



BMG Resources Limited

ACN 107 118 678

Rights Issue Prospectus

For a conditionally wholly underwritten renounceable pro rata offer of five (5) New Shares for every one (1) Share held by Shareholders registered at 5.00pm (WST) on the Record Date at an issue price of \$0.008 per New Share, with one (1) free attaching Option exercisable at \$0.02 each on or before 30 June 2019 for every two (2) New Shares to raise approximately \$2.56 million before costs (**Rights Offer**), and for the offer of the shortfall to the Rights Offer (**Shortfall Offer**).

Conditionally wholly underwritten by Patersons Securities Limited.

The Offer opens on 1 December 2016 and closes at 5.00pm (Perth time) on 12 December 2016 (unless extended).

This document contains important information about the Offers. You should read the entire document. Please read the instructions in this document and the accompanying Entitlement and Acceptance Form regarding your Entitlement. If you have any questions about the Offers or this Prospectus, you should speak to your professional adviser.

The securities offered by this Prospectus should be considered speculative.

Important information

Prospectus

This Prospectus is dated 24 November 2016 and was lodged with ASIC on that date. Neither ASIC, ASX nor their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for the offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Securities will be made to ASX within 7 days after the date of this Prospectus.

Electronic prospectus

This Prospectus may be viewed in electronic form at www.bmgl.com.au by Australian investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request during the Offer Period by contacting the Company. The information on www.bmgl.com.au does not form part of this Prospectus.

Risk factors

Investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors are set out in Section 1.4 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

Overseas Shareholders

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. By applying for New Securities, including by submitting the Entitlement and Acceptance Form or making a payment using BPay@ you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Entitlement and Acceptance Form (including electronic copies) outside Australia and New Zealand may be restricted by laws and persons who come into possession of it should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

No action has been taken to register or qualify this Prospectus, the New Securities or the Offers, or otherwise to permit a public offering of the New Securities, in any jurisdiction outside Australia and New Zealand.

Please refer to Sections 2.3 and 3.11 for further details of requirements applicable to certain countries in which Shareholders may reside.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's

website www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Securities of the Company.

No person is authorised to give any information or make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company in connection with this Prospectus.

Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current expectations about future acts, events and circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accepting the Offers

Applications for New Securities may only be made on an original application form as sent with this Prospectus. The Entitlement and Acceptance Form sets out the Entitlement of an Eligible Shareholder to participate in the Rights Offer. Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement. Applications for Securities under the Shortfall Offer must be made on the Entitlement and Acceptance Form if you are an Eligible Shareholder, or on a Shortfall Application Form if you are a new investor in the Company.

By returning an acceptance form or lodging an acceptance form with your stockbroker or otherwise arranging for payment for your New Securities in accordance with the instructions on the form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the Offers detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

Defined terms

Certain capitalised terms and other terms used in this Prospectus are defined in the Glossary of defined terms in Section 10.

Currency

All references in this Prospectus to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

Reference to time

All references in this document to time relate to Western Standard Time in Perth, Western Australia.

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Timetable for the Offers

The indicative Timetable for the Offers is as follows:

Event	Date
Announcement of Offers	Thursday, 24 November 2016
Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX)	Thursday, 24 November 2016
Notice of Offers sent to Shareholders	Friday, 25 November 2016
Ex-date (date from which Shares begin trading without the Right to participate in the Offers)	Tuesday, 29 November 2016
Rights trading commences	Tuesday, 29 November 2016
Record Date (to identify Shareholders entitled to participate in the Offers)	Wednesday, 30 November 2016
Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Thursday, 1 December 2016
Offers open (Opening Date)	Thursday, 1 December 2016
Rights trading ends	Monday, 5 December 2016
New Shares quoted on a deferred settlement basis	Tuesday, 6 December 2016
Last day to extend the Closing Date	Wednesday, 7 December 2016
Offers close (Closing Date)	Monday, 12 December 2016
Notice to ASX of Shortfall	Tuesday, 13 December 2016
New Securities issued	Friday, 16 December 2016
Quotation of New Securities on ASX commences	Monday, 19 December 2016

The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three Business Days notice to ASX before the Closing Date.

Corporate Directory

Directors

Anthony Trevisan
Chairman

Bruce McCracken
Managing Director

Simon Trevisan
Non-Executive Director

Malcolm John Castle
Non-Executive Director

Company Secretary

Fleur Hudson

Registered and Principal Office

BMG Resources Limited
Level 14, Parmelia House
191 St Georges Terrace
PERTH WA 6000

T: +61 8 9424 9320

F: +61 8 9321 5932

Email: enquiry@bmgl.com.au

Web: www.bmgl.com.au

Solicitors to the Offers

Jackson McDonald
Level 17
225 St Georges Terrace
PERTH WA 6000

T: +61 8 9426 6611

F: +61 8 9321 2002

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

T: +61 8 6382 4600

F: +61 8 6382 4601

Lead Manager and Underwriter

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
PERTH WA 6000

T: +61 8 9263 1111

F: +61 8 9325 5123

Share Registry

Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

T: +61 8 9315 2333

F: +61 8 9315 2233

Email: registrar@securitytransfer.com.au

ASX Code: BMG

1. Investment overview

1.1 Introduction

BMG Resources Limited (**BMG** or **Company**) is a minerals exploration and development company. The Company currently has a minority interest in Treasure Development Limited (**TDL**), a company based in the Republic of Cyprus which holds a number of minerals licences and is exploring for base and precious metals (**Treasure Project**).

BMG recently divested a majority interest in TDL and the Treasure Project as approved by Shareholders at the general meeting held on 22 February 2016, and is now focussed on securing new business opportunities. BMG is currently evaluating new investment opportunities with the potential for near term production or near term cash flow in both the resources and non-resources sectors. The Company believes that this new strategic approach will provide the best opportunity to create value for Shareholders.

1.2 Purpose of the Offers

The purpose of the Offers is to tidy up the Company's balance sheet and to raise working capital to pursue new investment opportunities. The Offers will raise funds up to \$2,556,914 (based on the number of Shares on issue at the date of this Prospectus), which are planned to be used as follows:

Use of funds	Amount at full subscription
Payment of accrued fees (net of amount written off) and repayment of loan to Transcontinental Investments Pty Ltd	\$562,857
Payment of accrued executive director's fees to Bruce McCracken (net of amount written off)	\$225,000
Payment of accrued non-executive director's fees to former Chairman, Christopher Eager (net of amount written off)	\$30,000
Payment of accrued non-executive director's fees to Malcolm Castle (net of amount written off)	\$67,452
Costs of the Offers	\$200,000
Working capital	\$1,471,605
Total	\$2,556,914

Notes:

1. The amount of \$562,857 payable to Transcontinental is comprised of fees in the amount of \$214,200 that have accrued and are payable by the Company to Transcontinental pursuant to the administration services agreement between the Company and Transcontinental as described in Section 8.2, and repayment of a loan provided by Transcontinental to the Company in the amount of \$348,657, as described in Section 8.3.
2. Executive director's fees in the amount of \$225,000 have accrued and are payable by the Company to Bruce McCracken as described in Section 8.7.
3. Non-executive director's fees in the amount of \$30,000 have accrued and are payable by the Company to former Chairman, Christopher Eager as described in Section 8.7.

4. Non-executive director's fees in the amount of \$67,452 have accrued and are payable by the Company to Malcolm Castle as described in Section 8.7.
5. If funds raised are less than full subscription, the Company will allocate those funds first towards the costs of the Offers, then to the repayment of debt, and then to working capital.
6. Working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.

The information in this table is a statement of present intention as at the date of this Prospectus. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time.

On completion of the Offers the Board believes the Company will have sufficient funds to achieve these objectives.

1.3 Company's exploration projects

BMG owns 30% of TDL which owns the Treasure Project in Cyprus, where it has been exploring for high-grade copper-gold-zinc-silver and nickel-copper-cobalt-gold deposits.

The Treasure Project has four project areas and currently comprises 10 licences for a total of 36.7 km². It includes nine advanced prospects where copper (+Au-Zn-Ag) was mined after 1920 and eleven other prospects where evidence of similar mineralisation is exposed. In addition, the Black Pine project area contains the Pevkos and Laxia Prospects where exposed massive sulphide veins containing very high grade copper, nickel, cobalt and gold have been successfully drilled, and two other prospects that are yet to be drilled.

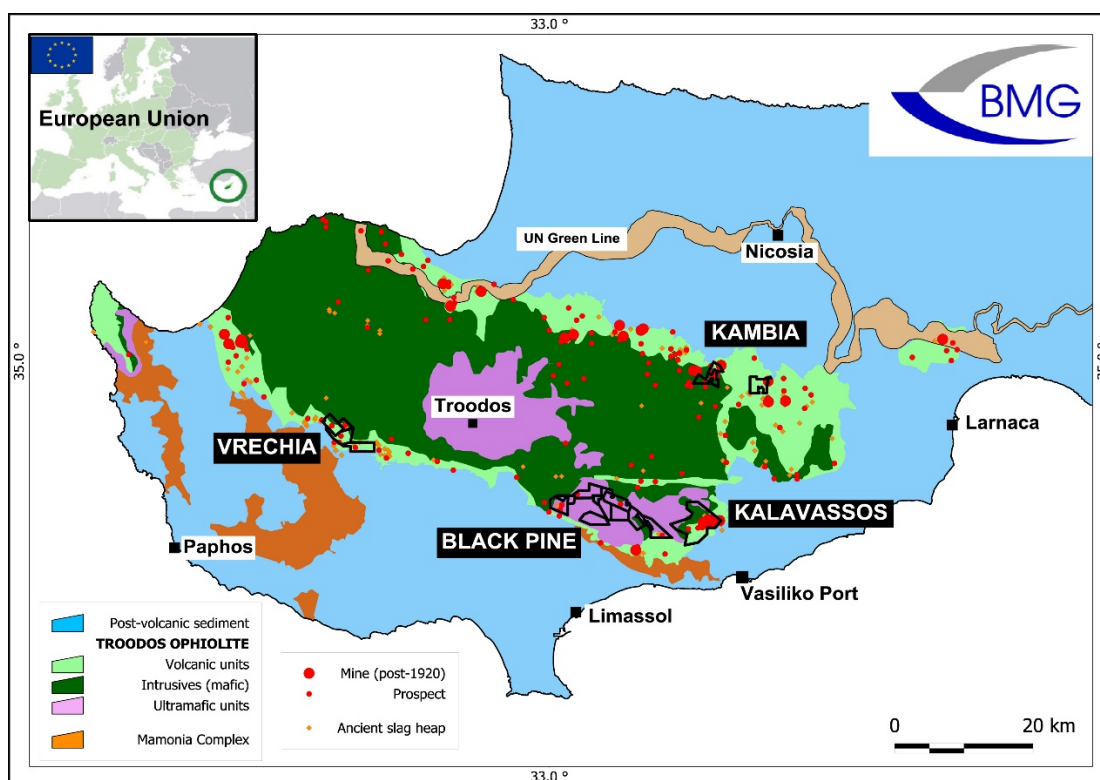


Figure 1: TDL's current tenement status in Cyprus.

The Company recently divested a majority interest in TDL to New Cyprus Copper Company Ltd (**New Cyprus**) which will maintain and fund TDL and the Treasure Project, with BMG retaining a free carried interest.

New Cyprus is currently undertaking a two year exploration programme, and once completed, BMG will transfer to New Cyprus an additional 20% of TDL (bringing New Cyprus's interest to 90%) and BMG will retain a 10% free-carried interest in TDL

New Cyprus may increase its interest in TDL to 100 % by acquiring the remaining 10% of TDL by either:

- payment to BMG of \$2 million in cash within 12 months of reaching its 90% interest; or
- payment to BMG of a 1% net smelter royalty until \$2 million is received by BMG, plus a 10% share of any profits generated during that time.

1.4 Key risks

In addition to risks specific to the Company as described in detail in Section 6, the risks set out below have been identified as being key risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its securities.

(a) Future capital requirements

The continued operations of the Company are dependent on its ability to obtain equity financing or generating sufficient cash flows from future operations. There is a risk that the Company will not be able to access capital from equity markets (or via any other forms of available financing) for its existing or future projects or developments, which could have a material adverse on the Company's business and financial condition.

(b) Exploration

The success of the Company depends in part on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

The actual costs of exploration may materially differ from those estimated by the Company. No assurance can be given that the cost estimates and the underlying assumptions used as a basis for those estimates will be realised in practice, which may materially and adversely affect the Company's viability.

(c) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates were appropriate when made, but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Company's future plans and ultimately its financial performance and value.

(d) Key personnel

Recruiting and retaining qualified personnel is important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and the Company may experience competition for such persons.

There can be no assurance that there will be no detrimental impact on the Company if such persons employed, cease their employment with the Company.

(e) Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through the future sale of uranium or gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for such commodities, forward selling by producers and the level of production costs. Moreover, prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, these commodities.

(f) Acquisition risk

There is a risk that the Company will not succeed in finding new projects or investments suitable for the Company. Any projects identified may not be successful and may increase the risk profile of the Company. Furthermore, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the Listing Rules if a new investment or acquisition by the Company is completed.

1.5 The Board

Anthony Trevisan Chairman

Mr Trevisan is the Chairman of the Transcontinental Group, including TRG Properties Pty Ltd. He has played major roles in a large number of corporate scenarios involving financing mergers and acquisitions, the restructuring of property and petroleum and mineral resources based public companies and the establishment of substantial operating businesses.

Mr Trevisan has had extensive experience in raising and structuring financial instruments to fund the development of a number of significant projects in Australia and overseas, and has been responsible for public offerings and the floating of companies on the Australian Stock Exchange and other major exchanges internationally involving well over a billion dollars. He has held senior executive positions in listed public companies with a wide range of interests including oil & gas, mining, industrial and property, including Mediterranean Oil & Gas Plc (founder and executive director, Ombrina Mare oil discovery), Arabex Petroleum NL (founder and executive director, Rubiales oil discovery), Callina NL (executive chairman, petroleum work-over project at Komi Oil field, Russia), Aqua Vital (Australia) Ltd (executive chairman, now owned by Coca Cola), TRG Properties and the Roy Weston Group (executive chairman) amongst others.

Bruce McCracken B Com, LLB, MBA, GAICD
Managing Director

Mr McCracken is an experienced business executive having spent over 20 years working across a broad range of industries based in Perth, Melbourne and Sydney, and is currently an Executive Director of mineral resource explorer Regalpoint Resources Ltd.

Mr McCracken has worked in the corporate sector as a Senior Executive with the Kirin Group-owned Lion Pty Ltd (previously Lion Nathan) and the private equity owned Amatek Group, now part of the Fletcher Building Group.

Before working in the corporate environment he was an Investment Banker based in both Perth and Melbourne in specialist corporate advisory and project finance roles, and has also practiced as a Banking and Finance Solicitor. During his time as an Investment Banker, Mr McCracken worked across a broad range of corporate and financial advisory assignments, primarily in the diversified industrials and mining and resources sectors.

Mr McCracken holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Western Australia, an MBA from Melbourne Business School and is a graduate of the Australian Institute of Company Directors.

Mr McCracken is the Chairman of the Board's Share Trading Committee.

In addition to his role with BMG, Mr McCracken is an Executive Director of Regalpoint Resources Ltd.

Simon Trevisan B Econ, LLB (Hons), MBT (UNSW)
Non-Executive Director

Mr Trevisan is the managing director of the Transcontinental Group of companies, including TRG Properties Pty Ltd and Transcontinental Investments Pty Ltd. He has significant experience in public and private investments, corporate finance and the management of large public and private businesses.

Mr Trevisan has been responsible for the funding and management of a number of public companies and the Transcontinental Group's substantial property investments. His experience includes the establishment and listing of Mediterranean Oil & Gas plc, an AIM listed oil and gas company with production assets and a substantial oil discovery in Italy, as well as the listing of Ausgold Ltd and the Company. Mr Trevisan has also been involved in the relisting on ASX of Aurex Consolidated Ltd amongst other ASX-listed companies. Further, he was also responsible for arranging debt funding for the development of in excess of \$500 million of property and significantly involved in arranging and drawing down of one of the first foreign bank project facilities for a resources development in Indonesia.

Mr Trevisan was executive chairman of Aurex Consolidated Ltd and a founding executive director of both Ausgold Limited and the Company. Mr Trevisan initially practised as a solicitor with Allens Arthur Robinson Legal Group firm, Parker & Parker, in the corporate and natural resources divisions.

Mr Trevisan is currently a director of ASX-listed Neurotech International Limited, a medical devices company, Zeta Petroleum plc, Regalpoint Resources Ltd, which is currently undertaking a capital raising and re-compliance listing, and is a board member of not for profit St George's College Foundation and St George's College Inc.

Mr Simon Trevisan is a member of the Board's Audit and Risk Committee, a member of the Share Trading Committee and a member of the Board's Nomination and Remuneration Committee.

Malcolm John Castle BSc (Hons), GCertAppFin (Sec Inst), MAusIMM
Non-Executive Director

Mr Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He has wide experience in a number of commodities including iron ore, gold, base metals, uranium and mineral sands. He has been responsible for project discovery through to feasibility study and development in Indonesia and the Pilbara in Western Australia and technical audits in many countries.

Mr Castle was a founding member and permanent employee of Fortescue Metals Group as Technical Services Manager for expansion projects and was an integral member of the team developing the definitive feasibility study for start-up projects at Cloudbreak and Christmas Creek. Mr Castle is the Chief Geologist for the Transcontinental Group.

Mr Castle completed a Bachelor's Degree in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), and has the appropriate relevant experience and qualifications to be an 'Expert' and 'Competent Person' under the Australian Valmin and JORC Codes respectively.

Mr Castle was appointed as a director of BMG Resources Limited on 24 November 2010.

Mr Castle is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee, a member of the Board's Audit and Risk Committee and a member of the Board's Share Trading Committee.

2. Details of the Rights Offer

2.1 The Rights Offer

The Company is making an underwritten pro rata offer of Shares (**New Shares**) to Eligible Shareholders (**Rights Offer**).

Eligible Shareholders will be entitled to apply for five (5) New Shares for every one (1) Share held at 5.00pm (WST) on the Record Date, at an issue price of \$0.008 per New Share, with one (1) free attaching Option exercisable at \$0.02 on or before 30 June 2019 for every two (2) New Shares (**Free Attaching Option**). The issue price is payable in full on application.

The Company presently has 63,922,852 Shares and 2,500,000 unlisted Options on issue.

Based on the number of Shares expected to be on issue on the Record Date, a total of 319,614,260 New Shares and 159,807,130 Free Attaching Options will be offered under the Rights Offer, raising \$2,556,914 before costs of the Rights Offer.

The purpose of the Rights Offer and the intended use of the funds raised is set out in Section 1.2.

Information about how to accept your Rights and apply for the New Shares is set out in Section 3.

2.2 Renounceable offer

The Rights Offer is renounceable. This means that Eligible Shareholders may sell their Rights under this Rights Offer. Please refer to Section 3.7.

2.3 Entitlement and eligibility

The Offers are made to Eligible Shareholders only.

All Shareholders with a registered address in Australia or New Zealand and who are registered as the holder of Shares at 5.00pm (WST) on Wednesday, 30 November 2016 (**Record Date**) are Eligible Shareholders. The Offers are not extended to Shareholders who do not meet this criteria.

The number of New Shares to which you are entitled is shown on your Entitlement and Acceptance Form accompanying this Prospectus.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fractions will be rounded to the nearest whole New Share, except where there is a half cent, in which case fractions will be rounded down.

To apply for New Shares under the Rights Offer, you must complete your Entitlement and Acceptance Form and lodge it with payment for the New Shares, or make a payment by the BPay® facility, by no later than 5.00pm (WST) on the Closing Date. Please see Section 3 for further information about accepting the Rights Offer.

Your rights to participate in the Rights Offer will lapse if you do not accept your Entitlement by the Closing Date. Any New Shares not applied for will form part of the Shortfall.

The Company reserves the right (in its sole discretion) to:

- (a) reject any application that it believes comes from a person who is not an Eligible Shareholder; and
- (b) reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Entitlement Offer proves to be false, exaggerated or unsubstantiated.

The Directors reserve the right not to proceed with the whole or any part of the Rights Offer at any time prior to the allotment of New Shares. In that event, relevant Application Monies will be refunded without interest.

2.4 Opening Date and Closing Date

The Offers will open for receipt of Applications on Thursday, 1 December 2016 (**Opening Date**) and will close at 5.00pm (WST) on Monday, 12 December 2016 (**Closing Date**). Subject to compliance with the ASX Listing Rules (as relevant), the Company reserves the right to close the Offers early or to extend the Closing Date.

2.5 No minimum subscription

There is no minimum subscription to the Offers. However the Underwriter has agreed to conditionally wholly underwrite the Rights Offer as set out in Section 2.6.

2.6 Underwriting and broking

The Rights Offer is conditionally wholly underwritten by Patersons Securities Limited (**Underwriter**).

The Underwriter has agreed with the Company to wholly underwrite the Rights Offer for up to 319,614,260 New Shares at \$0.008 (0.8 cents) per Share, and 159,807,130 Free Attaching Options, being a total commitment of \$2,556,914.

Related party and substantial Shareholder commitments

Transcontinental Investments Pty Ltd (**Transcontinental**) and TRG Equity Investments Pty Ltd (**TRG**) have each committed to taking up all of their Entitlements. This represents the following commitments:

- (a) for Transcontinental, a commitment of \$63,552.08, being 7,944,010 New Shares and 3,972,005 Free Attaching Options; and
- (b) for TRG, a commitment of \$196,192, being 24,524,000 New Shares and 12,262,000 Free Attaching Options.

In addition, each of Bruce McCracken, the Managing Director of the Company and Malcolm Castle, a Non-Executive Director of the Company have committed to take up all of their Entitlements. This represents the following commitments:

- (a) for Bruce McCracken, a commitment of \$40,000, being 5,000,000 New Shares and 2,500,000 Free Attaching Options; and
- (b) for Malcolm Castle, a commitment of \$23,914.24, being 2,989,280 New Shares and 1,494,640 Free Attaching Options.

The issue of New Shares and Free Attaching Options to each of Transcontinental, TRG, Bruce McCracken and Malcolm Castle as set out above, will raise funds to

partially satisfy the amounts due and payable by the Company to each of those persons, as set out in Section 1.2.

Sub-underwriting agreements

The Underwriter has entered into sub-underwriting agreements with each of Transcontinental, Bruce McCracken, and Malcolm Castle. Each sub-underwriter will sub-underwrite the Rights Offer to the following amounts:

- (a) for Transcontinental, \$301,962.92, representing 37,745,365 New Shares and 18,872,682 Free Attaching Options;
- (b) for Bruce McCracken, \$99,467, representing 12,433,375 New Shares and 6,216,687 New Options; and
- (c) for Malcolm Castle, \$43,537.76, representing 5,442,220 New Shares and 2,721,110 Free Attaching Options.

The effect of these sub-underwriting commitments, when aggregated with the commitments of the relevant sub-underwriters to take up their Entitlements (as set out above), will be to raise funds to entirely satisfy the amounts due and payable by the Company to each of those persons, as set out in Section 1.2.

Conditions to and effect of Underwriting Agreement

The Underwriting Agreement is conditional on:

- (a) the Prospectus being lodged with ASIC before 5.00pm on the Lodgement Date;
- (b) agreements between the Company and each of Transcontinental, TRG, Mr Bruce McCracken and Mr Malcolm Castle being executed pursuant to which each of Transcontinental, TRG, Mr Bruce McCracken and Mr Malcolm Castle commit to subscribe for all of their Entitlement (**Entitlement Agreements**); and
- (c) agreements between the Company and each of Transcontinental, Mr Bruce McCracken and Mr Malcolm Castle being executed pursuant to which each individual commits to sub-underwrite for the Securities identified in the paragraph entitled "*Sub-underwriting agreements*", above (**Sub-underwriting Agreements**).

As a result of the Underwriting Agreement being conditional on the execution of the Entitlement Agreements and the Sub-underwriting Agreements, the maximum number of New Securities that may be acquired by the Underwriter is 223,536,010 New Shares and 111,768,005 Free Attaching Options.

The number of New Securities acquired by the Underwriter will be further reduced by the number of Rights taken up under the Rights Offer.

The Underwriting Agreement also appoints the Underwriter as lead manager to the Offers.

The underwriting may have an effect on control of the Company. For further details of the possible effect on control, please refer to Section 4.5.

For further details of the Underwriting Agreement, please refer to Section 8.4.

2.7 Rights and liabilities attaching to New Shares and Free Attaching Options

The New Shares issued under this Prospectus and on the exercise of Free Attaching Options will be fully paid and will rank equally in all respects with existing Shares. Each Free Attaching Option will be exercisable at \$0.02 on or before 30 June 2019. A summary of the rights and liabilities attaching to the New Shares and Free Attaching Options is set out in Section 5.

2.8 Shortfall Offer

Any New Shares and Free Attaching Options not subscribed for under the Rights Offer will form the Shortfall and will be offered under the Shortfall Offer.

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.008 (equal to the issue price under the Rights Offer).

An individual, including an Eligible Shareholder, may apply for additional New Shares and Free Attaching Options under the Shortfall Offer provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

The Shortfall Offer will open on Thursday, 1 December 2016 and unless extended will close on Monday, 12 December 2016, being the same dates as the Rights Offer.

If after the close of the Offers, any Shortfall has not been subscribed for under the Rights Offer or Shortfall Offer, the Directors reserve the right to place some or all of that Shortfall within 3 months of the close of the Offers.

Subject to the terms of the Underwriting Agreement, the Directors, in consultation with the Underwriter, will have discretion as to how to allocate the Shortfall both under the Shortfall Offer, and after the close of the Offers.

The Company cannot guarantee that you will receive the number of Shortfall Securities you apply for. If you do not receive any or all of the Shortfall Securities you applied for, the excess Application Monies will be returned to you without interest.

The Company will not allocate Shortfall Securities to the extent that the recipient's voting power in the Company would exceed 20%.

3. Accepting the Rights Offer

3.1 Action you may take

The number of New Securities to which you are entitled is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. If you are an Eligible Shareholder you may:

- (a) accept your Rights in full;
- (b) accept your Rights in full and apply for additional New Securities under the Shortfall;
- (c) accept part of your Rights and allow the balance to lapse;
- (d) allow all of your Rights to lapse;
- (e) sell or deal with your Rights; or
- (f) accept part of your Rights and sell or deal with the balance.

3.2 Accepting your Rights in full or in part

If you wish to accept your Rights in full or in part, either:

- (a) complete the Entitlement and Acceptance Form for the number of New Securities you wish to apply for in accordance with the instructions on the form. Return your completed form together with a cheque for the Application Monies to the Company's Share Registry (see Section 3.5); or
- (b) make a payment through the BPay® facility for the number of New Securities you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form – see Section 3.6.

Your Entitlement and Acceptance Form or BPay® payment must be received by no later than 5.00pm (WST) on the Closing Date.

If you do not accept all of your Rights then the balance of your Rights will lapse and the New Securities that are not subscribed for will form part of the Shortfall.

If you do not take up all of your Rights then your percentage shareholding in the Company will reduce.

3.3 Accepting your Entitlement in full and applying for additional New Shares under the Shortfall Offer

If you wish to accept your Rights in full and apply for New Securities under the Shortfall Offer either:

- (a) complete the Entitlement and Acceptance Form for all of your Rights and specify the number of additional New Securities you wish to apply for in accordance with the instructions on the form. Return your completed form together with a cheque for the Application Monies to the Company's Share Registry (see Section 3.5); or
- (b) make a payment through the BPay® facility for all of your Rights and the number of additional New Securities you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form.

Your Entitlement and Acceptance Form or BPay® payment must be received by no later than 5.00pm (WST) on the Closing Date.

The allocation and issue of New Securities under the Shortfall Offer will be determined by the Directors in their discretion. The allocation policy in relation to the Shortfall Offer is set out in Section 2.8.

3.4 Allowing your Rights to lapse

If you do not wish to accept any of your Rights you are not required to take any action. If you do nothing then your Rights will lapse. The New Securities not subscribed for will form part of the Shortfall.

If you do not take up all of your Rights then your percentage shareholding in the Company will reduce.

3.5 Lodging your Entitlement and Acceptance Form

Unless you are making payment by BPay®, completed Entitlement and Acceptance Forms and accompanying cheques for Application Monies must be mailed or delivered to:

By hand delivery:

Security Transfer Australia
770 Canning Highway
APPLECROSS WA 6153

By post:

Security Transfer Australia
PO Box 535
APPLECROSS WA 6953

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**BMG Resources Limited**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than 5.00pm (WST) on the Closing Date.

The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Securities. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Company’s decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.6 Payment by BPay®

Payment by BPay® should be made according to the instructions set out on the Entitlement and Acceptance Form using the BPay® Biller Code and Customer Reference Number shown on the form. You can only make a payment via BPay® if you are a holder of an account with an Australian financial institution that supports BPay® transactions.

The reference number shown on each Entitlement and Acceptance Form (**Reference Number**) is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number to pay for each holding separately. Failure to do so may result in an underpayment. If you pay by BPay® and do not pay for your full Entitlement, the remaining Entitlement will form part of the Shortfall.

If you pay by BPay®:

- (a) you do not need to return the Entitlement and Acceptance Form but are taken to have made the declarations on that form; and

- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Securities which is covered by your Application Monies.

You must ensure that your completed Entitlement and Acceptance Form or payment by BPay® is received by 5.00pm (WST) on the Closing Date. Your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company is not responsible for any postal or delivery delays or delay in the receipt of BPay® payment.

3.7 Selling or dealing with your Rights

The Rights Offer is renounceable. You may sell your Rights on ASX or transfer them to another person.

- (a) Selling your Rights on ASX

Rights trading on ASX commences on Tuesday, 29 November 2016 and is expected to cease on Monday, 5 December 2016.

To sell all of your Rights on ASX, please contact your stockbroker. If you wish to sell all of your Rights on ASX, do **not** return your Entitlement and Acceptance Form to the Share Registry.

To take up part of your Entitlement and sell part of the balance of your Rights on ASX, complete the Entitlement and Acceptance Form for the number of New Securities you wish to apply for and lodge the completed Entitlement and Acceptance Form together with a cheque for the Application Monies (in respect of that part of your Entitlement you intend to take up) with the Share Registry. Please contact your stockbroker if you wish to sell the balance of your Rights on ASX.

The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions. There is no guarantee that you will be able to sell all or part of your Rights on ASX or that any particular price at which the Rights can be sold will be available.

- (b) Dealing with your Rights other than on ASX

You may elect to transfer all or part of your Rights to another person other than on ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of the Shares.

If you wish to transfer some or all of your Rights to another person other than on the ASX, complete a standard renunciation and acceptance form (which can be obtained from the Share Registry). This form must be completed by you (as seller) and by the purchaser in accordance with the instructions on the form. The completed form must be lodged with the Share Registry (see Section 3.5) by 5.00pm (WST) on the Closing Date together with the completed Entitlement and Acceptance Form and a cheque for the Application Monies (from the purchaser).

3.8 ASX quotation of New Securities

Securities under the Offers are expected to be issued and holding statements despatched as soon as practicable after the Closing Date, in accordance with the

ASX Listing Rules and the timetable set out on page iii. Securities issued under the Shortfall will be issued on a progressive basis. No issue of Securities will be made until ASX grants permission for quotation of the New Shares.

Application for official quotation on ASX of the Securities issued pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The fact that ASX may agree to grant official quotation of the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities. If permission for quotation is not granted by ASX within 3 months after the date of this Prospectus, the Securities will not be allotted and Application Monies will be refunded (without interest) as soon as practicable.

It is your responsibility to determine your holdings before trading in Securities. Any person who sells Securities before receiving confirmation of their holding will do so at their own risk.

The Directors reserve the right not to proceed with the whole or any part of the Offers at any time before the allotment of New Securities. In that event, relevant Application Monies will be refunded without interest.

3.9 No brokerage

No investor will pay brokerage as a subscriber for New Securities under the Offers.

3.10 Holding of Application Monies

Application Monies will be held in a trust account until the New Securities are issued.

The trust account established by the Company for this purpose will be solely used for handling Application Monies.

Any interest earned on Application Monies will be for the benefit of, and will remain the sole property of, the Company, and will be retained by the Company whether or not the allotment and issue of New Securities takes place.

Applications and Application Monies may not be withdrawn once they have been received by the Company.

3.11 Excluded Shareholders

The Entitlement Offer is not made to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Excluded Shareholders**). Neither the Prospectus nor the Entitlement and Acceptance Form constitutes an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In making the decision to not extend the Entitlement Offer to Excluded Shareholders the Company has taken into account the small number Shareholders outside Australia and New Zealand, the number and value of New Shares that would be offered to Shareholders outside Australia and New Zealand and the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Entitlement Offer made to Eligible Shareholders with an address in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed

with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Entitlement Offer is made to all Eligible Shareholders. The Company is not required to determine whether or not any registered Eligible Shareholder is holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares. Any Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that any dealing with New Shares issued under the Entitlement Offer do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Rights or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The distribution of this Prospectus and accompanying application (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.12 Nominee for Excluded Shareholders' Rights

For the purposes of Listing Rule 7.7, the Company has appointed Patersons Securities Limited as nominee to arrange for the sale of the Rights which would have been offered to the Excluded Shareholders had they been entitled to participate in the Rights Offer and to account to the Excluded Shareholders for their proportion of the sale proceeds net of expenses.

The nominee has the absolute and sole discretion to determine the timing and the price at which the Rights may be sold and the manner of any such sale. Neither the Company nor the nominee will be subject to any liability for failure to sell the Rights or to sell them at a particular price.

If, in the reasonable opinion of the nominee, there is not a viable market for the Rights or a surplus over the expenses of sale cannot be obtained for the Rights that would have been offered to the Excluded Shareholders, then the Rights will be allowed to lapse and they will form part of the Shortfall Offer.

3.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities (**CHESS Statement** or **Holding Statement**).

If you are broker sponsored, ASX Settlement will send you a CHESS Statement.

The CHESS Statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's Share Register and will contain the number of New

Securities issued to you under this Prospectus and your security holder reference number.

A CHESS Statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

3.14 Privacy

If you apply for New Securities you will be providing personal information to the Company and the Share Registry. The Company and the Share Registry collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, carry out appropriate administration and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules of ASX. If you do not provide the information required on the Entitlement and Acceptance Form or Shortfall Application Form (as applicable), the Company may not be able to accept or process your Application.

Under the Privacy Act, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by writing to the Company through the Share Registry at:

Security Transfer Australia
770 Canning Highway
APPLECROSS WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

Email: registrar@securitytransfer.com.au

3.15 Taxation implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Securities under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of potential Applicants. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

4. Effect of the Offers

4.1 Principal effect of the Offers on the Company

The principal effects of the Offers, assuming the Offers are fully subscribed, will be to:

- (a) increase the number of Shares on issue from 63,922,852 Shares as at the date of this Prospectus to 383,537,112 Shares;
- (b) increase the number of Options on issue from 2,500,000 as at the date of this Prospectus to 162,307,130 Options; and
- (c) increase cash reserves by up to approximately \$1,471,605 immediately after completion of the Offers and payment of the costs and expenses set out in Section 1.2, including the estimated expenses of the Offers.

4.2 Effect on capital structure

The capital structure of the Company following completion of the Offers (assuming the Offers are fully subscribed) is set out below:

Shares	Full subscription
Shares on issue at the date of this Prospectus	63,922,852
New Shares issued under the Offers	319,614,260
Options on issue at the date of this Prospectus	2,500,000
Options issued under the Offers	159,807,130
Total Shares on issue at completion of the Offers	383,537,112
Total Options on issue at completion of the Offers	162,307,130

All of the Options the Company currently has on issue are unquoted. A summary of the terms of those options is as follows:

- (a) 500,000 Options exercisable at \$0.35 each; expiring on the earlier of the 3rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource;
- (b) 500,000 Options exercisable at \$0.40 each expiring on the earlier of the 3rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource of greater than 2 million tonnes;
- (c) 500,000 Options exercisable at \$0.45 each expiring on the earlier of the 3rd anniversary of the date on which they vest or 6 months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource of greater than 4 million tonnes or an indicated/measured resource greater than 2 million tonnes; and
- (d) 1,000,000 Options exercisable at \$0.50 each expiring on the earlier of the 3rd anniversary of the date on which they vest or 6 months after Mr Bruce

McCracken's employment with the Company ceases; vesting on the Company's completion of a successful Feasibility Study.

4.3 Pro forma statement of financial position

Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 30 June 2016; and
- (b) the unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2016 incorporating the effect of the Offers at full subscription.

The unaudited pro forma consolidated statement of financial position has been derived from the financial statements of the Company and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers had occurred by 30 June 2016. The historical and pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements

The pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 30 June 2016 and the completion of the Offers except for:

- at maximum subscription, the issue of 319,614,260 New Shares at \$0.008 each and 159,807,130 Free Attaching Options, thereby raising up to \$2,556,914 of capital pursuant to the Prospectus;
- costs of the Offers will be approximately \$200,000.

The unaudited consolidated pro forma statement of financial position has been prepared on the basis that there are no material movements in the assets and liabilities of the Consolidated Entity between 30 June 2016 and the completion of the Offers except for those noted above.

No allowance has been made for expenditure incurred in the normal course of business from 30 June 2016 to the Closing Date.

Audited Consolidated Pro Forma Statement of Financial Position

		Consolidated (audited)	Maximum subscription (\$2,556,914)	
	Notes	30/06/2016	Pro-forma Adjustments	Pro-forma After Issue
		\$		
CURRENT ASSETS				
Cash and cash equivalents	1	29,056	1,445,105	1,474,161
Trade and other receivables		1,795	-	1,795
TOTAL CURRENT ASSETS		30,851	1,445,105	1,475,956
NON-CURRENT ASSETS				
Investment in Associate		28,265	-	28,265
Property, plant & equipment		7,112	-	7,112
TOTAL NON-CURRENT ASSETS		35,377	-	35,377
TOTAL ASSETS		66,228	1,445,105	1,511,333
CURRENT LIABILITIES				
Trade and other payables		3,099	-	3,099
Borrowings	2	1,163,979	(1,163,979)	-
TOTAL CURRENT LIABILITIES		1,167,078	(1,163,979)	3,099
TOTAL LIABILITIES		1,167,078	(1,163,979)	3,099
NET ASSETS		(1,100,850)	2,609,084	1,508,234
EQUITY				
Contributed equity	3	39,797,644	2,356,914	42,154,558
Reserves		482,777	-	482,777
Accumulated losses	4	(41,381,271)	252,170	(41,129,101)
TOTAL EQUITY		(1,100,850)	2,609,084	1,508,234

Notes

1. Cash and cash equivalents

	(audited)	Pro-forma after issue – maximum subscription
	30/06/2016	
	\$	\$
Cash and cash equivalents	29,056	1,474,161

Adjustments to arise at the pro-forma balance:

Audited balance of BMG at 30 June 2016	29,056
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Pro-forma adjustments

Cash raised from the Offers	1,757,138
Costs of the Offers	(200,000)
Payment of Bruce McCracken's director fees – statutory deductions for tax and superannuation	(85,533)
Payment of Transcontinental cash advance debt	(26,500)
	<u>1,445,105</u>
Pro-forma balance after issue	<u>1,474,161</u>

2. Borrowings

	(audited)	Pro-forma after issue – maximum subscription
	30/06/2016	
	\$	\$
Borrowings	1,163,979	

Adjustments to arise at the pro-forma balance:

Audited balance of BMG at 30 June 2016	1,163,979
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Pro-forma adjustments:

Additional borrowings under Transcontinental cash advance debt	26,500
Conversion of Transcontinental cash advance debt to equity under the Rights Issue	(375,157)
Payment/forgiveness of Transcontinental management fees	(255,000)
Payment/forgiveness of past director fees	(560,322)
	<u>(1,163,979)</u>
Pro-forma balance	<u>-</u>

3. Contributed equity		
	(audited)	Pro-forma after issue – maximum subscription
	30/06/2016	
Contributed equity	39,797,644	42,154,558
Adjustments to arise at the pro-forma balance:		\$
Fully paid ordinary share capital of BMG as at 30 June 2016		39,797,644
Pro-forma adjustments:		
Issue of shares under the Rights Issue		1,757,138
Costs of the Offers		(200,000)
Conversion of Transcontinental cash advance debt to equity under the Rights Issue		348,657
Conversion of Transcontinental management fee to equity under the Rights Issue		214,200
Conversion Bruce McCracken's past director fees to equity under the Rights Issue		139,467
Conversion of Christopher Eager's past director fees to equity under the Rights Issue		30,000
Conversion of Malcolm Castle's past director fees to equity under the Rights Issue		67,452
		2,356,914
Pro-forma balance		42,154,558
4. Accumulated losses		
	(audited)	Pro-forma after issue – maximum subscription
	30/06/2016	
	\$	\$
Accumulated losses	(41,381,271)	(41,129,101)
Adjustments to arise at the pro-forma balance:		
Audited balance of BMG at 30 June 2016		(41,381,271)
Pro-forma adjustments:		
Additional borrowings under Transcontinental cash advance debt		(26,500)
Forgiveness portion of Transcontinental management fees		40,800
Forgiveness portion of director fees		237,870
		252,170
Pro-forma balance		(41,129,101)

4.4 Details of substantial Shareholders

The current relevant interests of the substantial Shareholders (persons who have relevant interests in 5% or more of the Company), are as follows:

Substantial Shareholder (includes associated entities)	Number of Shares held	% of total Shares on issue
Transcontinental Resources Group 2013 Pty Ltd	8,799,985	13.77%
TRG Equity Investments Pty Ltd	6,493,602	10.16%
Cheyne Michael Dunford	4,216,603	6.60%
Jasper Hill Resources Pty Ltd	3,419,625	5.35%
RBC Investor Services Australia Nominees Pty Limited	3,258,750	5.10%
Total	26,188,565	40.98%

Note: TRG Equity Investments Pty Ltd and Transcontinental Investments Pty Ltd have a relevant interest in the Shares held by each other. TRG Equity Investments Pty Ltd has a direct interest in 4,904,800 Shares and Transcontinental Investments Pty Ltd has a direct interest in 1,588,802 Shares.

If all of the Rights are accepted there will be no change to the percentage shareholding interests of the substantial Shareholders on completion of the Offer. If only part of the Rights are accepted then there may be a change to the percentage shareholding interest of the substantial Shareholders on completion of the Offer. The potential change to the voting power of each of the substantial Shareholders is set out in Section 4.5 below.

4.5 Effect of Offers on control of the Company

As at the date of this Prospectus, the Company has 63,922,852 Shares and 2,500,000 unlisted Options on issue.

Assuming the Underwriting Agreement is not terminated for any reason, the following persons acquire New Securities under the Rights Offer as set out below:

- (a) Transcontinental will acquire up to 45,689,375 Shares and 22,844,687 Free Attaching Options;
- (b) TRG will acquire up to 24,524,000 Shares and 12,262,000 Free Attaching Options;
- (c) Mr Bruce McCracken will acquire up to 17,433,375 New Shares and 8,716,687 Free Attaching Options; and
- (d) Mr Malcolm Castle will acquire up to 8,431,525 New Shares and 4,215,762 Free Attaching Options.

Consequently, the maximum number of New Securities that the Underwriter may subscribe for is 223,536,010 New Shares and 111,768,005 Free Attaching Options. No sub-underwriter may as a result of the Offers, increase its relevant interest in Shares to 20% or more.

The Underwriter is responsible for all fees payable to sub-underwriters.

The potential interests of the Underwriter, each sub-underwriter and each substantial Shareholder, assuming different scenarios under the Offers, are shown in the table below.

Name	Percentage of total Shares before Offers	Percentage of total Shares after Offers		
		100% take up	50% take up	0% take up
Patersons Securities Limited (Underwriter)	Nil	Nil	19.99%	19.99%
Transcontinental Resources Group 2013 Pty Ltd	13.77%	13.77%	8.03%	2.29%
TRG Equity Investments Pty Ltd / Transcontinental Investments Pty Ltd (sub-underwriter)	10.16%	10.16%	19.99%	19.99%
Cheyne Michael Dunford	6.60%	6.60%	3.85%	1.10%
Jasper Hill Resources Pty Ltd	5.35%	5.35%	3.12%	0.89%
RBC Investor Services Australia Nominees Pty Limited	5.10%	5.10%	2.97%	0.85%
Bruce McCracken (Director and sub-underwriter)	1.56%	1.56%	4.81%	4.81%
Malcolm Castle (Director and sub-underwriter)	0.94%	0.94%	2.35%	2.35%

Note:

1. This table assumes that no Options are exercised.
2. As set out in Section 8.4, the Underwriter has appointed additional sub-underwriters to subscribe for portions of the Shortfall such that neither the Underwriter nor any sub-underwriter will increase its relevant interest in Shares to 20% or more. This is why the maximum relevant interest of Patersons is expressed to be 19.99%.

The levels of take up in this table reflect the terms of the Underwriting Agreement including the commitments of Transcontinental, TRG, Bruce McCracken and Malcolm Castle to subscribe for all of their Entitlements, and the sub-underwriting commitments of Transcontinental, Bruce McCracken and Malcolm Castle, and assume that no Options are exercised before the Offers close.

Descriptions of the different levels of take up are as follows:

- (a) "100% take up" assumes that all Eligible Shareholders, including all substantial Shareholders, accepts all of their Rights;
- (b) "50% take up" assumes that:
 - (i) each substantial Shareholder accepts 50% of its Rights, other than Transcontinental and TRG, who each accept all of their Rights, and Bruce McCracken and Malcolm Castle each accept all of their Rights;

- (ii) Transcontinental, Bruce McCracken, and Malcolm Castle each take up their sub-underwriting commitments; and
 - (iii) the Underwriter takes up the Shortfall; and
- (c) “0% take up” assumes that:
- (i) each substantial Shareholder accepts none of its Rights, other than Transcontinental and TRG, who each accept all of their Rights, and Bruce McCracken and Malcolm Castle each accept all of their Rights;
 - (ii) Transcontinental, Bruce McCracken, and Malcolm Castle each satisfies their sub-underwriting commitments; and
 - (iii) the Underwriter take up the Shortfall.

If all of the Eligible Shareholders under the Rights Offer accept their Rights in full, then the Rights Offer will have no effect on the control of the Company. In this case, Eligible Shareholders will maintain their percentage shareholding interest in the Company.

4.6 Effects of the Offers on activities of the Company

The issue of New Securities under the Offers will provide funds for the purposes set out in Section 1.2.

Following the Offers, the Company intends to:

- (a) pay accrued fees (net of amount written off) and repay loan to Transcontinental Investments Pty Ltd in the amount of \$562,857;
- (b) pay director’s fees in the amount of \$225,000 that have accrued and are payable by the Company to Bruce McCracken as described in Section 8.7; up to \$139,467 of these director’s fees will be satisfied by the issue of New Securities under the Offers, as set out in Section 2.6;
- (c) pay director’s fees in the amount of \$67,452 that have accrued and are payable by the Company to Malcolm Castle as described in Section 8.7; these director’s fees will be satisfied by the issue of New Securities under the Offers, as set out in Section 2.6; and
- (d) pay director’s fees in the amount of \$30,000 that have accrued and are payable by the Company to Christopher Eager as described in Section 8.7.

5. Rights and liabilities attaching to Securities

5.1 Rights and liabilities attaching to Shares

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of the Company and will rank equally with the Existing Shares.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares. Full details of the rights and liabilities attaching to the Shares are contained in the Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

(a) Share capital

All issued ordinary fully paid shares in the capital of the Company rank equally in all respects.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, one vote for the Share, but in respect of partly paid Shares has such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of persons (if any) entitled to Shares with special rights to dividend the Directors may declare such dividends out of profits as may appear to the Directors to be justified in accordance with the Corporations Act and may authorise the payment by the Company to the Shareholders of such a dividend. The Directors may authorise the payment to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Rights on winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole

or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

(e) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Further increases in capital**

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may allot or dispose of all or any of the Shares to such persons, and on such terms, as the Directors determine.

Subject to the Constitution, the Corporations Act and the Listing Rules, the Company may grant Options with rights of conversion to Shares or preemptive rights to any Shares, to any person, for any consideration, as the Directors resolve.

(g) **Variation of rights attaching to Shares**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(h) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

5.2 **Terms and conditions of Free Attaching Options**

- (a) Each Free Attaching Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary share in the Company.

- (b) No amount is payable on grant of the Free Attaching Options.
- (c) The exercise price of the Free Attaching Options is \$0.02 each, and will be payable in full on exercise.
- (d) Each Free Attaching Option may be exercised at any time before 5.00pm (WST) on 30 June 2019 (**Expiry Date**). Any Free Attaching Option not exercised by the Expiry Date will automatically expire.
- (e) The Company must give the Option Holder a certificate or Holding Statement stating:
 - (i) the number of Free Attaching Options issued to the Option Holder;
 - (ii) the exercise price of the Free Attaching Options; and
 - (iii) the date of issue of the Free Attaching Options.
- (f) Subject to quotation on ASX, the Free Attaching Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Free Attaching Options at any time until the expiry date of the Free Attaching Options. This right is subject to any restrictions on the transfer of a Free Attaching Option that may be imposed by ASX.
- (g) An instrument of transfer of an Free Attaching Option must be:
 - (i) in writing;
 - (ii) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
 - (iii) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
 - (iv) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the Free Attaching Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Free Attaching Options, the right of the transferor to transfer those Free Attaching Options and the proper execution of the instrument of transfer.
- (h) The Company will apply for quotation of the Free Attaching Options on ASX.
- (i) In accordance with the Listing Rules the Company will apply for Official Quotation of all Shares allotted pursuant to an exercise of Free Attaching Options.
- (j) There will be no participating entitlements inherent in the Free Attaching Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Free Attaching Option. Prior to any new pro-rata issue of securities to Shareholders, holders of Free Attaching Options will be notified by the Company in accordance with the requirements of the Listing Rules.
- (k) In the event of a bonus issue of securities, the number of Shares over which the Free Attaching Options are exercisable may be increased by the number of Shares that the Option holders would have received if the Options had been exercised before the record date for the bonus issue.

- (l) In the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the Listing Rules.
- (m) There is no right to a change in the exercise price of the Free Attaching Options or to the number of Shares over which the Free Attaching Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the Free Attaching Options.
- (n) Free Attaching Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the Free Attaching Options held by the Option Holder accompanied by an Option certificate and a cheque made payable to the Company for the subscription price for the exercise of the specified Free Attaching Options. An exercise of only some of the Free Attaching Options will not affect the rights of the Option Holder to the balance of the Free Attaching Options held by him.
- (o) Free Attaching Options will be deemed to have been exercised on the date the exercise notice is received by the Company.
- (p) The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of the Free Attaching Option.
- (q) Shares allotted pursuant to an exercise of Free Attaching Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company.
- (r) These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

6. Risk factors

6.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks which may impact on the Company's future performance. There can be no guarantee that the Company will achieve its stated objectives.

Prior to deciding whether to take up their Entitlement, Shareholders should read the entire Prospectus and review announcements made by the Company to ASX (at www.asx.com.au under the code BMG) in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

An investment in New Shares should be considered speculative. New Shares carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those New Shares.

Shareholders should consider the risk factors set out in Section 1.4 above and in Sections 6.2 and 6.3 below which the Directors believe represent some of the key, specific and general risks that Shareholders should be aware of when evaluating the Company and deciding whether to increase their shareholding in the Company. These risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

6.2 Additional specific risks relating to the Company

In addition to the key risks out in Section 1.4 above, the following risks have been identified as being risks specific to an investment in the Company. These risks may adversely affect the Company's financial position, prospects and price of its listed securities.

Exploration and development risks

- (a) **Exploration and ability to exploit successful discoveries:** It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.
- (b) **Licence renewal:** The Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.

The Company has in place both internal and external land management and land monitoring to ensure appropriate objections are lodged and protection of the leases is maintained.

- (c) **Mining and development risks:** Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Mining and development operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

- (d) **Exploration costs:** The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.
- (e) **Environmental risks:** The operations and activities of the Company are subject to its environmental laws and regulations. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an effect on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.
- (f) **Successful development of projects:** The business of exploration, project development and mining contains risks by its very nature. To prosper, it depends on the successful exploration and/or acquisition of reserves, design and construction of efficient production/processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavour and force majeure circumstances, cost overruns and other unforeseen events can hamper mining operations.
- (g) **Realising value from projects:** The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

Other risks specific to the Company

- (a) **Commodities price and exchange rate fluctuations:** The revenue derived through the sale of mineral commodities exposes the potential income of the Company to mineral commodities price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Furthermore, the international prices of most commodities are denominated in United States dollars, whereas any income and the expenditure of the Company are and will be taken into account in the Australian dollar, exposing the Company to the fluctuations and volatility of the rates of exchange between those currencies.

- (b) **Future capital requirements:** The Company may require substantial further financing in the future for its business activities, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or the price under the Offers) or may involve restrictive covenants which limit the Company's operations and business strategy.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

- (c) **Joint venture parties, agents and contractors:** There is a risk of financial failure or default by a participant in any joint venture to which the Company is, or may become, a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.
- (d) **Competition:** The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.
- (e) **Key personnel:** Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on the Company if such persons employed cease their employment with the Company.
- (f) **Insurance risk:** In certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

- (g) **Potential acquisitions:** As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

6.3 General investment risks

- (a) **Stock market conditions:** As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the issue price for the New Shares.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally, investor sentiment and local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia and changes in exchange rates.

- (b) **Liquidity risk:** There can be no guarantee that there will continue to be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offers.
- (c) **Securities investment risk:** Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.
- (d) **Taxation:** There may be taxation implications arising from the Application for Shares, the receipt of dividends (both franked and unfranked) from the Company, participation in any on-market Share buy-back and on the disposal of Shares.
- (e) **Other risks:** Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk, and other matters that may interfere with the business or trade of the Company.

7. Continuous disclosure documents

7.1 Continuous disclosure obligations

This is a prospectus for the offer of continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) of the Company and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The New Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus.

7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2016 annual financial report on 30 September 2016:

Date	Description of ASX Announcements
24 November 2016	Investor Update
24 November 2016	Renounceable Rights Issue
21 November 2016	Trading Halt
31 October 2016	Quarterly Reports
27 October 2016	Notice of Meeting - Despatch

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

Copies of documents lodged with ASX, in relation to the Company, including the Company’s corporate governance policies, may be obtained from the Company’s website at www.bmgil.com.au or at ASX’s website at www.asx.com.au.

The Company will provide a copy of each of the following documents, free of charge, to any person on request from the date of this Prospectus until the Closing Date:

- (a) the annual financial report of the Company for the financial year ended 30 June 2016, being the annual financial report of the Company most recently lodged with ASIC before the issue of this Prospectus; and
- (b) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in

paragraph (a) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

8. Additional information

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

8.2 Administration services agreement with Transcontinental

By agreement between Transcontinental Investments Pty Ltd (**Transcontinental**) and the Company (undated), the Company agreed to retain Transcontinental to provide to the Company, on the terms and conditions set out in the agreement, comprehensive administration services including:

- (a) administrative, management, corporate, advisory and other similar services;
- (b) management of third party professional and expert services including legal and audit and investment banking, independent technical expert and other services;
- (c) head office support services including provision of office space for the Company's managing director and one other Company appointee, shared access to Transcontinental's office IT and telecommunications equipment and access to third party-provided communications systems and support;
- (d) company secretarial, administrative support, accounting, payroll business analysis and recruitment and employee administration services; and
- (e) other administration services as may be requested from time to time by the Board and as agreed by Transcontinental.

The Company must pay a monthly fee to Transcontinental plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by Transcontinental on behalf of the Company during the month. The monthly fee has been subject to reductions over time. From 1 April 2016, the monthly fee has been \$5,000. From 1 July 2016, Transcontinental has agreed to stop charging the monthly fee.

As at the date of this Prospectus, the fees accrued to Transcontinental were \$255,000. These fees have been reduced by agreement between Transcontinental and the Company to the amount of \$214,200.

As at the date of this Prospectus, the aggregate of remuneration payable to Directors and fees payable to Transcontinental pursuant to the administration services agreement described in Section 8.2 above, have been capped at the amount of \$5,000 per month. See Section 8.7 below for further information regarding the \$5,000 per month cap.

Transcontinental is a related party of the Company as Mr Simon Trevisan, a Non-Executive Director of the Company, and Mr Anthony Trevisan, the Chairman of the Company, are both directors, joint controllers and substantial shareholders of Transcontinental.

8.3 Loan from Transcontinental

Transcontinental has loaned to the Company the amount of \$348,657. The loan is undocumented, non-interest bearing and repayable on demand. The full amount of the loan is to be satisfied from the proceeds of the Offer.

8.4 Underwriting Agreement

The Company and Patersons Securities Limited (**Underwriter**) have entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which the Underwriter has agreed to wholly underwrite the Rights Offer for a total of up to 319,614,260 New Shares at \$0.008 (0.8 cents) per Share, and 159,807,130 Free Attaching Options, being a total commitment of \$2,556,914.

As described in Section 2.6 above, pursuant to the Entitlement Agreements, each of Transcontinental, TRG, Mr Bruce McCracken and Mr Malcolm Castle have committed to subscribe for all of their Entitlement, and pursuant to the Sub-underwriting Agreements, each of Transcontinental, Mr Bruce McCracken, and Mr Malcolm Castle have agreed to sub-underwrite portions of the Shortfall.

As a result of the Underwriting Agreement being conditional on the execution of the Entitlement Agreements and the Sub-underwriting Agreements, the maximum number of New Securities that may be acquired by the Underwriter is 223,536,010 New Shares and 111,768,005 Free Attaching Options. However, it is not anticipated that the Underwriter will acquire this many Securities, as it has appointed additional sub-underwriters to subscribe for portions of the Shortfall such that neither the Underwriter nor any sub-underwriter will increase its relevant interest in Shares to 20% or more.

The Underwriting Agreement also appoints the Underwriter as lead manager to the Offers.

The Underwriter will be paid:

- (a) an underwriting fee of 6% of \$1,788,288, being the amount underwritten other than the aggregate of the amounts that have been committed to be taken up by each of Transcontinental, TRG, Mr Bruce McCracken and Mr Malcolm Castle, and the amounts sub-underwritten by each of Transcontinental, Mr Bruce McCracken, and Mr Malcolm Castle; and
- (b) a corporate advisory fee of \$40,000 (exclusive of GST).

In addition, the Company must pay or reimburse the Underwriter for its reasonable costs, professional fees and expenses in relation, and incidental, to the Offer.

The Company has given warranties and covenants to the Underwriter which are of the type and form that is usual in an underwriting agreement of this nature.

The Underwriter may terminate its obligations immediately by written notice to the Company in the following circumstances (where not defined in this Prospectus, capitalised terms are defined in the Underwriting Agreement):

- (a) (**Indices fall**): any of the All Ordinaries Index or the S&P/ASX Materials Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

- (b) **(Share price)**: the Shares of the Company finish trading on the ASX under the ASX code of “BMG” on any three consecutive trading days with a closing price that is less than \$0.008;
- (c) **(Transcontinental Group Agreement)**: The agreement between the Company and Transcontinental and TRG pursuant to which Transcontinental and TRG commit to take up their Entitlement and Transcontinental commits to sub-underwrite the Rights Offer for the amount set out in Section 2.6 is breached by any party to that agreement and the breach is not remedied in accordance with its terms or the agreement is revoked, rescinded, avoided, amended, varied, superseded or replaced in any way;
- (d) **(Directors Agreements)**: either of the agreements between the Company and either Bruce McCracken or Malcolm Castle, pursuant to which those Directors commit to take up their Entitlement and commit to sub-underwrite the Rights Offer for the amounts set out in Section 2.6, are breached by any party to the agreement and the breach is not remedied in accordance with its terms or the agreement is revoked, rescinded, avoided, amended, varied, in any way;
- (e) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (f) **(Copies of Prospectus)**: the Company fails to provide an electronic copy of the Prospectus to the Underwriter within 2 days of the Lodgement Date and such failure is not remedied within 2 days;
- (g) **(No Official Quotation)**: Official Quotation has not been granted for all Securities by 13 December 2016 or, having been granted, is subsequently withdrawn, withheld or qualified;
- (h) **(Supplementary prospectus)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in paragraph 8.4(q)(iv) below forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (i) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by section 713 (or sections 710, 711 and 716) of the Corporations Act;
- (j) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 (or sections 710, 711 and 716) of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

- (k) **(Restriction on allotment)**: the Company is prevented from allotting the New Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (l) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (m) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (n) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (o) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (p) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Japan, the United Kingdom, the United States of America, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (q) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (r) **(Indictable offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence
- (s) **(Termination Events)**: any of the following events occurs:
 - (i) **(Default)**: default or breach by the Company under the Undertaking Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Undertaking Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a

prospective adverse change after the date of the Undertaking Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the issue of New Shares or the Prospectus;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the issue of New Shares or the affairs of the Company or any of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" within the Listing Rules;
- (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence)**: the Company or any of its subsidiaries increases or reduces its share capital, enters into a buyback agreement or arrangement, grants options or convertible notes (with the exception of those listed in this Prospectus), disposes or agrees to dispose or to charge a substantial part of its business or property, resolves to be wound up or a court order is made to wind up, a liquidator or receiver is appointed or the Company or any of its subsidiaries executes a deed of company arrangement;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or

threatened against the Company or any of its subsidiaries, other than any claims foreshadowed in this Prospectus;

- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date the last of the New Shares occurs in accordance with this Prospectus, without the prior written consent of the Underwriter;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries;
- (xviii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 business days (as defined in the Listing Rules);
- (xix) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries;
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the European Union or other international financial markets; or
- (xxiv) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriter may not exercise its rights under item (q) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have:

- (a) a material adverse effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

8.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which a Director is a partner or director, has or has had in the two (2) years before the date of this Prospectus, any interest in:

- (a) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (b) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or proposed director or to any entity in which such a Director or proposed director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

8.6 Security holding interests of Directors

At the date of this Prospectus the relevant interest of each of the Directors and in the Shares and Options of the Company are as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Bruce McCracken	30,000	970,000 ¹	2,500,000 ²	Nil
Simon Trevisan (appointed as a Director on 15 April 2016)	193,334	6,493,602 ³	Nil	Nil
Anthony Trevisan (appointed as a Director on 24 May 2016)	66,000	10,388,787 ⁴	Nil	Nil
Malcolm Castle	15,000	582,856 ⁵	Nil	Nil

Notes:

1. Held by Bruce McCracken and Megan McCracken as trustees for the McCracken Family Trust, of which Mr McCracken is a beneficiary.
2. The vesting of these Options is subject to the satisfaction of vesting criteria.
3. Relevant interest in 1,588,802 Shares as a director of Transcontinental, and a relevant interest in 4,904,800 Shares as a director of TRG Equity Investments Pty Ltd.
4. Relevant interest in 1,588,802 Shares as a director of Transcontinental and a relevant interest in 8,799,985 Shares as a director of Transcontinental Resources Group 2013 Pty Ltd.
5. Relevant interest in 39,896 Shares as spouse of Susan Castle and relevant interest in 542,960 Shares as director and sole shareholder of Agricola Mining Consultants Pty Ltd.

Directors or their associated entities who are registered as Shareholders on the Record Date may participate in the Offers.

8.7 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum set by the Company in a general meeting. The aggregate maximum is presently set at \$300,000 per annum. The Managing Director may receive such remuneration as the Directors determine.

A Director may be reimbursed for out of pocket expenses incurred as a result of their directorship.

As set out in Section 1.2, as at the date of this Prospectus amounts of remuneration payable by the Company to Mr McCracken, Mr Castle and Mr Eager currently remain outstanding, and are to be satisfied from the proceeds of the Offers. The amounts of remuneration that are outstanding have been reduced by agreement between the Company and those Directors. The amounts of the reductions are set out in the notes to the table of remuneration below.

As at the date of this Prospectus, the aggregate of remuneration payable to Directors and fees payable to Transcontinental pursuant to the administration services agreement described in Section 8.2 above, have been capped at the amount of \$5,000 per month. To facilitate this cap, from 1 July 2016, Mr McCracken and Mr Castle have agreed to receive nil remuneration, and Transcontinental has agreed to cease charging a fee under the Administration Services Agreement.

The \$5,000 cap will remain in place until the Company identifies and acquires a new project, at which time Directors' remuneration and fees payable to Transcontinental will be reconsidered by the Board.

Details of remuneration provided to Directors and former Directors during the past two financial years is as follows:

Director	Financial year up to 30 June 2016	Financial year up to 30 June 2015
Bruce McCracken ¹	\$126,159 (includes salary of \$178,000, superannuation of \$16,910, and the reversal of a share based payment expense ⁴ of \$68,751)	\$237,417 (includes salary of \$178,000, Options to the value of \$42,507 and superannuation of \$16,910)
Simon Trevisan (appointed as a Director on 15 April 2016)	Nil	Nil
Anthony Trevisan (appointed as a Director on 24 May 2016)	Nil	Nil
Malcolm Castle ²	\$43,800 (includes salary of \$40,000, and superannuation of \$3,800)	\$43,800 (includes salary of \$40,000, and superannuation of \$3,800)
Christopher Eager ³ (resigned as a Director on 15 April 2016)	\$54,000 (includes salary of \$54,000)	\$80,301 (includes salary of \$72,000 and Options to the value of \$8,301)
Michael Green (resigned as a Director on 15 April 2016)	\$31,675 (includes salary of \$79,917 and the reversal of a share based payment expense ⁴ of \$48,242)	\$197,559 (includes salary of \$168,750 and Options to the value of \$28,809)

Notes:

1. Mr McCracken agreed to accrue 100% of his remuneration from 1 September 2014 to 30 June 2016. Mr McCracken has agreed to receive nil remuneration from 1 July 2016, subject to review after the close of the Offers. As at the date of this Prospectus, the total accrued fee was \$357,335, however Mr McCracken has agreed to reduce this amount to \$225,000.

2. Mr Castle received \$3,333 per month as remuneration plus super as Non-Executive Director and agreed to accrue 100% of his remuneration from 1 September 2014 to 30 June 2016. Mr Castle has agreed to receive nil remuneration from 1 July 2016, subject to review after the close of the Offers. As at the date of this Prospectus, the total accrued fee was \$80,300, however Mr Castle has agreed to reduce this amount to \$67,452.
3. Mr Eager received \$6,000 per month as remuneration as Non-Executive Chairman and agreed to accrue 100% of his remuneration from 1 October 2014 to 31 March 2016. As at the date of this Prospectus, the total accrued fee was \$108,000, however Mr Eager has agreed to reduce this amount to \$30,000.
4. On review of the Options held as at 30 June 2016 by Michael Green and Bruce McCracken, the Directors considered it to be unlikely that the performance conditions for the vesting of those Options would be met. As a result the share based payment expense relating to those performance conditions have been reversed in the year ended 30 June 2016.

8.8 Director indemnity deeds

The Company has entered into a deed of indemnity with each of the Directors.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify all Directors against all losses or liabilities incurred by each Director in their capacities as Directors.

8.9 Expenses of the Offers

The estimated expenses payable in cash by the Company in respect of costs associated with this Prospectus and the Offers, including offer management, broking fees, legal, accounting, corporate advisory, printing, ASIC and ASX fees and other costs will be approximately \$200,000.

8.10 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, all other persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus do not have, and have not had in the two (2) years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the Offers.

BDO Audit (WA) Pty Ltd (**BDO**) is the Company's auditor, and prepared the pro-forma financial accounts set out in Section 4.3 of this Prospectus. BDO will be paid a fee of \$3,000 (plus GST). In addition, BDO has provided other accounting and auditing services to the Company in the period two (2) years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$73,393.30 (including GST) for those other services.

Patersons is the Underwriter and Lead Manager to the Offers and will be paid a fee of \$147,297 (plus GST). In the period two (2) years prior to the date of this Prospectus, Patersons has not received any fees from the Company.

Jackson McDonald has acted as solicitors to the Company in relation to the Offers and legal due diligence enquiries in respect of the Company and is entitled to be paid approximately \$17,500 (plus GST) in respect of these services. In addition, Jackson McDonald has provided other legal services to the Company in the period two (2) years prior to the date of this Prospectus and has been paid, or is entitled to be paid, fees totalling approximately \$108,893.20 (including GST) for those other services.

8.11 Consents and liability statements

Jackson McDonald has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as solicitors to the Company in the form and context in which it is named.

Security Transfer Australia Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Share Registry in the form and context in which it is named.

BDO has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as the Company's auditor in the form and context in which it is named.

Patersons has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as underwriter and lead manager to the Offers in the form and context in which it is named.

Each of Jackson McDonald, Patersons and Security Transfer Australia Pty Ltd:

- (a) did not authorise or cause the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with consent of that party as specified in this Section.

8.12 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 months period before the date of this Prospectus is set out in the table below.

	Price	Date
Highest	\$0.015	5 September 2016
Lowest	\$0.010	19 September 2016; 3 October 2016
Latest	\$0.010	15 November 2016

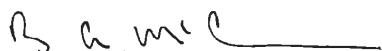
Note: trading data prepared by ASX, who has not consented to its use in this Prospectus.

9. Directors' responsibility statement and consent

The Directors state that they have made all reasonable enquiries and that on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect of any other statements made in the Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that the persons making the statement or statements were competent to make such statements; those persons have given their consent before lodgement of this Prospectus with ASIC or, to the Directors' knowledge, before any issue of New Securities pursuant to this Prospectus.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

A handwritten signature in black ink, appearing to read 'B. McCracken', followed by a horizontal line extending to the right.

Bruce McCracken
Managing Director

for and on behalf of the Company

Dated: 24 November 2016

10. Glossary of Terms

Applicant	A person who applies for New Securities in accordance with this Prospectus.
Application	A valid application for New Securities offered under this Prospectus.
Application Monies	The monies payable by Applicants to the Offers.
ASIC	The Australian Securities and Investments Commission.
Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Rules	The settlement rules of ASX Settlement.
Board	The board of Directors.
Business Day	A day: (a) that is a business day as defined in the Listing Rules; and (b) which is not a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia.
CHESS	Clearing House Electronic Sub-register System operated by ASX Settlement.
CHESS Statement or Holding Statement	A statement of shares registered in a CHESS account.
Closing Date	The closing date of the Offers as set out in Section 2.4.
Company or BMG	BMG Resources Limited ACN 107 118 678.
Consolidated Entity	The Company and its subsidiaries.
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company as at the date of this Prospectus.
Eligible Jurisdictions	Australia and New Zealand.
Eligible Shareholder	A Shareholder who is: (a) a registered holder of Shares on the Record Date; (b) has a registered address in Australia or New Zealand as shown in the Share Registry; (c) not in the United States or a U.S. Person or acting for the account of or benefit of a U.S. Person; and (d) eligible under all applicable securities laws to receive an offer under the Entitlement Offer.
Entitlement	The number of New Shares and Free Attaching Options that a Shareholder is entitled to apply for under the Rights Offer, as determined by the number of Shares held by that Shareholder at the Record Date.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.

Excluded Shareholder	A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction.
Existing Share	A share issued before the date of this Prospectus.
Existing Shareholder	A holder of an Existing Share.
Free Attaching Option	The Options that may be issued under this Prospectus on the terms set out herein.
GST	Goods and services tax.
Listing Rules	The listing rules of ASX.
Lodgement Date	The date of lodgement of the Prospectus with ASIC as set out on page iii.
New Cyprus Copper Company Ltd	The New Cyprus Copper Company Ltd, being a company registered in the United Kingdom and having company number 09864965.
New Securities	New Shares and Free Attaching Options.
New Shares	The Shares that may be issued under this Prospectus on the terms set out herein.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offers	The Rights Offer and the Shortfall Offer, or either one of those offers as the case may be.
Official List	The official list of ASX.
Official Quotation	Official quotation by ASX.
Opening Date	The opening date of the Rights Offer as set out in Section 2.4.
Option	An option to subscribe for a Share.
Option Holder	The holder of an Option.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Prospectus	This prospectus dated 23 September 2016, including any electronic or online version of this prospectus.
Record Date	5.00pm (WST) on 30 September 2016 or such other date as may be determined by the Directors.
Right	The right to subscribe for New Shares under an Offer.
Rights Offer	The offer of New Shares and Free Attaching Options under this Prospectus.
Section	A section of this Prospectus.
Securities	Shares and/or Options.
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	The Company's share registry, Security Transfer Australia Pty Ltd ACN 008 894 488.
Shareholder	The holder of a Share.
Shortfall	The number of New Securities offered under this Prospectus for which valid Applications have not been received from Eligible Shareholders before the Closing Date.

Shortfall Application Form	An application form for New Securities under the Shortfall Offer.
Shortfall Offer	The offer of Shortfall Shares and Free Attaching Options under this Prospectus.
Shortfall Securities	Shortfall Shares and Free Attaching Options issued to the Shareholders in accordance with this Prospectus as set out in Section 2.8.
Shortfall Shares	Shortfall Shares issued to the Shareholders in accordance with this Prospectus as set out in Section 2.8.
Transcontinental TRG	Transcontinental Investments Pty Ltd ACN 009 017 985. TRG Equity Investments Pty Ltd ACN 143 454 522.
Underwriter or Patersons	Patersons Securities Limited ACN 008 896 311 (AFSL 239052).
U.S. Person	Any person in the United States or any person that is, or is acting for the account or benefit of, a “U.S. person” (as defined in Regulation S under the United States Securities Act of 1933, as amended).
WST	Western Standard Time, being the time in Perth, Western Australia.