Company Registration Number: 02401127

BMR Group PLC

ANNUAL REPORT

30 JUNE 2017

CONTENTS

DIRECTORS AND ADVISERS

DIRECTORS

M A Borrelli	Executive Chairman
J N Hawke	Director, Mining and Operations
A R Gardner-Hillman	Non-Executive Director

COMPANY SECRETARY

M A Borrelli

REGISTERED AND HEAD OFFICE
35 Piccadilly
London W1J 0DW
Registered No. 02401127

NOMINATED ADVISER AND JOINT STOCKBROKER
WH Ireland Limited
24 Martin Lane
London EC4R 0DR

JOINT STOCKBROKER
Peterhouse Corporate Finance Limited
15 Eldon Street
London EC2M 7LD

AUDITORS
Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

SOLICITORS
Hill Dickinson LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2EW

REGISTRARS
Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

WEBSITE www.bmrplc.com

CHAIRMAN'S STATEMENT

I am pleased to present below the financial statements of the Company for the year ended 30 June 2017.

On one level, we are making good progress towards our principal strategic objective of completing the construction of the Kabwe plant. On another level, we are disappointed with the delay in securing funds from African Compass International ("ACI"), further to the agreement reached last year. This delay has significantly impacted upon our timing for construction, our working capital position and therefore our market valuation. I have previously alerted shareholders to construction delays. However, we expect to make up ground in recovering our shareholder value as we conclude the agreements which are under advanced discussions relating to the Kabwe plant with Jubilee Platinum Plc (Jubilee) and to Star Zinc with Galileo Resources Plc (Galileo).

Despite these challenges, the BMR team has successfully completed the design of the five tonnes per hour plant and started plant construction with the intention of producing, initially, zinc sulphate heptahydrate and lead sponge. Later additions to the plant are intended to add capacity to produce zinc cathodes and vanadium pentoxide.

Kabwe plant and Agreement with Jubilee

We concluded during the year that the construction of the Kabwe plant would be best secured for the benefit of the Company by finding an appropriate partner which would in effect underwrite both the cost and contribute to the construction of the plant and complement our processing methodology and operating capability. Accordingly, we reached an agreement in October 2017 with Jubilee, a c.£40 million market value AIM company engaged in mining exploration and development with an African focus, which has a high degree of technical, operational and managerial experience. Jubilee is currently undertaking a technical due diligence review and we were pleased to note the positive comments made by Jubilee in November as to its confidence in the prospects for the Kabwe plant and its successful completion, commissioning and subsequent operation.

Under the terms agreed with Jubilee, BMR retains its 100% interest in the Kabwe Large Scale Mining Licence and the mine tailings assets, while Jubilee has the option to provide up to £2.3 million of debt finance towards the construction of the Kabwe plant upon agreement of the work programme and legal documentation, to be completed by no later than 28 February 2018. BMR will retain a minimum of 60% of the economic interest in the long term post-tax profits of Kabwe operations. BMR and Jubilee are targeting completion of the construction and commissioning of the Kabwe plant by 30 June 2018 and commencement of operations and revenue generation thereafter.

At the same time, included in the agreement with Jubilee will be the processing for selective recovery and production of vanadium pentoxide at the Kabwe plant. The design of the recovery circuit for vanadium pentoxide is well advanced; however, this addition to the plant will require approval from the Zambia Environmental Management Agency (ZEMA), The Company has been advised by ZEMA that approval by way of an Environmental Project Brief (EPB) would be considered acceptable, being less onerous than a full Environmental Social and Impact Assessment study (ESIA). Historic records for the Kabwe mine indicate substantial tonnages of contained vanadium pentoxide are present in the Wash Plant Tailings (WPT), the Leach Plant Residues (LPR) and the Imperial Smelting Furnace Slag (ISFS) which are amenable to recovery.

Facility agreement with ACI

We have given considerable latitude to ACI to fulfil its commitments to the Company under the terms of the facility agreement in terms of timing, while Jeremy Hawke has made, and continues to make, extensive efforts on an almost daily basis to secure the funding from our drawdown requests, without success. This delay has significantly impacted upon our timing for plant construction, our working capital position and therefore other areas of our business.

Although BMR reserves all rights against ACI for its significant breach of the terms of the facility agreement, the Board will evaluate and monitor the progress of getting the required funding from ACI in the coming months.

In the event that a significant proportion of ACI's funding materialises and before we have entered into the agreements with Jubilee, we would be in a position to consider financing for adding capacity to the processing plant and the production of vanadium pentoxide, once ZEMA's approval is obtained, as well as having necessary working capital for the Company. Furthermore, we would then be in a position to reconsider the off take agreement for zinc sulphate heptahydrate after entering into the agreements with Jubilee.

Agreements relating to the Large Scale Prospecting Licence 19653 - HQ - LPL ("Star Zinc") and Galileo

In August 2017, we entered into a binding term sheet with Galileo, a UK based resource company quoted on AIM, which established the framework for an agreement to process the resource from Star Zinc at the Kabwe plant.

Under the terms agreed, Galileo advanced to BMR $591,600 which was applied in the acquisition of Star Zinc and which will be converted by Galileo into 51% in a joint venture company. We expect to conclude a formal joint venture agreement with Galileo following the transfer of the mining licence. Galileo will then undertake an 18 month work programme at a cost of $250,000, (in respect of which it has placed $100,000 in escrow) using reasonable endeavours to complete a preliminary economic assessment of Star Zinc ("PEA"), following which further new shares will be issued to Galileo to increase its aggregate equity interest in the joint venture company to 85%. BMR has the right to increase its interest in the joint venture company back to 25% on payment of $150,000 to Galileo within 90 days of the date of completion of the joint venture agreement (failing which the $100,000 in escrow is released to BMR).

We have also agreed to enter into the proposed off take agreement referred to above for ore from Star Zinc to be processed at Kabwe, such terms to be determined as soon as reasonably practicable following completion of the PEA to reflect capacity requirements for the production of zinc from Star Zinc, as well as relevant grade and resource life of the project set out in the PEA. BMR intends to process Star Zinc ore in conjunction with its Leach Plant Residues.

We have to pay the outstanding instalment of $170,000 for the Star Zinc acquisition by 28 February 2018.

CHAIRMAN'S STATEMENT (continued)

Kashitu Exploration, Zambia

We were pleased to announce in October 2017 a positive update on our exploration work in the Kashitu section of our Large Scale Mining Licence. Four phases of auger drilling were successfully completed, resulting in a total of 450 soil samples being assayed primarily for zinc, lead and silver mineralisation. Our combined data base of results has enabled the Company to identify a central, mineralised 'core' in the south east of Kashitu, approximately 300 metres x 400 metres with Zn grades between 1% and 40%, Pb between 1% and 18%, and Ag up to 16.8 grams/tonne.

Based on these encouraging results, the exploration campaign has now been extended into an area further east, designated the 'Dambo', to investigate any potential accumulated mineralisation from the central mineralised 'core', into which it drains. We also intend to undertake a RAB drilling programme to investigate the extent of near surface mineralisation.

Waelz Kiln Slag ("WKS"), Zambia

Following ZEMA's rejection of the Environmental Project Brief application and a lack of progress with the Company's subsequent appeal to sell WKS for block making, discussions were held with ZEMA to explore alternative, acceptable solutions for the use of WKS. As a result, the Company has now successfully completed preliminary investigative test work to incorporate WKS into the production of high performance cement for civil engineering structures. Negotiations are currently being held with a major cement manufacturer in Zambia to undertake a joint engineering study to pursue this option.

Imperial Smelting Furnace Slag ("ISFS"), Zambia

We expect to finalise our metallurgical test work designed to blend the ISFS with the processing of the leach plant residues at the Kabwe plant, following execution of the joint venture agreement with Jubilee.

ISFS and Vanadium JORC Compliant Resource Studies

We have previously stated the Company will commission a full-JORC compliant survey of the ISFS.

As part of this survey, it is also intended to add vanadium as a JORC compliant resource to the WPT, LPR and ISFS. This entails establishing the ability to recover economically vanadium from these residues for which we have now submitted a scope of works to Alfred Knight Laboratories and await their fee estimates.

Ester Project, Portugal

The Ester licence hosts the historic Regoufe and Rio Frades tungsten/tin mines. During the past 12 months, BMR and our partner, Mineralia Minas, Geotecnia E Construcoes, LDA ("Mineralia") have successfully completed a geological field campaign focused particularly on the area close to the Regoufe Mine. Scoping metallurgical test work carried out by Grinding Solutions using 80 kgs of samples collected during the first field campaign has successfully defined a conceptual flow sheet, recovering WO3 (tungsten trioxide), Sn (tin), Au (gold) and Ag (silver), using a combination of heavy media separation, gravity separation, flotation and leaching. Fresh samples which have now been delivered will be used to refine the flow sheet and further investigate the effects on recovery of grind size, extended rate kinetics, open circuit trials and cyanide leach for the recovery of Au.

CHAIRMAN'S STATEMENT (continued)

We have fulfilled our EUR140,000 (c.£120,000) financial obligation on the project and have informed Mineralia that we intend to exercise shortly the option to secure 80% in a new joint venture company. Further consideration will be due to Mineralia of EUR100,000 (c.£90,000) upon the application and granting of a preliminary exploitation licence by no earlier than 2019 and EUR1,000,000 (c.£880,000) upon the application and granting of a definitive exploitation licence thereafter.

Working capital, fund raisings and other matters

BMR remains under very tight financial control with minimal overhead as our focus continues to be to deploy the required cash primarily to the Kabwe plant construction.

During the year, while experiencing significant delays in securing the funding from ACI, we entered into discussions with alternative funders but concluded their terms were too onerous for the Company.

In order to secure funds for our ongoing construction at the Kabwe plant, we raised £620,000 before expenses in October 2016, a further £414,000 before expenses from the exercise of warrants in February 2017 and a further £800,000 in November 2017 to secure funding for the Star Zinc acquisition and for working capital purposes.

We continue the litigation pursuit against former associates and advisers to the Company and believe we are close to achieving a successful outcome.

We remain in discussions with HMRC on our appeal against the de-registration of the Company for VAT purposes.

Results for the year

The Company reported a loss before taxation for the year of £1.6 million (2016: £1.1 million) after administrative expenses of £1.5 million (2016: £1.1 million). Exchange translation differences on foreign operations were £158,000 (2016: £1.76 million).

Consolidated net assets at 30 June 2017 amounted to £10.23 million (2016: £10.35 million) including cash and cash equivalents of £155,000 (2016: £1.01 million).

AGM and Resolutions

The resolutions for the forthcoming Annual General Meeting will be contained in a separate Notice which will be made available to shareholders in early January 2018 and on the website www.bmrplc.com. The Directors recommend shareholders to vote in favour of all the resolutions and a form of proxy is being despatched to all shareholders for this purpose.

The AGM will be held at 11.00 a.m. on Wednesday 31 January 2018.

CHAIRMAN'S STATEMENT (continued)

Outlook

We remain very positive about prospects for the successful completion and commissioning of the Kabwe plant in 2018, particularly having secured the interest of a major partner in Jubilee and we look forward to successful conclusion of the joint venture and operating agreements with Jubilee.

In addition, we have successfully secured the Star Zinc acquisition together with our partner, Galileo. We expect to conclude terms with Galileo for a joint venture agreement for the mining of the ore and also an off take agreement for the processing of the ore from Star Zinc to enrich our production at Kabwe.

We have also completed our financial commitments to secure the majority interest in the Ester project in Portugal which we believe has the potential for significant long-term value creation.

We have been particularly disappointed with ACI's lack of deliverability which *inter alia* has resulted in us having to secure equity funding at valuations well below what we believe to be an appropriate valuation of the Company.

We remain committed to the success of the Kabwe plant and our efforts will remain focused on delivering positive results for our shareholders.

Alex Borrelli

Executive Chairman

27 December 2017

STRATEGIC REPORT

The Directors present their strategic report for the year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The Group's principal activity is that of the acquisition, evaluation and processing of mineral residue stockpile. The Group also engages in mining exploration and development opportunities. The Group's projects are located in Zambia and Portugal.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Group's performance during the year and expected future developments are described in the Chairman's Statement on page 4.

GOING CONCERN

As disclosed in Note 3, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources with a combination of its cash balances and expected funding from Jubilee Platinum PLC for the Kabwe plant, following completion of its technical due diligence review, to continue in operational existence for the foreseeable future. In the event that a significant proportion of ACI's funding materialises and before the Company enters into the agreements with Jubilee, BMR would be in a position to consider financing for adding capacity to the processing plant and to produce vanadium pentoxide, once ZEMA's approval is obtained, as well as having necessary working capital for the Company. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

The operational requirements of the Company comprise maintaining a Head Office in the UK with a Board of two executive Directors and one non-executive Director, the Group Geologist and one consultant for, amongst other things, determining and implementing strategy and managing operations. In addition, the Company has a General Manager and a team at the Kabwe mine site in Zambia overseeing the day to day management of the Company's activities and construction of the tailings re-treatment plant as well as a geologist and local consultants. The Ester project in Portugal is under the direction of the Board.

The Directors have considered the level of cash resources available to the Company, including the expected funding from Jubilee Platinum PLC for the Kabwe plant following completion of its technical due diligence review, and the anticipated construction and commissioning of a plant in Zambia by the end of Q2 2018. The Directors believe that the process methodology for the plant in Zambia being developed by the Company working with technical partners is capable of being patented. The Directors expect the plant to be capable of processing at the rate of five tonnes per hour and operating on a 24/7 basis once fully operational.

In the longer term, the Directors expect the Company to generate revenues from its WKS, subject to the successful outcome of engineering studies for its use in high performance cement and subject to ZEMA's approval.

The financial statements have been prepared on a going concern basis. However, the Group's ability to continue as a going concern is reliant upon successfully obtaining funds as it moves towards production and to finance its ongoing working capital requirements. In considering the appropriateness of this basis of preparation, the Directors have reviewed the Company's working capital forecasts. They believe that the funds raised recently, together with further options being considered, will be sufficient for the Group's purposes for a minimum of 12 months from the date of the approval of the financial statements.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group as a measure of financial control are as follows:

	Year ended 30 June 2017	Year ended 30 June 2016
	£	£
Total assets	**13,457,258**	13,115,933
Net assets	**10,234,084**	10,352,079
Cash and cash equivalents	**154,969**	1,014,354
Trade and other payables	**(947,860)**	(537,819)
Loss before tax for the year	**(1,602,191)**	(1,127,691)
Loss per share	**(0.88)p**	(0.75)p

The Directors consider the non key performance indicators being those key assumptions used in the impairment assessment, as disclosed in note 11b.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to various risks similar to all exploration companies operating in overseas locations relating to political, economic, legal, industry and financial conditions, not all of which are within its control. The Group identifies and monitors the key risks and uncertainties affecting the Group and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the Group's business activities:

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on the Group's result of operations and financial condition. The Group's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant. This is a risk that all resource companies are subject to, particularly when their assets are in emerging markets.

The Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Processing risk

There is no guarantee that BMR's acid/brine leaching methodology for processing the tailings at Kabwe will be able to produce a saleable product in economic quantities or that it will be possible to sell the product at a profit. BMR has however engaged independent experts to assist in the design of its methodology, which has been concluded in a Peer Review to be suitable for processing the recovery of high levels of Zinc (Zn) and lead (Pb) metal from the Wash Plant Tailings (WPT).

Dependency on key personnel

BMR's management comprises a small team of experienced and qualified executives. The Directors believe that the loss of any key individuals in the team or the inability to attract appropriate personnel could impact BMR's performance.

Although BMR has entered into contractual arrangements to secure the services of its key personnel, the retention of these services and the future costs associated therewith cannot be guaranteed.

Resource estimates

BMR has previously relied upon resource statements including some that are not JORC compliant and which have not been independently verified. Estimates of resources and operating costs are to a large extent based on interpretation of the data available. Such estimates are likely to require revisions based on further analysis and actual production experience. It is possible that actual costs and economic returns may differ significantly from those currently estimated. Furthermore an increase in costs or a decrease in the market price that may occur, could render tailings containing relatively low grades of minerals uneconomic, which may ultimately result in a restatement of reserves.

Jubilee Platinum Plc and possible delays to the construction of the plant

Jubilee Platinum Plc is currently undertaking a technical due diligence review of the plans for the Kabwe plant prior to committing to fund the plant construction with debt finance amounting to up to £2 million and then entering into joint venture and operating agreements. It is possible that Jubilee may not complete its review and enter into the agreements and prior to the intended date of 28 February 2018. This would result in delays to the plant construction.

It is possible there may be delays in the planned construction of the pilot plant at Kabwe and some of these reasons may be:

(i) delays in procuring key pieces of equipment - the lead times for equipment may have a material effect on the anticipated commencement of a project;
(ii) delays in receiving requisite government approvals;
(iii) delays in clearing imported equipment through customs;
(iv) delays in obtaining engineers and personnel experienced and qualified to complete construction and testing; and
(v) modifications to the design of the process.

Delays experienced in establishing and testing the plant and/or obtaining necessary operating permits can lead to a delay in the planned timetable for recovery of lead and/or zinc and access to commercial revenues.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Plant operations

The Company is not currently operational in the commercial production of lead sponge, zinc cathodes and/or zinc sulphate heptahydrate (ZSH) and/or other industrial metals and at this stage of its development the Company is not subject to the vagaries of the respective commodity prices, global supply/demand issues, infrastructure and transportation logistical problems, macro commercial economic factors, and sector fluctuations, and other general business risks as a producer. Some or all of these factors may however impact upon the Company once the plant is established, or as the Company seeks to ramp up or increase production, or secure future sales contracts or debt or equity funding.

Legal risk

The legal systems in the countries in which BMR's operations are located are different to that of the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Liquidity and financing risk

Although the Directors consider that BMR has sufficient funding in place or being agreed to commence plant operations, there can be no guarantee that further funding will be available and on terms that are acceptable to BMR should additional costs or delays arise or Jubilee decide not to proceed. Nor can there be any guarantee that the additional funding will be available to allow BMR to obtain and develop additional projects in the necessary timeframe.

The Directors intend to review BMR's funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including asset sales and the issuance of debt or equity.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Governmental approvals, licences and permits

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. BMR must comply with known standards and existing laws and regulations, any of which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. Delays in granting such approvals, licences and permits, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on BMR's result of operations and financial condition. BMR's activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant.

Operational risk

BMR may be affected by risks arising from mechanical accidents, occupational health hazards, processing problems and technical or power failures, which occur relatively frequently in Kabwe. Although BMR has secured a generator to reduce the impact of power failures, the impact of any of these events could lead to disruptions in business operations, loss of reputation and financial losses. BMR seeks to manage these risks by ensuring compliance with relevant standards such as health and safety standards, recruitment of appropriately qualified and experienced personnel, and appropriate training of staff and contractors.

Environmental risk

BMR's operations are subject to environmental regulations. Such regulations cover a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. BMR may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist at any of its properties or which may be produced as a result of its operations.

Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies, their directors and employees. No assurance can be given that future rules and regulations will not be enacted that could limit or curtail BMR's activities. BMR regularly reviews developments in the relevant legislation and monitors compliance not just with the required local standards, but also with standards expected of an international resources company.

Commodity price risk

The market prices for Zn, ZSH and Pb are volatile and affected by numerous factors which are beyond the control of BMR. These include international supply and demand, international economic trends, currency exchange rates, and global or regional political events. Sustained downward movements in the price for these metals could render less economic or uneconomic some or all of the processing activities to be undertaken by BMR.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Liability and insurance

The nature of BMR's business means that BMR may be exposed to potentially substantial liability for damages. There can be no assurance that necessary insurance cover will be available to BMR at an acceptable cost, if at all, nor that, in the event of any claim, the level of insurance carried by BMR now or in the future will be adequate.

BMR's operations are also subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial and the risk of accidental contamination or injury from hazardous materials with which it works cannot be eliminated. If an accident or contamination were to occur, BMR would likely incur significant costs associated with civil damages and penalties or criminal fines and in complying with environmental laws and regulations. BMR's insurance may not be adequate to cover the damages, penalties and fines that could result from an accident or contamination and BMR may not be able to obtain adequate insurance at an acceptable cost or at all.

Currency risk

The Company expects to present its financial information in Sterling although part or all of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risk due to exchange rate movements which will affect BMR's transaction costs and the translation of its results.

Economic, political, judicial, administrative, taxation or other regulatory factors

BMR may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which BMR will operate.

Taxation

Any change in BMR's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments or assets held by the Company, affect BMR's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of BMR and its investors are based upon current tax law and practice which may be subject to change.

Approved by the Board of Directors and signed on behalf of the Board.

M A Borrelli
Executive Chairman
35 Piccadilly
London W1J 0DW

27 December 2017

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements, for the year ended 30 June 2017.

RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 27. The Directors do not recommend the payment of a dividend on the ordinary shares (2016: nil).

DIRECTORS AND THEIR INTERESTS

The names of the Directors who served throughout the period, except where shown otherwise, are as follows:

M A Borrelli – Executive Chairman
J N Hawke
A R Gardner-Hillman

The interests (as defined in the Companies Act) of the Directors holding office during the period to date in the share capital are shown below:

	Ordinary shares of 1p 30 June 2017	Ordinary shares of 1p 30 June 2016
M A Borrelli	**1,733,332**	**1,066,666**
J N Hawke	-	-
A R Gardner-Hillman	-	-

Other than as set out above, none of the Directors at 30 June 2017 held any interest in shares of the Company during the year. All of the interests reported are beneficial.

Since the year end, in November 2017, Alex Borrelli and Jeremy Hawke each subscribed for, and were allotted, 750,000 new ordinary shares in a placing.

Details of the Directors' share options are provided in Note 19.

DIRECTORS' REPORT (continued)

EXECUTIVE DIRECTORS

Alex Borrelli (Executive Chairman)

Alex Borrelli qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He has subsequently been active within the investment banking sector and has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers and acquisitions for private and quoted companies. Alex is currently non-executive chairman of Xpediator Plc, on AIM, and of Greatland Gold PLC, on AIM. He is a non-executive director of a number of other listed and unquoted companies.

Jeremy Hawke (Director, Mining and Operations)

Jeremy Hawke is a Chartered Engineer who spent the first 17 years of his mining career in senior operating positions with the Anglo American Corporation in Zambia and DRC and later Rio Tinto in Namibia. His first mining industry appointment was at the Broken Hill lead and zinc mine, later to become the Kabwe Mine in Zambia. After Namibia he moved to South Africa where he started his own manufacturing company producing high speed diesel engine protection equipment for open pit earth moving equipment. On his return to the UK he worked for International Mining Consultants as Principal Mechanical Engineer, where he led a number of World Bank and EU funded mining projects, principally in Africa.

Jeremy has recently been involved in a variety of tailings re-treatment projects for the recovery of copper, gold, iron and earlier diamonds. During 2014 he has overseen the metallurgical, mining and equipment selection programmes for a major tailings retreatment project on the Zambian Copperbelt.

Founder of AIM-listed African Mining and Exploration (now Savannah Resources, ticker SAV), Jeremy is currently a director of New Resource Management Services Ltd, a niche mining and geological consulting company.

NON-EXECUTIVE DIRECTOR

Antony Gardner-Hillman

Antony Gardner-Hillman is a solicitor of the Senior Courts of England and Wales and has a first-class honours degree in Jurisprudence from Oxford University. He co-founded the Jersey Trust Company group in 1987 and was a director and shareholder for 21 years until he resigned as non-executive group chairman and disposed of his remaining shareholding in the group holding company in 2008. He was a partner of Crills, a Jersey law firm, from 1987 to 2002, and a Jersey resident non-executive partner of the international law firm Holman, Fenwick & Willan (Jersey partnership) from 1987 to 2003. Since 2008 he has worked full-time on a varied portfolio of directorship appointments (including with AIM listed companies).

DIRECTORS' REPORT (continued)

ISSUES OF SHARES, OPTIONS AND WARRANTS

During the year, 24,507,838 ordinary shares of 1p each were issued as detailed in note 18.

During the year, as detailed in Note 19, there were no share options and 9,253,731 warrants were granted.

DIRECTORS' INDEMNITIES

The Company has obtained third party indemnity provisions for the benefit of its Directors and Officers.

FINANCIAL INSTRUMENT

An explanation of the Company's financial risk management objectives, policies and strategies is set out in note 20.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date have been disclosed in Note 24 to the Financial Statements.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITORS

Crowe Clark Whitehill LLP have expressed their willingness to continue in office as auditors.

A resolution proposing the re-appointment of the auditors Crowe Clark Whitehill LLP will be put to shareholders at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

M A Borrelli
Executive Chairman
35 Piccadilly
London W1J 0DW

27 December 2017

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and the guidelines set out in the UK Corporate Governance Code (the "Code"). Whilst AIM companies are not obliged to comply with the Code, the Group has sought to apply best practice in corporate governance in so far as it is appropriate given the Group's size and stage of development. In doing so, the Directors have considered the QCA guidelines as a model of best practice.

The Board has put in place the corporate governance procedures it believes are appropriate for the Company. The Board retains full and effective control over the Company. The Company holds regular Board meetings at which financial, operational and other reports are considered and, where appropriate, voted on. Apart from the regular meetings, additional meetings are arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resources and environmental management. The Board is also responsible for monitoring the activities of the executive management. To enable the Board to perform its duties, all Directors have full access to all relevant information and to the service of the Company Secretary. If necessary the Non-Executive Director may take independent professional advice at the Company's expense.

A statement of the Directors' responsibilities in respect of the financial statements is set out on page 31. Below is a brief description of the role of the Board and its committees, including a statement regarding the Company's system of internal financial control.

THE WORKINGS OF THE BOARD AND ITS COMMITTEES

THE BOARD OF DIRECTORS

The Board currently comprises three directors, two executive and one non-executive.

The executive Directors are Alex Borrelli, Executive Chairman, and Jeremy Hawke, Mining and Operations Director.

The non-executive Director is Antony Gardner-Hillman. He is independent of management and free from any business or other relationship which could materially interfere with the exercise of his independent judgement.

The Board is responsible inter alia for setting and monitoring Company strategy, reviewing trading performance, ensuring adequate funding, examining major acquisition opportunities, formulating policy on key issues and reporting to shareholders.

Since the appointment of Alex Borrelli as Chairman, the Board has met regularly and the Board meets (in person or by conference call) on at least a monthly basis.

COMMITTEES

Given the relatively small size of the Company's operations at present, the Directors consider that the current three-member Board comprises the minimum acceptable number of directors and is appropriate in the current circumstances. Consequently, for the time being each of the Board Committees comprises all three Directors.

CORPORATE GOVERNANCE (continued)

THE AUDIT COMMITTEE

The Audit Committee comprises Alex Borrelli, Chairman of the Committee, Antony Gardner-Hillman, and Jeremy Hawke.

The Committee is to provide a forum for reporting by the Company's external auditors.

During the year, the Audit Committee had two formal meetings.

The Audit Committee is responsible for reviewing a wide range of financial matters including the annual and half year results, financial statements and accompanying reports before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the financial information reported to the shareholders. The Audit Committee also advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work.

THE REMUNERATION COMMITTEE

The Remuneration Committee comprises Antony Gardner-Hillman, Chairman of the Committee, Alex Borrelli and Jeremy Hawke.

The Committee is responsible for recommending to the Board the terms and conditions of employment of the executive Directors.

During the year, the Remuneration Committee had two formal meetings.

THE NOMINATION COMMITTEE

There is no separate Nomination Committee given the size of the Board and, during the year, no such committee met.

All Director appointments are approved by the Board as a whole.

INTERNAL FINANCIAL CONTROL

The Board is responsible for establishing and maintaining the Group's system of internal financial control. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their nature can provide reasonable assurance but not absolute assurance against material misstatement or loss. The Directors are conscious of the need to keep effective internal financial control.

Due to the relatively small size of the Group's operations, the executive Directors are now closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Board has reviewed the effectiveness of the procedures presently in place and considers that they remain appropriate to the nature and scale of the operations of the Group.

CORPORATE GOVERNANCE (continued)

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee is currently chaired by Antony Gardner-Hillman and includes Alex Borrelli and Jeremy Hawke. Remuneration packages are determined with reference to market remuneration levels, individual performance and the financial position of the Company.

The remuneration of the individual Directors during the year ended 30 June was as follows:

Directors	Fees	Share based payment	**Total**	Fees	Share based payment	Total
	2017	**2017**	**2017**	2016	2016	2016
	£	**£**	**£**	£	£	£
M A Borrelli	**72,000**	-	**72,000**	64,500	16,209	80,709
J N Hawke	**56,012**	-	**56,012**	50,004	7,752	57,756
A Gardner-Hillman	**25,000**	-	**25,000**	25,000	-	25,000
Total	**153,012**	-	**153,012**	139,504	23,961	163,465

On behalf of the Remuneration Committee

A R Gardner-Hillman

Committee Chairman

27 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and have elected under the company law to prepare the Company statements in accordance with IFRSs as adopted by the EU.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company 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 they have been prepared in accordance with IFRSs as adopted by the EU;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the BMR Group PLC website www.bmrplc.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMR GROUP PLC

Opinion

We have audited the financial statements of BMR Group plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2017, which comprise:

- the Group statement of comprehensive income for the year ended 30 June 2017;
- the Group and parent company statements of financial position as at 30 June 2017;
- the Group and parent company statements of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2017 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 which indicates that further funding will be required to finance the Group's pre-production programme in Zambia and the other office overheads. The Directors are confident that the Company will be able to raise these funds however there is no binding agreement in place to date.

These conditions indicate the existence of a material uncertainty and may cast doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMR GROUP PLC

Overview of our audit approach

Materiality
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £280,000 (2016: £220,000), based on 2% of Group total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £8,400 (2016: £6,600). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit
Whilst the Parent Company's activity and accounting is in London, the main activity of the Group are accounted for from its main operating location in Kabwe, Zambia.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. For the full scope components in Kabwe, Zambia, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMR GROUP PLC

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined that the key audit matter was.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Carrying value of development assets	The carrying value of development assets as at 30 June 2017 is £11million. The assessment of the carrying value requires management to exercise judgement as described in the 'critical accounting judgements' section of the financial statements on page 41. Management's assessment requires consideration of a number of factors, including but not limited to, the group's intention to proceed with a construction of Kabwe processing activity and the funding requirements to undertake this construction. Recoverability of non-current assets is dependent on macroeconomic assumptions and estimates about future metal price, inflation, discount and exchange rates as well as forecast assumptions related to future production levels, reserves and operating costs. We evaluated management's assessment of indicators of impairment and recoverability assessment for the Group's non-current assets. We are satisfied that the recoverability of the assets has been assessed in accordance with the requirements of impairment of assets, subject to the matter noted in respect of going concern assumption.

Our audit procedures in relation to this matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on this matter individually and we express no such opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMR GROUP PLC

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BMR GROUP PLC

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement [set out on page xx], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leo Malkin

Leo Malkin
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH

27 December 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2017

	Notes	2017 £	2016 £
Administrative expenses	6	(1,515,868)	(1,096,658)
Share based payment	19	-	(31,714)
Total administrative expenses		**(1,515,868)**	**(1,128,372)**
Finance expense	6	(86,753)	(2,078)
Finance income	6	430	2,759
Loss before tax		**(1,602,191)**	**(1,127,691)**
Taxation	9	-	-
Loss for the year		**(1,602,191)**	**(1,127,691)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit and loss:			
Exchange translation differences on foreign operations		158,061	1,762,673
Total comprehensive (loss)/income for the year attributable to equity holders of the parent company		**(1,444,130)**	**634,982**
Loss per ordinary share			
Basic and diluted (pence)	10	**(0.88)p**	**(0.75)p**

The note on page 34to 60 form part of these of financial statements

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

Company No. 02401127

	Notes	2017 £	2016 £
Assets			
Non-current assets			
Intangible assets	11a	1,390,267	11,957,768
Development assets	11b	11,003,391	-
Property, plant and equipment	12	491,553	91,242
		12,885,211	**12,049,010**
Current assets			
Trade and other receivables	14	417,078	52,569
Cash and cash equivalents	15	154,969	1,014,354
		572,047	**1,066,923**
Total assets		**13,457,258**	**13,115,933**
Liabilities			
Current liabilities			
Trade and other payables	17	947,860	537,819
Total current liabilities		**947,860**	**537,819**
Non current liabilities			
Deferred tax	16	2,275,314	2,226,035
Total non current liabilities		2,275,314	2,226,035
Total liabilities		**3,223,174**	**2,763,854**
Net assets		**10,234,084**	**10,352,079**
Equity			
Share capital	18	21,556,030	21,310,951
Share premium	18	22,841,009	21,759,953
Share based payment reserve	19	84,500	84,500
Merger reserve		1,824,000	1,824,000
Translation reserve		1,657,248	1,499,187
Retained earnings		(37,728,703)	(36,126,512)
Total equity		**10,234,084**	**10,352,079**

The financial statements were approved by the Board of Directors and authorised for issue on 27 December 2017 and were signed on its behalf by

M A Borrelli
Executive Chairman

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended 30 June 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss before tax	**(1,602,191)**	**(1,127,691)**
Adjustments to reconcile net losses to cash utilised :		
Amortisation of exploration and evaluation assets	102,443	98,870
Depreciation of property, plant and equipment	28,775	39,604
Finance income	(430)	(2,759)
Share based payments	-	31,714
Operating cash outflows before movements in working capital	**(1,471,403)**	**(960,262)**
Changes in:		
Trade and other receivables	(364,509)	401,401
Trade and other payables	410,495	(211,032)
Net cash outflow from operating activities	**(1,425,417)**	**(769,893)**
Investing activities		
Interest received	430	2,759
Purchases of property, plant and equipment	(428,886)	(67,605)
Disposals of property, plant and equipment	-	18,095
Purchases of development and E&E assets	(328,049)	(411,054)
Net cash outflow from investing activities:	**(756,505)**	**(457,805)**
Cash flows from financing activities		
Proceeds from issue of shares and warrants	1,384,455	1,559,724
Share issues costs	(58,320)	(78,923)
Net cash inflow from financing activities	**1,326,135**	**1,480,801**
Net (decrease)/increase in cash and cash equivalents	**(855,787)**	**253,103**
Effect of foreign exchange rate changes	(3,598)	(24,630)
Cash and cash equivalents at beginning of year	**1,014,354**	**785,881**
Cash and cash equivalents at end of year	**154,969**	**1,014,354**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2017

	Share capital	Share premium	Share based payment reserve	Merger reserve	Translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
As at 1 July 2015	**20,892,288**	**20,697,815**	**52,786**	**1,824,000**	**(263,486)**	**(34,998,821)**	**8,204,582**
Total comprehensive profit for the year	-	-	-	-	1,762,673	(1,127,691)	634,982
Issue of shares	418,663	1,141,061	-	-	-	-	1,559,724
Share issue costs	-	(78,923)	-	-	-	-	(78,923)
Share based payment	-	-	31,714	-	-	-	31,714
As at 30 June 2016	**21,310,951**	**21,759,953**	**84,500**	**1,824,000**	**1,499,187**	**(36,126,512)**	**10,352,079**
Total comprehensive loss for the year	-	-	-	-	158,061	(1,602,191)	(1,444,130)
Issue of shares	245,079	1,139,376	-	-	-	-	1,384,455
Share issue costs	-	(58,320)	-	-	-	-	(58,320)
As at 30 June 2017	**21,556,030**	**22,841,009**	**84,500**	**1,824,000**	**1,657,248**	**(37,728,703)**	**10,234,084**

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Share based payment reserve - amount arising on the issue of warrants and share options during the year

Merger reserve - amount arising from the issue of shares for non-cash consideration

Translation reserve - amounts arising on re-translating the net assets of overseas operations into the presentational currency

Retained earnings - cumulative net gains and losses recognised in the consolidated income statement

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

Company No. 02401127

	Notes	2017 £	2016 £
Assets			
Non-current assets			
Property, plant and equipment	12	12,477	7,601
Development assets	11b	194,220	-
Investment in subsidiaries	13	10,202,494	10,031,706
		10,409,191	**10,039,307**
Current assets			
Trade and other receivables	14	381,381	30,850
Cash and cash equivalents	15	11,205	954,260
		392,586	**985,110**
Total assets		**10,801,777**	**11,024,417**
Liabilities			
Current liabilities			
Trade and other payables	17	930,207	517,325
Total liabilities		**930,207**	**517,325**
Net assets		**9,871,570**	**10,507,092**
Equity			
Share capital	18	21,556,030	21,310,951
Share premium	18	22,841,009	21,759,953
Share based payment reserve	19	84,500	84,500
Merger reserve		1,824,000	1,824,000
Retained earnings		(36,433,969)	(34,472,312)
Total equity		**9,871,570**	**10,507,092**

The loss for the financial year dealt with in the financial statements of the parent Company was £1,961,657 (2016: profit of £841,259).

The financial statements were approved by the Board of Directors and authorised for issue on 27 December 2017 and were signed on its behalf by

M A Borrelli

Executive Chairman

COMPANY CASH FLOW STATEMENT
for the year ended 30 June 2017

	2017 £	2016 £
Cash flows from operating activities		
(Loss)/profit before tax	**(1,961,657)**	**841,259**
Adjustments to reconcile net losses to cash utilised :		
Foreign exchange gains on foreign subsidiary loans	(175,784)	(1,615,588)
Depreciation of property, plant and equipment	6,056	3,724
Impairment of investment in subsidiaries	1,000,000	-
Finance income	(430)	(2,759)
Share based payments	-	31,714
Operating cash outflows before movements in working capital	**(1,131,815)**	**(741,650)**
Changes in:		
Trade and other receivables	(350,531)	151,172
Trade and other payables	412,882	(215,905)
Net cash outflow from operating activities	**(1,069,464)**	**(806,383)**
Investing activities		
Interest received	430	2,759
Loans to subsidiaries	(995,004)	(446,738)
Purchases of property, plant and equipment	(10,932)	(8,555)
Disposals of property, plant and equipment	-	18,095
Purchases of development and E&E assets	(194,220)	-
Net cash outflow from investing activities:	**(1,199,726)**	**(434,439)**
Cash flows from financing activities		
Proceeds from issue of shares and warrants	1,384,455	1,559,724
Share issue costs	(58,320)	(78,923)
Net cash inflow from financing activities	**1,326,135**	**1,480,801**
Net (decrease)/increase in cash and cash equivalents	**(943,055)**	**239,979**
Cash and cash equivalents at beginning of year	954,260	714,281
Cash and cash equivalents at end of year	**11,205**	**954,260**

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2017

	Share capital	Share premium	Share based payment reserve	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£	£
As at 1 July 2015	**20,892,288**	**20,697,815**	**52,786**	**1,824,000**	**(35,313,571)**	**8,153,318**
Total comprehensive profit for the year	-	-	-	-	841,259	841,259
Issue of shares	418,663	1,141,061	-	-	-	1,559,724
Share issue costs	-	(78,923)	-	-	-	(78,923)
Share based payment	-	-	31,714	-	-	31,714
As at 30 June 2016	**21,310,951**	**21,759,953**	**84,500**	**1,824,000**	**(34,472,312)**	**10,507,092**
Total comprehensive loss for the year	-	-	-	-	(1,961,657)	(1,961,657)
Issue of shares	245,079	1,139,376	-	-	-	1,384,455
Share issue costs	-	(58,320)	-	-	-	(58,320)
As at 30 June 2017	**21,556,030**	**22,841,009**	**84,500**	**1,824,000**	**(36,433,969)**	**9,871,570**

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Share based payment reserve - amount arising on the issue of warrants and share options during the year

Merger reserve - amount arising from the issue of shares for non-cash consideration

Translation reserve - amounts arising on re-translating the net assets of overseas operations into the presentational currency

Retained earnings - cumulative net gains and losses recognised in the consolidated income statement

NOTES TO THE ACCOUNTS
Year ended 30 June 2017

1. GENERAL INFORMATION

BMR Group PLC (the 'Company' or "BMR") is incorporated and domiciled in the United Kingdom. The address of the registered office is 35 Piccadilly, London W1J 0DW.

The consolidated financial statements include the financial information of the Company and its subsidiary undertakings (together, the "Group"). The nature of the Group's operations and its principal activity is that of the acquisition, evaluation and development of mineral stockpiles, in particular tailings. The Group's projects are located in Zambia and Portugal.

2. ADOPTION OF NEW AND REVISED STANDARDS

The directors have considered those Standards and Interpretations, which have not been applied in the financial information but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU') and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The principal accounting policies adopted are set out below.

The financial statements are presented in Pounds Sterling ("£"). For reference the year end exchange rate from Pounds Sterling to US Dollar ("US$") was 1.31 (2016: 1.339) where the functional currency of Zambian subsidiaries are accounted for in US$.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its Income Statement for the year. The Company reported a loss for the financial year ended 30 June 2017 of £1,961,657 (2016: profit of £841,259).

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Board of Directors.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources with a combination of its cash balances and expected funding from Jubilee Platinum PLC for the Kabwe plant following completion of its technical review to continue in operational existence for the foreseeable future. In the event that a significant proportion of ACI's funding materialises for the benefit of BMR and before the Company enters into the agreements with Jubilee, BMR would be in a position to consider financing for adding capacity to the processing plant for generating vanadium pentoxide, once ZEMA's approval is obtained, as well as having necessary working capital for the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The operational requirements of the Company comprise maintaining a Head Office in the UK with a Board comprising two executive directors and one non-executive Director with two consultants for, amongst other things, determining and implementing strategy and managing operations. In addition, the Group has a team in Kabwe, Zambia for establishing facilities for the processing of its tailings into zinc and lead concentrates and a geologist and consultants for the project in Portugal, all under the over-sight of the Board.

The Directors have considered the current level of cash balances, the facility with ACI and the operational requirements of the Group in the UK, Zambia and Portugal over the next 12 months and the commencement of the establishment, and commissioning, of a plant in Zambia in Q2 2018. The Directors believe that the process methodology for the plant in Zambia being developed by the Group working with technical partners is capable of being patented. The Directors expect the plant to be capable of processing at the rate of five tonnes per hour and operating on a 24/7 basis once fully operational.

In the longer term, the Directors expect the Group to generate revenues from its WKS, subject to the successful outcome of engineering studies for its use in high performance cement and subject to ZEMA approval.

In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group and the Company's working capital forecasts. They believe that the funds raised recently, together with further options being considered, will be sufficient for the Group's purposes for a minimum of 12 months from the date of the approval of the financial statements. The financial statements have been prepared on a going concern basis.

However, the Group's ability to continue as a going concern is reliant upon successfully obtaining funds as it moves towards production and to finance its ongoing working capital requirements. The directors have therefore considered this to be an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency).For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in GBP, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency of each Group company ('foreign currencies') are recorded in the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into the functional currency at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Exchange differences are recognised in the income statement in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in the income statement on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles	25%
Other	25%

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of property, plant and equipment (including development assets)
At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value for money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets
Intangible assets comprise land use rights, mining licences and exploration & evaluation assets.

The land use rights and mining licences are stated at cost less accumulated amortisation and impairment losses. They are amortised using the straight line basis over the unexpired period of the rights.

Exploration and evaluation costs
All costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

The Group applies the full cost method of accounting for E&E costs, having regard to the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources. Under the full cost method of accounting, costs of exploring for and evaluating mineral resources are accumulated by reference to appropriate cost centres being the appropriate licence area, but are tested for impairment on a cost pool basis as described below.

E&E assets comprise costs of (i) E&E activities that are ongoing at the balance sheet date, pending determination of whether or not commercial reserves exist and (ii) costs of E&E activities associated with adding to the commercial reserves of an established cost pool, did not result in the discovery of commercial reserves.

Such costs include directly attributable overheads, including the depreciation of property, plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the exploration and evaluation phases.

Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to the income statement as they are incurred.

Treatment of E&E assets at conclusion of appraisal activities
Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cost pool basis as set out below, and any impairment loss of the relevant E&E assets is then reclassified as development and production assets.

Development assets
Cost is the fair value of consideration required to acquire and develop the asset and includes the purchase price, acquisition of mineral rights, costs directly attributable to bring the asset to its location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation and, for assets that take a substantial period of time to get ready for their intended use, borrowing costs.

Development assets are amortised to their residual values using the unit of production method when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development assets are written down to its recoverable amount.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets
E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include, but are not limited to, those situations outlined in paragraph 20 of IFRS 6 Exploration for and Evaluation of Mineral Resources and include the point at which a determination is made as to whether or not commercial reserves exist.

Where there are indications of impairment, the E&E assets concerned are tested for impairment. Where the E&E assets concerned fall within the scope of an established full cost pool, the E&E assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash generating unit.

The aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. Where the E&E assets to be tested fall outside the scope of any established cost pool, there will generally be no commercial reserves and the E&E assets concerned will generally be written off in full.

Any impairment loss is recognised in the income statement as additional depreciation and amortisation, and separately disclosed.

The Group considers the whole of Zambia to be one cost pool and therefore aggregates all Zambian assets for the purpose of determining whether an impairment of E&E assets has occurred.

Investment in subsidiaries
In the Company's financial statements, investment in subsidiaries are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial instruments
Recognition of financial assets and financial liabilities
Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities
The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it June have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

Trade and other receivables
Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets
The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of a financial asset classified as available for sale, a significant or prolonged decline in the fair value of the financial asset below its cost is considered as an indicator that the financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on financial assets are not reversed through the income statement.

Trade and other payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result and that outflow can be reliably measured.

Rehabilitation
Provisions are made for the estimated rehabilitation costs relating to areas disturbed during exploration activities up to reporting date but not yet rehabilitated. Changes in estimate are dealt with on a prospective basis as they arise.

Share-based payments
The Group has applied IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

Share capital
Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

For the purposes of the disclosures given in note 18, the Group considers its capital to be total equity. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

i) Impairment of development assets

Processing operations are large, scarce assets requiring significant technical and financial resources to operate. Their value may be sensitive to a range of characteristics unique to each asset and key sources of estimation uncertainty include mineral reserve estimates, future cash flow expected to arise from the cash-generating unit and a suitable discount rate.

In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal, assessed using discounted cash flow models. There is judgement in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants as outlined above.

The carrying amount of the Group's development assets at 30 June 2017 was £11,003,391 (2016: £10,552,405). No impairments were made during the year.

The methods and key assumptions in relation to the calculation of the estimates are detailed in note 11.

ii) Going concern

As disclosed in note 3 the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

iii) Provisions for liabilities

As a result of exploration activities the Group is required to make provision for rehabilitation. Significant uncertainty exists as to the amount of rehabilitation obligations which may be incurred due to the impact of possible changes in environmental legislation. Due to the early stage of exploration activity no significant damage has been caused and, therefore, no provision has been recognised at 30 June 2017 (2016: £nil) in the Group and the Company balance sheets.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

5. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decision, has been identified as the Board of Directors. The Board of Directors considers there to be only one operating segment, the exploitation and development of mineral resources and only three (2016: two) geographical segments being Zambia, Portugal and the UK.

The geographical split of loss and assets and liabilities is as follows:

	UK	Zambia	Portugal	Total
	£	£	£	£
2017				
Loss before tax	**(965,366)**	**(473,722)**	**(163,103)**	**(1,602,191)**
Non-current assets				
Intangible exploration and evaluation assets	194,220	12,199,438	-	12,393,658
Property, plant and equipment	12,477	479,076	-	491,553
	206,697	**12,678,514**	**-**	**12,885,211**

	UK	Zambia	Total
	£	£	£
2016			
Loss before tax	**(781,818)**	**(345,871)**	**(1,127,689)**
Non-current assets			
Intangible exploration and evaluation assets	-	11,957,768	11,957,768
Property, plant and equipment	7,601	83,641	91,242
	7,601	**12,041,409**	**12,049,010**

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

6. LOSS FOR THE YEAR

The loss for the year has been arrived at after charging / (crediting):

	2017	2016
	£	£
Depreciation of property, plant and equipment (note 12)	**28,775**	39,604
Amortisation of intangibles	**102,443**	98,870
Operating lease costs (Office rental costs)	**32,234**	72,184
Staff costs (note 8)	**307,309**	229,304
Share based payment charge	**-**	31,714
Finance charge	**86,753**	2,078
Finance income	**(430)**	(2,759)

7. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2017	2016
	£	£
Fees payable to the company's auditor for the audit of the company and group's financial statements	**23,500**	22,500
Fees payable to the company's auditor for other services:		
Other services relating to VAT advice	**39,000**	13,500
Other services relating to taxation work	**3,675**	2,750
	66,175	38,750

8. STAFF COSTS

	2017	2016
	Number	Number
Directors	**3**	3
Consultant	**2**	2
Support staff (including Zambia employees)	**35**	31
The average monthly number of employees	**40**	36
Their aggregate remuneration comprised:-	**£**	£
Fees	**153,012**	139,504
Wages and salaries	**154,297**	89,800
Share based option charges	**-**	23,961
	307,309	253,265

Included within staff costs £153,012 (2016: £139,504) relates to amounts in respect of Directors.

The highest paid director's emoluments were £72,000 (2016: £64,500)

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

9. TAXATION

	2017	2016
	£	£
Current tax		
UK corporation tax	-	-
Overseas taxation	-	-
	-	-
Deferred tax		
UK corporation tax	-	-
Overseas taxation	-	-
	-	-

The taxation credit for each year can be reconciled to the loss per the consolidated income statement as follows:

	2017	2016
	£	£
Loss before tax	**(1,602,191)**	(1,127,691)
Tax credit at the standard rate of tax in the UK	**320,438**	225,538
Tax effect of non-deductible expenses	**(32,436)**	(27,671)
Deferred tax asset not recognized	**(288,002)**	(197,867)
Tax for the year	-	-

The standard rate of corporation tax in the UK applied during the year was 20% (2016: 20%).

At 30 June 2017, the Company and Group are carrying forward estimated tax losses of £10.7m (2016: £9.1m) in respect of various activities over the years. No deferred tax asset was recognized in respect to these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

The Group has incurred indefinitely available tax losses of £4.60m (2016: £3.99m) to carry forward against future taxable income of the subsidiaries in which the losses arose and they cannot be used to offset taxable profits elsewhere in the Group.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

10. LOSS PER SHARE

Basic loss per ordinary share is calculated by dividing the consolidated net loss for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. The calculation of the basic and diluted loss per share is based on the following data:

	2017	2016
	£	£
Loss before tax		
Loss for the purpose of basic loss per share being consolidation net loss attributable to equity holders of the Company	**1,602,191**	1,127.689

	2017	2016
	Number	Number
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per shares	**182,267,931**	150,964,537

Loss per ordinary share		
Basic and diluted	**0.88p**	0.75

At the balance sheet date there were 24,526,029 (2016: 66,392,305) potentially dilutive Ordinary Shares. Potentially dilutive ordinary shares relate to warrants and share options issued to directors, consultants and third parties. In 2017 and 2016, the potential Ordinary shares are anti-dilutive and therefore the diluted loss per share has not been calculated.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

11a. INTANGIBLE ASSETS

	Land use Rights £	Small scale licence £	Large scale licence £	Exploration and evaluation assets £	**Total £**
GROUP					
Cost					
At 30 June 2015	**2,769,918**	**499,841**	**1,696,484**	**9,292,115**	**14,258,358**
Additions	-	-	-	411,054	411,054
Foreign exchange difference	303,389	246,985	-	1,373,236	1,923,610
At 30 June 2016	**3,073,307**	**746,826**	**1,696,484**	**11,076,405**	**16,593,022**
Additions	-	-	-	295,069	295,069
Foreign exchange difference	93,159	16,533	-	155,917	265,609
Transfer to development assets	-	-	-	(11,527,391)	(11,527,391)
At 30 June 2017	**3,166,466**	**763,359**	**1,696,484**	**-**	**5,626,309**
Accumulated depreciation					
At 30 June 2015	**(1,953,879)**	**(272,468)**	**(1,696,484)**	**(524,000)**	**(4,446,831)**
Charge for the year	(31,466)	(67,404)	-	-	(98,870)
Disposals	-	(89,553)	-	-	(89,553)
At 30 June 2016	**(1,985,345)**	**(429,425)**	**(1,696,484)**	**(524,000)**	**(4,635,254)**
Charge for the year	(23,600)	(78,843)	-	-	(102,443)
Foreign exchange difference	(15,346)	(6,999)	-	-	(22,345)
Transfer out	-	-	-	524,000	524,000
At 30 June 2017	**(2,024,291))**	**(515,267)**	**(1,696,484)**	**-**	**(4,236,042)**
Carrying amount					
At 30 June 2017	**1,142,175**	**248,092**	**-**	**-**	**1,390,267**
At 30 June 2016	1,087,962	317,401	-	10,552,405	11,957,768
At 30 June 2015	816,039	227,373	-	8,768,115	9,811,527

Depreciation of the small scale licence is applied by reference to the period of the licence granted and the large scale licence has been fully impaired.

During the year, the Group incurred capital expenditure of £295,000 as an addition to exploration & exploration (E&E) asset, of which the Company paid approximately £194,000 associated to the acquisition of Star Zinc. The Group considered these E&E assets to be proven and commercial viable and they are reclassified to development assets.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

11b. DEVELOPMENT ASSETS

	Group £	Company £
Cost		
At 1 July 2016	-	-
Transfer from intangible assets	11,527,391	194,220
At 30 June 2017	**11,527,391**	**194,220**
Accumulated depreciation		
At 1 July 2016	-	-
Transfer in	(524,000)	-
Foreign exchange difference	-	-
At 30 June 2017	**(524,000)**	-
Carrying amount		
At 30 June 2017	**11,003,391**	**194,220**
At 30 June 2016	-	-

Incorporated in the development assets is a fair value adjustment of £6,885,175 as a result of the acquisition of Enviro Mining Limited on 20 June 2011 and its two subsidiary companies, Enviro Processing Limited and Enviro Props Limited (together "Enviro Group"). The Enviro Group owns the leasehold rights and title to Stand 5187 containing the stockpiles at Kabwe and the contents of the washplant and leachplant tailings. No impairment has been made on the fair value this year on the basis that third party reports and internal evaluation of future income streams allied with the associated production costs generate net present values, using conservative discount rates, which are well in excess of the costs capitalised as development assets in the balance sheet.

	Net Book Value of Assets Acquired £	Fair Value Adjustment £	Fair Value £
Development assets	2,514,728	8,561,678	11,076,406
Other net assets acquired	295,069	-	295,069
Foreign exchange difference	(33,616)	189,532	155,916
	2,776,181	8,751,210	11,527,391
Impairment provision	(274,000)	(250,000)	(524,000)
	2,502,181	8,501,210	11,003,391
Deferred tax (note 16)	-	(2,275,314)	(2,275,314)
	2,502,181	6,225,896	8,728,077

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

11b. DEVELOPMENT ASSETS (continued)

On the basis of third party reports incorporating values derived from JORC classifications and internal evaluation of future income streams allied with the associated production costs, net present values, using conservative discount rates, have been generated which are well in excess of this figure and the overall costs capitalised as intangible assets in the balance sheet. The impairment assessment carried out relates to the exploitation and development of mineral resources, as the one cash generating unit ("CGU") representing the only operating segment. The recoverable amount is determined from value in use calculations based on cash flow projections from revenue and expenditure forecasts covering a 5 year period to 2022. The growth rate is assumed to be zero and the level of production is constant on the basis the main plant is assumed to be at the most efficient capacity over the period of extraction., The key assumptions used are as follows:

	2017	2016
Discount rate	20%	20%
Prevailing Metal prices** (per tonne)		
- Zinc	$2,510	$2,377
- Lead	$3,169	$2,105
Metal recovery rate from processing as follow:		
- Zinc	80%	80%
- Lead	86%	85%
Estimated monthly tonnage of Zinc and Lead for the main plant (JORC Compliant)	31,000	29,200

** Prevailing metal prices extracted from London Metal Exchange as at 6 November 2017

The discount rate is based on the specific circumstances of the Group and its operating segments and is derived from its WACC, with appropriate adjustments made to reflect the risks specific to the CGU and to determine the pre-tax rate. In considering the discount rates applying to the CGUs, the directors have considered the relative sizes, risks and the inter-dependencies of its CGUs. No reasonably possible change in a key assumption would produce a significant movement in the carrying value of the CGUs and therefore no sensitivity analysis is presented.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

12. PROPERTY PLANT AND EQUIPMENT

	Construction in Progress £	Land and Buildings £	Motor Vehicles £	Other £	**Total £**
GROUP					
Cost					
At 30 June 2015	-	23,707	65,197	63,733	152,637
Additions	-	-	-	59,774	59,774
Disposals	-	-	-	(36,190)	(36,190)
Foreign exchange difference	-	13,355	41,830	11,597	66,782
At 30 June 2016	-	37,062	107,027	98,914	243,003
Additions	399,728	12,576	-	14,730	427,034
Disposals	-	-	-	-	-
Foreign exchange difference	-	820	1,046	1,586	3,452
At 30 June 2017	**399,728**	**50,458**	**108,073**	**115,230**	**673,489**
Accumulated depreciation					
At 30 June 2015	-	-	(51,810)	(34,903)	(86,713)
Charge for the year	-	(2,613)	(15,760)	(21,231)	(39,604)
Disposals	-	-	-	18,095	18,095
Foreign exchange difference	-	-	(34,862)	(8,677)	(43,539)
At 30 June 2016	-	(2,613)	(102,432)	(46,716)	(151,761)
Charge for the year	-	(698)	(2,369)	(25,708)	(28,775)
Disposals	-	-	-	-	-
Foreign exchange difference	-	(454)	(977)	31	(1,400)
At 30 June 2017	-	**(3,765)**	**(105,778)**	**(72,393)**	**(181,936)**
Carrying amount					
At 30 June 2017	**399,728**	**46,693**	**2,295**	**42,837**	**491,553**
At 30 June 2016	-	34,449	4,595	52,198	91,242
At 30 June 2015	-	23,707	13,387	28,830	65,924

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

12. PROPERTY PLANT AND EQUIPMENT (continued)

	Other £	Total £
COMPANY		
Cost		
At 30 June 2015	42,532	42,532
Additions	8,555	8,555
Disposals	(36,190)	(36,190)
At 30 June 2016	**14,897**	**14,897**
Additions	10,932	10,932
Disposals	-	-
At 30 June 2017	**25,829**	**25,829**
Accumulated depreciation		
At 30 June 2015	**(21,667)**	**(21,667)**
Charge for the year	(3,724)	(3,724)
Disposals	18,095	18,095
At 30 June 2016	**(7,296)**	**(7,296)**
Charge for the year	(6,056)	(6,056)
Disposals	-	-
At 30 June 2017	**(13,352)**	**(13,352)**
Carrying amount		
At 30 June 2017	**12,477**	**12,477**
At 30 June 2016	7,601	7,601
At 30 June 2015	20,865	20,865

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

13. INVESTMENT IN SUBSIDIARIES

	Cost of Investment £	Long Term Loans £	**Total £**
COMPANY			
Cost at 30 June 2015	4,676,701	3,292,679	7,969,380
Advance to subsidiary undertakings	-	446,738	446,738
Effect of forex exchange rate charges	-	1,615,588	1,615,588
At 30 June 2016	4,676,701	**5,355,005**	**10,031,706**
Advance to subsidiary undertakings	-	995,004	995,004
Effect of forex exchange rate charges	-	175,784	175,784
Impairment loss	(1,000,000)	-	(1,000,000)
At 30 June 2017	**3,676,701**	**6,525,793**	**10,202,494**

The Company had investment in the following subsidiary undertakings at 30 June 2017 and 30 June 2016:

Name	**Activity**	**Country of incorporation and operation**	**Ordinary Shares held Company**	**Ordinary shares held Group**
Enviro Mining Limited	Holding Company	Mauritius	100%	100%
Enviro Processing Limited	Tailings processing	Zambia	–	100%
Enviro Props Limited	Property holding	Zambia	–	100%

The Group holding of 100% in the Zambian subsidiaries is held as to 99% by Enviro Mining Limited and 1% by a nominee on behalf of the Company.

The Group holding of 100% in the Mauritius subsidiary is held as to 95% by the Company and 5% by a nominee on behalf of the Company.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 £	2016 £	**2017 £**	2016 £
Group and Company				
Prepayment	**34,716**	34,955	**30,567**	30,850
Other receivables	**350,840**	2,356	**350,814**	-
Vat receivable	**31,522**	15,258	-	-
	417,078	52,569	**381,381**	30,850

As outlined in note 17, a provision has been made in respect of a VAT assessment received from HM Revenue & Customs ("HMRC").

The fair value of trade and other receivables is not significantly different from the carrying value and none of the balances are past due.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

15 CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents as at 30 June 2017 of £154,969 (2016: £1,014,354) comprise cash at bank and in hand.

The Company's cash and cash equivalents as at 30 June 2017 of £11,205 (2016: £954,260) comprise cash at bank and in hand.

The Directors consider that the carrying amount of these assets approximates their fair value.

16. DEFERRED TAX

Differences between IFRS and statutory tax rules (in the United Kingdom and elsewhere) give rise to temporary differences between the carrying values of certain assets and liabilities for financial reporting purposes and for income tax purposes.

	£
Deferred tax liabilities	
At 30 June 2016 and 1 July 2016	**2,226,035**
Foreign exchange difference	49,279
At 30 June 2017	**2,275,314**

The deferred tax liabilities arose on the acquisition of exploration and evaluation assets in 2011. These will be released to the income statement as the fair value of the related exploration and evaluation assets is amortised.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade payables	**494,328**	119,395	**494,328**	119,395
Other taxes and social security	**10,223**	-	**7,379**	-
Vat payable	**374,350**	374,350	**374,350**	374,350
Accruals	**68,959**	44,074	**54,150**	23,580
	947,860	537,819	**930,207**	517,325

BMR was de-registered for VAT with effect from 1 August 2015 on the basis there was no effective consideration for any services provided as no invoices had been raised by BMR and issued to its subsidiaries and that management services were not considered supplies for VAT purposes. A provision has been made for £374,350 (2016 - £374,350) in relation to VAT previously claimed including interest. The Company has appealed and submitted its case for continued registration after having sought professional advice.

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

18. SHARE CAPITAL AND SHARE PREMIUM

	2017		2016	
Issued equity share capital	**Number**	**£**	Number	£
Issued and fully paid				
Ordinary shares of £0.01 each	**198,339,565**	**1,983,396**	173,831,727	1,738,317
Deferred shares of £0.009 each	**1,346,853,817**	**12,121,684**	1,346,853,817	12,121,684
Deferred shares of £0.01 each	**19,579,925**	**195,799**	19,579,925	195,799
Deferred shares of £0.04 each	**181,378,766**	**7,255,151**	181,378,766	7,255,151
		21,556,030		21,310,951

The deferred shares of £0.01 each and £0.009 each confer no rights to vote at a general meeting of the Company or to a dividend. On a winding-up the holders of the deferred shares are only entitled to the paid up value of the shares after the repayment of the capital paid on the ordinary shares and £5,000,000 on each ordinary share.

The deferred shares of £0.04 each have no rights to vote or to participate in dividends and carry limited rights on return of capital.

Shares issued during the year:

	Number of shares	Nominal value £	Share Premium £
At 30 June 2015	131,965,451	1,319,654	20,697,815
Ordinary shares issued during the year	41,866,276	418,663	1,141,061
Share issue costs	-	-	(78,923)
At 30 June 2016	**173,831,727**	**1,738,317**	**21,759,953**
Ordinary shares issued during the year	24,507,838	245,079	1,139,376
Share issue costs	-	-	(58,320)
At 30 June 2017	**198,339,565**	**1,983,396**	**22,841,009**

Shares Issued	**Number of Shares**	**Nominal Value**	**Share Premium**
28 October 2015 at £0.01 each	18,750,000	187,500	562,500
28 February 2016 at £0.01 each	13,817,453	138,175	276,349
22 April 2016 at £0.01 each	9,298,823	92,988	302,212
At 30 June 2016	**41,866,276**	**418,663**	**1,141,061**
28 October 2016 at £0.01 each	9,253,731	92,537	527,463
16 February 2017 at £0.01 each	5,920,774	59,208	355,246
28 June 2017 at £0.01 each	9,333,333	93,334	256,667
At 30 June 2017	**24,507,838**	**245,079**	**1,139,376**

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

19. SHARE BASED PAYMENTS

Equity settled share-based payments

The Company has a share option scheme for directors, employees and consultants.

Name	Price	Note	30 June 2016 or date of appointment Number	Cancelled or Lapsed Number	Granted during the year Number	Exercised during the year Number	30 June 2017 or date of resignation Number
SHARE OPTIONS							
M A Borrelli			8,210,243	-	-	-	8,210,243
J N Hawke			3,926,637	-	-	-	3,926,637
Consultants			5,246,292	-	-	-	5,246,292
Total share options			**17,383,172**	-	-	-	**17,383,172**
SHARE WARRANTS							
Novum Securities			7,142,857	-	-	-	7,142,857
Others			41,866,276	(45,199,233)	9,253,731	5,920,774	-
Total Share Warrants			49,009,133	(45,199,233)	9,253,731	5,920,774	7,142,857
Total Share Options and Warrants			**66,392,305**	(45,199,233)	9,253,731	5,920,774	**24,526,029**

Note A – Exercisable at any time before 12 June 2020
Note B – Exercisable at any time before 7 July 2017
Note C – Exercisable in the 42 days following publication of BMR's results for the year ending 30 June 2016.

Share Options

There were no share options granted in the year and as a result the share option charge was nil (2016: £31,714).

20. FINANCIAL INSTRUMENTS

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to shareholders.

The capital resources of the Group comprises issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity. The Group's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Group will seek to maintain a yearly ratio that balances risks and returns of an acceptable level and also to maintain a sufficient funding base to the Group to meet its working capital and strategic investment needs.

Categories of financial instruments

	2017	2016
Group	**£**	£
Financial assets		
Cash and cash equivalents	**154,969**	1,014,354
Other receivables classified as loan and receivables at amortised cost	**382,362**	17,614
	537,331	1,031,968
Financial liabilities classified as held at amortised cost		
Trade and other payables	**937,637**	537,819
	937,637	537,819
Company		
Financial assets		
Cash and cash equivalents	**11,205**	954,260
Other receivables classified as loan and receivables at amortised cost	**350,814**	-
	362,019	954,260
Financial liabilities classified as held at amortised cost		
Trade and other payables	**922,828**	517,325
	922,828	517,325

Fair value of financial assets and liabilities
Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values.

20. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Directors' assessment of the development assets at fair value, are disclosed in note 11b.

Financial risk management objectives
Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash f low interest rate risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As the Group has no committed borrowings, the Group is not exposed to any risks associated with fluctuations in interest rates on loans. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Group.

Foreign exchange risk and foreign currency risk management
Foreign currency exposures are monitored on a monthly basis. Funds are transferred between the Sterling and US Dollar accounts in order to minimise foreign exchange risk. The Group holds the majority of its funds in Sterling.

The carrying amounts of the Group's and Company's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Financial liabilities		Financial assets	
	2017	2016	**2017**	2016
Group	**£**	£	**£**	£
US Dollars	**2,844**	-	**175,885**	180,143
Company				
US Dollars	-	-	**573**	102,434

20. FINANCIAL INSTRUMENTS (continued)

Foreign currency sensitivity analysis
The Group is exposed primarily to movements in Sterling against the US Dollar. Sensitivity analyses have been performed to indicate how the profit or loss would have been affected by changes in the exchange rate between the US Dollar and Sterling. The analysis is based on a weakening and strengthening of Sterling by 10 per cent against the US Dollar in which the Group has assets and liabilities at the end of each respective period.

A movement of 10 per cent reflects a reasonably possible sensitivity when compared to historical movements over a three to five year timeframe. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ten per cent change in foreign currency rates.

A positive number below indicates an increase in profit where the US Dollar strengthens ten per cent. against Sterling. For a ten per cent. weakening of the US Dollar against Sterling, there would be an equal and opposite impact on the profit, and the balance below would be negative.

The following table details the Group's sensitivity to a ten per cent. strengthening in the US Dollar against Sterling

	2017	2016
	£	£
(Decrease)/increase in income statement and net assets (US $)	**(16,108)**	(16,751)

Credit risk management
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure on trade receivables.

The Group makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash f lows.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Liquidity risk management
Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. Management monitor forecasts of the Group's liquidity reserve, comprising cash and cash equivalent, on the basis of expected cash flow. At 30 June 2017, the Group held cash and cash equivalent of £154,969 (2016: £1,014,354) and the directors assess the liquidity risk as part of their going concern assessment (see note 3)

NOTES TO THE ACCOUNTS (continued)
Year ended 30 June 2017

20. FINANCIAL INSTRUMENTS (continued)

Liquidity risk management (continued)
The Group and Company aim to maintain appropriate cash balances in order to meet its liabilities as they fall due.

Maturity analysis

Group 2017	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	947,860	315,797	188,754	44,959	398,350	-

Company 2017	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	930,207	315,797	185,910	30,150	398,350	-

Group 2016	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	537,819	35,819	83,576	44,074	374,350	-

Company 2016	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	517,325	35,819	83,576	44,074	374,350	-

21. OPERATING LEASE ARRANGEMENT

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Land and buildings		
Within one year	**5,250**	5,250
Within 2-5 years	**-**	-
Total	**5,250**	5,250

Operating lease payments represent rentals payable by the Company for its office properties.

22. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Directors' transactions
Transactions with the Directors are shown in the Directors' Report.

Remuneration of key management personnel
The key management personnel of the Group are considered to be the Directors. Details of their remuneration are covered in note 8 and the Report of the Remuneration Committee within the Corporate Governance section.

23. CONTINGENT LIABILITIES AND PROVISIONS

BMR is currently de-registered for VAT with effect from 1 August 2015 on the bases there was no effective consideration for any services provided as no invoices had been raised by BMR and issued to its subsidiaries and that management services were not considered as supplies for VAT purposes. The Company has received assessments and has provided for £374,500 (2016: £374,500) in back VAT claimed including interest. . The Company has appealed and submitted its case for continued registration after having sought professional advice. The Directors do not expect any resulting assessment to be materially different from this provision taking into account consideration of any possible compliance penalty.

24. EVENTS AFTER THE REPORTING DATE

On 4 September 2017 the Company, on behalf of its newly incorporated wholly owned subsidiary Enviro Zambia, entered in to an agreement with Bushbuck Resources Limited to complete the acquisition of Star Zinc for a cash consideration of $1,000,000 of which $130,000 has already been paid. The first tranche of the remaining consideration of $400,000 was paid on 4 September 2017 and a further $300,000 has now been paid with the remaining balance of $170,000 being due by 28 February 2018.

On 14 November 2017, the Company announced that it had informed Mineralia-Minas, Geotecnia E Construcoes, LDA ("Mineralia") that it intended to exercise its option to acquire an 80% interest in the 327 sq km Ester exploration licence having fulfilled its EUR140,000 (c.£120,000) financial obligation. Upon exercise of the option, the Ester licence will be transferred into a new joint venture company to be incorporated in Portugal and owned as to 80% by BMR and as to 20% by Mineralia after which BMR is contracted to pay deferred consideration to Mineralia of EUR100,000 (c.£90,000) upon the application and granting of a preliminary exploitation licence by no earlier than 2019 and EUR1,000,000 (c.£880,000) upon the application and granting of a definitive exploitation licence thereafter. T

On 20 November 2017, the Company issued 40,000,000 ordinary shares of 1p each at a price of 2p per share raising gross proceed of £800,000.