MODEL AND STRATEGY

Business model

The Group has three main business strategies:

- Development of the Batangas Gold Project;
- Trading copper concentrate; and
- Further acquisitions and expansion of trading activities.

Development of the Batangas Gold Project

The Batangas Gold Project is the key mining project for the Company. The bulk of detailed exploration work, including extensive drilling and field studies have already been completed. The main work programmes going forward include the completion of a DFS, which includes a mining plan and economic model for the initial life of the mine, and governmental permission to allow the construction and operation of the mine to commence.

A summary of the Company's strategy over the next two financial years for the Batangas Gold Project is to achieve the completion of the DFS, the issuance of the ECC and DMF and to commence construction of the mine. However it is only upon the necessary permits and approvals being granted and subject to the availability of funding, that the Company would commence the construction of the mine at the Batangas Gold Project.

The Company used part of the proceeds of the Initial Public Offering (IPO) Placing to increase its interest in RMMS to 25%. Whilst the Company, having acquired a 25% interest, plans to increase its interest to 50.1%; the Company will determine the most appropriate time to do so. The Company does not intend currently to exercise the Sole Funding Option within the next 12 months. The timing will be governed by the results of the DFS and by the Company's monitoring and assessment of the permitting approval process and the availability of funding. In order to exercise either the Sole Funding or Stage 2 Options the Company expects that it will require additional funding via a further issuance of equity.

The key objectives for the 2017 financial year are to complete the DFS and for the DFS to demonstrate an economically viable mine and processing operation and to advance the permitting process to the stage where the DMF is presented for final technical evaluation by the MGB. The DFS is of key importance as this type of document is used by equity and debt providers when assessing viability of providing finance for the construction of the mine and the processing plant. Based on the results of previous studies published by RMX, the Company expects the DFS to confirm the economic and operational viability of mining reserves to allow the processing and production of at least 100,000 oz of gold.

The Company and RMMS Group also aims to conduct further exploration on the territory covered by the MPSAs with a view of increasing the amount of resources and ore reserves, following completion of the DFS.

The Company expects to generate sufficient profits from the copper trading business that will ensure that there will be no working capital shortfall in the 12-month period following Admission. Furthermore, the Company expects that profits from the copper trading will be used to partly fund the Sole Funding Option. The Directors believe that the completion of the DFS is a significant milestone for the BGP which will advance the project and the Directors further believe that the Company will be able to source additional development capital if required.

The key assumptions that the strategy is based upon are the successful results of the DFS, that the required permits and approvals are granted that allow for the construction of the mine and, ultimately, gold production to commence, and the ability of the Company to raise sufficient funds to increase its stake to 50.1% in RMMS.

Once constructed, the mine at the Batangas Gold Project will produce a gold doré product. The gold doré product may be sold to a gold refinery in the Philippines or elsewhere, or directly to the Central Bank of the Philippines. The Central Bank of the Philippines places no limits to the volume of its gold buying activities, subject to such regulations as the Monetary Board may issue, and despite Philippine based or overseas refineries being supplied by other producers the Company does not expect that it will experience difficulties in selling its gold doré product to the Central Bank, or refineries in the Philippines or overseas, should it choose to do so.

Trading in Copper Concentrate

A summary of the Group's strategy over the next two financial years for the trading business is to increase and maintain consistent monthly shipments of 500 MT of copper concentrate. Once this has been achieved the Group will seek to further increase monthly volumes and seek to replicate its business model in other regions.

WTMR and the Company have a 10-year exclusive agreement with CRRR to buy copper concentrates and to provide technical assistance for the operation of the processing plant. The Group is investigating various opportunities to acquire copper concentrate from other producers. This may well be a lengthy and continuing process as there are many aspects to take into account. These include logistics, quality, and pricing. At present the Group is solely reliant upon the plant that is owned and operated by CRRR for its copper concentrate product.

The Group entered into an agreement with a local smelter to supply concentrates at a competitive market price. The Group started trial shipments of concentrate to the smelter on 25 October 2015 and it plans to increase its monthly shipment volumes to 500 MT over the next 12 months.

The Group supplies presently its product to the only smelter in the Philippines. The Group has had several approaches and bids from global trading companies in relation to potential purchases of its copper concentrate. As copper concentrate is a recognized global commodity the Group is confident that it can acquire additional customers for its product if need be.

The key assumption that the strategy is based upon is that it is able to build up monthly volumes of shipments to 500 MT with grades acceptable to be delivered under contract to a smelter. Other key assumptions are that the Group maintains good relationships with CRRR and that CRRR is able to produce a product for the Group to the required specifications. Should any of these assumptions not be realized then it would have an adverse impact on the Group's business and its ability to operate.

To the Directors' knowledge there are no other copper concentrate gravity plants in the region where the CRRR plant is located. Whilst other companies may seek to buy ore from local small producers in the future, the Group does not expect this to have an impact on its operation given the large volume of copper ores that are available in the region.

The Group has increased its provision of technical assistance at the plant to ensure that it buys a product of the right specification for the smelter. This has included providing assistance relating to the efficiency of plant operating equipment, accuracy of product sampling and recording of such and the development of a small laboratory which will enable the Group to perform analysis of its product at the plant site.

Once the Group has demonstrated that consistent monthly shipments of 500 MT of copper concentrate can be achieved then expansion opportunities will be sought. This includes increasing volumes further under the current agreement with CRRR and seeking to replicate the model in other regions, which will be investigated once volume targets are met.

Further acquisitions and expansion of trading activities

At present the Group has no specific plans to make any acquisitions or to expand its trading activities in the 2017 financial year. The Group's strategy over the next two financial years with regards to acquisitions and expansion of trading is very much dependent upon the successful implementation of its strategy at the Batangas Gold Project and the successful implementation of the trading business.

Whilst no specific acquisitions have been targeted at present the Group is seeking to acquire projects that it deems attractive. These would primarily be advanced exploration stage gold projects with granted MPSAs and further mineral trading opportunities, which could be copper concentrate or other commodities. The Group considers advanced exploration projects to be those with established resources where sufficient historical technical information is available in order to adequately assess the potential. The Group seeks to identify such acquisitions primarily through its local knowledge and contact base. Should such acquisition be identified, then a process of rigorous technical and legal due diligence will take place. These acquisitions are likely to include new mining licence areas and mining related activities. The Group will need to consider sources of funding for these acquisitions at the appropriate times.

The Group is waiting until consistent monthly trading volumes of copper concentrate have been achieved; and all logistical issues identified and controlled before it will look to expand its trading activities. At present no formal specific expansion

target has been identified but the Board is aware of where small-scale copper producers operate currently and where demand for these products is located.

RISK MANAGEMENT AND INTERNAL CONTROL

Viability Statement

Changes to the UK Corporate Governance Code section C2 were introduced in 2014, and set out a number of additional reporting and disclosure obligations in relation to the management and assessment of risks that are relevant to the viability of the Company. The Group either follows the Code or has adapted it as appropriate for a Group of our size and stage of development.

Principal risks facing the Group

The Board considers the key risks facing the Group to be those set out in the section Principal Risks and Uncertainties on pages 13-17. The Board monitors these risks regularly and on an ongoing basis, not only at Board and Committee meetings, but through ad hoc meetings and telephone discussions, as well as emails and update reports from senior management.

Period over which viability has been assessed

Guidelines issued in conjunction with the updated UK Corporate Governance Code include the strong recommendation that Boards consider the viability of their Companies over periods considerably longer than the 12 month term used for assessment of the Going Concern basis (see note 1 to the accounts).

It is indisputable that the ability of the Company to continue as a Going Concern for a 12 month period, let alone any longer term, is, and has been for some time, been a serious concern. The Board is acutely aware of this fact, and have devoted a considerable amount of time to the discussion of the relevant issues, risks, and the appropriate responses and mitigating actions.

Under normal circumstances, a mining company in possession of one or more operating assets would view the length of the life of mine for those assets, and possibly longer, as an appropriate timeframe over which to consider the risks to the liquidity and viability of the Company.

However in Bluebird Merchant Ventures Limited's current circumstances, the threats to its solvency are more immediate. The risks considered most relevant to the consideration of the Company's viability over the next 12 months, which are addressed in detail in note 1 to the Financial Statements, are set out below.

Ability to secure financing for RMMS

The Company will require additional capital to maintain and increase its stake in RMMS.

The Company will require additional capital should it wish to take its interest in RMMS to 50.1% or more to exercise the Sole Funding or Stage 2 Options.

The Company does expect that it will be able to raise additional capital due to the fact that the DFS will have been completed within the 12 months from the date of this Report. Whilst the Directors expect the outcomes of the DFS to be positive, no assurance can be given that the DFS will result in demonstrating an economically viable mining operation at the Batangas Gold Project.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of exploration and development of the Batangas Gold Project or even loss or dilution of the Company's interest in the Batangas Gold Project.

There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to shareholders. Furthermore, the Company, in the ordinary course of its operations, may be required to issue financial assurances, particularly insurances and guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position. Loan agreements and other financing arrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security arrangements) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

The Directors have been successful in raising capital for other projects in the past and will endeavour to run the Company in a way that may appeal to new investors.

Joint Venture risk

RMMS is the 100% owner of MRL, which has a direct interest of 40% in EGPI and has a TSA with EGPI. The current structure ensures that decision-making is done by RMMS via MRL under a TSA. Following the grant of the ECC and DMF, MRL will apply for a mineral processing permit. MRL has the exclusive right to enter into agreements with EGPI. Pursuant to these agreements RMMS via MRL will finance development and construction of the mine and associated infrastructure and will purchase all mined ore on a costs plus basis. These agreements will ensure that RMMS has the necessary degree of control to effectively manage the construction and production stages of the Batangas Gold Project. However, no guarantees can be given that such agreements will provide the necessary degree of control to effectively manage construction and production stages of the Batangas Gold Project. If for any reason the terms of such agreements with EGPI cannot be agreed upon with MRL then the degree of influence that MRL may exert in relation to the Batangas Gold Project will remain as defined under the terms of the TSA.

The Company has a JVA with RMMS in relation to the development of the Batangas Gold Project. The JVA provides for a staged increase of the Company's stake in RMMS up to 50.01%. The Company gains more influence at each stage of the farm-in. On the completion of the farm-in, the Company, through its majority interest and appointment of three directors to the RMMS board, will have operational control of the Batangas Gold Project. However, the balance of the ownership interest will be held by RMX who will influence the subsequent management and control of RMMS. Upon completion of the Stage 1A investment the Company will nominate one director to the Board of RMMS. All key operational decisions in the Batangas Gold Project from this point will require the approval of the Company's nominated director.

Each increase in equity stake of the Company in RMMS requires RMMS board approval. The increase in stake is required legally under the terms of the JVA subject to the Company meeting the terms of the JVA. For this reason the Directors believe that the risk of the RMMS board blocking the Group's investments into RMMS is minimal. However no assurance can be given that the board of RMMS would approve the increase of the share capital in RMMS and issue of additional shares to the Company.

Upon the Company being issued Stage 1A RMMS Shares, under the terms of the JVA, the Company will form a joint venture with RMX and RMMS governing the joint management of all aspects of the Batangas Gold Project. The terms of the JVA also include the requirement that the shareholders in RMMS, namely the Company and RMX will enter into a formal joint venture agreement to more fully document the terms of the joint venture and which shall be on terms which are consistent with the terms already set out in the legally binding JVA. The joint venture agreement will remain in place following the Company being issued further RMMS Shares under subsequent stages of the farm-in. At present no such joint venture agreement has been formally entered into and no guarantees can be given that such agreement will be entered into and if entered into will be on terms that will be more favourable to the Company. If for any reason additional terms cannot be agreed upon with RMX and RMMS then the degree of influence that the Company may exert in relation to the Batangas Gold Project will remain as defined under the terms of the JVA.

If RMX attempts to exercise undue influence on the management of the Batangas Gold Project contrary to the Company's interests and plans, this may affect the ability of the Company to implement its strategy. The Company has currently has good working relationships with RMX. On completion of all farm-in stages it will have operational and shareholder control over the Batangas Gold Project. In addition, the Company has engaged senior operational executives with decades of experience in managing and operating gold mines. However successful development of the BGP will require the Company to work within a joint venture relationship with RMX, governed by a formal joint venture agreement that will include management and dispute resolution mechanisms. However no assurance can be given that the Company will be able to maintain this joint venture relationship and there is always a risk that disputes between the Company and RMX over the management of the Batangas Gold Project will not be successfully resolved under the terms of the current JVA or the subsequent joint venture agreement.

Provisions of the current JVA dealing with the continuing development and operation of the Batangas Gold Project may not be sufficient for the development and operational stages of the project and absence of a clear set of rules governing the relationship of the joint venture parties may cause disputes. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Directors from focusing their time on implementing the Company's strategy.

RMX might become insolvent or fail to fund its share of any capital contribution that might be required. However, due to the fact that RMX is listed on the ASX, the Company expects to have sufficient warning of any events that could lead to RMX becoming insolvent. This should enable the Company to minimise the impact of insolvency of RMX on the Batangas Gold Project. At the time of this document the Company does not believe that there is a significant risk of RMX becoming insolvent. Under the JVA should RMX become insolvent then the Company would control all of the Batangas Gold Project's decision-making processes. The Company would consider acquiring RMX's interest in the BGP should RMX become insolvent. However, in the event that the Company would want to acquire RMX's interest should it become insolvent, it is likely that the Company would require additional capital in order to do so.

Government licensing and regulation in the Philippines – effect on EPs and EPAs

The Batangas Gold Project is located in the Republic of the Philippines and the RMMS Group will need regulatory approval from the Philippine government for RMMS Group's planned development, mining and processing activities.

Obtaining governmental permits necessary to conduct all mining operations in the Philippines is a complex, lengthy and time-consuming process and may require substantial expenditure. The duration and success of permit applications are contingent on many factors, some of which are beyond RMMS' control, particularly where local authorities' consents are required to be obtained prior to the issue of the relevant permit by the MGB. Delay in obtaining the required permits and authorisations will impact the Group's operations and may have a negative affect on working capital.

Renewal and/or extension of RMMS Group's EPs and EPAs or the subsequent rights to develop and operate cannot be guaranteed and failure to obtain or renew a necessary licence or permit could mean that the Group is unable to proceed with the exploration, development or continued operation of a project, which, in turn, may have a material effect on the Company's business prospects, results of operation and financial condition. However, the EPs and EPAs are not considered material to the Batangas Gold Project.

Government licensing and regulation in the Philippines – effect on Batangas Gold Project

In order to commence construction of the mine at the Batangas Gold Project, the RMMS Group requires an ECC to be issued as a precedent to the assessment and approval of the DMF. An ECC is issued based upon approval of the EIA. Technical evaluation of the EIA is well advanced and it is expected that the final review of the EIA by the expert Review Committee appointed by the EMB will be completed by late 2016. It is also expected that the final recommendation by the EMB for the DENR Secretary to sign and approve the ECC will be issued in 2017. The Directors believe that the final review of the EIA will result in a recommendation to issue the ECC. However, no guarantees can be given that the final review of the EIA will result in a positive recommendation to issue the ECC, or if a positive recommendation is given, that it will result in the issuance of the ECC in a timely fashion.

In respect of the Archangel and Lobo MPSA's the key stage of development approval is for the RMMS Group to obtain a DMF. In order to obtain the DMF, RMMS needs the endorsement of two of the three LGU's as well as the issuance of the ECC. In January 2015, all of the ten potentially affected Barangay's endorsed the Batangas Gold Project, which collectively constitutes one LGU endorsement. The second LGU endorsement from the LMGC, for project development, was given in April 2015. However, the LMGC withdrew its previous endorsement for the Project in July 2015, citing environmental and social acceptability concerns. The RMMS Group lodged a "Motion for Reconsideration" with the LMGC in August 2015 and has been informed that the LMGC will consider such. The Motion for Reconsideration will be put for a vote and if carried then the endorsement will be re-confirmed. This is expected to take place by late 2016. Should the LMGC vote not to re-confirm the endorsement then the RMMS Group will need to lobby the LMGC until they do re-confirm their previous endorsement. The Directors have good local relationships and are confident that they and the RMMS Group will be able to secure the endorsement of the LMGC for the Batangas Gold Project in due course. However, no assurance can be given that the remaining LMGC endorsement will be obtained or that the ECC will be issued in a timely manner or obtained at all.

The Directors are also confident that given the stage of development of Archangel and Lobo MPSA's, granting of the ECC is a question of due process and timing, rather than of substance. Following the issue of the ECC and two of the three LGU endorsements, the DMF will be elevated from the regional office of the MGB where it was submitted with supporting documentation in March 2014, to the central office of the MGB for final assessment and approval and signing by the Secretary of the DENR.

Whilst the Company is confident that, following the issuance of the ECC, re-confirmation by the LMGC of their previous endorsement of the Batangas Gold Project and elevation of the DMF to the central office of the MGB, that the DMF will be approved in due course, there is a risk that the approval and signing of the DMF will not be achieved in a timely manner or not obtained at all. This would have a significant negative impact on the Company's operations.

Each permit is issued for a specific term and carries with it annual expenditure and reporting obligations during the specific term. Extension or renewal of each permit is mostly a technical process that requires the payment of renewal or extension fees.

The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the tenants and mining company fail to agree the level of compensation the mining company can ask the Court to set it. No guarantees can be given that Philippine courts will consider such applications promptly and it may take considerable time to obtain. Any delays in agreeing the level of compensation would cause delays in the construction of the gold mine and cause additional expenditure. At present no agreement is in place with land tenants other than for exploration purposes. The RMMS Group intends to seek agreement with land tenants once the DMF is issued.

In addition to the ECC and DMF, which are the most significant permits and approvals required, auxiliary local permits and agreements are also required to allow various components of the development of the Batangas Gold Project to proceed.

These are principally tree cutting permits, water take and discharge permits, construction and building permits. It is premature to apply for these permits at this stage and they will be applied for once the decision is taken to construct the mine. Whilst these permits are not a prerequisite to the signing of the DMF and are applied for at local government level and are largely administrative in nature, no assurance can be given that this will be done in a timely manner.

Exploration and processing of gold

The long-term success of the Company's mineral exploration and resource development business depends on its ability to identify, define reserves and resources and extract the reserves and resources that exists on acreages in which it has an interest. Even if reserves and resources are located, in order for them to be economically recoverable they need to be accessible and be of sufficient quality and quantity. Exploration for, and development of, gold is a highly speculative and high-risk activity and it is not guaranteed to result in success. Should the Company fail to locate sufficient economically recoverable reserves the Company will be unable to commence commercial production and the value of the Company's interest in RMMS and its own share price are likely to decline.

The DFS of the future development of a mining operation at the Batangas Gold Project is dependent on, and may be affected by, a number of factors including, but not limited to, failure to determine feasibility to economically recover ore reserves, determination of unfavourable geological conditions, unanticipated technical and operational factors encountered when examining extraction and production methods.

Risks arising from the Company's commodity supply operations

Trading risk

If the price of copper concentrate drops significantly and/or the Company is unable to sell its copper concentrate then this will negatively impact the Company's financial position and it may need to raise further capital or curtail its work programme.

The Company's supply arrangements with smelters for the sale of copper concentrate contain provisions that require delivery of concentrates with certain specified characteristics. A failure to meet any of these specifications or other quality thresholds could result in economic penalties.

In the event that the Company is unable to effect shipments of the required specification, the loss of revenue would adversely affect its business, results of operations and financial condition. To manage this risk, the Company has the copper ore assayed before enrichment to approve it for concentration, and after enrichment to approve it for shipment. All shipments of copper concentrate sent by the Company to the smelter are insured. However, no assurance can be given that the Company will be able to acquire copper ore or have it processed to the required standard.

Copper Concentrate Supply and Process Risk

The Company is currently reliant on one source of copper concentrate. The Company has no direct control over the purchase of copper ore from the small scale producers by CRRR and in the future those small-scale producers may be unable to supply ore of sufficient quality or volume to CRRR for concentration and subsequent sale to the Company. Alternatively the small-scale producers may materially raise its prices and the Company may be unable to source material of the required quality at similar prices. CRRR is also reliant upon the small-scale producers maintaining their permits in good standing.

The Company is currently solely reliant on its relationship and agreement with CRRR for its supply of copper concentrate. The Company is also reliant on CRRR's Accredited Trader Permit being maintained in good standing.

Any loss of supply would hamper the Company's ability to generate profits from its trading activities and it would have a negative impact on the Company's finances.

Success of the trading operations also depends on the ability of CRRR to secure OTP's for shipment of the copper concentrate to the smelter.

Smelter Charges Risk

A smelter levies a Treatment Cost (TC) and Refining Charge (RC) to suppliers of copper concentrate. The Treatment Cost is made on the basis of every ton of copper concentrate and the Refining Charge is based on every pound of refined copper and if present, every ounce of gold and silver.

TCs and RCs are the largest deductions to the prices received for the Company's products. The Company generally negotiates TCs and RCs with smelters periodically, based upon the smelter's and the Company's expectations of future market conditions. In any given year, TCs and RCs tend to settle around benchmarks, established through the industry's major buyers and sellers of concentrate.

In some cases the concentrates contain impurities, such as arsenic or antimony, which cause difficulties in the refining process or are hazardous. In these cases, smelters levy penalty charges, which are deductions from the price paid for the products.

Longer-term Viability

Although the Directors do not believe they can provide a meaningful assurance as to the viability of the Company beyond the 12 month period covered by the Going Concern review, the Board does nevertheless continue to review plans for the operation of the Company over the longer term.

Such reviews include the following:

- The requirement for management to secure the permits required for the exploration and development of the Batangas Gold Project
- The requirement to build diversified sustainable cashflows from commodity trading
- Consideration and discussion of financial restructuring scenarios to safeguard the Company's liquidity beyond the near term
- Longer views on commodity prices (notably copper and gold)

SAFETY AND HEALTH

The Group is committed to providing a safe, healthy and sustainable environment for all its employees, contractors, visitors and neighbours. The Group strives actively to identify and manage the potential direct and indirect effects of all its activities.

Group safety, health and environment is the ultimate responsibility of the Board of Bluebird and its HS&E Committee.

Batangas Gold Project

The Group remains committed to safe and sustainable operations and maintaining its social and environmental 'licence to operate' among the communities that surround its operations in the Philippines. The Group's safety, social and environment track record continues to be a strong focus. The Group recognises that any successful exploration and development venture must have the support of the impacted local communities. We encourage communities to become active partners in the development of the mineral resources found in their areas. The Group indirectly employs 54 Filipino employees, including 32 from the local Batangas-Lobo area. Many of these employees are involved, through RMMS's subsidiary MRL Gold Inc., in the Group's well established social, community development and environmental programs that provide significant benefits to the local community. RMMS has submitted a new Social Development Management Plan to the Philippines Government for approval, alongside other permitting applications, for the Batangas Gold Project. The Group is looking forward to approval of the Batangas Project development plan, which we anticipate will provide many benefits to the local community.

Commodity Trading Business Unit

The workforce of the Group's commodity trading business continued to deliver a world-class safety performance and for the full 2016 financial year there were no Lost Time Incidents (LTI's).

SUSTAINABLE DEVELOPMENT

Extractive Industries Transparency Initiative (EITI)

Bluebird has been considering the Extractive Industries Transparency Initiative and it is expected that it will become an active supporting company in the 2017 financial year.

The primary objective of the EITI is to set a global standard for transparency on tax, royalty and other payments to governments through the verification and full publication of government revenues and company payments.

The Government of the Philippines committed to implement EITI on 6 July 2012, through the Executive Order 79. The 2012 statement on EITI by President Benigno S. Aquino III outlined the reasons for joining the EITI, while the multi-stakeholder statement of commitment to the EITI provided support for establishing the advisory multi-stakeholder group (MSG). Established in January 2013, the MSG's Terms of Reference established the roles and responsibilities of MSG members, while the MSG's internal rules regulates its functioning. The Philippines submitted its EITI Candidature application on 5 April 2013 to the EITI Board. The multi-stakeholder group is the governing body for EITI implementation. It has 16 members, and is chaired by Assistant Secretary of the Department of Finance, Hon. Ma. Teresa S. Habitan. The MSG is supported by a Technical Working Group of 15 members. The government has submitted a draft transparency law to Congress, which would make EITI reporting mandatory for all companies operating in the extractive industries.

We are unaware currently of when EITI will become mandatory for exploration and mining companies in the Philippines, however we will be monitoring developments closely.

REVIEW OF OPERATIONS

Batangas Gold Project

The Batangas Gold Project (**the Project**) is located 120 Km south of Manila on the island of Luzon in the Republic of the Philippines. The Project is accessible by sealed road from Manila to the lobo township and then by well formed roads to the Lobo resources, 2km to the east of Lobo, and 15km via the coastal road to the Archangel (Kay Tanda) resources.

The Batangas Gold Project includes two Mineral Production Sharing Agreements (**MPSA's**), Lobo MPSA 176-2002-IV and Archangel MPSA 177-2002-IV, that contain all the identified resources. In addition the Project includes 9 granted Exploration Permits (**EP's**) and 3 EP applications.

The two MPSA's and the majority of the EP's are owned by the Philippines company Egerton Gold Philippines Inc., (**EGPI**). Another Philippines company, MRL Gold Inc, (**MRL**), holds a direct and indirect contractual right interest in EGPI and is 100% owned by Red Mountain Mining Singapore Pte Limited (**RMMS**). The Batangas Joint Ventures (BJV) is formalised at the RMMS level, wherein the Company holds 25% (with the right to earn up to 50.1%) and Red Mountain Mining Limited (ASX:RMX) currently holding 75%.

RMMS completed a Scoping Study on the Project is March 2014. Based on the financial outcomes of the Scoping Study, RMMS commenced a Pre-Feasibility Study (**PFS**) on the Project. The results of the PFS will be converted to a Definitive Feasibility Study (**DFS**) following the completion of additional technical work including:

1. Geotechnical drilling and final pit designs
2. Detailed design of waste storage and water management structures
3. Final haul road design/upgrade from the Kay Tanda pits to the CIL processing plant at Lobo, and
4. Further detailed cost inputs associated with mining and milling parameters.

Study Inputs and Derivation

The Batangas Gold Project PFS is based in the following key input parameters:

1. The JORC 2012 compliant Mineral Resources reported 30 June 2014
2. A Probable Ore Reserve and detailed, monthly, mining and processing schedules derived from the Ore Reserve, produced by Crystal Sun Consulting after the application of mining parameters and or cartage costs based on contractor/owner miner supplier inputs, processing inputs and geotechnical considerations
3. Geotechnical inputs from RDCL Limited
4. Processing engineering design, capital and operating costs by Como Engineers
5. Metallurgical recovery inputs based on test work by ALS Global (Perth) and interpreted by Como Engineers
6. Waste, residue and water storage design and earthworks by ATC Williams and Crystal Sun Consulting
7. Other cost inputs eg power, administration and accommodation
8. Financial model designed by Value Advisors, and verified by Manitoba Consulting.

Key Financial Outcomes of the PFS

The financial cashflow model outcomes for the Batangas Gold Project PFS are summarised below. The Company has adopted the World Gold Council guidance on cost reporting measures.

Cash flows are undiscounted unless stated (eg NPV) and are not subject to inflation/escalation factors. The PFS has been prepared to an overall level of accuracy of approximately +/- 25%.

Batangas Gold Project	Unit	US\$
Mine life (processing)	Years	7.2
Tonnes Processed	Mt	1.44
Head Grade Gold (Au)	Au g/t	2.6
Head Grade Silver (Ag)	Ag g/t	9.0
Head Grade (Au Equ., including Ag credits)	Au Equ g/t	2.8
Metallurgical Recovery Gold (%)	%	91%
Recovered Ounces Gold including Silver credits	Oz 000s	116
Total Net Revenue from Gold Sales	\$ Mn	140
Total C1 Cost (inc Royalties & local taxes & silver credits)	\$ Mn	85
Operating C1 Cash Flow	\$ Mn	55

Operating C1 Cost/Oz	\$/Oz	735
Sustaining Capital	\$ Mn	5
Pre-Production Capital (including contingencies)	\$ Mn	16
Total C3 AIC Cost (including all capital)	\$ Mn	106
Total C3 AIC Cash Flow (incl all capital excl corporate tax and admin)	\$ Mn	34
Total C3 AIC Cost/Oz (including all capital)	\$/Oz	914
Net Present Value (NPV) (5%) (excluding corporate tax & admin)	\$ Mn	24
Gold Price	\$	1,250

Processing throughput will vary from approximately 100,000 tpa from the South West Breccia (**SWB**) and Japanese Tunnel production from the Lobo MPSA, recovering approximately 17,000 ozs Au per annum for the first 2 years. Processing rates will then lift to 250,000 tpa for the Kay Tanda (West and East) production from the Archangel MPSA, recovering approximately 17,000 oz Au per annum for a further 5 years, Total recovered production is a planned 120,000 oz Au, (including Ag credits) for the initial 7 years of operations.

The gold price applied to open-pit optimisation and the Ore Reserve estimate and the financial model was USD\$1,250 per oz Au and USD\$ 17 per oz Ag.

Cash flows at variable gold prices are tabulated below:

PFS Gold Price Sensitivity

	US\$/Oz	1,180	1,250	1,330
Operating C1 cash-flow	A\$ Mn	62	74	86
Total C3 AIC cash-flow (excl. corporate tax and admin)	A\$ Mn	35	46	58
NPV (5%) (excl. corporate tax and admin)	A\$ Mn	24	33	42
IRR (excl. corporate tax and admin)	%	27%	34%	42%

The Probable Ore Reserve represents 100% of the total planned production schedule and financial projections. There is no dependence of the outcomes of the PFS on non-Ore Reserve material contained within the optimised and designed open pits, which were optimised on the basis of Indicated Resources only.

Mining Schedule

Based on the JORC 2012 Mineral Resources, released on 30 June 2014, a new mining (and processing) schedule has been generated by independent expert Dallas Cox of Crystal Sun Consulting, a Chartered Professional mining engineer contracted by the RMMS.

The new mining schedule is derived from open-pit optimisations and designs, including mining dilution and ore-loss, optimised at a gold price of USD\$ 1,250 per oz based in Indicated Resources only.

The mining schedule has been derived from the Mineral resources estimates above after the application of mining parameters that include mining and ore cartage costs based on contractor/RMMS inputs and haulage trials, as well as geotechnical considerations generated by RDCL Ltd (NZ) that produced new pit wall slope assumptions (subject to additional geotechnical drilling prior to conversion to a DFS). Processing recoveries and parameters have also been applied to the optimisations.

The key mining input parameters applied to the mining schedule and Ore Reserve are summarised below:

1. Mining will involve conventional open pits, selective mining method, using mining, drilling, blasting and ore haulage contractors. The initial mine development to SWB pit will involve the construction of access roads using small excavators and dozers.
2. Mining will be carried out on 2.5 metre benches. The mining fleet will consist of a 40-50 tonne excavator in backhoe configuration, loading 35-40 tonne payload articulated dump trucks, an hydraulic drill rig and ancillary fleet for dump management and road maintenance.
3. Ore and waste will be blasted using ammonium nitrate explosives or packaged explosives depending on wet ground conditions. Some free digging is anticipated in the upper zones of the topographic profile.
4. Drilling and blasting will be performed on 5m high benches, with blasted material excavated in two 2.5m flitches.
5. Mining dilution factor 15% has been applied to SWB ore due to the geometry of the orebody. At Kay Tanda, mining dilution factor of 5% has been applied to ore. Dilution grade of 0.5 g/t Au has been applied at both deposits.
6. Cutoff grades derived and applied to the SWB reserve for Oxide/Transitional and Fresh ore were 1.15 g/t Au and 1.20 g/t Au respectively. Cutoff grades derived and applied to the Kay Tanda reserve for Oxide, Transitional and Fresh ore were 0.90 g/t Au and 0.95 g/t Au respectively.
7. Environmental analysis of drill core carried out during the metallurgical and environmental investigation programs for the PFS have determined non acid generating (NAG) and potentially acid forming (PAF) regions of rock in each pit for differential disposal into designed waste dumps during mining operations.

The mining (and processing) Schedule is 100% of Probable Ore Reserves included in the open pit optimisations and designed based on Indicated Resources only. The total mining (and processing) schedule that forms the basis of the PFS includes 1.44 Mt @ 2.6 g/t Au and 9.0 g/t Ag, or 2.8 g/t including silver (Au) credits, containing 128,000 ozs Au (incl Ag credits).

Mining is scheduled to commence at South West Breccia on the Lobo MPSA and will continue for just over two years at Lobo, mining 185,000t @ 6.2 g/t Au containing 37,000 ozs Au (incl. Ag credits). Mining is scheduled to commence at Kay Tanda (West) on the Archangel MPSA seven months before South West Breccia pit is completed and will continue for over five years at Archangel based on the initial schedule (then low grade stockpiles to be processed for a further 3 years), mining 1.26Mt @ 2.1 g/t Ag, or 2.3 g/t Au (incl. Ag credits) containing 91,000 oz Au (incl. Ag credits).

Batangas Gold Project mining costs

Planned Open Pits	Ore A\$/t	Waste A\$/t	Total A\$/t	Cost/t Ore	Average Strip Ratio
South West Breccia & Japanese Tunnel	\$7.16	\$4.84	\$4.98	\$79.06	14.9
Kay Tanda, West & East	\$5.08	\$4.90	\$4.92	\$36.53	6.4
Total	\$5.35	\$4.88	\$4.94	\$42.02	7.5

Metallurgy and Processing

Results from metallurgical testing (at ALS, managed by Como Engineers) on composite samples from the South West Breccia/Japanese Tunnels and Kay Tanda West and Kay Tanda East Indicated Resources have been incorporated into PFS cost inputs, metallurgical parameters and CIL recoveries summarised in the table below.

Batangas Gold Project PFS processing cost inputs and metallurgical parameters and recoveries

PFS Metallurgical Parameters	Unit	SWB Ox-Tr	SWB Fresh	KTW Oxide	KTW Trans	KTW Fresh
Tonnage Rate	t/h	12.5	12.5	32.3	32.3	32.3
Au Resource Grade	g/t	7.3	6.2	2.7	2.8	3.3
- Au Recovery @ Resource Grade	%	85.6	85.6	94.4	91.2	91.3

PFS Metallurgical Parameters	Unit	SWB Ox-Tr	SWB Fresh	KTW Oxide	KTW Trans	KTW Fresh
- Ag Recovery @ Resource Grade	%	59.7	43.4	68.5	55.2	64.1
Leach Feed P80		45	45	106	106	106
Design Bond Work Index	KW/hr/t	21.1	21.1	12.8	12.8	12.8
Power	KW/hr	778	778	872	872	872
Abrasion Index		0.21	0.18	0.07	0.02	0.05
Leach reagents NaCN	Kg/t	0.96	0.96	0.90	1.26	1.79
PFS Operating Costs		SWB Ox-Tr	SWB Fresh	KTW Oxide	KTW Trans	KTW Fresh
Cost Area		\$/tonne	\$/tonne	\$/tonne	\$/tonne	\$/tonne
General and Administrative		\$0.98	\$0.98	\$0.38	\$0.38	\$0.38
Travel and Accommodation		\$0.35	\$0.35	\$1.87	\$0.13	\$0.13
Process and Maintenance Labour		\$4.82	\$4.82	\$9.63	\$1.87	\$1.87
Reagents & Operating Consumables		\$13.59	\$13.13	\$5.17	\$9.35	\$11.67
Power		\$11.92	\$3.38	\$1.31	\$5.17	\$5.17
Maintenance		\$3.38	\$3.38	\$1.31	\$1.31	\$1.31
Total		\$35.04	\$34.58	\$18.49	\$18.21	\$20.53

The SWB ore requires a fine grind size to liberate gold of 45 micron and a 48 hour leaching time. Consequently SWB ore is processed at rate equivalent to 100,000 tonnes per annum at an average processing cost of A\$ 34.75/t.

The increased recoveries from KTW at a coarser, 106 micron grind and 24 hour leach time allows for a processing rate of up to 250,000 tonnes per annum. Consequently processing costs for KTW are much lower at A\$ 18.59/t.

The processing plant, to be located at Lobo, includes a preliminary Carbon-in-Leach (CIL) circuit designed by Como Engineers. The cost estimates for the CIL processing plant encompasses the following:

1. Primary crushing via jaw crusher
2. 2 stage grind via SAG and Ball mills
3. Hydro-cyclone classification
4. Standard CIL circuit comprising 1 leach tank and 6 adsorbers
5. 48 hours residence time SWB/JT and 24 hours for KTW/KTE
6. 2.0t pressure Zadra elution circuit including electrowinning and smelting
7. 100kg hr carbon regeneration kiln

8. Tailings detoxification circuit via the Inco process
9. Tailings thickener for water recovery
10. Reagents handling and storage
11. Air services
12. Water services

Process plant residues will be detoxified, thickened then gravity fed to a Residue Storage Facility close to the processing plant.

The estimated capital cost of the processing plant to A\$11.4 million, including direct costs of A\$ 9.6 million and EPCM costs of A\$ 1.8 million, as summarised below.

Batangas Gold Project PFS capital cost estimates

Summary (A\$)	Materials & Equip	Labour	Freight	Sub-Total
EPCM	\$0	\$1,758,800	\$0	\$1,757,800
General	\$591,000	\$0	\$0	\$591,000
Electrical	\$954,700	\$409,200	\$5,200	\$1,369,100
Primary Grinding	\$847,400	\$81,600	\$13,100	\$942,100
Grinding	\$1,854,500	\$198,200	\$10,000	\$2,062,800
Leaching	\$1,148,500	\$170,100	\$21,800	\$1,340,300
Elution, Goldroom, Regeneration	\$1,506,600	\$70,100	\$9,000	\$1,585,700
Residue	\$924,100	\$51,900	\$4,800	\$980,800
Reagents	\$324,100	\$56,200	\$7,900	\$388,200
Services	\$290,900	\$47,100	\$10,200	\$348,300
Total	\$8,441,800	\$2,842,200	\$82,000	\$11,366,000

A contingency of 5% is added to all capital costs in the financial model.

Capital and operating cost estimates for the processing plant are to an accuracy of +/- 25%.

Civil's, Infrastructure and Other Costs

It is anticipated that a total of 193 personnel will be employed in the Batangas operation, including all mining, processing and other personnel. This includes 190 personnel from the local area and elsewhere in the Philippines and 3 senior expatriates.

Accommodation for the workforce will be in the nearby Lobo township, with transport by Company bus to the Lobo mine and processing within 3 km of Lobo or the Archangel mine site approximately 12km east of Lobo. Site offices and other administrative facilities will be shared with the Lobo processing plant, with the exception of mining related facilities.

Permanent access roads will be established to the Lobo and Archangel sites totalling approximately 9km and the existing roads will be refurbished from Lobo to the lobo mine and processing plant access and to the Archangel mine access, a total distance by road of 15km.

Power generation for the processing plant and associated infrastructure will be via a leased diesel generating facility with 1.3 megawatt generating capacity.

A residue storage facility (RSF) will be established close to the Lobo processing plant with the initial lift catering for 2 years production then a second lift for the remaining 5 years of the initial production plan. A preliminary design of the RSF and other water diversion and saltation control structures have been completed by ATC Williams and earthworks costings produced and compiled by Crystal Sun Consulting.

The RSF will utilise thickened tailings storage methodology, will be lined (HDPE liner) and built to worlds-best-practice environmental and seismic standards. Discharging tailings will be from two discharge points towards the southeast of the process plant. This presents a short distance for pumping thickened slurry. The direction of discharge will be downhill, resulting in a sloping, water shedding operation and final tailings surface. A decant pond will be established immediately below the RSF and potentially contaminated water will be removed from the RSF and settled in the decant pond. Excess water in the decant pond will be treated in order to exceed (be lower than) Philippines discharge standards. The RSF will be capped and rehabilitated with native and agricultural use vegetation at the completion of the project.

In addition to the RSF, other water diversion facilities and saltation control facilities will be established at both Lobo and the Archangel MPSA mining areas.

These structures are costed as summarised below.

Batangas Gold Project civil works estimates for the RSF

Civil Works Preliminary Estimate	AUD	USD
LOBO MPSA		
SWB Roads	1,253,000	914,000
SWB Drains	430,500	314,000
SWB Plant Pad/ROM/Laydown	878,800	641,000
SWB RSF Embankment	1,942,700	1,417,000
SWB Decant Pond	486,700	355,000
SWB Waste & Silt Dams	139,800	102,000
SWB Pavement	364,700	266,000
SWB Decant Pond HDPE Liner	756,800	552,000
Sub-Total LOBO/SWB	6,253,000	4,561,000
Archangel MPSA		
KTA Roads	1,569,800	1,145,000

KTA Drains	464,800	339,000
KTA Mine pad/Laydown/Stockpile	111,000	81,000
KTA Waste & Silt Dams	163,100	119,000
KTA Pavement	995,300	726,000
Sub-Total Archangel/Kay Tanda	3,304,000	2,410,000
Total	9,557,000	6,971,000

Capital Costs

The capital expenditure required to first gold production totals A\$22 million (US\$ 16.2 million), including initial land access costs, processing plant contingency, value added taxes (VAT) and duties, net of vendor payments and infrastructure residual value as summarised below. Financing costs are not included.

The sustaining capital life of mine totals A\$ 6.3 million (US\$ 4.6 million), including Archangel roads and earthworks, additional RSF lift and mine closure rehabilitation (FMRDP).

Batangas Gold Project PFS pre-production and sustaining capital cost estimates

Capital Cost Estimates	Pre-Production	Sustaining	Pre-Production	Sustaining
	A\$ 000s	USD\$ 000s	A\$ 000s	USD\$ 000s
Land Access	2,285	-	1,680	-
Processing Plant, incl. Contingency	11,366	In Opex	8,357	In Opex
Site Infrastructure				
- Residue Storage Facility	2,346	1,315	1,725	967
- Site Preparation Earthworks	2,542	3,278	1,869	2,410
- Building Construction and Fitout	918	-	675	-
Vehicles and Mobile Equipment	978	-	719	-
Power Connection (Diesel, lease)	351	-	258	-
Contingency	1,039	-	764	-
Mine Rehabilitation (FMRDP)	-	1,502	-	1,104

Total Development Capex	21,825	6,095	16,048	4,481
VAT and Duties	1,310	127	963	93
Total Project Development & Sustaining Capital	23,135	6,222	17,011	4,575
Net Payments and Capital Cost Recovery Credits	1,168	-	859	0
Total Capital	21,967	6,222	16,152	4,575

This capital expenditure estimate assumes that the majority of plant and equipment is purchased new. There is an opportunity of purchasing refurbished second hand equipment and/or the opportunity to carry out a higher proportion of construction locally using the high quality engineering and construction facilities at nearby Batangas.

Operating Costs

A breakdown of the C1 operating cost estimate, totalling A\$ 999 per recovered ounce (USD\$ 735/oz) (incl. Ag credits) for the Batangas Gold project life of mine, are presented below.

Life of Mine Operating Costs per Tonne	A\$/t processed	USD\$/t processed
Mining and Rehandle	49.83	36.64
Plant and Processing	20.81	15.3
Technical and Administration	6.16	4.53
Total	76.79	56.46
Life of Mine Operating Costs per Ounce Recovered	A\$/Oz Equ.	USD\$/Au Equ.
Mining and Rehandle	\$621	\$456
Plant and Processing	\$259	\$191
Technical and Administration	\$77	\$56
Total Site Costs/oz	\$957	\$703
Additional costs including royalties, refining and net silver credits	\$43	\$31
Total C1 Costs/oz (incl silver credits)	\$999	\$735

Permitting

The key permitting requirements to allow the development of the Batangas Gold Project are the grant of the Environmental Compliance Certificate (**ECC**) by the environmental Management Bureau (**EMB**) and approval of the Declaration of mining Project Feasibility (**DMF**) by the Secretary of the Department of Environment and Natural Resources (**DENR**) of the Philippines government. The key steps to complete permitting of the Batangas Gold Project are as follows:

1. Environmental Compliance Certificate (**ECC**) – final review of the Environmental Impact Statement (**EIS**) submitted 10 June 2016, by the EMB Review Committee then approval of the ECC by the EMB.
2. re-endorsement of the project by the Lobo Municipal Council, to go with the maintained endorsement of the 10 Barangay (township) councils. Also seek a Provincial government endorsement.
3. Declaration of Mining Project Feasibility (**DMF**) – additional technical work including geotechnical drilling during the 2017 financial year and then a re-submission of the DMF to the Mines and Geosciences Bureau (**MGB**), for final technical review and recommendation to be signed by the Secretary of the DENR.
4. Secure land agreements (costed in PFS).
5. Regional and other local permits.
6. Final approval (DMF signed, all local permits, landholder agreements).

Conclusions

Based on the PFS demonstrating a potential low-cost, viable Batangas Gold Project development, subject to funding and permitting, RMMS will seek to complete the additional work to finalise the Definitive Feasibility Study (**DFS**).

The opportunity also exists to increase reserves and confirm an expanded 10 year mining plan through drilling (subject to approvals) and conversion of Inferred Resources in the vicinity of optimised open-pits and to also test immediate high-grade gold target within the 14 km of identified epithermal structures on the Lobo MPSA.

ORE RESESRVES AND MINERAL RESOURCES

Batangas Gold Project

Ore Reserve

The Ore Reserve for the Batangas Gold Project is reported in accordance with the 2012 edition of the JORC Code for "Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Mineral Resource was converted to Ore Reserve having considered the level of confidence in the Mineral Resource and reflecting modifying factors. The Probable Ore Reserve is based on Mineral Resources classified as Indicated Resources only and represents the proportion of the Indicated Mineral Resource that lies within the optimised and designed open pits, excluding ore loss.

The total Probable Ore Reserve for the initial project is 1.44Mt @ 2.6 g/t Au, 9.0 g/t Ag or 2.8 g/t Au (incl. Ag credits) containing 128,000 oz (incl. Ag credits).

Deposit	Ore Reserve Category	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz	Au Eq g/t	Au Eq Oz
South West Breccia	Probable	178,000	6.2	36,000	1.8	10,000	6.3	35,800
Japanese Tunnel	Probable	8,000	4.6	1,000	11.0	3,000	4.7	1,200
Total Lobo MPSA	Probable	186,000	6.2	37,000	2.2	13,000	6.2	37,000
Kay Tanda West	Probable	1,068,000	2.2	75,000	11.4	393,000	2.3	80,000
Kay Tanda East	Probable	187,000	1.8	11,000	1.6	10,000	1.8	10,800
Total Archangel MPSA	Probable	1,255,000	2.1	86,000	10.0	403,000	2.3	91,000
Total Batangas Project	Probable	1,441,000	2.6	122,000	9.0	416,000	2.8	128,000

The Probable Ore Reserve includes high-grade ore of 0.75 Mt @ 4.0 g/t Au, 9.2 g/t Ag, or 4.2 g/t Au (incl Ag credits) containing 100,000 oz Au (incl. Ag credits).

Deposit	Ore Reserve Category	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz	Au Eq g/t	Au Eq Oz
South West Breccia	Probable	164,000	6.7	35,000	1.8	9,000	6.7	35,200
Japanese Tunnel	Probable	7,000	5.1	1,000	11.7	3,000	5.2	1,200
Total Lobo MPSA	Probable	171,000	6.6	36,000	2.2	12,000	6.6	36,000
Kay Tanda West	Probable	501,000	3.4	54,000	12.6	203,000	3.5	57,000
Kay Tanda East	Probable	74,000	2.8	7,000	1.8	4,000	2.8	6,600

Total Archangel MPSA	Probable	576,000	3.3	61,000	11.2	208,000	3.4	64,000
Total Batangas Project	Probable	746,000	4.0	97,000	9.2	220,000	4.2	100,000

Mineral Resources

The two Mineral Resource areas the subject of the PFS are located on the Lobo and Archangel MPSA's.

The Mineral Resources that form the basis of the PFS Ore Reserves and Production Schedule were reported on 30 June 2014, in accordance with the 2012 JORC Code, using a cut-off grade of 0.85 g/t gold for potential open pit resources and a cut-off grade of 2 g/t for potential underground resources, limited to West Drift at this stage.

The Mineral Resources were estimated with the assistance of Optiro, minerals industry consultants, Perth.

Deposit	Resource Category	Tonnes	Au g/t	Au Oz	Ag g/t	Ag Oz
Kay Tanda West	Indicated	1,421,000	2.1	96,000	9.2	421,000
	Inferred	229,000	2.3	17,000	2.1	15,000
	Total	1,650,000	2.1	113,000	8.2	436,000
Kay Tanda Main	Indicated	1,161,000	1.9	69,000	1.4	50,000
	Inferred	2,775,000	2.0	180,000	1.2	109,000
	Total	3,936,000	2.0	250,000	1.3	159,000
Archangel MPSA	Total Archangel MPSA	5,586,000	2.0	363,000	3.3	595,000
South West Beccia	Indicated	214,000	6.4	44,000	1.8	13,000
	Inferred	7,000	2.3	1,000	1.9	400
	Total	221,000	6.3	45,000	1.8	13,000
Japanese Tunnel	Indicated	26,000	3.3	3,000	5.9	5,000
	Inferred	7,000	2.3	1,000	5.7	1,000
	Total	34,000	3.0	3,000	5.7	6,000
West Drift (> 2 g/t)	Indicated	145,000	3.1	14,000	4.7	22,000

	Inferred	205,000	2.9	19,000	4.3	28,000
	Total	350,000	3.0	34,000	4.4	50,000
Lobo MPSA	Total Lobo MPSA	604,000	4.2	82,000	3.6	69,000
Batangas Gold Project	Indicated	2,968,000	2.4	227,000	5.4	511,000
	Inferred	3,222,000	2.1	218,000	1.5	154,000
	Total Batangas	6,190,000	2.2	444,000	3.3	665,000

The South West Breccia Mineral Resources at Lobo are associated with a linear, steeply dipping, epithermal lode with high-grade 'shoots' of mineralisation. The Kay Tanda Mineral Resources at Archangel are associated with a low to moderate grade stockwork gold deposit in andesitic volcanics and dioritic intrusions. Both ore deposits outcrop at surface and include oxide, transition and fresh rock zones.

REVIEW OF BUSINESS

Commodity Trading

The Group entered originally into a MOA with Richard B. Garbo on 19 November 2014, which was superseded by a further MOA entered into on 16 November 2015. Richard B. Garbo trades under the name of CRRR Mineral Trading (**CRRR**), a sole proprietorship.

CRRR is an accredited trader of mineral products by the MGB. CRRR's accreditation was renewed on 29 January 2016 for a further two-year period.

The Group has provided CRRR with a loan of USD 55,482 which has enabled CRRR to build a copper concentration plant using a gravity separation process. The Group holds the plant and the land upon which it is located as security for that loan.

The Group's agreement with CRRR is an exclusive agreement whereby the Group will be buying copper concentrates for a period of 10 years. CRRR selects and buys high-grade copper ore from permitted small-scale producers in regions in close proximity to its plant. This copper ore is then crushed and undergoes a gravity separation process to produce a high-grade concentrate product. The initial output capacity of the plant was approximately 500 MT of copper concentrate per month. In the last few months additional machinery and equipment has been installed, to increase the output capacity to up to 2,000 MT per month. Additionally a laboratory has been established to minimise external assay work and improve delivery times.

CRRR buys high-grade copper ores from permitted small-scale producers that operate within permitted small-scale mining areas. These producers neither have the ability to produce a concentrate nor have direct market access to a smelter. CRRR does not have direct market access to a smelter, due to its reliance upon receiving advance funds from the Group in order to operate and buy ores. A smelter will not typically enter into such advance funding arrangements with small processors. CRRR aggregates copper ores from permitted small-scale producers using funds from the Group that are advance payments on CPO's for copper concentrate and then moves the ore to its plant, where it produces the concentrate and prepares it for sale.

CRRR discovers the grade of ore prior to purchase through the analysis of samples it receives from the small-scale producers that is performed by laboratories in the region.

The initial 17.76 MT of copper concentrate was transported to PASAR, a local smelter on 25 October 2015. The Group experienced delays in its independent survey and analysis of the product and there was a considerable delay before the concentrate was smelted. Payment for this trial shipment was finally received from PASAR on 29 June 2016. The results of the first shipment revealed a copper content of 12.367%; gold content of 6.56 grams per ton; and silver content of 57.4 grams per ton. This was considered below our expectations and we stopped actively processing ores to re-assess the ore and the processing parameters.

Through Peter Wallwin Associates and in-house resources we have conducted a complete review of ore sources and undertaken work to optimise processing.

This review process has identified key ore targets and improvements to the plant, which have been completed. The Group is now ready to re-commence ore purchases and processing.

Once the Group has achieved monthly shipments of 500 MT then the Group will consider how best to increase monthly shipments. The Group expects that it would take at least 12 to 18 months in order to increase significantly shipments beyond 500 MT per month and, should the Group choose to do so, then the Group will take a staggered approach to increasing volume.

The Group has an agreement to sell copper concentrates to PASAR, a local smelter, which pays the Group based upon the metal content. Copper concentrate also contains gold and silver and as such are also considered payable metals. The formula used by the smelter and most of the world's concentrate buyers is to pay based upon the percentage of copper content subject to a deduction of 1% and then to calculate a gross payment of 96.5% of the copper value based on the LME Price. The grade of copper content is determined by the smelter or independent surveyor based upon analysis that is undertaken upon delivery of each shipment. The TC and RC are then deducted from the gross copper value. The TC is presently USD107 per MT of concentrate treated and the RC is USD 0.107 per pound of refined copper. The smelter also pays based upon gold and silver content in the copper concentrate.

The Group has also reviewed the projected C1 cashflow from the trading activities, following the detailed metallurgical testing results, and it has been confirmed that the trading activity should be profitable, assuming current copper and gold prices.

REVIEW OF BUSINESS

Other

At present the Group has no specific plans to make any acquisitions or to expand its trading activities in the 2017 financial year. The Group's strategy over the next two financial years with regards to acquisitions and expansion of trading is very much dependent upon the successful implementation of its current trading business with CRRR .

Whilst no specific acquisitions have been targeted at present the Group is seeking to acquire projects that it deems attractive. These would primarily be advanced exploration stage gold projects with granted production permits and further mineral trading opportunities, which could be copper concentrate or other commodities. The Group considers advanced exploration projects to be those with established resources where sufficient historical technical information is available in order to adequately assess the potential. The Group has sought to identify such acquisitions primarily through its local knowledge and contact base. If such an acquisition is identified, then a process of rigorous technical and legal due diligence will take place. The Group will need to consider sources of funding for these acquisitions at the appropriate times.

The Group is waiting until consistent monthly trading volumes of copper concentrate have been achieved; and all logistical issues identified and controlled before it looks to expand its trading activities to other sites.

BOARD OF DIRECTORS

Executive Directors

Aidan Bishop

Aidan Bishop is a co-founder and an Executive Director of the Company since its incorporation in March 2014.

He has a number of years of experience in start-up businesses in the Philippines in various sectors. Mr Bishop has been an integral part in starting the Group's businesses in the Philippines.

Since 2013, he has been founder and Director of Gourmet Society Digital Ventures Inc, a company that developed two leading smartphone applications in the restaurant loyalty sector in the Philippines. Since 2011 he has also been founder and Director of PhilCocoa Ltd, a company that is investing in and managing a cocoa production and trading business.

He is also the Acting Chairman of a restaurant investment company, YumYum Restaurant Ventures Inc and Director of Global PhilCoffee Inc, a company engaged in originating land for use in agricultural projects. Previously, from February 2013 to 2014, Mr Bishop was a Founding Director of Philippine Metals Ltd, a company engaged in investing into minerals exploration in the Philippines.

Colin David Patterson

Colin Patterson was appointed as an Executive Director of the Company in September 2015.

Since 2000, Mr Patterson has been managing his own consultancy company, Momentum Resources International. He has more than 40 years' experience in the mining industry and is experienced in all major aspects of mining (management, production, design, exploration, evaluation, construction and corporate). He has held directorial and executive management positions at numerous mining and exploration companies and has operated and managed projects worldwide. Most recently he was executive Chairman of a Philippine listed gold producer, Apex Mining.

He is a fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. He holds a Bachelor of Science in Engineering (Mining), a Bachelor of Commerce with Honours in Business Economics (Finance) and he has a Diploma of Company Directorship (Australia).

Non-Executive Directors

Jonathan Charles Rowell Morley-Kirk – Chairman and Non-executive Director

Jonathan Morley-Kirk was appointed a Non-Executive Director in 2014. He has been appointed Non-Executive Chairman of the Board and Chairman of the Audit Committee.

He has many years of experience in devising structures, managing international businesses and corporate governance issues. He has great experience in dealing with investors and regulators. He focuses on the natural resources sector and emerging economies.

Mr Morley-Kirk held directoral positions at Samuel Montagu and SG Warburg in London, before moving to Jersey in 1995. He has over ten years of experience as a non executive director/chairman of AIM and TSX listed companies. He is currently a non executive director of EastSiberian PLC and Sarossa PLC. He was chairman of Fox-Davies Capital, a London based stockbroker and investment manager that focused on the natural resources sector.

He is a Fellow of the Institute of Chartered Accountants in England & Wales, a Fellow of the Chartered Institute of Securities and Investments, and is a member of the Society of Trust and Estate Practitioners.

Daniel Kesdan Fox-Davies

Daniel Fox-Davies was appointed as a Non-Executive Director of the Company in September 2015.

He has 22 years of investment banking experience where he has focused on the natural resources sector. His experience includes equity capital raisings, private placements, and IPO's.

Mr Fox-Davies holds currently the office of Non-executive Director with European Lithium. From 1999 to 2014, he served as Chief Executive Officer, Chairman and the sole owner of Fox-Davies Capital, a specialist investment banking business focussed on the natural resource sector. Fox-Davies Capital was a UK broker dealer, advising junior resource companies and was a Nominated Adviser of the AIM market of the London Stock Exchange with subsidiary offices in New York and Toronto. Fox-Davies Capital directly advised on, or participated in, approximately USD2.5 billion of equity capital raisings.

Prior to establishing Fox-Davies Capital he was involved in the Emerging Market Debt Markets, working in London, Vienna, Hong Kong, Moscow and New York.

Clive Sinclair Poulton

Clive Sinclair Poulton was appointed as a Non-Executive Director of the Company in September 2015.

He has many years of experience working in the natural resources sector holding directorial positions. From 2008 until November 2014, Mr Sinclair Poulton was the Executive Chairman of Beowulf Mining plc, an AIM listed company.

Prior to this he was a Non-Executive Director at Morning Star Holdings (Australia) Ltd, an aluminium processing and platinum exploration company listed on the ASX. Between 2004 and 2008, he held the office of the Chief Executive Officer and was the founder shareholder of Bezant Resources plc, an AIM listed exploration company, whose assets included a Philippine exploration project. Prior to his involvement in the natural resource sector, Mr Sinclair Poulton was the Executive Chairman of themutual.net (now Progressive Digital Media Group plc), a UK internet service provider.

He earned a Bachelor's and Master's degree in Law from St Catharine's College (Cambridge). He is a Member of the Chartered Institute for Securities and Investment and a Member of the Egyptian Exploration Society and the Society for the Promotion of Roman Studies. He was a Chairman of the Year nominee in the 2012 Grant Thornton Quoted Company Awards.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the year ended 30 June 2016.

The Company

Bluebird Merchant Ventures Limited, the parent company, is registered and domiciled in the British Virgin Islands.

Principal activity and business review

The Group's principal activity during the year ended 30 June 2016 continued to be investing in exploration and mining ventures and investing in commodity trading, principally copper, gold and silver. Further information on the Batangas Gold Project is included in the CEO's statement and the financial review.

Future developments

The Group's future developments are outlined in the Strategic Report.

Share Capital

The issued share capital of the Company is comprised of ordinary shares of nil par value. Each share carries the right to one vote per share. The liability of the members of the Company is limited to the amount unpaid, if any, on the shares held by them. All issued shares of the Company are fully paid.

At 30 June 2016 the issued share capital of the Company stood at 195,605,589. 195,605,587 new shares were issued during the year. Details relating to Share Capital are set out in note 22 to the Group accounts.

Company Listings

The Company's ordinary shares have been traded on the Official List of the Main Market of the London Stock Exchange since 13 April 2016.

Results and dividends

The Group reported a loss for the year of US\$ 920,927 (2015 USD\$107,354).

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2016.

Events after the reporting period

On 8 September 2016 the Company gave notice to RMX that it would cease funding RMMS in the short term pending resolution of certain issues.

There were no other material events that took place after the reporting date.

Key Performance Indicators

The Group monitors its key performance indicators (KPI's) on a monthly basis, or more frequently, and when KPI's diverge from expectation, an investigation is carried out and appropriate action taken.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are outlined within the Strategic Report. Financial risk and capital management disclosures are provided within the notes to the financial statements.

Directors and their interests in shares

The names of the current Directors are shown on page 34 to 35 and details of their shares in the share capital of the Company are shown on page 47.

In accordance with Code Provision B.7.1 of the UK Corporate Governance Code, all Directors stand for re-election on an annual basis.

Substantial shareholders

At 30 June 2016 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares.

Shareholder – Ordinary Shares	Shareholding	%
Computershare Company Nominees Ltd	185,499,752	94.4%
Shareholder – Depositary Interests		
Fiske Nominees Limited	118,638,284	60.4%
Roy Nominees Limited	18,500,000	9.4%
Jim Nominees Limited	14,231,099	7.2%
Pershing Nominees Limited	8,819,565	4.4%

Creditor payments

It is the group's policy to agree the terms of payment with suppliers when entering into contracts and to meet its contractual obligations accordingly. The Group does not follow any specific published code or standard on payment practice.

Due to working capital constraints the following creditors have not been paid:

Etruscan Capital Pty Limited	USD \$ 20,275
Aidan Bishop	USD \$ 100,000
Charles Barclay	USD \$ 100,000

The Board is currently discussing payment terms with these creditors, who are all related parties.

Key Contracts

The Company considers it has four key contractual arrangements for its operations, outside of employment contracts.

These are:

The contracts with Red Mountain Mining Limited concerning RMMS and the Batangas Gold Project
Contract with CRRR
Contract with PASAR
The Relationship Agreement governing relationships between key shareholders and the Company signed 6 April 2016

The Company does not believe it is reliant on any other contract or supplier, apart from the retention of exploration and mining permits, which are subject to ongoing compliance with various government obligations and regulations.

Donations

No donations were made for political purposes during the year, and the Company has a policy of maintaining political neutrality. The Group makes regular contributions to community and social projects, particularly in the Republic of the Philippines.

Corporate Governance

A report of corporate governance is provided on pages 40 to 45.

Employees

The Company has a policy of equal opportunities throughout the organisation, and is proud of its culture of diversity and tolerance. Employees benefit from regular communication both informally and formally with regard to Company issues.

Disclosure table pursuant to Listing Rule LR9.8.4

Listing Rule	Information to be disclosed	Disclosure
9.8.4 (1)	Interest capitalised by the Group	None in the year
9.8.4 (2)	Unaudited financial information	None in the year
9.8.4 (4)	Long term incentive scheme only involving a Director	None in the year
9.8.4 (5)	Director's waivers of emoluments	None in the year
9.8.4 (6)	Director's waivers of future emoluments	None in the year
9.8.4 (7)	Non pro-rata allotments for cash (issuer)	
9.8.4 (8)	Non pro-rata allotments for cash (major subsidiaries)	None in the year
9.8.4 (9)	Listed company is a subsidiary of another company	
9.8.4 (10)	Contracts of significance involving a director	
9.8.4 (11)	Contracts of significance involving a controlling shareholder	On 6 April 2016 the key shareholders, comprising Oyster Trust SARL, LDOA Holdings Limited, Monza Capital Ventures Limited, Aidan Bishop and the Company entered into a Relationship Agreement, which governs the relationship between the key shareholders and the Company to ensure that the Company is able to carry on its business independently
9.8.4 (12)	Waiver of dividends	None in the year
9.8.4 (13)	Waiver of future dividends	None in the year
9.8.4 (14)	Agreement with a controlling shareholder per LR9.2.2AR	On 6 April 2016 the key shareholders, comprising Oyster Trust SARL, LDOA Holdings Limited, Monza Capital Ventures Limited, Aidan Bishop and the Company entered into a Relationship Agreement, which governs the relationship between the key shareholders and the Company to ensure that the Company is able to carry on its business independently

Health, Safety and Environment

Details of the Groups' activities relating to health, safety and environmental issues are set out on pages 18.

Going Concern

The Board believes there is a material uncertainty over the ability of the Company to continue as a Going Concern. These matters are set out in full in note 1 to the financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Remuneration Report, and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit and loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Directors consider the Annual Report and the financial statements, taken as a whole, provide the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

The Directors believe that the Annual Report and accounts taken as a whole are fair, balanced and understandable, and confirm that the narrative sections of the Annual Report are consistent with the financial statements, and accurately reflect the Company's performance.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement

To the best of my knowledge:

- The financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.



Aidan Bishop
Director
31 October 2016

REPORT ON CORPORATE GOVERNANCE

Board of Directors

The Board of Directors is responsible for the management of the Company on behalf of the shareholders. The objective of the Company is to create long term value for shareholders, and the Board is responsible for delivering that objective by governing the Company and its subsidiaries. The Board is responsible for approving the Company strategy and policies, for safeguarding the assets of the Company, and is the ultimate decision-making body of the Group in all matters except those that are reserved for specific shareholder approval.

The board consists of two Executive Directors who hold the key operational positions in the Company and three Non-executive Directors (including a Non-executive Chairman), who bring a breadth of experience and knowledge.

The Board meets at least every three months and is supplied with appropriate and timely information. In the financial year ended 30 June 2016 the Board met over 15 times. The level of Director meetings was higher than a normal year because of the IPO process. Where appropriate, the Board invites external advisers and/or senior management to attend meetings to discuss matters where their expertise may be beneficial.

The responsibilities of Jonathan Morley-Kirk as Chairman include those contained in the Supporting Principles to paragraph A.3 of the UK Corporate Governance Code, namely: for providing leadership to the Board, ensuring its effectiveness in all aspects of its role and setting its agenda; ensuring that adequate time is available for discussion of all agenda items; ensuring that the Directors receive accurate, timely and clear information; ensuring effective communication with shareholders; promoting a culture of openness and debate by facilitating the effective contribution to the Board of Non-executive Directors in particular; and ensuring constructive relationships between the Executive and Non-executive Directors.

The Company provides independent professional and legal advice, and offers training, to all Directors where necessary, to ensure that they are able to discharge their duties. In addition, all Board members have access to the services of the Company Secretary, who is responsible for ensuring all Board procedures are complied with.

The Chairman and other Board members consider the training and development needs of each Director, and concluded that none was necessary during the year, as all Directors were adjudged to have sufficient experience and knowledge.

Board Independence

The UK Corporate Governance Code requires that the board of all companies (other than small companies) be made up of at least 50% Independent Non-executive Directors (**NED's**). The Company believes Jonathan Morley-Kirk, Daniel Fox-Davies and Clive Sinclair Poulton to be Independent.

The Chairman of the Board is Jonathan Morley-Kirk, and the Chief Executive Officer is Charles Barclay.

	Position	Appointed	Status	Audit Committee	Remuneration & Nomination Committee	HS&E Committee
J Morley-Kirk	Chairman	March 14	Independent	Chair		
D Fox-Davies	NED	Sept 15	Independent		Chair	Member
C Sinclair Poulton	NED	Sept 15	Independent	Member	Member	
A Bishop	Executive	March 14	Executive			
C Patterson	Executive	Sept 15	Executive			Chair

Board Performance

The Board undertakes a regular formal process to evaluate its effectiveness, and that of the Board Committees and individual Directors, consisting of the Board's performance against the guidelines of the Financial Reporting Council on Board effectiveness. In accordance with the recommendations of the UK Corporate Governance Code, this review is undertaken by an external facilitator every three years. Such an external review is planned for March 2017, this being within the first full year that the Company has been listed on the main board of the London Stock Exchange.

Board and Committee Meetings

Attendance at Board and committee meetings by the relevant Directors until the 2016 financial year end is set out below (note that 'n/a' indicates that a Director was not a member of the committee at any time during the year).

Position	Board	Audit Committee	Remuneration & Nomination Committee	HS&E Committee
J Morley-Kirk	15/15	-	-	-
D Fox-Davies	15/15	-	-	-
C Sinclair Poulton	15/15	-	-	-
A Bishop	15/15	-	-	-
C Patterson	15/15	-	-	-

Board Committees

While the Board retains responsibilities for making key decisions, it also delegates other matters to various standing Committees. The purpose of this is to allow a more focussed discussion of specific matters which would benefit from a forum outside the Main Board, with a different balance of skills, experience and independence from its members. Further information on each of these Committees, along with their terms of reference, is available on the Company's website.

Remuneration & Nomination Committee

Purpose

The Remuneration and Nomination Committee was established to review the structure, size and composition (including the balance of skills, knowledge and experience) of the Board and its Committees, and to review succession planning for the Board and senior management. It also reviews the performance of the Directors and sets the scale and structure of their remuneration with due regard to the interests of the shareholders and the overall performance of the Group. It makes recommendations to the Board concerning the Company's overall philosophy and policy with respect to executive remuneration, bonuses and incentive arrangements including share and option awards, compensation payments and pension rights.

It is also responsible for monitoring the ongoing performance of the Board and its Committees. The Remuneration & Nomination Committee reports and makes recommendations to the Board in respect of any action required in any of these matters.

Composition

The Remunerations and Nomination Committee must consist of not less than three Non-executive Directors. The current membership of the Remuneration and Nomination Committee comprises all of the Non-executive Directors of the Company, namely Daniel Fox-Davies and Clive Sinclair-Poulton.

Operations

The Remuneration and Nomination Committee meets at least twice a year, or more frequently as required.

Responsibilities

The Remuneration and Nomination Committee has the following responsibilities:

- To review and report on the composition of the Board and its Committees;
- To review and report of the performance of the Board and its Committees;
- To make recommendations as to changes to the Board and its Committees, including the nomination of Chairman of the Board, chairmen of each Committee and senior independent non-executive;
- To ensure succession planning for executive Directors and senior managers;
- To review the overall leadership needs of the Group, including involving external advisers to facilitate the review and to assist with succession;
- To monitor appointments to the Board, and ensure compliance with statutory, legal, and other regulatory requirements;
- To make recommendations to the Board considering any matters that might call into question the suitability of Directors or senior managers to continue in their roles;
- To review the performance objectives and determine and agree the appropriate levels of remuneration for the Executive Directors, and the senior management of the Company;

To determine the remuneration of the Chairman of the Board, Non-executive Directors, as well as Chairmen and members of all Board Committees, subject to the condition that no person shall participate in discussions relating to his or her own remuneration;

To review the design and management of Group salary structures and incentive schemes, and to ensure proper authorisation for any awards made under such schemes;

To review the recommendations of the Chief Executive of the Company as to the grant of share awards and other bonuses, and to approve such awards as appropriate; and

To review and approve the Remuneration and Nomination Report in the Company's Annual Report.

The Remuneration and Nomination Committee is also responsible for ensuring compliance with the principles of B.2 of the UK Corporate Governance Code, specifically with regard to the need for candidates to be considered on merit, against objective criteria and with due regard to the benefits of diversity of the Board, including gender. It is also responsible for satisfying itself that plans are in place for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the Company and on the Board and to ensure progressive refreshing of the board.

The composition of the Board has changed significantly since the 2014 and the Remuneration and Nomination committee is satisfied that the appropriate balance of skills and experience is in place to manage the business for the foreseeable future.

The Board does not presently include any female members. Although the Board values equality in all areas, it does not believe it would be in the interests of the Company at the present time to seek to add an additional member or members to the Board in order to address the issue of gender balance.

Audit Committee

Purpose

The Audit Committee reviews the principles, policies and practices adopted in the preparation of the financial statements of the Company and its subsidiaries, as well as ensuring any other formal announcements relating to the performance of the Group comply with relevant statutory and regulatory requirements.

The Audit Committee is also responsible for assisting the Board in discharging its responsibilities with respect to the integrity of the Company's financial statements, the effectiveness of the systems of governance, risk management and internal control, and monitoring the effectiveness and independence of the external auditors. It also reviews the requirement for an internal audit within the Group.

Composition

The Audit Committee must consist of not less than two Non-Executive Directors. The audit committee is chaired by J Morley-Kirk, and also comprises Clive Sinclair Poulton. The UK Corporate Governance Code stipulates that at least one of the members of the Audit Committee must have recent and relevant experience. The Company believes that all members have such experience.

Operations

The Audit Committee is required to meet twice a year, but in practice meets more frequently. In addition to its members, the Audit Committee also routinely invites the Group's auditors, the Chief Financial Officer, and other Board members to attend its meetings as required.

During 2016, the Audit Committee considered the key areas of risk and judgement relevant to the Company. These included:

The ongoing liquidity and going concern of the Group – in particular to consider the risks to the interests of the Company's creditors and stakeholders of continuing in operation, and whether or not the Company continued to be a going concern.

The valuation and impairment of the Company's assets, particularly as 30 June 2016 – including an assessment of the cost and carrying value of the RMMS investment, based on internal cashflow forecasts, market valuations, and other indications from third parties.

Legal matters (including matters to do with RMX, RMMS and Currawong).

The adequacy of financial controls.

In addition to matters raised at the Committee meetings, the Chief Executive office submits papers and notes outlining key issues as required, which are circulated to the Committee for consideration ahead of the meetings.

The Chairman of the Audit Committee, Jonathan Morley-Kirk, would ordinarily visit RMMS's Batangas and Manila operations approximately once each year to review the control environment in place, and follow up on any issues that arise. However, in light of cash issues during the year, no such visit was undertaken during 2016, and instead, assurance as to the adequacy of internal controls was obtained through a discussion with relevant staff.

During 2016, the Audit Committee also considered the performance of the Group's external auditors, Price Bailey. The Audit Committee was satisfied with the way the IPO work was conducted by Price Bailey.

Responsibilities

The Audit Committee reviews and monitors the integrity of the Group's financial statements and press releases, as well as any other formal announcements relating to the Company's financial performance. As part of this review, it focuses in particular on areas of judgement, appropriateness of policies, going concern matters, and any other areas it identifies as risks (eg on the grounds of materiality or uncertainty).

In addition, the Audit Committee reviews plans for, and the conduct of, the Group's external audit, receiving the report of the auditors, and thereby monitoring not only the performance of the Company's finance teams but also of the auditors themselves.

The Audit Committee is also responsible for reviewing the internal controls of the Company, and assessing the requirement for an internal audit function. The Audit Committee concluded that the key activities of an internal audit function (including a review of internal controls) were being undertaken by the finance team, and that in view of the size of the organisation, a separate internal audit team was not required.

Health, Safety and Environment Committee (HS&E)

Purpose

The HS&E Committee was established to provide the Board with assurance that the appropriate systems are in place to deal with the management of health, safety, environmental, and community relations matters. The HS&E Committee was established in April 2016 in order to formalise a separate forum exclusively for the purpose of reviewing such matters.

Composition

The HS&E Committee consists of Colin Patterson (Chairman) and Daniel Fox-Davies.

Operations

The HS&E Committee meets at least twice a year or more frequently as required. At that meeting it focussed on an assessment of the safety environment at Batangas in particular, as well as considering ongoing matters relating to community relations, health, environmental, and security.

Responsibilities

THE HS&E Committee's particular responsibilities include the following:

- To establish and review the Group's policies with respect to health, safety, environmental and community relations matters;
- To ensure adequate procedures and responses are in place to deal with accidents, fatalities, or other serious medical, environmental, or safety issues;
- To monitor and review the performance of the Group with regard to health, safety, environmental, and community relations matters, and to ensure compliance with relevant local and international regulations;
- To review and investigate any serious accidents and deaths that occurs in connection with any Group employees, contractors, consultants, suppliers, or agents acting on behalf of Bluebird, which may take place on or off group sites, in order to establish cause and recommend further actions as may be required;
- To monitor the quality and frequency of reporting of health, safety, environmental and community relation matters;
- To maintain awareness of all regulatory changes, and to ensure the Board is aware of relevant material changes, in health, safety, environmental and community relation matters;
- To report to the Board with regard to any health, safety, environmental and community relations matters that should be brought to its attention; and
- To review and approve the Group Health, Safety and Environmental disclosures within the Annual Report, or other relevant publications.

Service Contracts

No Director has any service contracts, consultancy agreements or other such arrangements with a notice period in excess of one year.

Going Concern

The Board acknowledges its responsibilities towards safeguarding the assets of the Company for the benefit of shareholders, as well as its wider duties towards stakeholders. This includes the regular monitoring of cashflows and forecasts. The appropriateness of the going concern basis for the preparation of the 2016 financial statements is discussed in detail in note 1 to the financial statements.

Auditors

A resolution to re-appoint Price Bailey as auditors will be proposed at the AGM.

Non-Audit Services

The Board regularly reviews the provision of non-audit services from its auditors, at least annually through discussion at Committee meetings. The Board is satisfied that the provision of non-audit services by Price Bailey LLP is compatible with the general standard of independence for auditors and does not give rise to any conflict of interest.

Internal Control

The Board is ultimately responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets, for which it looks to the recommendations of the Audit Committee. Such a system is designed to manage, but may not eliminate, the risk of failure to achieve business objectives. There are inherent limitations in any control system and, accordingly, even the most effective system can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board review the effectiveness and adequacy of internal controls on an annual basis, and is satisfied that the internal control systems provide sufficient assurances as to the safety of the Company's assets and the value of the Group's operations as a whole.

During the 2016 financial year, the key financial risk faced by Bluebird as a whole was identified as being liquidity, and in particular, the ability of the Group to meet obligations as they fell due. Considerable focus was placed on this area by the finance team, and by the Audit Committee and members of the Board.

The finance team was asked to maintain updated and detailed cashflow projections, which were reviewed by senior management and reported to the Board and Audit Committee. Details of discussions with creditors and potential funding providers were reported to the Committee by the Executive Directors, and a considerable amount of time was spent ensuring that the Company was able to meet its obligations and responsibilities.

The financial reporting systems of the Group are subject to internal and external review.

Employees

The Company's employee matters are discussed in the Strategic Report.

Anti-bribery and whistleblowing

The Company has incorporated into its code of conduct and ethics an anti-bribery policy, details of which are referenced in all employee service contracts. Regular updates and presentations are made to employee groups to ensure a greater understanding of the principles behind Bluebird's policy, and to allow discussions on how to deal with practical issues that may arise.

Relation with Shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and the quality of its management teams. It holds regular meetings with, and presents to, its institutional and private shareholders to discuss its objectives.

The AGM is a forum for communicating with institutional and private investors, and all shareholders are encouraged to attend and participate. The Chairmen of the Board Committees are also available to answer questions, along with the Senior Independent Non-executive Director. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts, and to approve the remuneration Report. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution, after it has been dealt with by a show of hands.

The Company operates and regularly updates its website (www.bluebird.com.ph) with shareholder information.

Risk Management

The Board is responsible for the management of the Company on behalf of the shareholders. The objective of the Company is to create long term value for shareholders, and the Board is responsible for delivering that objective by governing the Company and its subsidiaries.

In so doing, the Board is responsible for understanding the risks faced by the Company and determining the risk appetite of the Company. The Board ensures these risks are managed appropriately, in order to draw a balance between safeguarding the assets and interests of the Company and maximising its exposure to sustainable growth and profitability. The Board and senior management regularly monitor areas of risk. Senior management regularly visits operations to understand site-specific risks as well as to assess local political, fiscal and legal risks.

Although the Board retains responsibility for managing the overall risk of the Group, certain specific risk areas are delegated to Committee's as follows:

Financial risks and internal financial controls are reviewed by the Audit Committee; and
Health, Safety and Environmental risks are monitored by the HS&E Committee.

The key risks that relate to the Group are categorised as follows:

Economic risks – Risks associated with changes in the markets in which it operates
Operational risks – Risks relating to the operation of exploration projects
Country risks – Country-specific risks relating to the Republic of the Philippines
Other risks – Other significant risks not covered by the above categories

REMUNERATION REPORT

This report is presented to shareholders by the Board and provides information on Directors' remuneration for the year ended 30 June 2016.

This report does **not** comply with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the UK Governance Code.

ANNUAL STATEMENT

In setting the remuneration strategy for 2016, the remuneration Committee was required to take into consideration the shortage of cash across the Group, as well as the low share price. While the Committee recognised the importance of incentivising Executive Directors, these constraints effectively meant that it was impossible to set appropriate targets that would be affordable, or acceptable to shareholders. As a result, no bonus targets were set, and no share awards were made of any kind during the year.

DIRECTORS' REMUNERATION POLICY

Remuneration Policy for Executive Directors

The Company operates within a competitive environment and its performance depends on the individual contributions of the Directors and employees. Executive remuneration packages are designed to attract, motivate and retain executives of the calibre necessary to manage the Company's operations and to reward them for enhancing shareholder value.

The framework for remuneration for the Executive Directors consist of seven main elements, as follows:

- Base Salary
- Pension
- Benefits
- Share Incentive Plan
- Annual Incentive
- Performance Share Plan
- Share Option Plan

In the 2016 financial year, whilst the Remuneration Committee recognised the importance of incentivising Executive Directors, constraints meant that it was impossible to set appropriate targets that would be affordable, or acceptable to shareholders. As a result only a base salary was paid to the Executive Directors.

Remuneration Policy for Non-executive Directors

An annual fee is paid to the Non-executive Directors to reflect the responsibilities and time spent by the Directors on the affairs of the Company.

Service Contracts

Executive Directors have currently employment contracts which may be terminated by the Company, or by the employee. No other payments are made to Executive Director's for compensation for loss of office.

Executive Directors	Contract Signed	Length	Termination
A Bishop	3 August 2015	3 Years	6 Months
C Patterson	10 September 2015	24 Months	6 Months
D Fox Davies	28 September 2015	12 Months	3 Months
J Morley-Kirk	22 September 2015	Open ended	-
C Sinclair Poulton	23 September 2015	Open ended	3 Months

Other than as outlined above, there are no additional payments for Directors that are triggered by a change of control, nor are there any other remuneration-related contractual provisions, such as side letters.

ANNUAL REPORT ON REMUNERATION

This section of the report presents the remuneration paid to or receivable by directors in respect of 2016.

12 months ended	Salary USD		Benefits USD		Total USD	
	30 June 16	30 June 15	30 June 16	30 June 15	30 June 16	30 June 15
Executive Directors						
A Bishop	137,500	-	-	-	137,500	-
C Patterson	20,833	-	-	-	20,833	-
Non-executive Directors						
D Fox Davies	5,438	-	-	-	5,438	-
J Morley-Kirk	7,500	-	-	-	7,500	-
C Sinclair Poulton	5,438	-	-	-	5,438	-
Totals	176,709	-	-	-	176,709	-

Directors' shareholdings

The beneficial interests of Directors and Persons Discharging Managerial Responsibility ('PDMR's') in the shares of the Company as at 30 June 2016 were as follows:

	Shares Owned
Executive Directors	
A Bishop	50,952,500
C Patterson	5,757,924
Non-executive Directors	
D Fox-Davies	-
J Morley-Kirk	-
C Sinclair Poulton	-
Senior Management	
C Barclay	347,826
ADL Wright	-

Share Options

There are no share options on issue.

The Remuneration Committee and its advisers

Bluebird's remuneration policies as well as specific awards for Directors and senior managers, are determined by the Remuneration Committee. Details of this Committee's purpose, composition, operation and responsibilities are set out on page 41.

The Chief Executive Officer attends meetings at the invitation of the Committee to provide guidance as appropriate on the impact of remuneration decisions and on the performance on senior executives; he does not participate directly in discussions which concern his own remuneration.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUEBIRD MERCHANT VENTURES LIMITED

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union

Emphasis of matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. The ability of the Group to continue to trade is dependent on the Group being able to raise sufficient funds. Based on the current economic climate there exists a material uncertainty which may cast doubt as to whether the Group will be able to generate sufficient funds and therefore the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary if the Group was unable to continue as a going concern.

Emphasis of matter - Impairment of Investment assets

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 1 and 7 to the financial statements concerning the valuation of the investment in Red Mountain Mining Singapore Limited. The Group does not have sufficient funds to complete Stage 2 of the acquisition agreement which may cast doubt on the ability of the company to continue its exploration activities. Issues also exist with Project Permits as disclosed in Note 1, the group has now stopped funding the project in the short term. Based upon the current economic climate there exists a material uncertainty which may cast significant doubt as to whether the Group will be able to generate sufficient funds and continue to support exploration work. The financial statements do not include the adjustments that would be necessary if the Group was unable to raise these funds.

WHAT WE HAVE AUDITED

We have audited the group financial statements of Bluebird Merchant Ventures Limited for the year ended 30 June 2016 which comprise the Consolidated Income Statement, Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Group's members, as a body, in accordance with the Disclosure and Transparency Rules of the UK's Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 40 the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTERS

The financial statements of Bluebird Merchant Ventures Limited for the year ended 30 June 2015 were not audited.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

We have set below how we have addressed the key audit risks

Risk Identified

GOING CONCERN

We have considered the Groups disclosures on pages 57-60 of the annual report. The directors have concluded that there are material uncertainties that cast significant doubt over the ability of the group to continue as a going concern and that it may be unable to realise all of its assets and discharge all of its liabilities in the normal course of business.

The group is reliant on the support of its directors short term to not call debts due to them. The group is also reliant on raising additional funds to complete Stage 2 of its investment in Red Mountain Mining Singapore Limited.

Audit Response to risk

We reviewed and assessed the managements financial forecasts for a period of 12 months to support the above assumptions. Year end cash reserves totalling \$258,919 are not sufficient to continue trading operationally for the next 12 months without the group raising additional funds.

Given the above concerns highlighted a modification to the audit report has been included

Risk Identified

INVESTMENT IN RED MOUNTAIN MINING SINGAPORE LIMITED AND CARRYING VALUE

At 30 June 2016 the carrying value of the investment was \$1.859m

During the period the group increased its interest in Red Mountain Mining Singapore Limited from 15% to 25%.

In determining any impairment on the carrying value of the investment management have reviewed the indicators of impairment as disclosed on pages 66-67 of the annual report.

The directors have considered impairment factors in accordance with IAS36 and have concluded that no impairment provision is required.

Audit Response to risk

We have reviewed the financial statements of Red Mountain Mining Singapore Limited and in particular the key asset of the company – Batangas Gold Project.

We have evaluated management's impairment assumptions and conclusions. We have also considered external reports on the viability of the project which have been detailed in the review of operations report on pages 20-28. The project feasibility study indicates an overall low cost viable project indicating no impairment issues.

A number of key project risks exist and given the going concern issues highlighted and the groups ability to raise funds to exercise its next phase project funding a modification to the audit report is required.

OUR APPLICATION OF MATERIALITY

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality on the Gross Assets of the Group and on the loss incurred during the year and concluded materiality to be \$50,000.

We consider that Gross Assets and loss provides us with the most relevant performance measure to the stakeholders of the entity given the stage of the Group's investments and activity.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effect of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality level.

PERFORMANCE MATERIALITY

We consider performance materiality to be the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceed materiality.

We have set performance materiality at 50% of overall materiality.

We set performance materiality at this level based on our risk assessments and assessment of the Group's overall control environment.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment and assessing the risk of material misstatement across the Group.

Whilst Bluebird Merchant Ventures Limited is a London Stock Exchange listed company the groups operations are centred in the Republic of Philippines through a copper concentrate business (40% holding in White Tiger Mineral Resources Ltd) and an interest in a Gold Project through an investment in Red Mountain Mining Singapore Limited (25% interest).

Whilst White Tiger Mineral Resources Ltd remains in its infancy and the holding immaterial to the financial statements the interest in Red Mountain Mining Singapore Limited represents the significant asset of the group.

Our audit therefore concentrated on the carry value of the investment in Red Mountain Mining Singapore Limited and indicators of impairment of that investment.

WE HAVE NOTHING TO REPORT IN RESPECT OF THE MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.



Martin Clapson FCA (Senior Statutory Auditor)

For and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 2 November 2016

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2016

	Note	Year ended 30 June 2016 USD	Year ended 30 June 2015 USD
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses		778,421	41,123
Share based payments	21	85,400	-
Share of loss of associates	13	39,401	4,776
Net impairment of assets	7	-	-
Operating loss		(903,222)	(45,899)
Exchange loss		22,015	-
Finance (gains)/expense		(4,310)	4,310
Loss before taxation		(920,927)	(50,209)
Income tax expense	12	-	-
Loss for the year from continuing operations		(920,927)	(50,209)
Loss from discontinued operations	5	-	(57,145)
Loss for the year		(920,927)	(107,354)
Attributable to:			
Equity shareholders of the parent company		(920,927)	(94,192)
Non controlling interest		-	(13,162)
Earnings per share:			
Basic loss per share		0.0047	53,677
Diluted loss per share		0.0047	53,677
EBITDA ¹	6	(938,632)	(45,899)

¹ EBITDA represents earnings before exceptional items, finance items, depreciation and amortisation. EBITDA is not defined by IFRS but is commonly used as an indication of underlying cash generation.

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	Year ended 30 June 2016 USD	Year ended 30 June 2015 USD
Loss for the year		(920,927)	(107,354)
Total comprehensive loss for the year		(920,927)	(107,354)
Attributable to:			
Equity holders of the parent		(920,927)	(94,192)
Non-controlling interest		-	(13,162)
Total comprehensive loss for the year		(920,927)	(107,354)

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2016

	Note	30 June 2016 USD	30 June 2015 USD
Non current assets			
Property, plant and equipment		-	-
Investments	13	1,859,990	1,002,872
		1,859,990	1,002,872
Current assets			
Trade and other receivables	14	209,328	24,145
Cash and cash equivalents	15	258,919	7,748
		468,247	31,893
Current liabilities			
Trade and other payables	16	269,430	135,321
Other financial liabilities	17	-	716,528
		269,430	851,849
Non current liabilities			
Financial liabilities	17	92,932	-
		1,965,875	182,196
Net assets			
Equity			
Issued share capital	22	2,948,717	290,270
Reserves		45,439	-
Retained earnings		(1,015,119)	(94,192)
Total equity attributable to the parent		1,979,037	196,078
Non-controlling interest		(13,162)	(13,162)
Total equity		1,965,875	182,916

These financial statements were approved and signed on behalf of the Board of Directors.



A BISHOP
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Attributable to the owners of the Parent					
	Share Capital	Reserves	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	USD	USD	USD	USD	USD	USD
At 1 July 2014	2	-	-	2	-	2
Loss for the year	-	-	(94,192)	(94,192)	(13,162)	(107,354)
Total comprehensive loss	-	-	(94,192)	(94,192)	(13,162)	(107,354)
Issue of shares	290,268	-	-	290,268	-	290,268
Share based payments	-	-	-	-	-	-
Total transactions with owners	290,268	-	-	290,268	-	290,268
At 30 June 2015	290,270	-	(94,192)	196,078	(13,162)	182,916
Loss for the year	-	-	(920,927)	(920,927)	-	(920,927)
Total comprehensive loss	-	-	(920,927)	(920,927)	-	(920,927)
Issue of shares	2,833,396	-	-	2,833,396	-	2,833,396
Cost of issuing shares	(174,949)	-	-	(174,949)	-	(174,949)
Reserves	-	45,439	-	45,439	-	45,439
Total transactions with owners	2,658,447	45,439	(920,927)	1,782,959	-	1,782,959
At 30 June 2016	2,948,717	45,439	(1,015,119)	1,979,037	(13,162)	1,965,875

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2016

	Note	30 June 2016 USD	30 June 2015 USD
Cash flows from operating activities			
Cash receipts from customers		-	-
Cash paid to suppliers & employees		(794,398)	(98,267)
Cash generated from operations		(794,398)	(98,267)
Interest received (paid)		4,310	(4,310)
Income taxes paid		-	-
Net cash from operating activities		(790,088)	(102,577)
Cash flows from investing activities			
Loans to associates and related parties		(185,183)	(24,145)
Investment in RMMS		(857,118)	(280,000)
Investment in other associates		-	(11,121)
Net cash used in investing activities		(1,042,301)	(315,266)
Cash flows from financing activities			
Net proceeds from equity issued		2,573,047	290,270
Proceeds from short term debt		134,109	135,321
Proceeds from issuance of long term debt		92,932	-
Payments of debt facilities		(716,528)	-
Net cash used in financing activities		2,083,560	425,591
Net increase in cash		251,171	7,748
Cash and cash equivalents at start of year		7,748	-
Cash and cash equivalents at end of the year		258,919	7,748

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

1. BASIS OF PREPARATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Group financial statements consolidate those of the Company and of its subsidiaries listed in note 28; the Group financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the European Union at 30 June 2016.

The Group financial statements have been prepared under the historical cost convention except for share based payments that are fair valued at the date of grant and other financial assets and liabilities that are measured at fair value. The accounting policies applied in these financial statements are unchanged from those used in the previous annual financial statements.

Certain amounts included in the consolidated financial statements involve the use of judgement and/or estimation. Judgements, estimations and sources of estimation uncertainty are discussed in note 2.

In issue but not effective for periods commencing on 1 July 2015

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on 1 July 2015 are:

Amendments to IFRS 2: Share-based Payment – Amendments to clarify the classification and measurement of share-based payment transactions

Amendments to IFRS 7: Financial Instruments – Amendments requiring disclosures about the initial application of IFRS 9 and additional hedge accounting disclosures

Amendments to IFRS 9: Financial instruments

Amendments to IFRS 10: Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associates or joint venture and amendments regarding the application of the consolidation exception

Amendments to IFRS 12: Disclosure of Interests in Other Entities – Amendments regarding the application of the consolidation exception

Amendments to IFRS 14: Regulatory Deferral Accounts

Amendments to IFRS 15: Revenue from Contracts with Customers

Amendments to IFRS 16: Leases

Amendments to IAS 7: Statement of Cash Flows – Amendments as result of the Disclosure initiative

Amendments to IAS 12: Income Taxes – Amendments regarding the recognition of deferred tax assets for unrealised losses

Amendments to IAS 28: Investments in Associates and Joint Ventures – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture and amendments regarding the application of the consolidation exception

Amendments to IAS 39: Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to the extend the fair value option to certain contracts that meet the 'own use' scope exception.

The Directors anticipate that the above pronouncements, where relevant, will be adopted in the Group's financial statements for the year beginning 1 July 2016 and will have little impact on the Group's accounting policies or results.

Going Concern

Loans

The Company has the following loans or liabilities, which total USD\$362,362

Party	Amount USD	Loan Notes USD
Trade Payables	45,744	
Etruscan Capital	20,275	
Aidan Bishop	100,000	
Charles Barclay	100,000	
Aidan Bishop		31,715
Mitchell Tarr		61,217
Other	3,411	

In order to become financially secure the Company will need to renegotiate these loans or advances. The Company is reliant on these parties to remain supportive.

Ability to secure financing for RMMS

The rationale behind floating the Company was largely to raise capital for RMMS.

The PFS for the Batangas Gold Project has been completed and RMMS/Batangas Gold Project requires ongoing funding for the DFS costs and for administration and working capital. The Company is presently uncertain whether its joint venture partner, Red Mountain Mining Limited can or will or wants to fund its 75% and accordingly the Company has stopped funding its share of costs.

If the Company was to be placed in a position where it needed to take on the burden of fully funding RMMS/Batangas Gold Project it would need further equity and/or debt funding.

Financing discussions in the 2016 financial year have been very challenging in the mining sector. The Company does not see any change in this environment in the 2017 financial year and there is no guarantee that the Batangas Gold Project can be funded.

Loss of Batangas Gold Exploration Project Permits

The Batangas Gold Project is located in the Philippines and RMMS will need regulatory approval from the Philippine government for RMMS Group's planned development, mining and processing activities.

Obtaining governmental permits necessary to conduct all mining operations in the Philippines is a complex, lengthy and time-consuming process and may require substantial expenditure. The duration and success of permit applications are contingent on many factors, some of which are beyond RMMS' control, particularly where local authorities' consents are required to be obtained prior to the issue of the relevant permit by the MGB. Delay in obtaining the required permits and authorisations will impact the Group's operations and may have a negative affect on working capital.

Renewal and/or extension of RMMS Group's EPs and EPAs or the subsequent rights to develop and operate cannot be guaranteed and failure to obtain or renew a necessary licence or permit could mean that the Group is unable to proceed with the exploration, development or continued operation of a project, which, in turn, may have a material adverse effect on the Group's business prospects, results of operations and financial condition.

RMMS needs additional governmental permits & approvals to continue the development of the Batangas Gold Project

In order to commence construction of the mine at the Batangas Gold Project, RMMS requires an ECC to be issued as a precedent to the assessment and approval of the DMF. An ECC is issued based upon approval of the EIA. Technical evaluation of the EIA is well advanced and it is expected that the final review of the EIA by the expert Review Committee appointed by the EMB will be completed in August 2016. It is also expected that the final recommendation by the EMB for the DENR Secretary to sign and approve the ECC will be issued in late 2016 or early 2017. The Directors believe that the final review of the EIA will result in a recommendation to issue the ECC. However, no guarantees can be given that the final review of the EIA will result in a positive recommendation to issue the ECC or, if a positive recommendation is given, that it will result in the issuance of the ECC in a timely fashion, particularly given the recent appointment of a new Secretary of the DENR.

In respect of the Archangel and Lobo MPSAs the key stage of development approval is for RMMS to obtain a DMF. In order to obtain the DMF, RMMS needs the endorsement of two of the three LGUs as well as the issuance of the ECC. In January 2015, all of the ten potentially affected Barangays endorsed the Batangas Gold Project, which collectively constitutes one LGU endorsement. The second LGU endorsement from the LMGC, for project development, was given in April 2015. However, the LMGC withdrew its previous endorsement for the Project in July 2015, citing environmental and social acceptability concerns. RMMS lodged a "Motion for Reconsideration" with the LMGC in August 2015 and has been informed that the LMGC will consider such after the national elections due to be held in May 2016. The Motion for Reconsideration will be put for a vote and if carried then the endorsement will be re-confirmed. Should the LMGC vote not to re-confirm the endorsement then RMMS will need to lobby the LMGC until they do re-confirm their previous endorsement of the Batangas Gold Project. The Directors have good local relationships and are confident that they and RMMS will be able to secure the endorsement of the LMGC for the Batangas Gold Project in due course. However, no assurance can be given that the remaining LMGC endorsement will be obtained or that and the ECC will be issued in a timely manner or obtained at all.

The Directors are also confident that given the stage of development of Archangel and Lobo MPSAs, granting of the ECC is a question of due process and timing, rather than of substance. Following the issue of the ECC and two of the three LGU endorsements, the DMF will be elevated from the regional office of the MGB where it was submitted with supporting

documentation in March 2014, to the central office of the MGB for final assessment and approval and signing by the Secretary of the DENR.

Whilst the Company is confident that, following the issuance of the ECC, re-confirmation by the LMGC of their previous endorsement of the BGP and elevation of the DMF to the central office of the MGB, that the DMF will be approved in due course, there is a risk that the approval and signing of the DMF will not be achieved in a timely manner or not obtained at all, particularly given the early proclamations of the new Secretary of the DENR. This would have a significant negative impact on the Group's operations.

Each permit is issued for a specific term and carries with it annual expenditure and reporting obligations during the specific term. Extension or renewal of each permit is mostly a technical process that requires the payment of renewal or extension fees.

The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the tenants and the mining company fail to agree the level of compensation the mining company can ask the Court to set it. No guarantees can be given that Philippine courts will consider such applications promptly and it may take considerable time to obtain. Any delays in agreeing the level of compensation would cause delays in the construction of the gold mine and cause additional expenditure. At present no agreement is in place with land tenants other than for exploration purposes. RMMS intends to seek agreement with land tenants once the DMF is issued.

In addition to the ECC and DMF, which are the most significant permits and approvals required, auxiliary local permits and agreements are also required to allow various components of the development of the Batangas Gold Project to proceed. These are principally tree cutting permits, water take and discharge permits, construction and building permits. It is premature to apply for these permits at this stage and they will be applied for once the decision is taken to construct the mine. Whilst these permits are not a prerequisite to the signing of the DMF and are applied for at local government level and are largely administrative in nature, no assurance can be given that this will be done in a timely manner.

Gold Price

The profitability of the Batangas Gold Project depends on the gold price.

The Company has no control over the gold price, and is not in a position to enter into any hedging arrangements.

A sustained fall in the gold price would put severe pressure on the viability of the Batangas Gold Project.

Risks arising from the nature of the Group's commodity supply operations

Trading risk

If the price of copper concentrate drops significantly and/or the Group is unable to sell its copper concentrate then this will negatively impact the Group's financial position and it may need to raise further capital or curtail its work programme.

The Company entered into an agreement with the smelter for the sales of copper concentrates and this agreement contains provisions that required the Group to deliver copper concentrates having certain specified characteristics. A failure to meet any of these specifications or other quality thresholds could result in economic penalties. This is the Group's sole customer at present.

In the event that the Group is unable to effect shipments of the required specification, the loss of revenue would affect adversely its business, results of operations and financial condition. To manage this risk, the Group has the copper ore assayed before enrichment to approve it for concentration, and after enrichment to approve it for shipment. All shipments of copper concentrate sent by the Group to the smelter are insured. However, no assurances could be given that the Group will be able to acquire copper ore or have it processed to the required standard.

Although the smelter is a well-established and owned and operated by a large global mining company, no assurance can be given that this customer will continue to purchase the Company's copper concentrate and/or continue to operate its smelter for any substantial period of time. The Company has had approaches from other potential buyers for its product however its current preference is to focus on building its relationship with the smelter and the copper concentrate supply chain.

Should the current buyer cease to operate the smelter or not renew the agreement with the Company, no assurance can be given that the Group will be able to enter into arrangements similar to those it currently has with the smelter or if entered into, no assurance can be given that such new arrangements will give the Group the same rate of return as the current arrangements.

Copper Concentrate Supply and Process Risk

The Group is reliant on one source of copper concentrate. It has entered into a copper concentrate purchase contract with a government accredited mineral trader, who aggregates copper ore from permitted small-scale producers. The Group has lent CRRR funds sufficient to upgrade its processing facility to enable this facility to concentrate ore to required specification. The Group conducts quality control checks on each shipment prepared by the supplier. The Group intends to have its controller permanently on site to monitor quality and consistency. However, the Group has no direct control over the purchase process of copper ore from the small-scale producers by CRRR and in the future those small-scale producers may be unable to supply ore of sufficient quality or volume to CRRR for concentration and subsequent sale to the Group. In such circumstances the Group may be unable to receive the repayment of the loan that was made to CRRR. Alternatively the small-scale producers may materially raise its prices and the Company may be unable to source material of the required quality at similar prices. CRRR is also reliant upon the small-scale producers maintaining their permits that are issued by the local government in good standing. Any loss of supply would hamper the Company's ability to generate profits from its trading activities and have a negative impact on the Company's finances.

The Group is currently solely reliant upon its relationship and agreement with CRRR for its supply of copper concentrate. The Group is also reliant upon CRRR maintaining its Accredited Trader permit. CRRR's Accredited Trader Permit was renewed on 29 January 2016 for a further two-year period.

Should for any reason the relationship deteriorate with CRRR, the Group will need to source an alternative supplier and also an alternative processor of the ore. It could be difficult to locate such a processor and in the event that a suitable replacement was not found it could affect adversely the Group's business, financial condition and results of trading operations. To mitigate such risks the Group seeks to not only ensure a good relationship with CRRR but also to provide technical assistance to ensure that CRRR is able to operate profitably. To further mitigate the risk of being reliant upon a single supplier the Group intends to replicate the business model once it has achieved trading of consistent monthly volumes. In order to replicate the business model the Group would need to identify an additional processing partner who had ore supply arrangements with a different group of permitted small-scale producers. The Directors believe that whilst it is realistic to expect that the Group would be able to replicate its business model it is realistic to expect that it could take 12-18 months to do so and the Group would have to assess whether it was in a financial position to do so.

The Directors are not aware of any other suppliers of copper concentrate who currently operate within the vicinity of the Group's trading operations. However there can be no guarantee that other suppliers will not set up a similar business, which could possibly negatively impact the price the Group pays for its copper concentrate.

Success of the trading operations also depends on the ability of the Group's trading partner to secure OTPs for shipment of the copper concentrate to the smelter. No assurance can be given that the Group's trading partner will be able to secure such transportation permits for all or any number of shipments on time or at all.

Commodity Price, Smelter Charges and Exchange Rate Risks

Commodity Price Risk

The value of the Company's resources is dependent upon the prevailing price of copper, gold and silver and the profit margin on Group's trading operation will be affected by changes in the prices of these commodities. World commodity prices are outside of the Group's control. Despite this the Directors do not presently intend to enter into hedging arrangements in respect future copper or gold prices or exchange rate risks as the Directors' believe these monies will be more effectively deployed elsewhere.

World copper prices have fluctuated significantly over the past 10 years. No assurances can be given that world copper prices will continue to be at the level where the Group will be able to continue the profitable sale of copper concentrate. No assurance could also be given that the current level of global demand for copper would allow the Group to continue trading operations for any substantial period of time.

A sustained period of volatility in the copper and gold prices will affect the Group's ability to plan its future expenditure, which may delay the Group's operations. Furthermore if the price of gold or copper falls materially this is likely to impact the Company's ability to raise finance and it is likely to negatively affect the share price of the Company.

Conclusion

The above areas of risk represent material uncertainties that may cast significant doubt over the ability of the Group to continue as a Going Concern and that it may be unable to realise all of its assets and discharge all of its liabilities in the normal course of business. Nevertheless, the Directors have a reasonable expectation that these risks can be managed, or will not come to pass, and accordingly the Financial Statements have been prepared on a Going Concern basis and do not include the adjustments that would result if the Group were unable to continue as a Going Concern.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND SOURCES OF ESTIMATION UNCERTAINTY

Certain amounts included in the financial statements involve the use of judgement and/or estimation. These are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience. However, judgements and estimations regarding the future are a key source of uncertainty and actual results may differ from the amounts included in the financial statements. Information about judgements and estimation is contained in the accounting policies and/or other notes to the financial statements. The key areas are summarised below:

Mineral Resources and Ore Reserves

Quantification of Mineral Resources requires a judgement on the reasonable prospects for eventual economic extraction. Quantification of Ore Reserves requires a judgement on whether Mineral Resources are economically mineable. These judgements are based on assessment of mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors involved. These factors are a source of uncertainty and changes could result in an increase or decrease in Mineral Resources and Ore Reserves. This would in turn affect certain amounts in the financial statements such as depreciation and closure provisions, which are calculated on projected life of mine figures, and carrying values of mining property and plant which are tested for impairment by reference to future cash flows based on life of mine Ore Reserves. Certain relevant judgements are discussed in note 7 in respect of the impairment of mining assets.

Functional currencies

Identification of functional currencies requires a judgement as to the currency of the primary economic environment in which the companies of the Group operate. This is based on analysis of the economic environments and cash flows of the subsidiaries of the Group.

Taxation and deferred tax

Within the Group there are entities with significant losses available to be carried forward against future taxable profits. The quantum of the losses or available deductions for which no deferred tax asset is recognised is set out in note 12. Estimates of future profitability are required when assessing whether a deferred tax asset may be recognised. The entities in which the losses and available deductions have arisen are principally non-revenue generating exploration companies and corporate management functions. It is not expected that taxable profits will be generated in these entities in the foreseeable future, and therefore the Directors do not consider it appropriate to recognise a deferred tax asset. Judgements made in estimating future profitability include forecasts of cash flows, and the timing of intercompany recharges.

Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognised in the financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgements and estimations. These judgements are based on a number of factors including the nature of the claim or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realised. Each of these factors is a source of estimation uncertainty.

Recoverability of VAT

Recoverability of the VAT receivable in the Republic of the Philippines is assessed based on a judgement of the validity of the claim and, following review by management, the carrying value in the financial statements is considered to be fully recoverable.

3. ACCOUNTING POLICIES

Consolidation

The Group financial statements consolidate the results of the Company and its subsidiary undertakings using the acquisition accounting method. On acquisition of a subsidiary, all of the subsidiary's identifiable assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition on that date. The results of subsidiary undertakings acquired are included from the date of acquisition. In the event of the sale of a subsidiary, the subsidiary results are consolidated up to the date of completion of the sale.

For acquisitions the costs of acquisition are recognised in the income statement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any Non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement as a gain.

Exchange differences arising from the translation of the net investment in foreign entities are taken to equity. All other transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated, unless the unrealised loss provides evidence of an impairment of the asset transferred.

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Transactions which may give rise to exceptional items include the impairment of property, plant and equipment and deferred exploration expenditure, the cost of restructuring forward contracts, and material profit or losses on disposals.

Segmental reporting

An operating segment is a component of the Group engaged in exploration or production activity that is regularly reviewed by the Chief Operating Decision Maker (**CODM**) for the purposes of allocating resources and assessing financial performance. The CODM is considered to be the Board of Directors. The Group's operating segments are determined as the BVI, RMMS and Commodity Trading.

The Group does not report geographic segments by location of customer as its business is the production of copper, gold and silver which is traded as a commodity on a worldwide basis. Sales are made into the bullion market, where the location of the ultimate customer is unknown.

Foreign currency translation

1. Functional and presentational currency

The functional currency of the entities within the Group is the US dollar, as the currency which most affects each company's revenue, costs and financing. The Group's presentation currency is also the US dollar.

2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at reporting period end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Revenue

Revenue is the fair value of the consideration receivable by the Group for the sale of copper, gold and silver. Currently, all revenue is derived from the sale of ore to PASAR by WTMR. Revenue is recognised when the risks and rewards of ownership pass to the purchaser, which occurs when confirmation is received of the conclusion of a trading instruction to sell or to sell at pre-determined prices as part of a forward contract.

Financial assets

Financial assets are classified into the following specific categories which determine the basis of their carrying value in the statement of financial position and how changes in their fair value are accounted for: at fair value through profit and loss, available for sale, and loans and receivables. Financial assets are assigned to their different categories by management on initial recognition, depending on the purpose for which the investment was acquired.

Available for sale financial assets are included within non-current assets unless designated as held for sale in which case they are included within current assets. They are carried at fair value at inception and changes to the fair value are recognised in other comprehensive income; when sold, or impaired, the accumulated fair value adjustments recognised in other comprehensive income are reclassified through the income statement.

Trade and other receivables are measured on initial recognition at fair value and subsequently at amortised cost using the effective interest rates.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least annually at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments and are measured at cost which is deemed to be fair value as they have short-term maturities.

Investment in Associates

Associate companies are companies in which the group has significant influence generally though holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

Financial liabilities

Financial liabilities include loans and trade and other payables. In the statement of financial position these items are included within Non-current liabilities and Current liabilities. Financial liabilities are recognised when the Group becomes a party to the contractual agreements giving rise to the liability. Interest related charges are recognised as an expense in Finance costs in the income statement unless they meet the criteria of being attributable to the funding of construction of a qualifying asset, in which case the finance costs are capitalised.

Trade and other payables and loans are recognised initially at their fair value and subsequently measured at amortised costs using the effective interest rate, less settlement payments.

Borrowing costs

Borrowing costs that are incurred in respect of the construction of a qualifying asset are capitalised where the construction of an asset takes a substantial period of time to be prepared for use. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities in the countries in which the Group carries out operations and where it generates its profits. They are calculated according to the tax rates and tax laws applicable to the financial period and the country to which they relate. All changes to current tax assets and liabilities are recognised as a component of the tax charge in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxes or accounting profit.

Deferred tax liabilities are provided for in full; deferred tax assets are recognised when there is sufficient probability of utilisation. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Pension obligations

Currently the Group does not operate a pension scheme.

Provisions, contingent liabilities and contingent assets

Other provisions are recognised when the present obligations arising from legal or constructive commitment, resulting from past events, will probably lead to an outflow of economic resources from the Group which can be estimated reliably. Provisions are measured at the present value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Share based payments

The Group may operate equity settled share based compensation plans, which may be settled in cash under certain circumstances.

All share based compensation is ultimately recognised as an expense in profit and loss with a corresponding credit to retained earnings, net of deferred tax where applicable. Where share based compensation is to be cash settled, such as certain share based bonus awards, the corresponding credit is made to accruals or cash. The Group may have certain share option schemes that may be settled in cash at the absolute discretion of the Board.

If any equity settled share based awards are ultimately settled in cash, then the amount of payment equal to the fair value of the equity instruments that would otherwise have been issued is accounted for as a repurchase of an equity interest and is deducted from equity. Any excess over this amount is recognised as an expense.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment to the expense recognised in prior periods is made if fewer share options are ultimately exercised than originally granted.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, up to the nominal value of the shares issued, are allocated to share capital with any excess being recorded in share premium.

Non-current assets and liabilities classified as held for sale and discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

The results from discontinued operations, including reclassification of prior year results, are presented separately in the income statement.

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within twelve months is judged to be highly probable, the assets of the disposal group are classified as held for sale and presented separately in the statement of financial position. Liabilities are classified as held for sale and presented as such in the statement of financial position if they are directly associated with a disposal group.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. No assets classified as held for sale are subject to depreciation or amortisation subsequent to their classification as held for sale.

4. SEGMENTAL REPORTING

For the year ended 30 June 2015	BVI	RMMS	Commodity Trading
INCOME STATEMENT	USD	USD	USD
Revenue	-	-	-
Administrative costs	41,123	-	-
Share of loss from associate	-	-	4,776
Finance income	-	4,310	-
Income tax expenses	-	-	-
Loss from continuing operations	(41,123)	(4,310)	(4,776)
Loss from discontinued operations	(57,145)	-	-
Loss for the year	(98,268)	(4,310)	(4,776)
Total comprehensive loss for the year	(98,268)	(4,310)	(4,776)

For the year ended 30 June 2016	BVI	RMMS	Commodity Trading
INCOME STATEMENT	USD	USD	USD
Revenue	-	-	-
Administrative costs	885,836	33,057	-
Share of loss from associate	-	-	6,344
Finance income	-	(4,310)	-
Income tax expense	-	-	-
Loss from continuing operations	(885,836)	(33,057)	(6,344)
Loss from discontinued operations	-	-	-
Loss for the year	(885,836)	(28,747)	(6,344)
Total comprehensive loss for the year	(885,836)	(28,747)	(6,344)

For the year ended 30 June 2015	BVI	RMMS	Commodity Trading
STATEMENT OF FINANCIAL POSITION	USD	USD	USD
Investment in RMMS	-	996,528	-
Investment in WTMR	-	-	6,344
Trade and other receivables	-	-	24,145
Cash and cash equivalents	7,748	-	-
Total assets	7,748	996,528	30,489
Current liabilities	135,321	-	-
Non current liabilities	-	716,528	-
Net assets	(127,573)	280,000	30,489

For the year ended 30 June 2016	BVI	RMMS	Commodity Trading
STATEMENT OF FINANCIAL POSITION	USD	USD	USD
Investment in RMMS	-	1,859,990	-
Trade and other receivables	-	-	209,328
Cash and cash equivalents	258,919	-	-
Total assets	258,919	1,859,990	209,328
Current liabilities	269,430	-	-
Non current liabilities	92,932	-	-
Net assets	(103,443)	1,859,990	209,328

Reconciliation of Investment in Associates	30 June 2016	30 June 2015
Investment in WTMR	6,344	11,120
Share of loss	6,344	4,776
Carrying value of investment in associates	-	6,344

5. EXCEPTIONAL ITEMS

	30 June 2016 USD	30 June 2015 USD
Exceptional Items	-	(57,145)

In 2014 the Company entered into an Investment Agreement with Flitegold Pty Limited, an Australian company controlled by Mr Neil Trevor Mutton, to evaluate and potentially develop exploration tenements in Australia, known as the Avoca and Ballieston Tenements. On 10 September 2014 the Company subscribed to 80% of the shares on issue in Currawong Resources Pty Limited and on 20 October 2014 AUD\$75,000 was loaned to Currawong Resources Pty Limited.

Prior to 30 June 2015 the Board of directors of the Company resolved not to proceed with the Investment Agreement and to terminate any and all agreements with Flitegold Pty Limited.

The directors of the Company do not believe any further monies are due under the Flitegold Investment Agreement.

The 2015 \$57,145 is exploration and development costs that are associated with Currawong Resources Pty Limited, a discontinued business line.

6. EBITDA

Earnings before interest, tax, depreciation and amortisation (**EBITDA**) represents profit before depreciation/amortisation, interest and taxes, as well as excluding any exceptional items and profit or loss from discontinued operations and changes in fair value of forward contracts.

Reconciliation of loss before taxation to EBITDA	30 June 2016 USD	30 June 2015 USD
Loss before taxation	(920,927)	(107,354)
Exceptional items (see note 5)	-	57,145
Depreciation	-	-
Exchange loss	(22,015)	-
Net finance income	4,310	-
Net finance expense	-	(4,310)
EBITDA	(938,632)	(45,899)

7. IMPAIRMENT OF ASSETS

Net Impairment of the RMMS Investment

In accordance with IAS 36 Impairment of Assets, at each reporting date the Company assesses whether there are any indicators of impairment of non-current assets. When circumstances or events indicate that non-current assets may be impaired, these assets are reviewed in detail to determine whether their carrying value is higher than their recoverable value, and where this is the result, an impairment is recognised. Recoverable value is the higher of value in use (**VIU**) and fair value less costs to sell. VIU is estimated by calculating the present value of the future cash flows expected to be derived from the asset cash generating unit (**CGU**). Fair value less costs to sell is based on the most reliable information available, including market statistics and recent transactions. The RMMS investment has been identified as a CGU.

When calculating the VIU certain assumptions and estimates were made. Changes in these assumptions can have a significant effect on the recoverable amount and therefore the value of the impairment recognised. Should there be a change in the assumptions which indicated the impairment assessment; this could lead to a revision of the recorded impairment losses in future periods. The key assumptions are outlined in the following table.

Assumption	Judgements	Sensitivity
Permitting	The permitting process is still in process and no conclusive action by the DENR or MGB has taken place	A cancelling of or substantial delay in the awarding of the principal permits will have an impact on the financial viability of the Batangas Gold Project
Timing of cash flows	Cash flows have been forecast in the PFS; however the production value of the Batangas Gold Project has not been built into its valuation as yet, because of the need to complete the DFS and Declaration of Mining Feasibility (DMF)	An extension or shortening of the mine life would have resulted in a corresponding increase or decrease in impairment, the extent of which it was not possible to quantify
Production costs	PFS production costs have been forecast on detailed assumptions	A change in production costs will result in a corresponding increase or decrease to the project NPV. However given the uncertainty of assessing when the mine will enter into a production phase, the effect of increasing or decreasing production costs is difficult to quantify
Gold price	A gold price of USD\$1,250 per ounce was assumed. The Company does not expect a sustained and substantial fall in the gold price	A substantial and sustained fall in the gold price would have a negative impact on project NPV
Gold production	The June 16 life of mine plan shows total gold production of 116,000 million ounces. Although a variation in gold production will affect the project NPV, it is too early to have an impact on the market price of RMMS	A negative change in ounces produced will have an effect on NPV

The Company does not consider that the carrying value of the RMMS investment (USD\$) is higher than the recoverable value and hence no impairment was recognised in the 2016 financial year.

Impairment of the loan to CRRR

As at 30 June 2016 WTMR made a secured loan to CRRR of USD\$ 55,482.

The Company considers that the carrying value of the CRRR loan (USD\$ 55,482) is higher than the recoverable value and hence no impairment for this asset was recognised in the 2016 financial year.

Impairment of the loan to Bluebird Merchant Ventures Limited

As at 30 June 2016, Bluebird Merchant Ventures Inc made an unsecured loan to Bluebird Merchant Ventures Limited of USD\$ 229,724.

This was fully provided for in the 2016 financial year.

8. LOSS FOR THE PERIOD BEFORE TAX

	30 June 2016 USD	30 June 2015 USD
Loss for the year has been arrived at after charging		
Depreciation	-	-
Audit services	21,750	-

9. REMUNERATION OF KEY MANAGEMENT PERSONNEL

In accordance with IAS 24 – Related party transactions, key management personnel, including all Executive and Non-executive Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Company uses the same definition as for Persons Discharging Managerial Responsibility ("PDMRs"), an up-to-date list of whom can be found on the Company's website.

	30 June 2016 USD	30 June 2015 USD
Wages and salaries and fees	353,830	25,187
Share based payments	28,000	-
Total remuneration of key management personnel	381,830	25,187

10. TOTAL EMPLOYEE REMUNERATION (INCLUDING KEY MANAGEMENT PERSONNEL)

	30 June 2016 USD	30 June 2015 USD
Wages and salaries and fees	353,830	25,187
Share based payments	28,000	-
Total remuneration of employees, including all Directors	381,830	25,187

The average number of employees during the period was made up as follows:

Directors	5	2
Management and administration	2	1
Mining, processing and exploration staff	-	-
Total	7	3

11. FINANCE INCOME AND EXPENSE

	30 June 2016 USD	30 June 2015 USD
Finance expense		
Other finance (income)/expense	(4,310)	4,310
Net finance (income)/expense	(4,310)	4,310

12. TAXATION

The Group contains entities with tax losses and deductible temporary differences for which no deferred tax asset is recognised. A deferred tax asset has not been recognised because the entities in which the losses and allowances have been generated either do not have forecast taxable in the foreseeable future, or the losses have restrictions whereby their utilisation is considered to be unlikely.

13. INVESTMENTS

	30 June 2016 USD	30 June 2015 USD
Investments		
Investments in associates – RMMS	1,859,990	996,528
Investments in associates - WTMR	-	6,344
Total Investments	1,859,990	1,002,872

	30 June 2016 USD	30 June 2015 USD
Investments - RMMS		
Cost at 1 July 2015	996,528	-
Additions	896,519	996,528
Less: impairment	-	-
Less: share of profit/loss	(33,057)	-
As 30 June 2016	1,859,990	996,528

Investments in associates - WTMR

Cost at 1 July 2015	6,344	-
Additions	-	10,722
Less: share of profit/loss	(6,344)	(4,378)
As 30 June 2016	-	6,344

Investments

Red Mountain Mining Singapore Pte Limited

The directors of the Company take the view the Group's interest in Red Mountain Mining Singapore Pte Limited was an investment until it breached a 20% shareholding level. It became an investment in an associate on 13 May 2016.

A summary of the balance sheet of Red Mountain Mining Singapore is shown below:

	30 June 2016 USD	30 June 2015 USD
Cash	66,916	124,516
Receivables	101,942	87,663
Total current assets	168,858	212,179
Deferred exploration costs	20,923,098	20,825,854
Fixed costs	1,518	26,132
Total non current assets	20,924,616	20,851,986
Total assets	21,093,474	21,064,165
Trade and other payables	182,965	188,650
Total current liabilities	182,965	188,650
Borrowings	19,925,058	21,734,524
Total non current liabilities	19,925,058	21,734,524
Total liabilities	20,108,023	21,923,174
Net assets	985,451	(859,009)
Issued capital	1,734,382	77
Reserves	36,911	34,420
Controlled interest	(676,530)	(955,174)
Non controlled interest	(109,312)	61,668
Total equity	985,451	(859,009)

The Company has a 25% interest in Red Mountain Mining Singapore Limited (RMMS) as at 30 June 2016. RMMS is a company, incorporated and existing under the laws of Singapore, company number 201218066C, having its registered office at 8 Temasek Boulevard, #35-03 Suntec Tower 3, Singapore, 038988. The balance of RMMS is held by Red Mountain Mining Limited (ASX:RMX).

RMMS is not quoted on any stock exchange.

RMMS manages and operates the Batangas Gold Project through two subsidiary entities:

Firstly, a 100% held entity, MRL Gold Inc (MRL), a corporation duly organised and existing under the laws of the Philippines, with office address at Ground Floor, CJV Building, 105 Aguirre Street, Legaspi Village, Makati City, Philippines.

Secondly, MRL Gold Inc, holds a 40% direct interest in Egerton Gold Philippines Inc (EGPI) and through the exercise of an option agreement dated 28 November 2008, the irrevocable and exclusive contractual right to a further interest in 60% of EGPI. The 60% is currently held in trust by two individual Filipino shareholders, Mr Manuel Artificio and Ms Pauline de Guzman.

EGPI is the 100% owner of the Lobo Property, and the Archangel Property (collectively the Batangas Gold Project).

The Company has not complied with IFRS 12 in the non-disclosure of RMMS' consolidated income statement, consolidated statement of financial position, consolidated statement of changes in equity and consolidated cashflow statement.

Investments in associates - White Tiger Mineral Resources Corporation

A summary of the balance sheet of White Tiger Mineral Resources Corporation is shown below:

	30 June 2016 USD	30 June 2015 USD
Cash	35,767	21,116
Receivables	58,360	47,507
Total current assets	94,127	68,623
Deferred exploration costs	-	-
Fixed costs	1,150	632
Total non current assets	1,150	632
Total assets	95,277	69,255
Trade and other payables	15,299	53,393
Total current liabilities	15,299	53,393
Borrowings	191,813	-
Total non current liabilities	191,813	53,393
Total liabilities	207,112	53,393
Net assets	(111,835)	15,862
Issued capital	27,802	27,802
Retained earnings	(139,637)	(11,940)
Total equity	(111,835)	15,862

A summary of the income statement of White Tiger Mineral Resources Corporation is shown below:

	30 June 2016 USD	30 June 2015 USD
Revenue	6,411	-
Cost of sales	85,517	7,584
Gross loss	(79,106)	(7,584)
Administrative expenses	46,059	4,356
Operating loss	(125,165)	(11,940)
Exchange loss	2,532	-
Loss before taxation	(127,697)	(11,940)
Income tax expense	-	-
Loss for the year	(127,697)	(11,940)

The carrying value of White Tiger Mineral Resources Corporation is shown below:

	30 June 2016 USD	30 June 2015 USD
Investment in WTMR capital	6,344	11,121
Less: share of loss	(6,344)	(4,777)
Carrying value	-	6,344

White Tiger Minerals Corporation Inc (WTMR) is a company duly incorporated and existing under the laws of the Philippines, company number CS201422508, having its registered address at G/F Dr No 14B, Suarez Building, Mabini Street, Maguipo South, Tagum City, Davao Del Norte, Republic of the Philippines.

The Company owns 40% of WTMR. WTMR conducts the commodity trading unit of the Group.

14. TRADE AND OTHER RECEIVABLES

	30 June 2016 USD	30 June 2015 USD
Loans to associates - WTMR	191,813	7,464
Loans to related parties	17,515	16,681
Total trade and other receivables	209,328	24,145

15. CASH AND CASH EQUIVALENTS

	30 June 2016 USD	30 June 2015 USD
Cash at bank and in hand	258,919	7,748
Cash and cash equivalents	258,919	7,748

16. TRADE AND OTHER PAYABLES

	30 June 2016 USD	30 June 2015 USD
Trade payables	45,744	30,104
Amounts due to related parties	223,686	105,217
Total trade and other payables	269,430	135,321

17. OTHER FINANCIAL LIABILITIES

	30 June 2016 USD	30 June 2015 USD
Current financial liabilities		
Convertible notes issued to related parties	-	220,000
Loan from Red Mountain Mining Limited	-	496,528
Total current financial liabilities	-	716,528
	30 June 2016 USD	30 June 2015 USD
Non current financial liabilities		
Loan notes	92,932	-
Total non current financial liabilities	92,932	-

Convertible Notes issued to Related Parties**The Vistra Loan**

On or around 25 May 2015 USD 220,000 was borrowed from Vistra Trust (S) Pte Limited. This converting loan facility was repayable in stock shortly after the Company's IPO.

Loan from Red Mountain Mining Limited

USD\$500,000 was borrowed from Red Mountain Mining as a partial payment against the Stage 1 commitment to invest in Red Mountain Mining Singapore. This was repaid from the IPO proceeds.

Loan Notes

Mr Aidan Bishop and Mr Mitchell Tarr have advanced various funds to the Group in its start up phase. On 2 November 2015 the Company entered into a formal loan agreement with Mr Aidan Bishop and Mr Mitchell Tarr wherein it formalised the repayment of these funds. The funds advanced to the Group are unsecured and interest free.

The loan agreement provided for Mr Aidan Bishop to be repaid GBP 21,500 in 6 equal instalments and for Mr Mitchell Tarr to be repaid GBP 41,500 in 6 equal instalments following admission. The loan repayments shall commence upon Admission, subject to the Proceeds of the Placing being sufficiently higher than the Minimum Net Proceeds in order to cover the repayments. In the event that only the Minimum Net Proceeds are available to the Company then the loan shall be considered to have a one year term from Admission and shall repaid from the profits of copper concentrate trading. If the profits are not sufficient to repay the loan then it shall be repaid from any subsequent capital raising in the period after 12 months following Admission or converted to equity upon expiration of the loan term.

The Loan Notes have been classified as non current on the basis of the expectation that they will not be repaid before 1 July 2017.

18. PROVISIONS

There are no provisions as at 30 June 2016.

19. FINANCIAL INSTRUMENTS

	30 June 2016 USD	30 June 2015 USD
Financial Assets		
Trade and other receivables	209,328	24,145
Cash and cash equivalents	258,919	7,748
Total Financial Assets	468,247	31,893
	30 June 2016 USD	30 June 2015 USD
Financial Liabilities		
Trade and other payables	269,430	135,321
Interest bearing borrowings	-	496,528
Convertible notes	92,932	220,000
Total Financial Liabilities	362,362	851,849

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. In order to minimise this risk the Group endeavours only to deal with companies which are demonstrably

creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amounts as follows:

	30 June 2016 USD	30 June 2015 USD
Trade and other receivables	209,328	24,145
Cash and cash equivalents	258,919	7,748

Credit risk on cash and cash equivalents is considered to be acceptable as the counterparties are either substantial banks with high credit ratings or with whom the Group has offsetting debt arrangements.

Trade and other receivables have been recorded at cost. \$16,681 of the trade and other receivables are loans to related parties made in connection with the establishment of White Tiger Minerals Resources Corporation. The balance of \$192,647 comprises a loan to White Tiger Mineral Resources Corporation of \$191,813, which the Directors believe will be fully recovered from future profits and the exercise of a secured interest in real estate, should that be necessary, and a sundry amount of \$834.

Liquidity Risk

The Group monitors constantly the cash outflows from day to day business and monitors long term liabilities to ensure that liquidity is maintained. As disclosed in the going concern statement in note 1, the Group faces an ongoing requirement to manage the funds it is able to generate as well as to raise new financing to fund corporate and development activities. This is an area which receives considerable focus from the Board and management on a daily basis.

At the balance date the Group's financial liabilities were as follows:

	30 June 2016 USD	30 June 2015 USD
Trade Payables	269,430	135,321
Other short term financial liabilities	-	-
Current financial liabilities	-	716,528
Non current financial liabilities	92,932	-
	<hr/> 362,362	<hr/> 851,849
Maturity		
Within 12 months	269,430	851,849
12-24 months	92,932	-

\$200,000 of the trade payables are owed to Messrs Bishop and Barclay in relation to unpaid salary. A repayment arrangement has not yet been agreed to by the board of directors.

The non current financial liabilities of \$92,932 are owed to Messrs Bishop and Tarr and they have agreed to forgo any early repayment (within 12 months from balance date). A final repayment arrangement has still to be finalised.

Interest rate risk

At the balance date the Company does not have any long-term variable rate borrowings.

Foreign current risk

The Group's cash balance consisted of the following currency holdings

	30 June 2016	30 June 2015
Sterling	258,919	7,748
US dollars	-	-
Philippine pesos	-	-
	258,919	7,748

The Group is exposed to transaction foreign exchange risk due to transactions not being matched in the same currency. The Group currently has no currency hedging in place.

20. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure that the Group's ability to continue as a going concern, and to provide an adequate return to shareholders.

The Group manages the capital structure through a process of constant review and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares, adjust dividends paid to shareholders, return capital to shareholders, or seek additional debt finance. Further detail is provided in the Going Concern section on note 1.

21. SHARE BASED PAYMENTS

Share based payments

	30 June 2016		30 June 2015	
	Number	Weighted Average Award value	Number	Weighted Average Award value USD
Granted during the period	1,060,870	5.75p	-	-

During the year the following shares were allotted in exchange for services rendered to the Company:

Charles Barclay	347,826	5.75p	USD 28,000
Peter Wallwin	347,826	5.75p	USD 28,000
Pizza Man Company Limited	260,870	5.75p	USD 21,000
Gary Middleton	104,348	5.75p	USD 8,400

Share options

There were no options issued during the financial year.

Warrants

	30 June 2016		30 June 2015	
	Number	Weighted Average Exercise price	Number	Weighted Average Exercise price
Outstanding at the beginning	-	-	-	-
Granted during the period	5,912,707	5.75p	-	-
Excised during the period	-	-	-	-
Cancelled during the period	-	-	-	-
Outstanding at the period end	5,912,707	5.75p	-	-
Exercisable at the period end	5,912,707	5.75p	-	-

During the year the following warrants were issued in connection with the Company's capital raising activities:

Vistra Trust (Singapore) Pte Ltd	5,757,924	exercise price	5.75p	3 years from IPO
Optiva Securities Limited	154,783	exercise price	5.75p	3 years from IPO

These warrants were valued at \$45,431, using a Black-Scholes model, based on the following parameters – volatility 25%, interest rate 2.25%. Vistra Trust (Singapore) Pte Ltd is a related party of a Director of the Company, Colin Patterson.

22. SHARE CAPITAL

Share capital

	30 June 2016		30 June 2015	
	Number	USD	Number	USD
Allotted, called up and fully paid				
Opening balance	2	290,270	2	2
Issued during the year	195,605,587	2,838,396	-	-
Share capital				
	30 June 2016		30 June 2015	
	Number	USD	Number	USD
Amounts held for subscription	-	-	-	290,268
Less: costs	-	(179,949)	-	-
Closing balance	195,605,589	2,948,717	2	290,270

The shares have no par value.

23. RESERVES

	30 June 2016 USD	30 June 2015 USD
Opening balance	-	-
Increase in share based payment reserve	45,439	-
Closing balance	45,439	-

24. CONTINGENT LIABILITIES

There are no contingent liabilities as 30 June 2016.

Red Mountain Mining Singapore

The Company has entered into various contracts with Red Mountain Mining Limited (ASX:RMX) and its subsidiary, Red Mountain Mining Singapore, in relation to an investment in Red Mountain Mining Singapore. The Company has an ability to increase its holding in Red Mountain Mining Singapore from 25% to 50.1%.

Currawong Resources Pty Limited

In 2014 the Company entered into an Investment Agreement with Flitegold Pty Limited, an Australian company controlled by Mr Neil Trevor Mutton, to evaluate and potentially develop exploration tenements in Australia, known as the Avoca and Ballieston Tenements. On 10 September 2014 the Company subscribed to 80% of the shares on issue in Currawong Resources Pty Limited and on 20 October 2014 AUD\$75,000 was loaned to Currawong Resources Pty Limited.

The Company has resolved not to process with the Investment Agreement and to terminate any and all agreements with Flitegold Pty Limited.

The directors of the Company do not believe any further monies are due under the Flitegold Investment Agreement and all amounts have been written off.

25. CAPITAL COMMITMENTS

At 30 June 2016 the Group had entered into no contractual commitments for the acquisition of property, plant and equipment.

26. EVENTS AFTER THE REPORTING PERIOD

In September 2016 the Company gave notice to RMX that it would cease funding RMMS in the short term pending resolution of certain issues. The Company remains in discussions with RMX.

Apart from this there are no material post balance date events.

27. RELATED PARTY TRANSACTIONS

	30 June 2016 USD	30 June 2015 USD
Amounts loaned to related parties		
Loans to related parties	834	-
Loans to related parties	16,681	16,681
Loans to associates – WTMR	191,813	7,464

\$16,681 has been lent to Ms Joy Bishop (and her related parties), a related party of Mr Aidan Bishop, to acquire shares in White Tiger Mineral Resources Inc.

\$ 191,813 (2015 \$7,464) has been loaned to White Tiger Mineral Resources Inc.

Amounts due to related parties

Parties associated with Andrew DL Wright	20,275	25,237
Messrs Bishop & Tarr (Loan Notes)	92,932	99,154
Jonathan Morley-Kirk	-	6,062
Parties associated with Colin Patterson	-	220,000
Aidan Bishop	100,000	-
Charles Barclay	100,000	-
D Fox-Davies	2,175	-

Messrs Bishop, Morley-Kirk, Patterson, Barclay and Fox-Davies are directors of the Company. Mr Barclay is the Company's CEO and Mr Wright is the CFO. Mr Tarr is a party to the Relationship Agreement signed in March 2016 between the Key Shareholders, Oyster Trust SARL, Aidan Bishop and the Company.

Remuneration

Information on remuneration of Key Management Personnel is set out in notes 9 and 10.

Dividends

No dividends were received by Directors during 2015 and 2016 in respect of shares held in the Company.

28. SHARES IN GROUP UNDERTAKINGS

During the period the principal trading subsidiaries of the Company, including those indirectly held by the Company, are shown in the following table.

Name of entity	Nature of business	Country of registration	Percentage of ordinary share capital held	
			2016	2015
Bluebird Merchant Ventures Inc	Non-trading	Philippines	99%	99%
White Tiger Mineral Resources Inc	Commodity Trading	Philippines	40%	40%
Red Mountain Mining Singapore Ltd	Batangas Gold Project	Singapore	25%	15%

Yellow Dragon Mineral Trading Co

Yellow Dragon Mineral Trading Co held the Company's interest in White Tiger Mineral Resources Inc on a nominee basis. On 30 June 2015 these shares were transferred to the Company for book value. Additionally on 30 June 2015 the Company's shares in Yellow Dragon Mineral Trading Co were sold to a third party for a nominal sum and that company ceased to be a part of the Group. No profit or loss was made on the sale.

White Tiger Mineral Resources Inc

At 30 June 2015 parties associated with Mr Aidan Bishop held legally 60% of shares in White Tiger Mineral Resources Inc. Funds were advanced to those parties to subscribe for the shares at an amount equal to paid in value.

At 30 June 2016 these parties still held these shares.

Red Mountain Mining Singapore Pte Limited

The Company has invested USD\$1,859,990 in Red Mountain Mining Singapore Limited, comprising a Stage 1a commitment of USD\$1,000,000 and a stage 1b commitment of USD\$700,000. In addition a further \$193,047 in the JV stage.

29. FINANCIAL STATEMENTS OF THE PARENT COMPANY

The statement of financial position of the parent company is presented below. The directors have chosen not to include the full financial statements of the parent entity and related notes in the Annual Report.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2016

	30 June 2016 USD	30 June 2015 USD
Non current assets		
Property, plant and equipment	-	-
Investments	1,859,990	1,237,373
	1,859,990	1,237,373
Current assets		
Inventories	-	-
Trade and other receivables	209,328	89,950
Cash and cash equivalents – unrestricted	-	-
Cash and cash equivalents – restricted	258,919	7,747
	468,247	97,697
Current liabilities		
Trade and other payables	268,793	1,062,929
Other financial liabilities	-	-
	268,793	1,062,929
Non current liabilities		
Financial liabilities	92,931	-
Deferred tax liabilities	-	-
Provisions	-	-
	92,931	-
Net assets	1,966,513	272,141

	30 June 2016 USD	30 June 2015 USD
Equity		
Issued share capital	2,948,716	290,270
Other reserves	45,439	-
Retained earnings	(1,027,642)	(18,129)
Total equity attributable to the parent	1,966,513	272,141
Non-controlling interest	-	-
Total equity	1,966,513	272,141

GLOSSARY

Admission	means admission of the Shares to the Standard segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange
Ag	means silver, a chemical element with symbol Ag
Archangel Property	means a property that is the area included within the Archangel MPSA that includes the Kay Tanda deposit and the Kay Tanda West Mineral Resources
Articles of Association or Articles	means the Articles of Association of the Company in force from time to time
ASX	means Australian Securities Exchange
Au	means gold, a chemical element with the symbol Au
Barangay	means the smallest administrative division in the Philippines or local village
BGP or Batangas Gold Project	means a project in the area included within the Archangel and Lobo MPSA's
BBMV	means Blue Bird Merchant Ventures Inc., a company, duly incorporated and existing under the laws of Philippines, company number CS201417350, having its registered address at Unit 6C LPL Tower Building, 112 Legaspi Street, Legaspi Village, Makati City, Philippines
Business Day	means a day (other than a Saturday or a Sunday) on which banks are open for business in London and the British Virgin Islands
BVI	means the British Virgin Islands
BVIBC	means BVI Business Company
BVI Companies Act	means the BVI Business Companies Act No. 16, 2004 (as amended)
CCO	means Chemical Control Order
City Code	means the City Code on Takeovers and Mergers
COMEX	means Commodity Exchange, Inc.
Company	means Bluebird Merchant Ventures Ltd, a company, duly incorporated and existing under the laws of BVI, company number 1815373, having its registered address at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI
CPO	means Conditional Purchase Order for copper concentrate
CREST or CREST System	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments
CRRR	means "CRRR Mineral Trading" company
DAO	means DENR Administrative Order

Deed Poll	means the deed poll dated 26 November 2015 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time
DFS	means a Definitive Feasibility Study
DENR	means the Philippine Department of Environment and Natural Resources
Depositary Agreement	means the depositary agreement dated 27 November 2015 between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing the Shares and to provide certain other services in connection with such Depositary Interests
Depositary Interests	means the dematerialised depositary interests in respect of the Shares issued or to be issued by the Depositary
Depositary	means Computershare Investor Services PLC
Directors or Board of Directors	means the directors of the Company, whose names appear in "Directors, Senior Managers And Corporate Governance", or the Board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly
Disclosure and Transparency Rules	means the disclosure and transparency rules of the FCA made pursuant to section 73A of FSMA as amended from time to time
DMF	means Declaration of Mining Feasibility
DMO	means DENR Memorandum Order
DTR	means Disclosure and Transparency Rules
DTR5	means Chapter 5 of the Disclosure and Transparency Rules
ECC	means Environmental Compliance Certificate
EEA	means the European Economic Area
EGPI	means Egerton Gold Philippines Inc.
EIA	means Environmental Impact Assessment
EMB	means Environmental Management Bureau
EO 79	means Executive Order 079
EP	means Exploration Permit
EPA	means Exploration Permit Application
EPO	means Environmental Protection Order
EU	means European Union
Euroclear	means Euroclear UK & Ireland Limited

FCA	means the UK Financial Conduct Authority
FSMA	means the Financial Services and Markets Act 2000 of the UK, as amended
FTAA	means Financial or Technical Assistance Agreement
FTSE	means Financial Times Stock Exchange Index
GBP, Pound Sterling or £	means Great Britain Pound, the currency of the United Kingdom
Group	means the Company, any subsidiary and/or associate of the Company
Hazardous Waste Act	means Philippines Toxic Substances and Hazardous and Nuclear Wastes Control Act No. 6969 of 1990
IRR	means Implementing Rules and Regulations of the Mining Act
ISIN	means International Security Identification Number
JORC	means Australasian Joint Ore Reserves Committee
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JVA	means the Subscription and Joint Venture Agreement between the Company, RMMS and RMX dated 14 October 2015 as amended giving the Company an option to acquire up to 50.1% interest in the BGP
Key Shareholders	means Monza Capital Ventures, a company incorporated in the BVI with registration number 1849474 and LDOA Holdings Limited, a company registered in the BVI with registration number 1849472
LGU	means Local Government Unit
Listing Rules	means the listing rules of the FCA made pursuant to section 73A of FSMA as amended from time to time
LME	means London Metals Exchange
LME Price	means LME Settlement price for Grade A Copper
LMGC	means Lobo Municipal Government Council
London PM price	means the price quoted as the London Gold Market p.m. gold fixing
Lobo Property	means the area included within the Lobo MPSA that includes the South West Breccia, Japanese Tunnel and West Drift Mineral Resources as well as the Camo, Pica, Tamarind and other targets within the Lobo MPSA that have been the subject of previous exploration programmes or where exploration programmes may be proposed for future potential Mineral Resource expansion
London Stock Exchange	means London Stock Exchange plc
Main Market	means the Main Market operated by London Stock Exchange
Member	means any person or persons entered on the Register of Members from time to time as the holder of a Share and/or where the context permits any person

	entered on the register of Depositary Interests from time to time as the holder of a Depositary Interest
Memorandum of Association or Memorandum	means the memorandum of association of the Company in force from time to time
MGB	means Mines and Geosciences Bureau of Philippines
Mindoro	means Mindoro Resources Ltd.
Mining Act	means Philippine Mining Act of 1995 (Republic Act No. 7942)
Mmt	means million MT
MOA	means Memorandum of Agreement
MOU	means Memorandum of Understanding
MPSA	means Mineral Production Sharing Agreement
MRL	means MRL Gold Phils Inc.
MT	means metric tonne which is equal to 1,000 kilograms
NCIP	means the Philippine National Commission on Indigenous Peoples
Official List	means the official list maintained by the UK Listing Authority
Optiva	means Optiva Securities Limited, a company incorporated in England with company number 03068464
OTP	means Ore Transport Permit
PASAR	means Philippine Associated Smelter and Refinery Corporation
PCL	means Priority Chemicals List
PHP or peso	means Philippine peso, the currency of the Republic of the Philippines
PICCS	means Philippine Inventory of Chemicals and Chemical Substances
Premium Listing	means a listing on the Premium Listing Segment of the Official List under Chapter 6 of the Listing Rules
Prospectus Rules	means the prospectus rules of the FCA made pursuant to section 73A of FSMA, as amended from time to time
RC	means Refining Charge
Register of Members	means the register of the Members of the Company required to be kept pursuant to the Act
Resolution of Directors	means a resolution approved at a duly constituted meeting of Directors or of a committee of Directors of the Company, by affirmative vote of a majority of the Directors present at the meeting who voted and did not abstain

Resolution of Members	means a resolution approved at a duly constituted meeting of the Members of the Company by the affirmative vote of a simple majority, of the votes of the Shares that were present at the meeting and entitled to vote thereon and were voted and did not abstain
Review Committee	means Review Committee of the Philippines EMB
RMMS	means Red Mountain Mining Singapore Ltd., a company, incorporated and existing under the laws of Singapore, company number 201218066C, having its registered address at 8 Temasek Boulevard, # 35-03 Suntec Tower 3, Singapore, 038988
RMMS Group	means RMMS and any of its subsidiary and any company or business it acquires or has the right to acquire (directly or indirectly) from time to time
RMX	means Red Mountain Mining Ltd, a company incorporated in Australia (ACN 119 658 106)
SDRT	means stamp duty reserve tax
SEC	means the Philippines Securities and Exchange Commission
Senior Management	means the members of the senior management of the Company and "Senior Manager" is to be construed accordingly
Shareholders	means the holders of the Shares
Shares	means the ordinary shares of the Company of no par value including, if the context requires, the New Shares
SHFE	means Shanghai Futures Exchange
Sole Funding Option	means an option for the Company subject to the completion of Stage 1 B investment, to sole fund all costs, expenses and liabilities incurred in connection with the exploration, development and mining of the Tenements by an investment of USD1,700,000 to earn a further 25.1% interest in RMMS for a total interest of 50.1% in RMMS under the JVA terms
Solid Waste Act	means Philippines Ecological Solid Waste Management Act No. 9003 of 2000
Stage 1 A	means the payment by the Company of USD1,000,000 to RMMS in consideration for the number of RMMS shares that equates to a 15% interest in RMMS to the Company under the JVA terms
Stage 1 A RMMS Shares	means a 15% stake in RMMS
Stage 1 B	means the payment by the Company of USD700,000 to RMMS in consideration for a further issue of RMMS Shares equal to a 10% interest in RMMS to the Company, for a total undivided interest of 25% in RMMS under the JVA terms
Stage 1 B RMMS Shares	means a 10% stake in RMMS

Stage 2 End Date	means 28 February 2017 or 13 months following Admission, whichever is later
Stage 2 Option	means, in case the Sole Funding Option was not elected and subject to the completion of Stage 1 B and Stage 2 Conditions Precedent being met, the investment of USD3,800,000 in consideration for a further issue of RMMS Shares equal to a 25.1% interest in RMMS, for a total interest of 50.1% in RMMS
Stage 2 Conditions Precedent	means, under the JVA, the following conditions precedent to be satisfied for the settlement of the Stage 2 Option, being: <ul style="list-style-type: none"> 1) production of an economic model for the mine that demonstrates an internal rate of return of 25%; 2) delineation of 100,000 oz of gold as proven and probable reserves; and 3) achievement of the issuance of the ECC and the approval of the DMF;
Standard Listing	means a listing on the Standard Listing Segment of the Official List under Chapter 14 of the Listing Rules
SWB	means South West Breccia
SX-EW	means solvent extraction-electrowinning
TC	means Treatment Charge
TEPO	means Temporary Environmental Protective Order
The Effective Date	means 25 years from the date on which the FTAA is registered
TSA	means Technical Services Agreement between MRL and EGPI
UK Corporate Governance Code	means the UK Corporate Governance Code published by the UK Financial Reporting Council in September 2014
UK Listing Authority	means the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland
US dollar, US\$, USD or \$	means United States Dollar, the currency of the United States
Vistra	means Vistra Trust (Singapore) Pte. Limited
Vistra Loan	means a convertible loan agreement between Vistra, RMX, RMMS and the Company dated 25 th May 2015 as amended
Vistra Shares Issue Price	means the lower of: <ul style="list-style-type: none"> a. the price determined by dividing the assumed valuation of the Company (being GBP 5,000,000) by the number of Shares on issue as at the date of Admission; or b. the price which is equal to a 50% discount to the Placing Price
Vistra Warrant	means a warrant over each Share to be issued to Vistra under the Vistra Loan which:

- a. is exercisable at the Placing Price;
- b. cannot be exercised for a period of 12 months from the date of Admission; and
- c. expires 36 months from the date of Admission

WTMR

means White Tiger Mineral Resources Inc., a company, duly incorporated and existing under the laws of Philippines, company number CS201422508, having its registered address at G/F Dr No 14B, Suarez Building, Mabini Street, Magugpo South, Tagum City, Davao Del Norte