RNS Number : 8976S

BMR Group PLC

29 December 2016

BMR Group PLC

("BMR" or the "Company")

2016 Final Results and AGM Notice

The Company releases its full year results for the year ended 30 June 2016 ("Results"). The Results are being posted to shareholders today and will be available on the Company's website, www.bmrplc.com, shortly.

BMR also announces that notice of its annual general meeting ("AGM") will today be posted to shareholders and will also shortly be available to view on the Company's website.

The AGM will be held at 11 a.m. on Tuesday 24 January 2017 at the offices of WH Ireland, 24 Martin Lane, London, EC4R 0DR.

For further information:

BMR Group PLC	020 7734 7282
Alex Borrelli, CEO and Chairman	
WH Ireland Limited	020 7220 1666
NOMAD and Joint Broker	
Chris Fielding, Head of Corporate Finance	
Nick Prowting, Manager	
Peterhouse Corporate Finance	020 7469 0930
Joint Broker	
Lucy Williams/ Duncan Vasey/ Heena Karani	

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

Note: This announcement has been reviewed by Geoff Casson, B.Sc. (Hons), PhD, R Eng (Zambia), Member Engineering Institute of Zambia (Metallurgy), General Manager of the Company's Zambian subsidiary, Enviro Processing Ltd, who is a Qualified Person in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies.

CHAIRMAN'S STATEMENT

I am pleased to present below the financial statements of the Company for the year ended 30 June 2016.

I am delighted to report to our shareholders on a significant year of delivery of key milestones in the continued successful development of the Company.

Plant at Kabwe costings and metal prices

Following our assessment of the most appropriate methodology for processing the tailings at Kabwe, in December 2015, we submitted the final report to the Zambia Environmental Management Agency ("ZEMA") in respect of the definitive Environmental Social Impact Assessment ("ESIA") which included the construction of the processing plant ("Plant"). Importantly, we gained approval from ZEMA for the ESIA in May 2016 which enabled us to commence the implementation of the construction of the Plant.

Provisional target date for commissioning of the Plant is Q3 2017 when we will initially process wash plant tailings ("WPT") feed.

To configure the Plant for producing the requisite planned quantities of product, we estimate the capital expenditure to be approximately $2.68 million. The Directors are satisfied that this cost can be satisfied from the current cash resources and from the African Compass International ("ACI") Facility. The aggregate cost of $2.68 million comprises 52% of confirmed quotations, 18% of factored costs and 30% of internally estimated costs in respect of $1.8 million for mechanicals, $0.4 million for instrumentation and electrical items and $0.48 million for labour, pipework and other ancillaries.

We commissioned a peer review of the costings which concluded that the capital expenditure of $2.68 million can be categorised as adequate for a scoping estimate with an industry-standard deviation of -30% and +50%.

Operating Expenditure (OPEX) is currently estimated at $120/tonne of tailings treated, with sulphuric acid comprising approximately 50% of the costs. Sulphuric acid is readily available from the local copperbelt smelters where prices are close to historic lows. With the exception of specialist reagents, all other significant Plant consumables, such as lime and limestone, can be sourced locally.

The Company's operations are categorized as 'open pit' and will incur a 5% mineral royalty payment to the Zambian Government. Our local subsidiary will be subject to corporation tax which is currently 30%.

In the past 12 months the London Metal Exchange zinc ("Zn") and lead ("Pb") prices have risen substantially from circa $1,600 per tonne and $1,700 per tonne to circa $2,700 and $2,400 per tonne, respectively. These price rises have significantly increased the in-situ Zn, Pb and metal values of the Company's combined JORC and non JORC tailings assets due to be processed at the Plant to approximately US$1.2 billion and US$0.46 billion, respectively. Provisional estimates of the Vanadium ("V") present in all three tailings products (non-JORC) have the potential of increasing the total value to approximately US$2 billion. The Zn price rise has also impacted favourably on the value of the Star Zinc acquisition referred to below which is expected to be completed in the near future.

Plant off-take agreement

As a measure of our success in planning the treatment of the tailings into saleable products, in August 2016, we entered into an off-take agreement with ACI, a private South African group engaged in mining, energy and agri-business. This agreement provides for the off-take by ACI over a minimum five-year period, commencing within six months of commissioning of the Plant, of a minimum of 500 tpm of agricultural grade zinc sulphate heptahydrate ("ZSH"), 300 tpm of lead sponge and later, 300 tpm of LME grade 'A' electrolytic zinc cathodes, each to a specified quality. All products will be supplied on a 'free on board' Kabwe Plant gate basis at a price linked to the related LME spot price. It is estimated that sales of the minimum quantities of these three products from the Plant, as it is proposed to be configured, would generate gross revenue of at least US$750,000 per month.

Trade finance facility

In September 2016, we entered into a project construction and trade finance facility (the "Facility") for up to US$5.2 million with ACI. The Facility provides that ACI will make available, upon achievement of various milestones, through to commissioning of the Plant and proof of saleable product (the "Final Milestone"), up to US$4.2 million for use in connection with the plant, and materials processed, at Kabwe.

In addition, the Facility provides for the drawdown of US$1.0 million to satisfy the consideration payable to exercise the option agreement with Bushbuck Resources Limited for the acquisition of its Star Zinc Large Scale Prospecting Licence 19653-HQ-LPL in Zambia, noted below. Drawdowns under the Facility, which is interest free but involves an arrangement fee of US$100,000, are to be re-paid within 12 months of the Final Milestone, by set-off against product revenues due from ACI, or, at our election, in cash. We expect to receive the first draw down under the Facility imminently and, thereafter, firstly, to complete the ordering of items of capital equipment requiring long-lead times and, second, to complete the Star Zinc acquisition.

Plant construction update

a) Civil Works: marking-out and excavation of the thickener, leach and precipitation tank foundations, steel fixing, shuttering has been completed and concreting started. Two crews have been working in tandem to complete as much of this work as possible before the Christmas holiday.

b) Mechanical: tanks, thickeners, filter presses and all stainless steel tanks for the leach/precipitation/zinc re-leach have been ordered and are ready for shipment in early 2017. Inspection and testing of the mild steel precipitation and lead leach tanks manufactured in Kabwe has been completed. The lime and limestone mixing tanks for the precipitation stage are currently under construction. Agitator mechanisms for the tanks have been delivered on site. A contract for supply and delivery to Kabwe has been negotiated with Roytec South Africa for all thickeners, filter presses and the automated flocculant dosing units. By our negotiation of the contract covering all these items, important savings have resulted to the Company. Roytec South Africa is able to offer commissioning services and technical backup in Zambia.

c) Horizontal Belt Filter (HBF): a redundant, unused HBF has been located and purchased from a copperbelt mining company in Zambia at a significant saving for the Company and arrangements are being made to move the unit to Kabwe in early 2017.

d) Electrical: an additional 500 kVa capacity transformer has been installed and commissioned at the plant site as part of the programme to meet the anticipated demand. Further capacity will be added in the next year to meet the anticipated demand.

Plant Production Ramp-up Target Dates

Following commissioning of the Plant and after approximately 12 months of operations, we envisage ramping-up production in two stages.

First stage

We plan to start the first stage ramp up by late 2018 to double the Plant feed tonnage by combining WPT with ore from the Star Zinc project. By adopting this strategy, we expect the Zn plant head grade to increase along with Zn metal production from 3,100 tonnes (ZSH equivalent, 15,000 tonnes) to approximately 8,000 tonnes per annum. At this stage, ZSH and lead sponge production is expected to remain constant, with the additional Zn metal production in the form of cathode. The intention is to upgrade the Star Zinc ore by sorting it at the mine site before transportation to Kabwe.

Second stage

We plan to coincide the second stage ramp up with the processing of leach plant residue ("LPR") and imperial smelting furnace slag ("ISFS"). The tonnage throughput is likely to be made up of 2:1 ratio of LPR and ISFS combined with Star Zinc ore to meet the planned zinc metal output. A limited amount of additional metallurgical investigation work will be required to assess the extent of the modifications for the acid brine leach section of the plant. This metallurgical test work will now be extended to investigate the impact of introducing the Star Zinc ore to the feed. The provisional target date for commissioning this second stage is 2020 and will involve the likely construction of a new plant to handle the higher tonnage which should result in an increased Zn metal production to approximately 25,000 tonnes per annum.

Recovery of Vanadium, Germanium and Silver by-products

Test work undertaken by the Company's metallurgical partner, Kupfermelt Metal Processing CC, successfully recovered Zn, Pb and V into a pregnant liquor solution ("PLS") from a 2:1 blend of LPR/ISF Slag. Work continues on the selective recovery of V from the PLS to produce vanadium pentoxide which, when completed, will be taken into account for valuing the Company's assets. The in-situ ISFS vanadium potential (non-JORC) amounted to 9,000 tonnes, which is equivalent to a grade of 0.6%, which was the assayed figure of the random sample used for the test work.

In the New Year, we will start mineralogical analysis and metallurgical test work on bulk samples of the different Star Zinc ore types to investigate the deportment and process routes to recover germanium and silver.

We have previously stated the Company will commission a full-JORC compliant survey of the ISF Slag. Part of the survey requires that the in-situ metals can be economically recovered for which we have now submitted a scope of works to Alfred Knight Laboratories and await their fee estimates.

Waelz Kiln Slag ("WKS")

In May 2016, we filed with ZEMA an Environmental Project Brief ("EPB") for the proposed sale from Kabwe of the WKS. The WKS comprises approximately 1.1 million tonnes, as surveyed on a JORC-compliant basis by Mineral Corporation Consultancy (Pty), as a construction aggregate, for incorporation in block and concrete making. The Company had previously manufactured and tested a batch of concrete blocks, using an 80:20 ratio of WKS to building sand, for which there was no evidence of leaching of lead or zinc.

In September 2016, we announced that ZEMA had requested that the EPB be upgraded to an environmental impact assessment ("EIA") which would delay the start of sales. As part of its on-going discussions with ZEMA, the Company has submitted a letter of appeal against their decision not to allow the sale of WKS for block construction under the EPB. Discussions are currently ongoing between ZEMA and our Consultant.

Imperial Smelting Furnace Slag ("ISF Slag")

In June 2016, we announced that, in co-operation with Kupfermelt, a recovery of 77.2% Zn had been achieved from the ISF Slag albeit at a cost of high sulphuric acid consumption. Recognising that this stockpile potentially contains 120,000 tonnes of Zn metal, we announced that test work would continue to investigate ways of mitigating the high acid consumption by inter alia modifying the process route and blending it with either Leach Plant Residues (LPR) or Wash Plant Tailings (WPT).

In October 2016, we announced the successful completion of laboratory scale testwork, using a sulphating acid brine leach. The testwork was completed on randomly selected LPR/ISF Slag samples composited in the ratio of 2:1, which approximates to the individual tonnages of the two assets. The laboratory scale test work, whose assay results were verified by an independent accredited laboratory, generated recoveries from the composite of up to circa 85% Zn and 91% Pb at a leach temperature of 80oC, and 75% Zn and 80% Pb at ambient temperatures. Importantly, the sulphuric acid consumption was more than halved, when compared to the September 2015 tests, to approximately 500kgs/tonne.

The Company also announced that the sulphating acid brine leach process also recovered approximately 90% of the contained vanadium from the ISF Slag/LPR composite. The ISF Slag potentially contains 9,000 tonnes of Vanadium (V) (non-JORC) which is expected to be recovered in the form of vanadium pentoxide, which has a current aggregate market price in excess of US$15,000 per tonne.

Star Zinc, Zambia

In August 2016, we entered into a 60 day exclusive option agreement ("Exclusivity Agreement"), with Bushbuck Resources Limited of Zambia ("Bushbuck"), to acquire its Large Scale Prospecting Licence 19653-HQ-LPL ("Star Zinc") in an area to the immediate north of Lusaka, Zambia, for a total cash consideration of US$1 million plus taxes, conditional upon, inter alia, satisfactory completion of due diligence and the granting of Ministerial approval to the transfer of the licence. The area comprises 83 kms2 and the deposit was mined briefly in the 1950s by open pit mine with the ore treated at the Kabwe mine. Under the terms of the Exclusivity Agreement, we paid Bushbuck a non-refundable deposit of US$30,000 plus 16% VAT to undertake and complete the requisite due diligence over the title to Star Zinc.

Following the successful conclusion of due diligence, in November 2016, we entered into a sale and purchase agreement ("the Agreement") with Bushbuck to acquire Star Zinc and paid Bushbuck a refundable deposit of US$100,000. The Agreement will become unconditional upon satisfaction of the consideration of US$1.0 million, less the aforementioned sums, plus 16% VAT and property transfer tax (PTT) of approximately 10%. The PTT has had to be satisfied prior to the Agreement becoming unconditional.

We believe that the acquisition of Star Zinc will represent an important strategic step for BMR as the in situ ore contains high grade zinc ("Zn"). The ore is planned to be either blended with the tailings from the Leach Plant Residues, to improve metal recoveries, or used to raise the plant head grade to increase Zn production at the Company's proposed processing plant at Kabwe. This is expected to enhance the quality of the product, subject to test work to confirm its compatibility. This, in turn, the Company expects, will underpin the long-term future of the Kabwe operation. The Company's first priority will be to undertake a drilling programme on the karst fill/saprolitic material in the area of the present open pit to determine the extent of the, as yet, untested surface mineralisation and to establish a mineable resource. BMR plans initially to spend up to US$200,000 on this drilling programme over the next 18 months.

Ester Project, Portugal

In November 2016, we announced an option to acquire an 80% interest in a project in North Portugal with an exploration concession for tungsten, tin and potentially other minerals including gold and silver, (the "Ester Project") with previous historic workings. The option was granted by MineraliaMinas, Geotecnia E Construcoes, LDA, ("Mineralia") a private Portuguese geological and engineering company which holds a number of exploration concessions granted by the Government of Portugal.

The decision to enter into this joint venture (JV) agreement has enabled BMR to secure a unique opportunity in a strategically important sector of the mining industry and simultaneously meet the Company's strategy to grow, in a carefully targeted way, through both joint ventures and acquisitions.

The option, which has a term of 12 months, is exercisable upon the Company's expenditure of €140,000 which will be used primarily to fulfil the next 12 months' exploration costs required under the exploration concession. Upon exercising the option, the Ester Project will be transferred into a joint venture company to be owned 80% by BMR, which will appoint a majority of its board of directors. Mineralia will act as project operator in cooperation with BMR.

BMR has agreed, subject to exercise of the option, to pay deferred consideration to Mineralia of €100,000 upon the grant of a preliminary exploitation licence and €1,000,000 upon the grant of a definitive exploitation licence.

The Ester Project comprises 327 km2 and hosts the historic Rio de Frades (Frades) and Regoufe wolfram tungsten mines, last operated during the Second World War. The Ester Licence is located in the Portuguese tungsten belt, approximately 70 km north of the Pansquiera mine which is currently the only operating tungsten mine in the region. As part of its due diligence, BMR commenced preliminary fieldwork in late November and is working closely with Mineralia, analysing historic archived data, and the results of an aerial drone photographic survey designed to assist in the geological interpretation of the first target area.

In 2015, tungsten was one of the raw materials identified by the British Geological Survey, the US Department of Defence and the European Commission as a 'critical' raw material due to its economic importance and supply risk. Its main application is in the machine tool industry and as an alloy in the production of specialist high strength steels for use in the aerospace industry. Whilst northern Portugal has a long history of mining tungsten, currently China remains the world's largest supplier.

Directors, Consultants and Management

I am very grateful to Jeremy Hawke and Antony Gardner-Hillman in their respective capacities as Mining and Operations Director and Non-executive Director for their strong support and wise counsel as we steer through the channels in the successful development of the Company for our shareholders. I am also particularly grateful to Dennis Bailey as Senior Consultant and Company Secretary, a close colleague who is retiring from the Company at the end of the year. In addition, we recognise the sterling efforts of our personnel at Kabwe led by Geoff Casson in their dedicated commitment to the construction of the Plant for the critical conversion of our tailings into revenues.

We were pleased to announce the appointment of various senior personnel to complement our small but experienced team at BMR.

Plant Construction Manager: Mr Jeff Livesey has been contracted to manage the construction of the Company's Plant at Kabwe. Jeff is a professional plant construction manager who has recently completed a series of projects for different divisions of Anglo American in South Africa. He will be resident in Kabwe during construction until the Plant is commissioned.

Project Development Consultant: Mr Peter Kilroy has been contracted to manage the Ester Project. Peter is a Mining Engineer having graduated from the University of the Witwatersrand, South Africa, later obtaining an MSc from the Royal School of Mines, Imperial College London. During his career he has worked for Anglo American, BHP Billiton and later as a mining consultant on a wide range of projects in Africa, Europe and South America. Peter is a Portuguese speaker and is able to bring a wide range of managerial and organisational skills to this assignment.

Group Geologist: Ms Steph Wilk has an MSc in Earth Sciences from the Royal School of Mines, Imperial College, London. She has six years' field experience, three of which were spent working as an exploration geologist in Australia. She also brings a range of data analysis and computer processing skills that will strengthen the Company's ability to investigate and evaluate any acquisition opportunities.

Plant Metallurgist: Mr Luther Banda has a BSc in Metallurgy and Mineral Processing from the University of Zambia, School of Mines, Lusaka. Luther recently worked for Mopani Copper Mines (Glencore) in the Nkana Leach Plant as Senior Assistant Metallurgical Engineer. His responsibilities are to manage the metallurgical performance and production of the Plant once in operation. In the meantime he is supervising BMR's ongoing test work programme which is designed to optimise and improve all phases of the metallurgical process and de-risk the plant commissioning phase.

Fund raisings and share capital

We have successfully raised equity funds for the Company during the year, the net proceeds of which are being applied principally in the construction of the Plant at Kabwe.

In October 2015, we announced the successful raising of £750,000, before expenses, by way of a placing of 18,750,000 new ordinary shares at 4p per share. For each new share subscribed, a warrant was issued entitling the holder, on exercise, to subscribe for a further new ordinary share at 7.0p per share in the 42 days following the publication of these results (the "7p Warrants").

Following this placing, we committed to make a similar amount of new shares available to shareholders and, in January 2016, we announced an open offer to shareholders of one new share for every six shares held at 3p per share, in addition to a matching 7p Warrant. I was pleased to announce that the Company successfully raised approximately £414,524 by the issue of 13,817,453 new ordinary shares at 3.0p per share, through the open offer. I subscribed £20,000 in the open offer for 666,666 new ordinary shares.

In April 2016, we raised £395,200 before expenses, by way of a placing of 9,298,823 new ordinary shares at 4.25p per share. Each placee also received for each share subscribed a 7p Warrant.

Subsequent to the year end, in October 2016, we raised £620,000 before expenses, by way of a placing of 9,253,731 new ordinary shares each in the capital of the Company at 6.7p per share. Each placee also received for each share subscribed a 7p Warrant. The net proceeds of this placing are expected to be invested mainly in the Star Zinc project following the exercise.

In total, there are now 51,120,007 warrants capable of exercise for subscription into 51,120,007 new ordinary shares at 7p per share in the 42 days following the publication of these results. Therefore, if all the warrants are exercised, on or before 10 February 2017, the Company would raise in total £3,578,400 which would be used for the Plant construction at Kabwe and general working capital purposes.

Some shareholders holding warrants have already subscribed in advance for new ordinary shares and I will exercise my 666,666 Warrants at 7p each and subscribe in full for new ordinary shares.

The Company also has in issue options over 17,383,172 new ordinary shares issued to Directors and management to subscribe at 6p per share. 25% of these options have vested while the balance vests on the achievement of certain milestones: 25% on the first announcement of interim or year-end results following successful testing of the Plant; 25% on first announcement of interim or year-end results following first revenue from a commercial sale of product from the Plant; and 25% on the announcement of the next interim or year-end results thereafter, demonstrating a continuing commercial revenue stream.

Other Developments

While our principal focus is on the Kabwe Plant, we continue to address legacy issues in the Company. In respect of the investigation we conducted into financial irregularities at the Company prior to my appointment in October 2014, resulting in the write-downs and provisions of £10.3 million in respect of prior years and announced with the results for the year ended 30 June 2014, the Company submitted particulars of claim against certain entities, not being party to the settlement agreement entered into in February 2015 where the Directors are confident of success. This action is being undertaken on the basis of a fee aligned to success.

We continue to have discussions with HMRC, following HMRC's decision to de-register BMR for VAT with effect from 1 August 2015 with an assessment for previous VAT and interest thereon amounting to £374,350 at 30 June 2016. We have reviewed recent case law on VAT recoveries and the Directors are confident, following advice that the Company has received, that our case has certain merits justifying our position for seeking an appeal.

On 25 November 2016, the independent Directors announced that BMR had made an indicative offer for Metal Tiger Plc, an investing company on AIM in the natural resources sector, of which I was also CEO from 17 October 2016. However, the terms, following this announcement, were then rejected by the independent directors of Metal Tiger Plc as fundamentally undervaluing that company. As a result, on 29 November 2016, the independent BMR Directors announced the formal withdrawal from the indicative offer with minimal costs accruing to the Company.

Results for the year

The Company reported a loss before taxation for the year of £1.13 million (2015: £1.59 million, after adjusting for other income of £960,000 from the settlement agreement in February 2015). Administrative expenses amounted to £1.1 million (2015: £2.41 million). Exchange translation differences on foreign operations were £1.76 million (2015: £0.7 million). Adjustments for share-based payments were £0.03 million (2015: £0.05 million). Loss per ordinary share was 0.75p (2015: 1.19p).

Consolidated net assets at 30 June 2016 amounted to £10.35 million (2015: £8.2 million) including cash and cash equivalents of £1.01 million (2015: £0.78 million).

AGM and Resolutions

The resolutions for the forthcoming Annual General Meeting are contained in a separate Notice which will be made available to shareholders 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 Tuesday 24 January 2017 at the offices of WH Ireland Limited, 24 Martin Lane, London EC4R 0DR.

Outlook

I believe we have successfully delivered on a number of key fronts for our shareholders during the year under review.

We have refined our processing methodology for the treatment of the tailings held at Kabwe, received the requisite approvals from ZEMA, raised significant trade finance as well as equity finance for the Plant and commenced its construction. We have also achieved visibility of revenues with the signing of the off-take agreement from the commercial operation of the Plant which we expect to be commissioned in Q3 2017.

Furthermore, we have expanded the asset base of the Company with the expected acquisition of Star Zinc which will extend the life of the Plant and the Company has the opportunity for further expansion in Portugal with the option for a majority stake in the Ester Project.

We will continue to consider opportunities to expand the business for increasing shareholder value while our principal focus through the current year will be on the commissioning of the Plant.

We are pleased to have expanded our team with experienced personnel. We welcome our new shareholders and are grateful to our long standing shareholders who remain very supportive of our developments.

I believe we are now well-placed to deliver significant value for our shareholders.

Alex Borrelli

Executive Chairman

28 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BMR GROUP PLC

We have audited the financial statements of BMR Group PLC for the year ended 30 June 2016 which comprise the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statements of Comprehensive Income, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statement of Changes in Equity and the related notes numbered 1 to 24.

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

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.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The financial statements have been prepared on the going concern basis, which depends on the receipt of current financing arrangements and the ability to raise further financing. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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 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.

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

28 December 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2016

		2016	2015
	Notes	£	£
Administrative expenses	6	(1,096,658)	(2,414,281)
Impairment provision charge	6	-	(83,272)
Share based payment	19	(31,714)	(52,786)

Total administrative expenses		(1,128,372)	(2,550,339)
Other income	6	-	960,000
Finance expense	6	(2,078)	(1,937)
Finance income	6	2,759	1,614
Loss before tax		(1,127,691)	(1,590,662)
Taxation	9	-	-
Loss for the year		(1,127,691)	(1,590,662)
Other comprehensive loss			
Items that may be reclassified subsequently to profit and loss:			
Exchange translation differences on foreign operations		1,762,673	705,218
Total comprehensive Income/(loss) for the year attributable to equity holders of the parent company		634,982	(885,444)
Loss per ordinary share			
Basic and diluted (pence)	10	(0.75)p	(1.19)p

The notes on pages 37 to 66 form part of these of financial statements

All amounts are derived from continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

Company No. 02401127

	Notes	2016	2015
		£	£
Assets			
Non-current assets			
Intangible exploration and evaluation assets	11	11,957,768	9,811,527
Property, plant and equipment	12	91,242	65,924
		12,049,010	9,877,451
Current assets			
Trade and other receivables	14	52,569	199,911
Cash and cash equivalents	15	1,014,354	785,881
		1,066,923	985,792
		13,115,933	10,863,243
Total assets			
Liabilities			
Current liabilities			
Trade and other payables	17	537,819	752,136
Total current liabilities		537,819	752,136
Non current liabilities			

Deferred tax	16	2,226,035	1,906,525
		2,226,035	1,906,525
Total non current liabilities			
Total liabilities		2,763,854	2,658,661
Net assets		10,352,079	8,204,582
Equity			
Share capital	18	21,310,951	20,892,288
Share premium	18	21,759,953	20,697,815
Share based payment reserve	19	84,500	52,786
Merger reserve		1,824,000	1,824,000
Translation reserve		1,499,187	(263,486)
Retained earnings		(36,126,512)	(34,998,821)
Total equity		10,352,079	8,204,582

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2016 and were signed on its behalf by

M A Borrelli
Executive Chairman

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended 30 June 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss before tax	(1,127,691)	(1,590,662)
Adjustments to reconcile net losses to cash utilised :		
Amortisation of exploration and evaluation assets	98,870	73,707
Depreciation of property, plant and equipment	39,604	40,409
Loss on disposal of fixed asset	-	34,995
Loss on disposal of intangible asset	-	80,313
Finance income	(2,759)	(1,614)
Share based payments	31,714	52,786
Operating cash outflows before movements in working capital	(960,262)	(1,310,066)
Changes in:		
Trade and other receivables	401,401	(83,345)
Trade and other payables	(211,032)	(337,894)
Net cash outflow from operating activities	(769,893)	(1,731,305)
Investing activities		
Interest received	2,759	1,614
Purchases of property, plant and equipment	(67,605)	(9,311)
Disposals of property, plant and equipment	18,095	44,538
Purchases of intangible exploration and evaluation assets	(411,054)	(159,530)

Net cash outflow from investing activities:	(457,805)	(122,689)
Cash flows from financing activities		
Proceeds from settlement agreement	-	960,000
Proceeds from issue of shares and warrants	1,559,724	1,000,000
Share issues costs	(78,923)	(50,000)
Net cash inflow from financing activities	1,480,801	1,910,000
Net increase in cash and cash equivalents	253,103	56,006
Effect of foreign exchange rate changes	(24,630)	(20,820)
Cash and cash equivalents at beginning of year	785,881	750,695
Cash and cash equivalents at end of year	1,014,354	785,881

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016

	Share capital	Share premium	Share based payment reserve	Merger reserve	Translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
As at 1 July 2014	20,178,002	20,462,101	-	1,824,000	(968,704)	(33,408,159)	8,087,240
Total comprehensive loss for the year	-	-	-	-	705,218	(1,590,662)	(885,444)
Issue of shares	714,286	285,714	-	-	-	-	1,000,000
Share issue costs	-	(50,000)	-	-	-	-	(50,000)
Share based payment	-	-	52,786	-	-	-	52,786
As at 30 June 2015	20,892,288	20,697,815	52,786	1,824,000	(263,486)	(34,998,821)	8,204,582
Total comprehensive loss 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

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 2016

Company No. 02401127

	Notes	2016 £	2015 £
Assets			
Non-current assets			
Property, plant and equipment	12	7,601	20,865
Investment in subsidiaries	13	10,031,706	7,969,380
		10,039,307	7,990,245
Current assets			
Trade and other receivables	14	30,850	182,022
Cash and cash equivalents	15	954,260	714,281
		985,110	896,303
Total assets		11,024,417	8,886,548
Liabilities			
Current liabilities			
Trade and other payables	17	517,325	733,230
Total liabilities		517,325	733,230
Net assets		10,507,092	8,153,318

Equity			
Share capital	18	21,310,951	20,892,288
Share premium	18	21,759,953	20,697,815
Share based payment reserve	19	84,500	52,786
Merger reserve		1,824,000	1,824,000
Retained earnings		(34,472,312)	(35,313,571)
Total equity		10,507,092	8,153,318

The financial statements were approved by the Board of Directors and authorised for issue on 28 December 2016 and were signed on its behalf by

M A Borrelli

Executive Chairman

COMPANY STATEMENT OF CASH FLOW

for the year ended 30 June 2016

	2016	2015
	£	£

Cash flows from operating activities		
Profit/(loss) before tax	841,259	(70,682)
Adjustments to reconcile net losses to cash utilised :		
Foreign exchange gains on foreign subsidiary loans	(1,615,588)	(714,411)
Depreciation of property, plant and equipment	3,724	16,465
Impairment of investment in subsidiaries	-	1,000,000
Finance income	(2,759)	(1,614)
Share based payments	31,714	52,786
Other impairment write down and provision	-	105,859
Operating cash outflows before movements in working capital	741,650	388,403
Changes in:		
Trade and other receivables	151,172	(81,915)
Trade and other payables	(215,905)	(1,210,026)
Net cash outflow from operating activities	(806,383)	(903,538)
Investing activities		
Interest received	2,759	1,614
Loans to subsidiaries	(446,738)	(1,013,608)
Purchases of property, plant and equipment	(8,555)	-
Disposals of property, plant and equipment	18,095	34,018
Net cash outflow from investing activities:	(434,439)	(977,976)
Cash flows from financing activities		
Proceeds from settlement agreement	-	960,000
Proceeds from issue of shares and warrants	1,559,724	1,000,000
Share issue costs	(78,923)	(50,000)

Net cash inflow from financing activities	1,480,801	1,910,000
Net increase in cash and cash equivalents	239,979	28,486
Cash and cash equivalents at beginning of year	714,281	685,795
Cash and cash equivalents at end of year	954,260	714,281

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016

	Share capital	Share premium	Share based payment reserve	Merger reserve	Retained earnings	Total equity
	£	£	£	£	£	£
As at 1 July 2014	20,178,002	20,462,101	-	1,824,000	(34,528,478)	7,935,625
Total comprehensive loss for the year	-	-	-	-	(785,093)	(785,093)
Issue of shares	714,286	285,714	-	-	-	1,000,000
Share issue costs	-	(50,000)	-	-	-	(50,000)
Adjustment of reserve on warrants exercised and lapsed	-	-	52,786	-	-	52,786
As at 30 June 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

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 2016

1. GENERAL INFORMATION

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

The Company was formerly named BMR Mining PLC and, on 10 February 2016, the Company was renamed BMR Group PLC.

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 ('IFRS') 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 IFRS.

The principal accounting policies adopted are set out below.

The Group financial information is presented in Pounds Sterling ("£"). For reference the year end exchange rate from Pounds Sterling to US Dollar was 1.339 (2015: 1.5717). The Zambian subsidiaries are now accounted for in US$ so the Pounds Sterling to Zambian Kwacha exchange rate was not used (2015: 11.5449).

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 profit for the financial year ended 30 June 2016 of £841,259 (2015: loss of £785,094).

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.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources with a combination of its cash balances and facility entered into with Africa Compass International ("ACI") to continue in operational existence for the foreseeable future. The facility with ACI provides the Group upon achievement of various milestones, through to commissioning of the plant and proof of saleable product, up to US$4.2million for use in connection with the plant and materials processed in Zambia. The Group has post year end submitted the first drawdown request but has not yet received it. 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 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 Q3 2017. 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 addition, the Directors expect the Group to generate revenues from the sale locally of its Waelz kiln slag for building blocks in the construction sector, subject to the approval of the Zambia Environmental Management Agency ("ZEMA"). At present, the Company has lodged an appeal with ZEMA after its application for such sale with an Environmental Project Brief was rejected.

The Directors therefore believe that the current cash resources are sufficient for the Group's current operations and for establishing the enhanced plant and commencing preparations for the planned main plant over the forthcoming 12 months

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.

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.

Foreign currencies (continued)

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.

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

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.

Intangible exploration and evaluation assets

Intangible exploration and evaluation assets comprise land use rights, mining licences and Exploration and Evaluation ("E&E") costs.

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.

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.

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

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.

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.

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.

Impairment of E&E 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 f lows 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.

Related party transactions

IAS 24, 'Related Party Disclosures', requires the disclosure of the details of transactions between the reporting entity and related parties which are disclosed in Note 22. In the consolidated financial statements, all transactions between Group companies are eliminated.

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.

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.

Assets under hire purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out as above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

Hire purchases are classified as finance leases as the terms of the lease transfer substantially all of the risk and rewards of ownership to the lessee

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.

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) Recoverability of exploration and evaluation assets

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IFRS 6 Exploration for and Evaluation of Mineral Resources. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of the Group's exploration and evaluation assets at the balance sheet date was £11,957,768 (2015: £9,613,911). 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 through its cash balances 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 2016 (2015: £nil) in the Group and the Company balance sheets.

iv) Share based compensation

In order to calculate the charge for share-based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 19.

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, th e exploitation and development
of mineral resources and only two geographical segments being Zambia and the UK.

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

	UK	Zambia	Total
	£	£	£
2015			
Profit/(loss) before tax	214,906	(1,805,568)	(1,590,662)
Non-current assets			
Intangible exploration and evaluation assets	-	9,811,527	9,811,527
Property, plant and equipment	20,865	45,059	65,924
	20,865	9,856,586	9,877,451
Current assets			
Trade and other receivables	182,022	17,889	199,911
Cash and cash equivalents	714,281	71,600	785,881

	896,303	89,489	985,792
Total assets	917,168	9,946,075	10,863,243
Current liabilities	733,232	18,904	752,136
Non-current liabilities	-	1,906,525	1,906,525
Net assets	183,936	8,020,646	8,204,582

	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
Current assets			
Trade and other receivables	30,850	21,719	52,569
Cash and cash equivalents	954,260	60,094	1,014,354
	985,110	81,813	1,066,923
Total assets	992,711	12,123,222	13,115,933

Current liabilities	517,325	20,494	537,819
Non-current liabilities	-	2,226,035	2,226,035
Net assets	475,386	9,876,693	10,352,079

6. LOSS FOR THE YEAR

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

	2016	2015
	£	£
Depreciation of property, plant and equipment (note12)	39,604	40,409
Loss on disposal of property, plant and equipment	-	34,995
Gain on disposal of property, plant and equipment	-	44,538
Loss on disposal of intangibles	-	80,313
Amortisation of intangibles	98,870	73,707
Impairment provision charge **	-	83,272
Settlement monies received as compensation	-	(960,000)
Operating lease costs (Office rental costs)	72,184	166,709
Staff costs (note 8)	229,304	272,534
Share based payment charge	31,714	52,786
Finance income	(2,759)	(1,614)
**Impairment provision (write back)/ charge arising from:-		
- Other payable write back	-	(22,587)
- Increase in VAT provision	-	105,859
	-	83,272

7. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2016	2015
	£	£
Fees payable to the company's auditor for the audit of the company and group's financial statements	22,500	22,000
Fees payable to the company's auditor for other services:		
Other services relating to forensic investigation work	-	62,603
Other services relating to taxation work	2,750	-
	25,250	84,603

8. STAFF COSTS

	2016	2015
	Number	Number
Directors	3	4
Consultant	2	2
Support staff (including Zambia employees)	31	33
The average monthly number of employees	36	39

Their aggregate remuneration comprised:-	£	£
Fees	139,504	132,080
Wages and salaries	89,800	162,807
Share based option charges	23,961	35,895
Pension	-	8,100
Social security costs	-	4,547
	253,265	343,429

Included within staff costs £139,504 (2015: £159,662) relates to amounts in respect of Directors.

The highest paid Director's emoluments was £64,500 (2015: £93,917)

9. TAXATION

	2016	2015
	£	£
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:

	2016	2015
	£	£
Loss before tax	(1,082,612)	(1,590,662)
Tax credit at the standard rate of tax in the UK	216,522	318,132
Tax effect of non-deductible expenses	(27,671)	(15,058)
Deferred tax asset not recognized	(188,851)	(303,074)
Tax for the year	-	-

The standard rate of corporation tax in the UK applied during the year was 20% (2015: 20%).

9. TAXATION (continued)

At 30 June 2016, the Company and Group are carrying forward estimated tax losses of £13.5m (2015: £12.5m) 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 £3.99m (2015: £3.72m) 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.

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:

	2016	2015
	£	£
Loss before tax		
Loss for the purpose of basic loss per share being consolidation net loss attributable to equity holders of the Company	1,127,689	1,590.662
	2016	2015
	Number	Number
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per shares		
	150,964,537	133,631,260
Loss per ordinary share		
Basic and diluted	0.75p	1.19p

At the balance sheet date there were 20,339,403 (2015: 20,339,403) potentially dilutive Ordinary Shares. Potentially dilutive ordinary shares relate to warrants and share options issued to directors, consultants and third parties. In 2016 and 2015, the potential Ordinary shares are anti-dilutive and therefore the diluted loss per share has not been calculated.

11. INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	Land use Rights £	Small scale licence £	Large scale licence £	Exploration and evaluation assets £	Total £
GROUP					
Cost					
At 30 June 2014	3,007,123	570,163	1,696,484	8,937,532	14,211,302
Additions	-	-	-	159,530	159,530
Disposals	(89,029)	-	-	-	(89,029)
Foreign exchange difference	(148,176)	(70,322)	-	195,053	(23,445)
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
Accumulated depreciation					
At 30 June 2014	(1,936,899)	(224,457)	(1,696,484)	(524,000)	(4,381,840)
Charge for the year	(25,696)	(48,011)	-	-	(73,707)
Disposals	8,716	-	-	-	8,716
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)
Foreign exchange difference	-	(89,553)	-	-	(89,553)

At 30 June 2016	(1,985,345)	(429,425)	(1,696,484)	(524,000)	(4,635,254)
Carrying amount					
At 30 June 2016	1,087,962	317,401	-	10,552,406	11,957,769
At 30 June 2015	816,039	227,373	-	8,768,115	9,811,527
At 30 June 2014	1,070,224	345,706	-	8,413,532	9,829,462

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.

Incorporated in the Exploration and Evaluation 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, to the extent of the funding requirement for the development of the production plant, using conservative discount rates, which are well in excess of the costs capitalised as intangible assets in the balance sheet.

	Net Book Value of Assets Acquired £	Fair Value Adjustment £	Fair Value £
Exploration and evaluation assets	1,959,324	7,332,791	9,292,115
Other net assets acquired	411,054	-	411,054
Foreign exchange difference	144,350	1,228,887	1,373,237
	2,514,728	8,561,678	11,076,406
Impairment provision	(274,000)	(250,000)	(524,000)

	2,240,728	8,311,678	10,552,406
Deferred tax (note 16)	-	(2,226,035)	(2,226,035)
	2,240,728	6,085,643	8,326,371

The value now included in the exploration and evaluation assets amounts to £8,311,678. 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 2020, the expiry date of the small scale license. 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:

	2016	2015
Discount rate	20%	20%
Prevailing Metal prices** (per tonne)		
- Zinc	$2,377	$1,745
- Lead	$2,105	$1,760
Metal recovery rate from processing as follow:		
- Zinc	80%	50/80%
- Lead	85%	85%
Estimated monthly tonnage of Zinc and Lead (JORC Compliant)	29,200	29,200

** Prevailing metal prices extracted from London Metal Exchange as at 3 October 2016

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.

12. PROPERTY PLANT AND EQUIPMENT

	Land and Buildings £	Motor Vehicles £	Other £	Total £
GROUP				
Cost				
At 30 June 2014	26,101	110,425	166,882	303,408
Additions	-	6,929	2,382	9,311
Disposals	-	(46,654)	(103,753)	(150,407)
Foreign exchange difference	(2,394)	(5,503)	(1,778)	(9,675)
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
Accumulated depreciation				
At 30 June 2014	-	(45,669)	(122,496)	(168,165)
Charge for the year	-	(23,901)	(16,508)	(40,409)
Disposals	-	12,636	102,776	115,412
Foreign exchange difference	-	5,124	1,325	6,449
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)
Carrying amount				
At 30 June 2016	34,449	4,595	52,198	91,242
At 30 June 2015	23,707	13,387	28,830	65,924
At 30 June 2014	26,101	64,756	44,386	135,243

The carrying amount of motor vehicles held under finance lease amounted to £nil (2015: £nil).

	Motor Vehicles £	Other £	Total £
COMPANY			
Cost			
At 30 June 2014	46,654	42,532	89,186
Disposals	(46,654)	-	(46,654)
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
Accumulated depreciation			
At 30 June 2014	(6,804)	(11,034)	(17,838)
Charge for the year	(5,832)	(10,633)	(16,465)
Disposals	12,636	-	12,636
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)
Carrying amount			
At 30 June 2016	-	7,601	7,601

At 30 June 2015	-	20,865	20,865
At 30 June 2014	39,850	31,498	71,348

The carrying amount of motor vehicles held under finance lease amounted to £nil (2015: £nil).

13. INVESTMENT IN SUBSIDIARIES

	Cost of Investment £	Long Term Loans £	Total £
COMPANY			
Cost at 30 June 2014	4,676,701	3,279,073	7,955,774
Advance to subsidiary undertakings	-	321,438	321,438
Effect of forex exchange rate charges		692,168	692,168
Impairment	-	(1,000,000)	(1,000,000)
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

The Company had investment in the following subsidiary undertakings at 30 June 2016 and 30 June 2015:

	Country of incorporation Activity and operation	Ordinary Shares held Company	Ordinary shares held Group

Name				
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.

The following dormant subsidiaries were struck off the register of Companies in Zambia on 25 February 2016.

Name	Activity	Country of incorporation	Ordinary shares held by Group and Company
Mukuba Chemical Enterprises Ltd	Asset holding	Zambia	74%
Ndola Mineral Resources Ltd	Tailings processing	Zambia	100%
Sensele Mineral Resources Ltd	Tailings processing	Zambia	80%
Mfubu Mineral Ltd	Tailings processing	Zambia	80%
Butale Mineral Resources Ltd	Tailings processing	Zambia	80%

14. TRADE AND OTHER RECEIVABLE

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Group and Company				
Prepayment	34,955	101,795	30,850	98,556
Other receivables	2,356	1,727	-	-

Vat receivable	15,258	96,389	-	83,466
	52,569	199,911	30,850	182,022

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.

15 CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents as at 30 June 2016 of £1,014,354 (2015: £785,881) comprise cash at bank and in hand.

The Company's cash and cash equivalents as at 30 June 2016 of £954,260 (2015: £714,281) 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 2015 and 1 July 2015	
	1,906,525
Foreign exchange difference	
At	319,510

At 30 June 2016	2,226,035

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	
	2016	2015	2016	2015
	£	£	£	£
Trade payables	119,395	151,330	119,395	144,749
Other taxes and social security	-	3,424	-	-
Other payables	-	164	-	-
Vat payable	374,350	374,350	374,350	374,350
Accruals	44,074	222,868	23,580	214,131
	537,819	752,136	517,325	733,230

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 (2015 - £374,350) in relation to VAT previously claimed including interest and this amount has been provided in full. The Company has appealed and submitted its case for continued registration after having sought professional advice.

18. SHARE CAPITAL AND SHARE PREMIUM

As permitted by the Companies Act 2006, the Company does not have an authorised share capital (2015: nil)

	2016	2015

Issued equity share capital	Number	£	Number	£
Issued and fully paid				
Ordinary shares of £0.001 each	173,831,727	1,738,317	131,965,451	1,319,654
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
		21,310,951		20,892,288

Conversion of settlement shares into deferred shares

Pursuant to the settlement agreement dated 18 February 2015, Masoud Alikhani, Barbara Alikhani and Lakeshore Trading Limited, formerly Swan Logistics Limited agreed, which was subsequently approved by shareholders at the Annual General Meeting on 28 May 2015, to convert their interest in (before the consolidation) 24,479,376 of £0.01 ordinary shares of the Company into (before the consolidation) 27,199,307 £0.009 deferred shares with no economic value or voting rights.

Re-organisation of share capital

At the Annual General Meeting on 28 May 2015 a resolution was passed and the Company completed a share re-organisation to reduce the par value of the existing ordinary shares comprising a sub division of 1,319,654,510 ordinary shares into 1,319,654,510 new £0.01 ordinary shares and a further 1,319,654,510 £0.009 deferred shares with no economic value or voting rights and the consolidation of those new ordinary shares into a new class of ordinary shares (New Ordinary Shares of £0.001 each) such that each existing holding of 10 ordinary shares will convert into 1 New Ordinary Share.

The deferred 1p shares 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 4p each have no rights to vote or to participate in dividends and carry limited rights on return of capital.

Deferred shares of £0.009 issued during the year:

	Number of shares	Nominal value
		£
At 30 June 2014	-	-
Conversion of ordinary shares into deferred shares following the settlement agreement on 18 February 2015	27,199,307	244,794
Deferred shares issued arising from		
Consolidation and subdivision of shares on 28 May 2015	1,319,654,510	11,876,890
At 30 June 2015	1,346,853,817	12,121,684

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

Shares issued during the year

	Number of shares	Nominal value	Share Premium
		£	£
At 30 June 2014	1,272,705,316	12,727,053	20,462,101
Ordinary shares issued during the year	71,428,570	714,286	285,714
Share issue costs	-	-	(50,000)
Conversion of ordinary shares into deferred shares following the settlement agreement on 18 February 2015	(24,479,376)	(244,794)	-
At 28 May 2015	1,319,654,510	13,196,545	20,697,815

Consolidation and subdivision of shares on 28 May 2015 (see note above)	131,965,451	1,319,654	20,697,815
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

Shares Issued	Number of Shares	Nominal Value	Share Premium
8 July 2014 at £0.01 each	35,714,285	357,143	142,857
19 August 2014 at £0.01 each	35,714,285	357,143	142,857
At 28 May 2015	71,428,570	714,286	285,714
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

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 2015 or date of appointment Number	Cancelled or Lapsed Number	Granted during the year Number	Exercised during the year Number	30 June 2016 or date of resignation Number
SHARE OPTIONS							
M A Borrelli	6p	A	6,070,411	-	2,139,832	-	8,210,243
J N Hawke	6p	A	2,903,240	-	1,023,397	-	3,926,637
Consultants	6p	A	4,222,895	-	1,023,397	-	5,246,292
Total options			13,196,546	-	4,186,626	-	17,383,172
SHARE WARRANTS							
Novum Securities	28p	B	7,142,857	-	-	-	7,142,857
Others	7p	C	-	-	41,866,276	-	41,866,276
Total Share Warrants			7,142,857	-	41,866,276	-	49,009,133
Total Share Options and Warrants			20,339,403	-	446,052,902	-	66,392,305

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.

Warrants

For each share issued during the year a warrant was issued to subscribe for a further new ordinary share at 7p per share in the 42 days following publication of BMR's results for the year ending 30 June 2016.

Share Options

On the 31 May 2016, the Company granted 4,186,626 share options of 1p to directors and senior executives at an exercise price of 6p exercisable before 31 May 2021. 25% of the options vested immediately and 3 further tranches of 25% will vest on the achievement of various milestones in the future. As a result of this the fair value of the share options was determined at the date of the grant using the Black Scholes model, using the following inputs:

Share price at the date of amendment	4.35p
Strike price	6p
Volatility	100%
Expected life	1,825 days
Risk free rate	0.5%

The resultant fair value of the share options was determined to be £31,714 (2015: £52,786), which was recognised in the income statement.

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

	2016	2015
Group	£	£
Financial assets		
Cash and cash equivalents	1,014,354	785,881
Other receivables classified as loan and receivables at amortised cost	17,614	98,116

	1,031,968	883,997
Financial liabilities classified as held at amortised cost		
Trade and other payables	493,745	529,268
	493,745	529,268
Company		
Financial assets		
Cash and cash equivalents	954,260	714,281
Other receivables classified as loan		
and receivables at amortised cost	-	83,466
	954,260	797,747
Financial liabilities classified as held at amortised cost		
Trade and other payables	493,745	519,099
	493,745	519,099

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.

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 E&E assets at fair value, are disclosed in note 12.

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 2015 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	
	2016	2015	2016	2015
Group				
	£	£	£	£
Zambian Kwacha	-	10,169	-	50,592
US Dollars	-	-	180,143	105,782
Company				

Zambian Kwacha	-	-	-	-
US Dollars	-	-	102,434	105,782

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 and Zambian Kwacha against Sterling

	2016	2015
	£	£
(Decrease)/increase in income statement and net assets (US $)	(16,751)	(9,117)
(Decrease)/increase in income statement and net assets (Kwacha)	-	(3,635)

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 2016, the Group held cash and cash equivalent of £1,014,354 (2015: £785,881) and the directors assess the liquidity risk as part of their going concern assessment (see note 3)

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

Company				Between	Between	Between
2016		On	In	1 and 6	6 and 12	1 and 3
	Total	demand	1 month	months	months	years
	£	£	£	£	£	£

Trade and other payables	517,325	35,819	83,576	23,580	374,350	-

Group

2015

	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	752,136	48,250	59,981	152,556	491,350	-

Company

2015

	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	733,232	48,250	49,812	143,820	491,350	-

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:

	2016	2015
	£	£
Land and buildings		

Within one year	5,250	64,500
Within 2-5 years	-	-
Total	5,250	64,500

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 (2015: £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 16 August 2016, the Company announced that it had entered into a 60 day exclusive option agreement ("Exclusivity Agreement"), with Bushbuck Resources Limited of Zambia ("Bushbuck"), to acquire its Large Scale Prospecting Licence 19653-HQ-LPL ("Star Zinc") in an area to the immediate north of Lusaka, Zambia, for a total cash consideration of US$1 million plus taxes, conditional upon, inter alia, satisfactory completion of due diligence and the granting of Ministerial approval to the transfer of the licence. Agreement with Bushbuck Under the terms of the Exclusivity Agreement, the Company paid Bushbuck a non-refundable deposit of US$30,000 ("Deposit") plus 16% VAT to undertake and complete the requisite due diligence over the title to Star Zinc, which can be extended from 60 days to 120 days at Bushbuck's discretion, in order for the Ministerial approval for the transfer of the Licence to be formalised. BMR is required, within seven days of such approval, to make payment of US$1 million, less the Deposit, plus 16% VAT and property transfer tax of 10%. The consideration is expected to be satisfied from the cash resources shortly to be made available under the terms of the anticipated loan facility of in connection with the off-take agreement announced on 8 August 2016.

On 23 September 2016, the Company announced that it had entered into a project construction and trade finance facility for up to US$5.2 million with African Compass International Limited ("ACI"), a private South African group engaged in mining, energy and agri-business. The Facility provides that ACI will make available upon achievement of various milestones, through to commissioning of the Kabwe plant and proof of saleable product (the "Final Milestone"), up to US$4.2 million for use in connection with the plant, and materials processed, at Kabwe. In addition, the Facility provides for the drawdown of US$1.0 million to satisfy the consideration payable to exercise the option agreement with Bushbuck Resources Limited for the acquisition of its Star Zinc Large Scale Prospecting Licence 19653-HQ-LPL in Zambia, as announced on 16 August 2016. Drawdowns under the Facility, which is interest free but involves an arrangement fee of US$0.1 million, are to be re-paid within 12 months of the Final Milestone, by set off against product revenues due from ACI, or, at EML's election, in cash.

On 28 October 2016, the Company issued 9,253,731 ordinary shares of 1p each at a price of 6.7p per share raising £620,000. In addition for each share a warrant was issued to subscribe for a further new ordinary share at 7p per share in the 42 days following publication of BMR's results for the year ending 30 June 2016.