

BMG RESOURCES LIMITED

ACN 107 118 678

Circular to Shareholders

Including

NOTICE OF MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

5 November 2014

Time of Meeting

2.00pm (WST)

Place of Meeting

Cliftons, Parmelia House

Level 4, 191 St Georges Terrace Perth Western Australia 6000

These documents should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

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NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of BMG Resources Limited will be held at Cliftons, Parmelia House, Level 4 191 St Georges Terrace Perth, Western Australia 6000 on **5 November 2014 at 2.00pm (WST)**.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions.

Information on the proposals to which those resolutions relate is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting ('Explanatory Memorandum'). Words and expressions defined in the Explanatory Memorandum have the same meanings where used in this Notice of Meeting.

ORDINARY BUSINESS – FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Annual Financial Report, the Directors' Report and Independent Auditor's Report of BMG Resources Limited for the financial year ended 30 June 2014.

RESOLUTION 1 – RE-ELECTION OF MR MALCOLM CASTLE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Castle (a Director appointed to the Board on 8 November 2010) who retires by rotation in accordance with clause 79 of the Company's constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director."

RESOLUTION 2 – THE ADOPTION OF THE REMUNERATION REPORT (NON-BINDING RESOLUTION)

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That, for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2014 be adopted."

RESOLUTION 3 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities up to 10% of the number of fully paid ordinary securities of the Company (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for a period of 12 months from the date of this Meeting on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

In accordance with Listing Rule 7.3A.7, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if this Resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By Order of the Board



Fleur Hudson

Company Secretary

NOTES

These notes form part of the Notice of Meeting.

Background information

To assist you in deciding how to vote on the above resolutions, background information to the resolutions are set out in the Explanatory Memorandum forming part of this Notice of Meeting.

Recommendation

The Board believes that the above resolutions are in the best interests of the Shareholders and (save where otherwise indicated in the Explanatory Memorandum) unanimously recommends that Shareholders vote in favour of each of them.

Voting entitlements

The Directors have determined that, for the purpose of voting at the General Meeting, Shareholders eligible to vote at the General Meeting are those persons who are the registered holders of Shares at 2.00pm (WST) on 3 November 2014.

How to vote

You may vote by attending the General Meeting in person, by proxy, or by an authorised representative.

Voting in person

To vote in person, attend the General Meeting on the date and at the place set out above. Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

Voting by proxy

A Shareholder has the right to appoint a proxy (who need not be a Shareholder). A proxy can be an individual or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder is entitled to cast two or more votes he may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.

To vote by proxy, the Proxy Form (together with the original of any power of attorney or other authority, if any, or certified copy of that power of attorney or other authority under which the Proxy Form is signed) must be deposited with the Company at the registered office Level 14, Parmelia House, 191 St Georges Terrace Perth WA 6000 or faxed to the Company (+61) (8) 9321 5932, not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the common seal of that company.

Corporate Representatives

A body corporate may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Share Registrar, Security Transfer Registrars Pty Ltd, before the General Meeting or at the registration desk on the day of the General Meeting. Certificates of appointment of corporate representatives are available at Security Transfer Registrars Pty Ltd or on request by contacting Security Transfer Registrars Pty Ltd on telephone number (08) 9315 2333.

Questions from Shareholders

The Chairman of the meeting will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management and performance of the Company.

BDO WA Pty Ltd, as the Auditor responsible for preparing the Auditor's report for the financial year ended 30 June 2014 (or its representative), will attend the General Meeting. The Chairman of the meeting will allow a reasonable opportunity for the Shareholders as a whole to ask the Auditor questions at the meeting about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

To assist the Board and the Auditor of the Company in responding to any questions you may have, please submit any questions you may have by fax or to the address below by no later than 2.00pm (WST) on 29 October 2014.

By mail: Level 14, Parmelia House
 191 St Georges Terrace
 PERTH WA 6000

By Facsimile: (within Australia) (+61) (8) 9321 5932

In person at the Registered Office: Level 14, Parmelia House
191 St Georges Terrace
PERTH WA 6000

As required under section 250PA of the Corporations Act, at the meeting, the Company will make available those questions directed to the Auditor received in writing at least five business days prior to the General Meeting, being questions which the Auditor considers relevant to the content of the Auditor's report or the conduct of the audit of the Annual Financial Report for the financial year ended 30 June 2014. The Chairman of the meeting will allow a reasonable opportunity for the Auditor to respond to the questions set out on this list.

Annual Report

The Company advises that a copy of its Annual Report for the financial year ended 30 June 2014, is available to download at the website address, www.bmgil.com.au.

When you access the Company's Annual Report online, you can view it and print a copy.

Please note that if you have elected to continue to receive a hard copy of the Company's Annual Reports, the Company's Annual Report for the financial year ended 30 June 2014 will accompany this Notice of Meeting or, alternatively, it will be mailed to you no later than 21 days before the General Meeting.

However, if you did not elect to continue to receive a hard copy of the Company's Annual Reports and now (or sometime in the future) you wish to receive a hard copy of the Company's Annual Reports, please contact Security Transfer Registrar Pty Ltd on (08) 9315 2333. They will be pleased to mail you a copy.

Enquiries

Shareholders are invited to contact the Company Secretary, Fleur Hudson, on (08) 9424 9390 if they have any queries in respect of the matters set out in these documents.

By Order of the Board

Date 1 October 2014



Name **Fleur Hudson**
Company Secretary

The Notice of Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum is prepared for the information of Shareholders in connection with any business to be transacted at the General Meeting of the Company to be held on 5 November 2014.

At the meeting, Shareholders will be asked to consider resolutions regarding:

- (a) re-election of Director;
- (b) adoption of the Remuneration Report; and
- (c) approval of 10% Placement Facility.

Details of these proposals are set out in the Explanatory Memorandum, which Shareholders are encouraged to read carefully.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass these resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to Shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

Financial Statements and Reports

Shareholders are to receive and consider the Annual Financial Report, Directors' Report and the Independent Auditor's Report of BMG Resources Limited for the financial year ended 30 June 2014.

Shareholders will be given the opportunity to ask questions of the Board and the Auditors in relation to the Annual Report for the financial year ended 30 June 2014, at the General Meeting.

Resolution 1 – Re-Election of Mr Malcolm Castle

Clause 79 of the Company's constitution and Listing Rule 14.4 require that at each Annual General Meeting of the Company, one third of the Directors (to the nearest whole number) must retire from office. A retiring Director is eligible for re-election.

Subject to Resolution 1 being passed, after the General Meeting the Board will comprise Mr. Christopher Eager, Mr. Bruce McCracken, Dr. Michael Green and Mr. Malcolm Castle. The Board considers that this board composition, including the mix of executive and non-executive Directors, provides an appropriate range of skills, knowledge and experience.

In accordance with clause 79 of the Company's constitution, Mr Castle, being eligible, has offered himself for re-election as a Director. A profile of Mr Castle is contained in the Company's annual report for the financial year ended 30 June 2014.

Directors' recommendation

All Directors (other than Mr Castle) recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Adoption of the Remuneration Report

The Corporations Act requires that at a listed company's Annual General Meeting a resolution that the Remuneration Report be adopted must be put to the Shareholders.

The Remuneration Report is contained in the Financial Report for the year end 30 June 2014 and sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

The vote on the resolution is advisory only and does not bind the Directors or the Company, nor does it affect the remuneration paid or payable to the Company's Directors or the Executives. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

The Chairman of the meeting will allow a reasonable opportunity for discussion of the Remuneration Report at the meeting.

Section 250R(4) of the Corporations Act prohibits any votes on this resolution being cast by Key Management Personnel whose remuneration details are disclosed in the report (or their Closely Related Parties). Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2014. Their closely related parties are defined by the Corporations Act and include certain of their family members, dependants and companies they control

However, an exception to this prohibition exists to enable the Chairman to vote Shareholders' undirected proxy votes where he has been expressly authorised to do so. If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this resolution.

Therefore, if you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 2, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 2 in the Proxy Form.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this resolution unless you have directed them how to vote.

Resolution 3 – Approval of 10% Placement Facility

3.1 General

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval to issue Equity Securities up to 10% of its issued share capital over a 12 month period after its annual general

meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the 15% placement capacity under Listing Rule 7.1.

For the purposes of Listing Rule 7.1A an Eligible Entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of not more than \$300,000,000.

The Company is an Eligible Entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 3 will be to allow all the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 Requirements of Listing Rule 7.1A

(a) Quoted Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has one class of equity security quoted on ASX, being fully paid ordinary shares.

(b) Number of equity securities that may be issued

The exact number of additional equity securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 629,227,732 Shares on issue. If all the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) 94,384,159 equity securities under Listing Rule 7.1 (15% placement capacity); and
- (ii) 62,922,773 equity securities under Listing Rule 7.1A.

(c) Formula for calculating the number of equity securities that may be issued under the Additional Placement Facility.

If this resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of equity securities calculated in accordance with the following formula.

$$(A \times D) - E$$

Where:

A	The number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue: <ul style="list-style-type: none">• plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2,• plus the number of partly paid ordinary securities that became fully paid in the 12 months,• plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4,• less the number of fully paid ordinary securities cancelled in the 12 months.
D	10%
E	The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

3.3 Information required under the Listing Rules

(a) Minimum Price

The issue price of Equity Securities issued under Listing Rule 7.1A will not be less than 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed;
or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 3.3(a)(i), the date on which the Equity Securities are issued.

(b) Placement period

Equity securities may be issued under the 10% Placement Facility at any time after the date of this Meeting until that date that is 12 months after this Meeting. The approval to the Additional Placement Facility under this resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(c) Risk of economic and voting dilution

If this resolution is passed and the Company issues securities under the 10% Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution including the risk that:

- (i) the market price for equity securities in the same class may be significantly lower on the issue date of the new equity securities than on the date of this Meeting; and
- (ii) the new equity securities may be issued at a price that is at a discount to the market price for equity securities in the same class on the issue date or the new equity securities may be issued consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of equity securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares. The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable 'A' in Listing Rule 7.1A.2		Nominal issue price		
		\$0.005 (Current market price)	\$0.00375 (25% decrease in current market price)	\$0.0025 (50% decrease in current market price)
629,227,732 (Current Variable 'A')	Shares issued under LR 7.1A	62,922,773	62,922,773	62,922,773
	Voting dilution	10%	10%	10%
	Funds raised	\$314,614	\$235,961	\$157,307
	Economic dilution	0%	2.27%	4.55%
943,841,598 (50% Increase in current Variable 'A')	Shares issued under LR 7.1A	62,922,773	62,922,773	62,922,773
	Voting dilution	7.5%	7.5%	7.5%
	Funds raised	\$471,921	\$235,960	\$235,960
	Economic dilution	0%	2.27%	4.55%
1,258,455,644 (100% Increase in current Variable 'A')	Shares issued under LR 7.1A	62,922,773	62,922,773	62,922,773
	Voting dilution	5%	5%	5%
	Funds raised	\$629,228	\$471,921	\$314,614
	Economic dilution	0%	2.27%	4.55%

The table above has been prepared on the following assumptions:

- (i) the latest available market price of Shares as at the date of the Notice was \$0.005;
- (ii) the Company issues the maximum number of equity securities available under the Additional Placement Facility;
- (iii) existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
- (iv) the Company issues Shares only and does not issue other types of equity securities (such as options) under the Additional Placement Facility; and
- (v) the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.

(d) Purpose of issue under 10% Placement Facility

The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) Compliance with disclosure obligations

The Company will comply with disclosure obligations under the Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

(f) Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

At the date of this Notice the proposed allottees under the 10% Placement Facility have not been determined but may include existing substantial Shareholders, other Shareholders and/or new investors. None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for equity securities under the 10% Placement Facility and it is possible that their shareholding will be diluted.

If the 10% Placement Facility is used to acquire new assets or investments then it is likely that the allottees will be the vendors of these assets/investments.

(g) Previous approval under Listing Rule 7.1A

The Company obtained approval under Listing Rule 7.1A at its 2013 annual general meeting.

The total number of Equity Securities issued in the 12 months preceding the date of the Meeting is 52,000,000. This represents 6.74% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The details for each separate issue of equity securities issued during the 12 months before this Meeting are set out in the **Schedule**.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolution set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by Shareholders. Shareholders are invited and encouraged to attend the General Meeting or, if unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained on the Proxy Form and in the Notice of Meeting. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the General Meeting in person.

GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

10% Placement Facility	Has the meaning given in the Explanatory Memorandum for Resolution 3.
Act or Corporations Act	<i>Corporations Act 2001</i> (Cth).
AGM	The Annual General Meeting of the Company.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
ASX Listing Rules or Listing Rules	The Official Listing Rules of the ASX, as amended from time-to-time.
Auditor	BDO (WA) Pty Ltd.
Board	The Board of Directors.
Company or BMGL	BMG Resources Limited (ACN 107 118 678).
Director	A Director of the Company.
Eligible Entity	An entity that, at the date of the relevant general meeting: (a) is not included in the A&P/ASX 300 Index; and (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.
Equity Securities	Includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.
General Meeting	The Annual General Meeting of the Company to be held on 5 November 2014.

Key Management Personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Notice of Meeting	The Notice convening the General Meeting which accompanies this Explanatory Memorandum.
Option	An option to subscribe for a Share.
Proxy Form	The Proxy Form attached to the Notice of Meeting.
Remuneration Report	The remuneration report contained in the Directors' report for the year ended 30 June 2014.
Share Registrar	Security Transfer Registrars Pty Ltd (ACN 008 894 488).
Shareholder	A registered holder of a Share.
Shares or BMGL Shares	Fully paid ordinary shares in the Company.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule

Equity securities issued 12 months prior to AGM

Date of issue	Equity Securities issued	Person	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
13/12/2013	5,000,000 unquoted Options exercisable at \$0.035 each; expiring on the earlier of the third anniversary of the date of issue or six months after Mr Christopher Eager's employment with the Company ceases.	Mr Christopher Eager	Nil	Nil	N/A	Services as a Director \$26,710
13/12/2013	5,000,000 unquoted Options exercisable at \$0.05 each; expiring on the earlier of the third anniversary of the date of issue or six months after Mr Christopher Eager's employment with the Company ceases; vesting on 31 December 2014.	Mr Christopher Eager	Nil	Nil	N/A	Services as a Director \$24,858
13/12/2013	5,000,000 unquoted Options exercisable at \$0.035 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource.	Mr Bruce McCracken	Nil	Nil	N/A	Services as a Director \$26,710
13/12/2013	5,000,000 unquoted Options exercisable at \$0.04 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company achieving a JORC inferred	Mr Bruce McCracken	Nil	Nil	N/A	Services as a Director \$26,028

Date of issue	Equity Securities issued	Person	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
	resource of greater than 2 million tonnes.					
13/12/2013	5,000,000 unquoted Options exercisable at \$0.045 each; expiring on the earlier of the third anniversary of the date on which they vest or six 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.	Mr Bruce McCracken	Nil	Nil	N/A	Services as a Director \$25,415
13/12/2013	10,000,000 unquoted Options exercisable at \$0.05 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Mr Bruce McCracken's employment with the Company ceases; vesting on the Company's completion of a successful Feasibility Study.	Mr Bruce McCracken	Nil	Nil	N/A	Services as a Director \$49,717
13/12/2013	3,000,000 unquoted Options exercisable at \$0.035 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Dr Michael Green's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource.	Dr Michael Green	Nil	Nil	N/A	Services as a Director \$16,026
13/12/2013	3,000,000 unquoted Options exercisable at \$0.04 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Dr Michael	Dr Michael Green	Nil	Nil	N/A	Services as a Director \$15,617

Date of issue	Equity Securities issued	Person	Issue price	Total cash consideration	Use of funds	Non-cash consideration and current value
	Green's employment with the Company ceases; vesting on the Company achieving a JORC inferred resource of greater than 2 million tonnes.					
13/12/2013	3,000,000 unquoted Options exercisable at \$0.045 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Dr Michael Green'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.	Dr Michael Green	Nil	Nil	N/A	Services as a Director \$15,249
13/12/2013	8,000,000 unquoted Options exercisable at \$0.05 each; expiring on the earlier of the third anniversary of the date on which they vest or six months after Dr Michael Green's employment with the Company ceases; vesting on the Company's completion of a successful Feasibility Study.	Dr Michael Green	Nil	Nil	N/A	Services as a Director \$39,773

Note: Options values are current as at September 2014 and are those calculated by the Auditor using the Black-Scholes model as set out in the Company's Annual Report for the financial year ended 30 June 2014.