

BMY Group Pty Ltd

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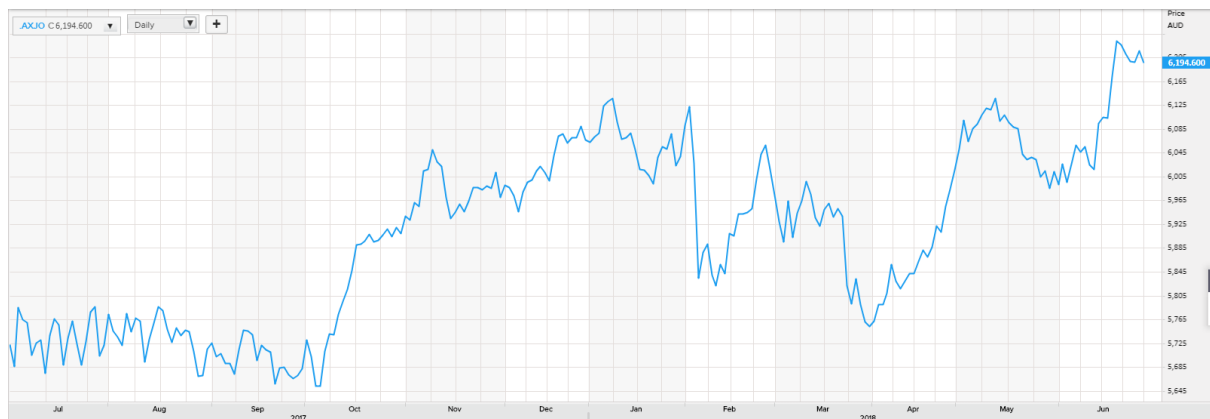
Annual Investment Managers Report to Investors BMYG Australia IPO Opportunities Fund – Tranche 3

Dear Investors,

Thanks a lot for your support!

Executive Summary:

The Australian equity market has experienced both ups and downs during the last financial year. As the number of IPOs moderately increased in third quarter of last calendar year, the secondary market in Australia became more active. This somewhat meets our expectation that the Australian economy will begin to recover.



Graph 1: ASX 200 Index Movement (Source: Thomson Reuters)

Unfortunately, our investment into TZN experienced some headwinds in the first 6 months in 2018. However, the fundamentals of the company's assets are not changed. We understand the delay on the timing of completing the DFS and getting the mining license created less confidence among some investors. We still have the view that the value of the assets is unchanged and will closely observe the market to make decisions.

Investment Description:

The Fund is holding the following investment at the end of FY2018:

1. **TZN:** This is a base and precious metal development company with advanced zinc and gold projects in Algeria and SA. During this quarter, the company completed final design and environmental impact assessment for Tala Hamza project. This project however was delayed for about 3 months, causing the share price to fall. However, we are not too concerned about the temporary share price movement and confident that the company will get its mining license this year. At the same time, the company is considering the demerger of its base and precious metals business. The demerger is expected to provide strategic clarify in company direction and improve operation efficiency for each division. We would expect to see the positive impacts on secondary market.

Future Investment Outlook:

According to Information Memorandum, the intention of the Fund is to fully invest in Terramin Australia Ltd. (ASX: TZN). Going forward, no further investment will be made. We intend to start divesting from this investment once more positive news of the company is announced and better value and returns can be realised.

We would like to thank you for your continued support in the Fund. Please do not hesitate to contact our office if you have any questions.

Kind regards



Julius Wei
Director
BMY Group Pty Ltd