

BMG Resources Limited

ACN 107 118 678



PROSPECTUS

Security Purchase Plan and Shortfall Offer

For the offer to each Eligible Shareholder to subscribe for up to \$15,000 of New Shares at an issue price of \$0.009 each, with one free attaching Option exercisable at \$0.02 each on or before 30 June 2019 (**New Option**) for every one New Share issued, to raise up to \$500,000 before costs (**Security Purchase Plan**), and for the offer of the Shortfall to the Security Purchase Plan (**Shortfall Offer**).

Lead Manager Offer

For the offer to Peak Asset Management (or its nominees) to subscribe for 15,000,000 New Options, at an issue price of nil, pursuant to the terms of the Lead Manager Engagement (**Lead Manager Offer**).

Offer Period

The Offers open on Monday, 12 November 2018 and close at 5.00pm (WST) on Friday, 30 November 2018.

IMPORTANT NOTICE

This Prospectus and the accompanying Application Forms contain important information about the Offers. Each document should be read in its entirety. Please read the instructions in this document and the accompanying Application Forms regarding making an application. You should speak to your professional advisors if you have any questions about the Offers or this Prospectus. The Securities offered by this Prospectus should be considered speculative.

Important Information

General

This Prospectus is dated 8 November 2018 and was lodged with ASIC on that date. Neither ASIC nor ASX 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 an offer of 'continuously quoted securities' (as defined in the Corporations Act) and options to acquire continuously quoted securities. It has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level as disclosure as an initial public offering or "full form" prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

Offer Securities will not be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

Electronic prospectus

This Prospectus may be viewed in electronic form at www.bmgl.com.au by Australian and New Zealand 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 an Offer Period by contacting the Company. The information on the Company's website does not form part of this Prospectus.

Risk factors

Potential 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 5 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 Company's 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 Offer Securities pursuant to this Prospectus.

Overseas Applicants

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 Offer Securities, including by submitting an Application Form or making a payment using BPAY® an Applicant represents and warrants that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia and New Zealand may be restricted by law and persons who come into possession of these documents 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. Please refer to Section 3.9 for further information.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at 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 the Company or subscribe for Offer Securities.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon as having been authorised by the Company in connection with this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These 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.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during an Offer Period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Applications

Applications for Offer Securities offered by this Prospectus can only be made on an original Application Form accompanying this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.

By returning an Application Form, lodging an Application Form with a stockbroker or otherwise arranging for payment of Offer Securities in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.

Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 10.

References to "\$", "A\$", "AUD", or "dollar" are references to Australian currency, unless otherwise stated.

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

Corporate Directory

Directors

Gregory Hancock
Chairman

Bruce McCracken
Managing Director

Simon Trevisan
Non-Executive Director

Malcolm John Castle
Non-Executive Director

Peter Munachen
Non-Executive Director

Company Secretary

Sean Meakin

Registered Office

BMG Resources Limited
Level 14, 225 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

ASX Code

BMG – Shares

BMGOA - Options

Website

www.bmgl.com.au

Solicitors to the Company

Jackson McDonald
Level 17, 225 St Georges Terrace
Perth, Western Australia 6000

Telephone: (08) 9426 6611

Facsimile: (08) 9321 2002

Share Registry*

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153

PO Box 535

Applecross, Western Australia 6153

Telephone (within Australia): 1300 992 916

Telephone (international): +61 3 9628 2200

Email: registrar@securitytransfer.com.au

Auditor*

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

T: +61 8 6382 4600

F: +61 8 6382 4601

*Included for information purposes only. This entity has not been involved in the preparation of this Prospectus.

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Key Offer Information

Indicative timetable

Event	Target Date
Record Date for determining Shareholders' entitlements to participate in the Security Purchase Plan	5:00pm (WST) on Wednesday, 7 November 2018
Lodgement of Prospectus with ASIC	Thursday, 8 November 2018
Despatch of Prospectus	Monday, 12 November 2018
Opening Date of Offers	Monday, 12 November 2018
Annual General Meeting	Thursday, 29 November 2018
Issue of Tranche 2 Placement Securities	Thursday, 29 November 2018
Closing Date of Offers	5:00pm (WST) on Friday, 30 November 2018
Issue of Offer Securities	Monday, 3 December 2018
Despatch of Holding Statements for Offer Securities	Monday, 3 December 2018
ASX quotation of New Shares and New Options issued under Offers	Tuesday, 4 December 2018

Note: The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Applications, either generally or in particular cases. Investors who wish to submit an Application and subscribe for Securities under an Offer are encouraged to do so as soon as possible after the Offers open as the Offers may close at any time without notice.

Key Offer details

Offer	Details
<i>Security Purchase Plan and Shortfall Offer</i>	
Price per New Share under the Security Purchase Plan and Shortfall Offer	\$0.009
New Shares offered under the Security Purchase Plan and Shortfall Offer	55,555,556
New Options offered under the Security Purchase Plan and Shortfall Offer	55,555,556
Cash proceeds of the Security Purchase Plan and Shortfall Offer (before costs)	\$500,000
<i>Lead Manager Offer</i>	
Price per New Option under the Lead Manager Offer	Nil
New Options offered under the Lead Manager Offer	15,000,000
Cash proceeds of the Lead Manager Offer (before costs)	Nil

Note: The figures in the table above assume full subscription under each Offer.

1. Investment Overview

1.1 Company Overview

(a) Chilean Lithium Projects

On 22 August 2018 the Company announced that it had entered into a binding and exclusive agreement with the owners of Lithium Chile Spa (**LCS Shareholders**) to form a joint venture to undertake the exploration and development of three lithium brine projects in Chile, subject to the satisfactory completion of legal and technical due diligence and other conditions precedent.

LCS is the holder of the projects comprising the Salar West Claims, Pajonales Claims and Natalie Claims in the Salar de Atacama and surrounding areas in northern Chile (**Chilean Lithium Projects**).

The projects are located in the 'lithium triangle' region of the Andes, encompassing parts of northern Chile, south-west Bolivia and north-west Argentina. This region hosts over 50% of the world's lithium resources and the largest and highest grade lithium brine deposits in the world.

The Chilean Lithium Projects comprise three areas of over 12,000 hectares (in total) in the Salar de Atacama, Salar de Pajonales and Salar de Tuyajto-Natalie regions of Chile.

The transaction follows an extensive period of review and evaluation by the Company of strategic investment opportunities. The Company identified battery minerals, principally lithium and cobalt, as high priority targets. Chile was prioritised being the world's best location for low cost, high grade lithium brine opportunities. The transaction meets the Company's investment criteria and represents a transformational opportunity for the Company.

LCS will be the joint venture entity in Chile which will own all right, title and interest in the Chilean Lithium Projects. BMG will acquire an initial 20% shareholding interest in LCS and will earn-in to a 50% shareholding interest in LCS. The respective shareholding interests in LCS, which will be managed and operated in accordance with a shareholders agreement between BMG and the LCS Shareholders.

In consideration for the establishment of the joint venture and the acquisition of a 20% interest in LCS, under the terms as currently agreed, BMG will pay the LCS Shareholders US\$800,000 in initial consideration comprising:

- (i) a payment of US\$100,000 (already paid), which provides the Company an exclusive period to undertake due diligence and enter into a definitive joint venture agreement with the LCS Shareholders; and
- (ii) a cash payment of US\$500,000 and the issue of Shares to the value of US\$200,000 at completion of the transaction (**Completion**), to occur by 20 December 2018 or within such longer period as agreed by the parties.

Completion is subject to the satisfaction of various conditions precedent as set out below, including BMG undertaking a capital raising and Shareholders approving the Shares to be issued to the LCS Shareholders at Completion (this approval is to be sought at the Company's AGM convened for 29 November 2018 – a copy of the Notice of AGM is available at the Company's website at www.bmgl.com.au/investors/asx-releases.html). Refer to Section 8.2(a) for further details of the Company's agreement with the LCS Shareholders in respect of the Chilean Lithium Projects.

BMG is currently discussing with the LCS Shareholders a potential variation to the Terms Sheet to reduce the upfront cash payable by BMG at Completion, but otherwise retain the proposed joint venture structure and BMG's ability to acquire up to a 50% interest in LCS.

(b) **Treasure Project**

BMG owns 30% of Treasure Development Limited (**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. New Cyprus Copper Company Ltd (**New Cyprus**) owns 70% of TDL and is maintaining and funding TDL and the Treasure Project, with BMG retaining a free carried interest.

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.

New Cyprus is currently preparing an exploration programme to be agreed by BMG, and once completed during the next 1 - 2 years, 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:

- (i) payment to BMG of \$2 million in cash within 12 months of reaching its 90% interest; or
- (ii) 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.

1.2 **Capital Raising**

On 5 and 8 November 2018, the Company announced its intention to undertake a capital raising with a view to raising up to approximately \$1.4 million (before costs) (**Capital Raising**) as follows:

- a placement to various non-related institutional and sophisticated investors of up to 98,766,659 New Shares and 98,766,659 free-attaching New Options, to raise up to approximately \$888,900 (before costs) (**Placement**), to be made in two tranches as follows:
 - Tranche 1 – 26,905,162 New Shares and 26,905,162 New Options; these Securities were issued on 8 November 2018 (**Tranche 1 Placement**); and
 - Tranche 2 – 71,861,497 New Shares and 71,861,497 New Options; the issue of these Securities is subject to Shareholder approval to be obtained at the Annual General Meeting (**Tranche 2 Placement**); and
- the Security Purchase Plan and Shortfall Offer to raise up to \$500,000 (before costs).

In addition to the Capital Raising, the Company may seek to raise additional capital by the issue of further Securities to raise a total of up to \$2 million, subject to Shareholder approval being obtained for the issue of these Securities at the Annual General Meeting. Refer to Sections 1.4 and 8.1 for further information.

As at the Prospectus Date the Company has not arranged or agreed any additional capital raising facility or the issue of any additional Securities, other than pursuant to the Placement and the Offers.

1.3 Offers

Under this Prospectus, the Company makes the following offers (**Offers**):

- an offer to Eligible Shareholders to participate in the Security Purchase Plan by subscribing for up to a total of 55,555,556 New Shares at an issue price of \$0.009 each, together with one free attaching New Option for every one Share subscribed, to raise up to \$500,000 (before costs);
- an offer to the general public (including Eligible Shareholders) to subscribe for the Shortfall, at an issue price of \$0.009 per New Share, together with one free attaching New Option for every one Share subscribed (**Shortfall Offer**); and
- an offer to Peak Asset Management (or its nominees) to subscribe for 15,000,000 New Options at an issue price of nil, pursuant to the terms of the Lead Manager Engagement (**Lead Manager Offer**).

1.4 Issue of Offer Securities conditional

The issue of Offer Securities under the Security Purchase Plan is conditional upon Shareholder approval being obtained at the AGM or ASX granting the Company a waiver from Listing Rule 7.1 to permit the issue of Offer Securities under the Security Purchase Plan without Shareholder approval.

The issue of Offer Securities under the Shortfall Offer is conditional upon Shareholder approval being obtained at the AGM.

If none of these conditions are satisfied, no New Securities will be issued under the Security Plan or the Shortfall Offer and Application Moneys will be refunded in full without interest.

The issue of New Options to the Lead Manager under the Lead Manager Offer is subject to Shareholder approval at the Company's AGM (refer to Resolution 6 of the Notice of AGM).

Please refer to Sections 2.5 and 8.1 for further information.

1.5 Purpose of the Capital Raising and proposed use of funds

The purpose of the Capital Raising is to raise up to \$500,000 (before costs).

If full subscription under the Security Purchase Plan and Shortfall Offer of \$500,000 (before costs) is achieved, the Company intends to apply those funds, together with the \$888,900 (before costs) raised under the Placement, as follows:

	50% subscription under Security Purchase Plan and Shortfall Offer	Amount at full subscription
Funds available		
Cash on hand at 31 October 2018	\$887,801	\$887,801
Funds from Placement	\$888,900	\$888,900
Funds from Security Purchase Plan and Shortfall Offer	\$250,000	\$500,000
TOTAL	\$2,026,701	\$2,276,701
Use of funds		
Administrative and corporate overhead costs	(\$180,000)	(\$180,000)
Costs of Placement and Offers	(\$107,222)	(\$107,222)
Retained as Working capital and for any necessary cash outlays relating to Completion of the proposed Chilean Lithium Projects transaction	(\$1,739,479)	(\$1,989,479)
Total	(\$2,026,701)	(\$2,276,701)

Notes:

1. The information in the above table is current as at the Prospectus Date. The use of funds may change depending on any intervening events or changes in the Company's circumstances. The Board reserves the right to change the way funds are used and applied.
2. Costs of the Placement and the Offers include Peak Asset Management's fees in relation to the Placement and the other costs identified in Section 8.7.
3. Administration and overhead costs include Director fees, accounting costs, auditing costs, insurance costs, legal costs, securities registry costs, investor relations fees, and travel costs anticipated to be incurred from the Prospectus Date until 30 June 2019.

The above 'Use of funds' table does not reflect an anticipated increase in administrative and corporate overhead costs which will follow in the event that the Company's proposed Chilean Lithium Projects transaction is completed. This is anticipated to include costs such as: technical consultancy fees, management and director fees (which have been largely on hold while a new project has been sought by the Company) and any other non-specified costs.

The Company will not raise any funds from the issue of New Options under the Placement, Security Purchase Plan, Shortfall Offer or Lead Manager Offer. However, the Company may receive up to approximately \$3,386,444 (before costs) if all of these New Options (169,322,215 New Options) are issued and exercised. Such funds will be applied by the Company to its working capital requirements at that time.

1.6 Cleansing of Securities issued under Placement

In addition to being for the purpose of making the Offers, this Prospectus has been prepared for the purposes of section 708A(11) of the Corporations Act to remove any secondary trading restrictions applicable to quoted Securities issued prior to Prospectus Date, including the New Shares and New Options issued pursuant to the Placement. These Securities comprise:

- (a) 26,905,162 New Shares and 26,905,162 New Options issued on 8 November 2018 pursuant to the Tranche 1 Placement; and
- (b) 71,861,497 New Shares and 71,861,497 New Options to be issued pursuant to the Tranche 2 Placement after the Company's AGM subject to Shareholder approval being obtained at the AGM.

The Company is unable to issue a cleansing notice under section 708A(5) of the Corporations Act as its Shares have been suspended from trading on ASX for more than five trading days in the last 12 months.

1.7 Key risks

Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. In addition to the risks described in detail in Section 5, prospective Applicants should be aware of the following (non-exhaustive) key risks which have particular application to the Company's operations and projects at this time.

Risk	Description
Completion of proposed Chilean Lithium Projects transaction	The proposed Chilean Lithium Projects transaction as described in Section 1.1(a) is subject to satisfaction of outstanding conditions precedent. This includes the completion of a capital raising, formal documentation, shareholder and other regulatory approvals. There is a risk that the issue of Initial Consideration Shares to the LCS Shareholders under Chilean Lithium Projects transaction may not be approved by Shareholders at the AGM or may not complete in the manner described in this Prospectus. Refer to Section 8.2(a) for further details of these conditions.
Future capital requirements	The Company will most likely require further financing for its future business activities, in addition to amounts raised pursuant to the Capital Raising. The terms of any future equity financing are unknown at this time and will depend on a variety of factors, and could be dilutive to Shareholders, if undertaken at lower prices than the current market price (or the Offer Price) or may involve restrictive conditions which limit the Company's operations and business strategies. There cannot be any assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all.

1.8 The Board

The Company is managed by the Board of Directors. The Board currently comprises 5 Directors, including one Executive Director and 4 Non-Executive Directors.

(a) **Gregory Hancock (Non-Executive Chairman) – BA(Econs); B Ed (Hons) F Fin**

Mr Hancock has over 25 years' experience in capital markets practicing in the area of corporate finance. He has extensive experience in both Australia and the United Kingdom. In this time he has specialised in mining and natural resources and has a background in the finance and management of small companies. Mr Hancock is currently a director of ASX listed companies Ausquest Ltd, where he serves as Chairman, Strata-X Energy Ltd as non-executive director, Zeta Petroleum PLC., as nonexecutive director, and Golden State Mining Ltd as a non-executive director.

Mr Hancock has been a director of BMG since 6 February 2017, and was appointed as the Company's Chairman on 8 March 2018 following the retirement of the Company's former chairman Mr Anthony Trevisan with effect from 14 February 2018.

Mr Hancock is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee.

(b) **Bruce McCracken (Managing Director) – B Com, LLB, MBA, GAICD**

Mr McCracken is an experienced business executive having spent over 25 years working across a broad range of industries based in Perth, Melbourne and Sydney.

Prior to joining the Company, Mr McCracken 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.

(c) **Simon Trevisan (Non-Executive Director) – B Econ, LLB (Hons), MBT**

Mr Trevisan is the managing director of Tribis Pty Ltd, and of the company's property arm Iris Residential Pty Ltd. He has significant experience in public and private investments, corporate finance, and management of large public and private businesses.

Mr Trevisan has been responsible for the funding and management of a number of public companies, and for the 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 and a substantial oil discovery in Italy, the successful listing of Ausgold Ltd and Regalpoint Resources Ltd, and the relisting of Brazilian Metals Group Ltd amongst other ASX-traded companies.

Mr Trevisan was a founding Executive Director of ASX-listed companies Ausgold Ltd and Regalpoint Resources Ltd. He holds a Bachelor of Economics and a Bachelor of Laws from the University of Western Australia, and a Masters Degree in Business and Technology from the University of New South Wales. Before becoming a full-time executive with Tribis, Mr Trevisan practiced as a solicitor with Allens Arthur Robinson Legal Group firm, Parker and Parker, in the corporate and natural resources divisions.

He is also currently a director of ASX-listed public companies Neurotech International Ltd, Zeta Petroleum plc and AssetOwl Limited, and on the board of St George's College Foundation.

Mr Trevisan is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee.

(d) **Malcolm Castle (Non-Executive Director) – B.Sc (Hons), GCertAppFin (Sec Inst), MAusIMM**

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 Chief Geologist for the Tribis Group. Mr Castle completed a Bachelor's Degree in Applied Geology with the University of New South Wales in 1965 and was awarded a B.Sc (Hons) degree. He completed postgraduate studies with the Securities Institute of Australia in 2001 and was 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 is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee.

(e) **Peter Munachen (Non-Executive Director) – FCAANZ, FAICD**

Mr Munachen's career spanned some 45 years in the areas of management and corporate administration of ASX quoted public companies, including the financing of exploration and resource development projects (gold, base metals, diamonds and hydrocarbons), as well as the acquisition of exploration and development projects – both Australasian and international.

He is a Chartered Accountant by profession and prior to concentrating on resource driven projects from 1987, he was a practising professional accountant advising a range of clientele covering traditional small to medium businesses as well as entrepreneurs of innovative projects. He retired from the position of CEO/Director of Norwest Energy NL (NWE) in 2016, but continued to consult to a number of resource and start-up projects. Mr Munachen was appointed as a director of the Company on 2 January 2018.

Mr Munachen is the Chairman of the Board's Audit and Risk Committee.

2. Details of the Offers

2.1 Security Purchase Plan

(a) Offer

By this Prospectus, the Company invites Eligible Shareholders to participate in the Security Purchase Plan.

Under the Security Purchase Plan, the Company offers to Eligible Shareholders a total of 55,555,556 New Shares at an issue price of \$0.009 each and a total of 55,555,556 free-attaching New Options, to raise up to \$500,000 (before costs).

Eligible Shareholders may apply for New Shares and New Options under the Security Purchase Plan, but are not required to do so.

The Security Purchase Plan is subject to the terms and conditions set out in this Prospectus.

Each Eligible Shareholder is entitled to apply for up to 1,666,667 New Shares at \$0.009 each, with one New Options for every one Share subscribed, totalling \$15,000, regardless of the number of Shares held by that Eligible Shareholder.

(b) Eligibility to participate

Shareholders who were registered in the Company's register of Shareholders with an Australian or New Zealand address at the Record Date (i.e. 5.00pm (WST) on Wednesday, 7 November 2018) will be Eligible Shareholders and may participate in the Security Purchase Plan, except in respect of any Shares such registered Shareholder holds on behalf of another person who resides outside of Australia or New Zealand.

Due to foreign securities laws, it is not practical for Shareholders resident in countries other than Australia and New Zealand to be offered the opportunity to participate in the Security Purchase Plan.

(c) Joint holders

Shareholders who are joint holders of Shares are taken to be a single registered Shareholder for the purposes of the Security Purchase Plan and the certification in the Application Form by any joint holder is taken to have been given by all joint holders.

A Shareholder who receives more than one invitation to participate in the Security Purchase Plan (e.g. if the Shareholder holds Shares in more than one capacity) may not apply for New Shares:

- with an aggregate value of more than \$15,000; or
- which would result in the aggregate value of the New Shares applied for (including through a Custodian (see Section 3.10 below)) under the Security Purchase Plan and any similar arrangement in the last 12 months being more than \$15,000.

(d) Custodians

An Eligible Shareholder who holds Shares as Custodian (see Section 3.10 below) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to the maximum number of Offer Securities for each Beneficiary for whom the Custodian holds Shares.

The Custodian must annex a certificate (**Custodian Certificate**) to its Application Form setting out the following information:

Item	Requirements
Nature of relationship	<p>Either or both of the following:</p> <ul style="list-style-type: none"> that the Custodian holds Shares on behalf of one or more Beneficiaries who are residents in Australia or New Zealand (each a Participating Beneficiary) who are not Custodians; or that another Custodian (Downstream Custodian) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian, <p>on the Record Date and that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for Offer Securities under the Security Purchase Plan on their behalf.</p>
Participating Beneficiary details	The number of Participating Beneficiaries as well as their names and addresses.
Holding	<p>Either:</p> <ul style="list-style-type: none"> the number of Shares that the Custodian holds on behalf of each Participating Beneficiary; and/or in the case of a Downstream Custodian, the number of Shares to which each Participating Beneficiary's beneficial interest relates.
Application amount	The number or dollar amount of Offer Securities that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for on behalf of each Participating Beneficiary.
Confirmation that maximum application not exceeded	<p>That the total Application Moneys for:</p> <ul style="list-style-type: none"> Offer Securities applied for under the Security Purchase Plan for each Participating Beneficiary for whom the Custodian acts, directly or indirectly through a Downstream Custodian does not exceed \$15,000; and any other Shares issued to the Custodian or Downstream Custodian, in the capacity as custodian or nominee for each Participating Beneficiary, under any arrangement similar to the Security Purchase Plan in the last 12 months does not exceed \$15,000.
Provision of Prospectus to Beneficiaries	That a copy of the Prospectus was given to each Beneficiary.
Downstream Custodians	In the case where Shares are held for a Downstream Custodian, the name and address of each Downstream Custodian.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries.

To request a Custodian Certificate or further information on how to apply, a Custodian should contact the Share Registry at any time from 8.30am to 5.00pm (WST) Monday to Friday during the Offer Period, using the contact details set out in the Corporate Directory section above.

(e) **Allocation and scale-back**

The Directors will have discretion as to how to allocate the Offer Securities under the Security Purchase Plan. The Directors will generally allocate Offer Securities in a manner that they consider to be fair and reasonable to Eligible Shareholders.

In the event that Applications for Offer Securities under the Security Purchase Plan exceed the total amount of the Offer Securities offered under the plan, then Applications will be scaled back. The Directors propose to allocate Offer Securities to Eligible Shareholders equally up to \$5,000, and thereafter to scale back on an equal basis.

The Company cannot guarantee that all Eligible Shareholders to the Security Purchase Plan will receive the number of Offer Securities applied for. If an Eligible Shareholder does not receive any or all of the Offer Securities applied for, the excess Application Moneys will be returned to the Eligible Shareholder without interest.

The Company will not allocate Offer Securities under the Security Purchase Plan to the extent that the recipient's voting power in the Company would breach the takeover thresholds in the Corporations Act (i.e. in circumstances where the recipient would acquire a controlling interest in 20% or more of the issued Shares, or increase an existing controlling interest of more than 20%, subject to certain exceptions).

2.2 **Shortfall Offer**

(a) **Shortfall**

Any New Shares and New Options not subscribed for under the Security Purchase Plan will form the Shortfall and will be offered under the Shortfall Offer.

(b) **Offer**

The Shortfall Offer is a separate offer under this Prospectus. The issue price of the New Shares under the Shortfall Offer is \$0.009, being equal to the issue price under the Security Purchase Plan.

The Shortfall Offer is made to the general public (including Eligible Shareholders) provided they are eligible under all applicable securities laws to receive an offer under the Shortfall Offer.

(c) **Placement of balance**

If, after the close of the Security Purchase Plan and Shortfall Offer, any Shortfall has not been subscribed for under the Security Purchase Plan or Shortfall Offer, the Directors reserve the right to place some or all of those Offer Securities within 3 months after the close of the Offers.

(d) **Allocation and scale-back**

The Directors will have discretion as to how to allocate the Shortfall both under the Shortfall Offer, and after the close of the Offers. The Directors will generally allocate Offer Securities in a manner that they consider to be fair and reasonable to Applicants.

The Company cannot guarantee that all Applicants to the Shortfall Offer will receive the number of Offer Securities applied for. If an Applicant does not receive any or all of the Offer Securities applied for, the excess Application Moneys will be returned to the Applicant without interest.

The Company will not allocate Offer Securities under the Shortfall Offer to the extent that the recipient's voting power in the Company would breach of the takeover thresholds in the Corporations Act (i.e. in circumstances where the recipient would

acquire a controlling interest in 20% or more of the issued Shares, or increase an existing controlling interest of more than 20%, subject to certain exceptions).

2.3 Lead Manager Offer

This Lead Manager Offer made under this Prospectus invites Peak Asset Management (or its nominees) to subscribe for 15,000,000 New Options at an issue price of nil, pursuant to the terms of the Lead Manager Engagement.

The primary purpose of the Lead Manager Offer is for the Company to fulfil its obligation under the Lead Manager Engagement to issue the 15,000,000 New Options to Peak Asset Management (or its nominees).

By offering the New Options under the Lead Manager Offer, the New Options will be issued with disclosure under Chapter 6D of the Corporations Act. Accordingly, the New Options (and any Shares issued on their exercise) will not be subject to secondary trading restrictions.

The full terms and conditions of the New Options offered under the Lead Manager Offer are set out in Section 6.2.

2.4 Timetable

The Offers will open on Monday, 12 November 2018 and will close at 5.00pm (WST) on Friday, 30 November 2018.

The indicative timetable for the Offers is set out in the Timetable.

The Directors reserve the right to extend the Offer Period in relation to one or more of the Offers, or to close an Offer prior to the Closing Date, subject to the requirements of the Corporations Act and the Listing Rules.

The Directors may withdraw an Offer at any time prior to the issue of Offer Securities pursuant to that Offer.

2.5 Offers are conditional

The issue of Offer Securities under the Security Purchase Plan is conditional upon either:

- (a) Shareholder approval being obtained at the AGM for the issue of up to 2,222,222 New Shares and 222,222,222 New Options (refer to Resolution 5 of the Notice of AGM); or
- (b) ASX granting the Company a waiver from Listing Rule 7.1 to permit the issue of Offer Securities under the Security Purchase Plan without Shareholder approval.

The Company will apply to ASX for a waiver from Listing Rule 7.1 to permit the issue of Offer Securities under the Security Purchase Plan without Shareholder approval. If ASX does not grant the requested waiver, the issue of Offer Securities under the Security Purchase Plan and Shortfall Offer will be subject to Shareholders approving Resolution 5 of the Notice of AGM at the AGM.

The issue of Offer Securities under the Shortfall Offer is conditional upon Shareholder approval at the Company's AGM.

If none of these conditions are satisfied, no Offer Securities will be issued under the Security Purchase Plan or the Shortfall Offer and Application Moneys will be refunded in full without interest.

The issue of New Options to the Lead Manager under the Lead Manager Offer is subject to Shareholder approval at the Company's AGM (refer to Resolution 6 of the Notice of AGM).

If Shareholder approval is not obtained to issue New Options to the Lead Manager under the Lead Manager Offer, that Offer will not proceed.

Failure to obtain Shareholder approval to issue New Options under the Lead Manager Offer will not affect the issue of Offer Securities under Security Purchase Plan and Shortfall Offer (if the conditions to the issue of those Offer Securities as stated above are satisfied).

2.6 Minimum subscription

None of the Offers are subject to any minimum subscription condition.

2.7 No underwriting

None of the Offers are underwritten.

3. Applications for Offer Securities

3.1 Security Purchase Plan and Shortfall Offer – Applications by Eligible Shareholders

(a) Making an Application

An Eligible Shareholder that would like to participate in the Security Purchase Plan, including if they would like to apply for Offer Securities under the Shortfall Offer, can do so by completing and lodging the Security Purchase Plan Application Form which accompanies this Prospectus.

Applications for New Shares and New Options under the Security Purchase Plan may be made with respect to any one of the following amounts:

Parcel	Subscription amount	Number of New Shares	Number of New Options
A	\$15,000	1,666,667	1,666,667
B	\$10,000	1,111,112	1,111,112
C	\$5,000	555,556	555,556
D	\$2,500	277,778	277,778

An Eligible Shareholder may also apply for New Shares and New Options under the Shortfall Offer by completing the relevant section of the Security Purchase Plan Application Form and providing the relevant Application Moneys. Eligible Shareholders are not required to lodge a separate Shortfall Offer Application Form if they wish to apply for additional Offer Securities under the Shortfall Offer.

If a Security Purchase Plan Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion. If the exact amount of required Application Moneys are not tendered with a Security Purchase Plan Application Form, the Company reserves the right to either:

- return the Security Purchase Plan Application Form and/or Application Moneys received and not issue any Offer Securities to the Applicant; or
- issue to the Applicant the maximum number of New Shares and New Options represented by the Application Moneys received and refund any excess amount to that Applicant by cheque or electronic funds transfer as soon as possible, without interest.

Eligible Shareholders that have not received their Prospectus and personalised Security Purchase Plan Application Form, or require a replacement via post or email, should contact the Share Registry using the contact details set out in the Corporate Directory section of this Prospectus above.

The Company reserves the right to accept a lesser amount to the total number of Offer Securities applied for by an Eligible Shareholder on the Security Purchase Plan Application Form (including if the Security Purchase Plan or Shortfall Offer close oversubscribed), at the Company's complete discretion.

(b) **Payment by cheque or money order**

Unless an Eligible Shareholder pays using BPAY® as outlined below, a Security Purchase Plan Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares for which the Eligible Shareholder wishes to apply, multiplied by the Offer Price (i.e. \$0.009) of those New Shares.

Cheques or money orders must be made payable to “BMG Resources Limited” and should be marked “Not Negotiable”.

Completed Security Purchase Plan Application Forms and accompanying cheques or money orders must be received by the Company before **5.00pm (WST) on the Closing Date** at the following address:

By hand	By post
BMG Resources Limited c/- Security Transfer Australia 770 Canning Highway Applecross, Western Australia 6153	BMG Resources Limited c/- Security Transfer Australia PO Box 535 Applecross, Western Australia 6153

(c) **Payment using BPAY®**

Eligible Shareholders who wish to submit an Application and make payment using BPAY® under the Security Purchase Plan (and the Shortfall Offer) should follow the instructions on the Security Purchase Plan Application Form which includes the ‘Biller Code’ and the Applicant’s individual ‘Customer Reference Number’.

Eligible Shareholders can only make payment using BPAY® with respect to the Security Purchase Plan and the Shortfall Offer, and if they have an account with an Australian financial institution that supports such transactions.

Eligible Shareholders must ensure to use the specific ‘Biller Code’ and ‘Customer Reference Number’ on their individual Security Purchase Plan Application Form. An Application may not be accepted if these details are incorrect. The ‘Customer Reference Number’ is used to identify each Eligible Shareholder’s holding.

Eligible Shareholders with more than one holding of Shares may receive multiple ‘Customer Reference Numbers’. Such Eligible Shareholders can apply under one or more of their holdings, provided that they do not apply for more than \$15,000 worth of New Shares in total for all holdings.

Payments must be made in Australian dollars for an amount equal to the number of New Shares for which the Eligible Shareholder wishes to apply, multiplied by the Offer Price (\$0.009).

If an Applicant makes a payment using BPAY®, by A Security Purchase Plan Application Form **does not** need to be submitted to the Company. However, by paying Application Moneys by BPAY®, the Eligible Shareholder will be taken to have made the declarations on the Application Form.

BPAY® payments of Application Moneys must be received before **5.00pm (WST) on the Closing Date**.

Eligible Shareholders should take into account when making an Application that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Eligible Shareholder’s responsibility to ensure that the Application Moneys are received by the Company before the Closing Date.

3.2 Shortfall Offer – Applications by the general public

(a) Making an Application

A person (other than an Eligible Shareholder) who would like to apply for Offer Securities under the Shortfall Offer can do so by completing and lodging any Shortfall Offer Application Form which accompanies this Prospectus.

The Shortfall Offer Application Form is also available online at the Share Registry's website at www.securitytransfer.com.au

If a Shortfall Offer Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion.

If the exact amount of required Application Moneys are not tendered with an Application, the Company reserves the right to either:

- return the Shortfall Offer Application Form and/or Application Moneys received and not issue any Offer Securities to the Applicant; or
- issue to the Applicant the maximum number of New Shares and New Options represented by the Application Moneys received and refund any excess amount to that Applicant by cheque or electronic funds transfer as soon as possible, without interest.

The Company reserves the right to accept a lesser amount to the total number of Offer Securities applied for by an Applicant on the Shortfall Offer Application Form (including if Shortfall Offer closes oversubscribed), at the Company's complete discretion.

(b) Payment by cheque or money order

A Shortfall Offer Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price (i.e. \$0.009) of those New Shares.

Cheques or money orders must be made payable to "BMG Resources Limited" and should be marked "Not Negotiable".

Completed Shortfall Offer Application Forms and accompanying cheques or money orders must be received by the Company before **5.00pm (WST) on the Closing Date** at the following address:

By hand	By post
BMG Resources Limited c/- Security Transfer Australia 770 Canning Highway Applecross, Western Australia 6153	BMG Resources Limited c/- Security Transfer Australia PO Box 535 Applecross, Western Australia 6153

(c) Payment using BPAY®

Persons other than Eligible Shareholders who wish to submit an Application under the Shortfall Offer and make payment using BPAY® should follow the instructions on the online Shortfall Application Form.

Applicants can only make payment using BPAY® with respect to the Shortfall Offer if they have an account with an Australian financial institution that supports such transactions.

Applicants must ensure they follow the instructions on the online Shortfall Application Form. An Application may not be accepted if details are incorrect.

Payments must be made in Australian dollars for an amount equal to the number of New Shares for which the Applicant wishes to apply, multiplied by the Offer Price (\$0.009).

If an Applicant makes a payment using BPAY®, a paper copy of the Application Form **does not** need to be submitted to the Company. However, by paying Application Moneys by BPAY®, the Applicant will be taken to have made the declarations on the Application Form.

BPAY® payments of Application Moneys must be received before **5.00pm (WST) on the Closing Date**.

Applicants should take into account when making an Application that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Applicant's responsibility to ensure that the Application Moneys are received by the Company before the Closing Date.

3.3 Lead Manager Offer

Applications for New Options under the Lead Manager Offer may only be submitted by Peak Asset Management (or its nominees) and must be made using the Lead Manager Offer Application Form that accompanies this Prospectus. The Lead Manager Offer Application Form must be completed in accordance with the instructions set out on the back of the form.

Completed Lead Manager Offer Application Forms must be received by the Company before **5.00pm (WST) on the Closing Date** at either of the following addresses:

By hand	By post
BMG Resources Limited c/- Security Transfer Australia 770 Canning Highway Applecross, Western Australia 6153	BMG Resources Limited c/- Security Transfer Australia PO Box 535 Applecross, Western Australia 6153

3.4 Lodgement instructions and effect of making an Application

Applications for Offer Securities must be submitted on an Application Form attached to or accompanying this Prospectus (other than if the Applicant makes a BPAY® payment – refer to Sections 3.1(c) and 3.2(c)). An Application Form must be completed in accordance with the instructions set out on the back of the form.

An original, completed and lodged Application Form constitutes a binding and irrevocable offer to subscribe for the number of Offer Securities specified in that Application Form. An Application Form does not need to be signed to be valid. Once an Application has been made, it cannot be revoked.

If an Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete a form is final. However, in relation to the Security Purchase Plan and Shortfall Offer an Applicant will not be treated as having applied for more New Shares and New Options than is indicated by the amount of Application Money.

Brokerage or transfer/stamp duty is not payable in relation to any Offer.

The Company reserves the right to refuse a completed Application Form if it has reason to believe that an Applicant has not received a copy of this Prospectus in paper or electronic form, or the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

If a person makes an Application, that person:

- irrevocably and unconditionally agrees to the terms of the relevant Offer set out in this Prospectus;
- acknowledges that their Application is irrevocable and unconditional;
- if the Application has been made under the Security Purchase Plan or Shortfall Offer, agrees to pay the Offer Price for each New Share which they have applied for, subject to any scale back (refer to Sections 2.1(e) and 2.2(d)); and
- if the Application has been made under the Security Purchase Plan, warrants and represents to the Company that they are an Eligible Shareholder entitled to participate in the Security Purchase Plan.

3.5 Application Money to be held on trust

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the Securities to which the Application Money pertains are issued under the Security Purchase Plan and Shortfall Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

3.6 Issue of Offer Securities

Subject to Shareholder approval being obtained at the Annual General Meeting, Offer Securities are expected to be issued on the date specified in the Timetable.

The sale by an Applicant of Offer Securities prior to the receipt of a Holding Statement is at the Applicant's own risk.

3.7 ASX quotation – New Shares and New Options

Application for Official Quotation on ASX of the New Shares and New Options offered pursuant to this Prospectus will be made within 7 days after the Prospectus Date.

If permission for quotation of New Shares and New Options is not granted by ASX within 3 months after the Prospectus Date, the Offer Securities will not be allotted, and Application Moneys will be refunded (without interest) as soon as practicable.

The fact that ASX may agree to grant Official Quotation of the New Shares and New Options is not to be taken in any way as an indication of the merits of the Company or its Securities.

3.8 Withdrawal

The Directors may decide to withdraw this Prospectus or an Offer at any time before the issue of any Offer Securities.

3.9 Applicants outside of Australia

(a) General

This Prospectus does not constitute an offer of Offer Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued Offer Securities. Return of a duly completed

Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the Offer Securities or an Offer, or otherwise to permit a public offering of the Offer Securities, in any jurisdiction outside Australia.

(b) New Zealand resident Eligible Shareholders

The Offer Securities offered under this Prospectus are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand and to whom the Security Purchase Plan and Shortfall Offer are being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand).

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.

(c) Other overseas resident Shareholders

This Prospectus may not be released or distributed in any country other than Australia and New Zealand. The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia and New Zealand.

Neither the Offers nor the Offer Securities have been, and nor will they be, registered under the *Securities Act of 1933* of the United States of America (as amended) (**US Securities Act**). The Offer Securities may not be offered or sold in the United States of America, except in transactions exempt from, or otherwise not subject to, registration under the US Securities Act and applicable securities laws in any States of the United States of America.

The distribution of this Prospectus and accompanying Application Forms (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.

3.10 Determination of Custodians – Security Purchase Plan

A Shareholder is a Custodian if they satisfy any of the following:

Category	Requirements
Licensee	That Shareholder holds an Australian financial services licence (under the Corporations Act) that covers: <ul style="list-style-type: none"> the provision of a custodian or depositary service; or the operation of an IDPS (as that term is defined in ASIC Class Order 13/763).
Exempt by regulation or legislative instrument	That Shareholder is exempt under: <ul style="list-style-type: none"> regulation 7.6.01(1)(k) of the <i>Corporations Regulations 2001</i> (Cth) (Corporations Regulations); regulation 7.6.01(na) of the Corporation Regulations;

Category	Requirements
	<ul style="list-style-type: none"> ASIC Class Order 14/1000 or 14/1001; Schedule 2 to the <i>ASIC Corporate (Repeal and Transitional) Instrument 2017/396</i>; an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of <i>ASIC Corporate (Repeal and Transitional) Instrument 2017/396</i> or any of the ASIC Class Orders repealed by that legislative instrument; or paragraph 911A(2)(h) of the Corporations Act, <p>from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service.</p>
Superannuation trustee	That Shareholder is the trustee of a self-managed superannuation fund or a superannuation master trust (as those terms are defined in ASIC Class Order 09/425).
Responsible entity	That Shareholder is a responsible entity of an IDPS-like scheme as that term is defined in ASIC Class Order 09/425.
Registered holder	That Shareholder is noted on the Company's register of Shareholders as holding the Shares on account of another person.

If a Shareholder holds Shares as a trustee or nominee for another person or persons but is not a Custodian as defined above, that Shareholder cannot participate in the Security Purchase Plan for beneficiaries for whom they hold Shares in the manner described above. In such instance, the rules for multiple single holdings (above) apply.

The Company reserves the right to reject any Application to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with the requirements set out above.

The Company also reserves the right to reject Applications in accordance with the terms and conditions of this Prospectus.

3.11 **CHESS and issuer sponsorship**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of its Securities.

Under CHESS, the Company does not issue certificates to the holders of Securities. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of Offer Securities allotted and issued to them under this Prospectus.

This Holding Statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHESS sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A Holding Statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

3.12 **Taxation implications**

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for Offer Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers 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.

3.13 **Privacy disclosure**

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- the Share Registry for ongoing administration of the Company's register;
- Peak Asset Management for the purposes of managing the Shortfall Offer;
- the Company's Related Bodies Corporate, agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register of Shareholders even if that person ceases to be a Security holder of the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

4. Effect of the Offers and Placement

4.1 Principal effect of the Offers and Placement on the Company

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

- increase the number of Shares on issue by 154,322,215 Shares, from 386,037,138 immediately prior to the Tranche 1 Placement, to 540,359,353 Shares, representing a dilution of approximately 28.6% based on the total Shares on issue after completion of the Placement and the Offers (assuming that none of the existing Options are exercised);
- increase the number of Options on issue by 169,322,215, from 162,307,096 Options immediately prior to the Tranche 1 Placement, to 331,629,311 Options; and
- increase cash reserves by up to \$1,097,566 (on a full subscription basis) immediately after completion of the Offers and payment of the costs and expenses set out in Section 8.7, 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 and the Placement are fully subscribed, is set out below:

Securities	Full subscription
Shares	
Shares on issue prior to Placement	386,037,138
New Shares issued under Tranche 1 Placement	26,905,162
New Shares to be issued under the Tranche 2 Placement ¹	71,861,497
New Shares to be issued under the SPP and Shortfall Offer	55,555,556
Total Shares on issue at completion of the Offers and Placement²	540,359,353
Options	
Quoted Options prior to Placement ³	159,807,096
Unquoted Options on issue prior to Placement ⁴	2,500,000
New Options issued under Tranche 1 Placement	26,905,162
New Options to be issued under the Tranche 2 Placement ¹	71,861,497
New Options to be issued under the SPP and Shortfall Offer	55,555,556
Options to be issued under the Lead Manager Offer ⁵	15,000,000
Total Options on issue at completion of the Offers and Placement²	331,629,311

Notes:

1. The issue of these Securities is subject to Shareholder approval. Refer to Sections 1.2 and 8.1 for further details.
2. The figures in the table above assume that other Shares are not issued (including on the exercise of Options) prior to the close of the Offers.
3. Options quoted on ASX (ASX Code: BMGOA) exercisable at \$0.02 each on or before 30 June 2019.
4. Options with various exercise prices and expiry dates – comprising 500,000 Options exercisable at \$0.35 each, 500,000 Options exercisable at \$0.40 each, 500,000 Options

exercisable at \$0.45 each and 1,000,000 Options exercisable at \$0.50 each, subject to various vesting and exercise conditions.

- The issue of these New Options is subject to Shareholder approval. Refer to Sections 1.2, 2.5 and 8.1 for further details.

4.3 Effect of the Offers and Placement on control of the Company

As at the Prospectus Date, the Company has 412,942,300 Shares on issue (including 26,905,162 Shares issued under the Tranche 1 Placement), 186,712,258 Quoted Options (ASX Code: BMGOA) on issue (including 26,905,162 New Options issued under the Tranche 1 Placement) and 2,500,000 unquoted Options on issue.

The Company has managed the Placement, and will manage the Security Purchase Plan and Shortfall Offer, such that none of the Applicants will obtain a relevant interest in Shares of 20% or more.

The Company does not anticipate that the acquisition of Shares by any Shareholder under any Offer will result in any Shareholder either becoming a substantial Shareholder, or obtaining a relevant interest in Shares of 20% or more.

The Company therefore does not anticipate that the Offers and Placement will have any material effect on control of the Company.

4.4 Substantial holdings

A “substantial holding” is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

The table below sets out the Shareholders with a substantial holding based on the Company's register of Shareholders as at the Prospectus Date.

Name	Number of Shares	Percentage interest
Tribis Equity Investments Pty Ltd	76,900,311	18.62%
Mr Michael Hsiao Yun Lan	73,837,448	17.88%
1215 Capital Pty Ltd and related entities	28,788,803	6.97%

Notes:

- Percentage interest has been calculated based on 412,942,300 Shares on issue at the Prospectus Date.
- The figures in the table assume that:
 - additional Shares are not issued after the Prospectus Date; and
 - none of the Options on issue at the Prospectus Date are exercised.
- The information in the table above has been extracted from the Company's register of Shareholders as at the Prospectus Date, and not from substantial holding notices received from, or otherwise required to be provided by, the relevant Shareholders.

4.5 Pro forma statement of financial position

Set out below is:

- the audited statement of financial position of the Company as at 30 June 2018; and
- the unaudited pro forma statement of financial position of the Company as at 30 June 2018 incorporating the effect of the Offers and the Placement, assuming scenarios for

both 50% and 100% subscription under the Security Purchase Plan and Shortfall Offer.

The unaudited pro forma statement of financial position has been derived from the audited financial statements of the Company, for the year ended 30 June 2018, and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers and Placement had occurred by 30 June 2018, and also for material adjustments noted below.

The 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 adjusted for the following material movements in the assets and liabilities of the Company between 30 June 2018 and the Prospectus Date:

- a Placement to issue 98,766,659 Shares at \$0.009 each, including 26,905,162 Shares issued on 8 November 2018 utilising the Company's 15% capacity under Listing Rule 7.1, and the balance of up to 71,861,497 Shares to be issued subject to Shareholder approval at the Company's AGM on 29 November 2018, to raise \$888,900 (before costs);
- at maximum subscription, the issue of 55,555,556 New Shares at \$0.009 each and 55,555,556 New Options under the Security Purchase Plan and Shortfall Offer, to raise up to \$500,000 (before costs) pursuant to this Prospectus;
- at 50% subscription, the issue of 27,777,778 New Shares at \$0.009 each and 27,777,778 New Options under the Security Purchase Plan and Shortfall Offer, to raise up to \$250,000 (before costs) pursuant to this Prospectus;
- the issue of 15,000,000 New Options to Peak Asset Management under the Lead Manager Offer, in the event that the total amount raised from the Placement and SPP is a minimum of \$1,250,000; consequentially, in the proforma balance sheet below, these New Options are only issued under the 100% subscription scenario;
- costs of the Placement and Offers will be approximately \$107,222;
- on 27 August 2018, the Company made a payment of US\$100,000 (A\$138,000) for the exclusive right to undertake due diligence and execute the agreement with Chilean Lithium explorer, Lithium Chile SpA, which the Company entered into 22 August. This amount is shown in the 'Adjustments' column in the proforma statement of financial position as 'Joint Venture Investment'; this accounting treatment is on the basis that the transaction is completed; if the transaction is not completed, this amount would be recognised as an expense in profit or loss; and
- the Company has a commitment to pay an amount of US\$50,000 (A\$70,000) for Geophysics surveying, as part of the due diligence for the Chilean Lithium project acquisition. In the proforma statement of financial position; this amount is recognised as a reduction to cash and cash equivalents and an increase in accumulated losses.

Allowance has not been made for expenditure incurred in the normal course of business from 30 June 2018 to the Prospectus Date.

Allowance has not been made for future cash payments in relation to the Chilean Lithium Projects disclosed at Section 8.2(a). The obligation to pay future cash payments in relation to this project will arise contingent upon relevant Shareholder approval at the AGM and the satisfaction of other conditions precedent. Further, the Company is seeking to re-negotiate the timing and nature of the consideration payable in relation to the Chilean Lithium Project to reduce upfront cash payments.

BMG Resources Limited
Unaudited Pro Forma Statement of Financial Position
as at 30 June 2018

	Audited 30 June 2018	Adjustments	Pro Forma unaudited 30 June 2018	Adjustments	Pro Forma unaudited 30 June 2018
	(\$)	(\$)	(\$)	(\$)	(\$)
ASSETS					
Current Assets					
Cash and cash equivalents	1,119,462	1,073,678	2,193,140	823,678	1,943,140
Trade and other receivables	3,569	-	3,569	-	3,569
Total Current Assets	1,123,031	1,073,678	2,196,709	823,678	1,946,709
Non-Current Assets					
Property, plant and equipment	2,388	-	2,388	-	2,388
Joint Venture Investment	-	138,000	138,000	138,000	138,000
Investment in Associate	-	-	-	-	-
Total Non-Current Assets	2,388	138,000	140,388	138,000	140,388
Total Assets	1,125,419	1,211,678	2,337,097	961,678	2,087,097
LIABILITIES					
Current Liabilities					
Trade and other payables	18,088	-	18,088	-	18,088
Total Current Liabilities	18,088	-	18,088	-	18,088
Total Liabilities	18,088	-	18,088	-	18,088
Net Assets	1,107,331	1,265,566	2,319,009	961,678	2,069,009
EQUITY					
Issued capital	42,204,604	1,263,874	43,522,368	1,031,678	43,236,282
Reserves	482,777	17,802	500,579	-	482,777
Accumulated losses	(41,580,050)	(70,000)	(41,650,050)	(70,000)	(41,650,050)
Total Equity	1,107,331	1,211,566	2,319,009	961,678	2,069,009

4.6 Potential dilutive effect of convertible securities

The table below sets out the potential dilutive effect on Shareholders if Shares are issued on the exercise of all existing Quoted Options and all proposed New Options following completion of:

- (a) the issue of 98,766,659 Shares and 98,766,659 New Options under the Placement; and
- (b) either the issue of:
 - (i) 27,777,778 Shares and 27,777,778 New Options under the Security Purchase Plan and Shortfall Offer (50% subscription) (therefore assuming there are 512,581,575 Shares on issue); or
 - (ii) 55,555,556 Shares and 55,555,556 New Options under the Security Purchase Plan and Shortfall Offer (100% subscription) and 15,000,000 New Options to the Lead Manager (therefore assuming there are 540,359,353 Shares on issue).

Event	Number of Shares pre-issue	Shares issued on Option exercise	Number of Shares post-issue	Dilution (rounded)
50% subscription under the SPP and Shortfall Offer				
Exercise of existing Quoted Options	512,581,575	159,807,096	672,388,671	31.18%
Exercise of New Options issued under the Placement	512,581,575	98,766,659	611,348,234	19.27%
Exercise of New Options issued under the SPP and Shortfall Offer	512,581,575	27,777,778	540,359,353	5.42%
Exercise of existing Quoted Options and New Options issued under the Placement, SPP and Shortfall Offer	512,581,575	286,351,533	798,933,108	55.86%
100% subscription under the SPP and Shortfall Offer				
Exercise of existing Quoted Options	540,359,353	159,807,096	700,166,449	29.57%
Exercise of New Options issued under the Placement	540,359,353	98,766,659	639,126,012	18.28%
Exercise of New Options issued the SPP and Shortfall Offer	540,359,353	55,555,556	595,914,909	10.28%
Exercise of New Options issued to the Lead Manager	540,359,353	15,000,000	555,359,353	2.78%

Event	Number of Shares pre-issue	Shares issued on Option exercise	Number of Shares post-issue	Dilution (rounded)
Exercise of existing Quoted Options and New Options issued under the Placement, SPP, Shortfall Offer and Lead Manager Offer	540,359,353	301,351,533	841,710,886	55.77%

Note:

The interests shown in the table above assume that:

1. the existing Quoted Options do not lapse prior to exercise or conversion;
2. the existing unquoted Options are not exercised as the unquoted Options have exercise prices in excess of \$0.35, which is well in excess of the current market price of Shares; accordingly, it is not anticipated that these Options will be exercised in the foreseeable future; and
3. other Shares are not issued prior to exercise of Options.

5. Risk Factors

5.1 Introduction

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

Potential investors 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 the Company's Securities should be considered speculative. Securities carry no guarantee with respect to the payment of any dividends, returns of capital or the market value of those Securities.

Potential investors should consider the risk factors set out in Section 1.7 above and in Sections 5.2 and 5.3 below which the Directors believe represent some of the general and specific risks that Shareholders should be aware of when evaluating the Company and deciding whether to acquire any Securities in the Company. The following risk factors are not intended to be an exhaustive list of all of the risk factors to which the Company is exposed.

5.2 Additional specific risks relating to the Company

In addition to the key risks out in Section 1.7 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) **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.
- (c) **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.
- (d) **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.

- (e) **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.
- (f) **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.

5.3 General investment risks

The business activities of the Company are subject to various general economic and investment risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions. These risk factors include, but are not limited to, the following:

- (a) **General economic conditions:** Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Securities prices can be affected by these factors, all of which are beyond the control of the Company and its Directors.
- (b) **Equity market conditions** Securities quoted on the securities market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, 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.

- (c) **Liquidity risk:** There can be no guarantee that there will be an active market for the New Shares or New Options, or that the trading price of the New Shares and New Options will increase. Noting the current state of equity capital markets, there has

been and may continue to be relatively few buyers or sellers of New Shares and New Options on ASX at any given time. This may affect the volatility of the market price of the New Shares and New Options. It may also affect the prevailing market price at which holders are able to sell their New Shares and New Options.

- (d) **Changes in government policy & legislation:** Any material adverse changes in relevant government policies or legislation of Australia or internationally may affect the viability and profitability of the Company, and consequent returns to investors.
- (e) **Investment risk:** The Offer Securities offered pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of Offer Securities. In particular, the price at which an investor may be able to trade Offer Securities may be above or below the price paid for those Offer Securities.
- (f) **Other:** 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.

6. Rights and Liabilities Attached to Offer Securities

6.1 Rights and liabilities attaching to New 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 Shares on issue at the Prospectus Date.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to 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 of 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 the 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 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 pre-emptive 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 meeting**

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.

6.2 **Terms and conditions of New Options**

The terms and conditions of the New Options are as follows:

- (a) Each New 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 New Options.
- (c) The exercise price of the New Options is \$0.02 each, and will be payable in full on exercise.
- (d) Each New Option may be exercised at any time before 5.00pm (WST) on 30 June 2019 (**Expiry Date**). Any New 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 New Options issued to the Option Holder;
 - (ii) the exercise price of the New Options; and
 - (iii) the date of issue of the New Options.
- (f) Subject to quotation on ASX, the New Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of New Options at any time until the expiry date of the New Options. This right is subject to any restrictions on the transfer of a New Option that may be imposed by ASX.
- (g) An instrument of transfer of a New 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 New Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to that New Options, the right of the transferor to transfer those New Options and the proper execution of the instrument of transfer.
- (h) The Company will apply for quotation of the New 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 New Options.
- (j) There will be no participating entitlements inherent in the New Options to participate in new issues of capital that may be offered to Shareholders during the currency of the New Option. Prior to any new pro-rata issue of securities to Shareholders, holders of New 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 New 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 New Options or to the number of Shares over which the New Options are exercisable in the event of a new issue of capital (other than a change in accordance with the Listing Rules if there is a bonus issue or a pro rata issue to holders of Shares) during the currency of the New Options.
- (n) New 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 New 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 New Options. An exercise of only some of the New Options will not affect the rights of the Option Holder to the balance of the New Options held by him.

- (o) New 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 New Option.
- (q) Shares allotted pursuant to an exercise of New 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.

7. Continuous Disclosure Documents

7.1 Continuous disclosure obligations

This is a Prospectus for the offer of continuously quoted securities (as defined in the Corporations Act), and options to acquire continuously quoted securities, 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 enquires 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 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. Further, the Company will apply for quotation of the New Options to be issued under this Prospectus, which are also options to subscribe for continuously quoted securities (i.e. Shares).

7.2 Documents available for inspection

The Company has lodged the following announcements with ASX since the lodgement of the Company’s 2018 annual financial report to shareholders on 28 September 2018:

Date	Description of ASX Announcement
8 November 2018	Settlement of Tranche 1 Placement and A\$0.5 million Securities Purchase Plan Offer
5 November 2018	Reinstatement to Official Quotation
5 November 2018	Share Placement – Appendix 3B
5 November 2018	Announcement of Share Placement
2 November 2018	Suspension from Official Quotation
31 October 2018	Quarterly Report and Appendix 5B
31 October 2018	Trading Halt
30 October 2018	2018 AGM Notice of Meeting
23 October 2018	Strong Brine Potential at Salar West Project
8 October 2018	Change of Address
28 September 2018	Corporate Governance Statement

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 (www.bmgl.com.au) or at ASX's website (www.asx.com.au using ASX Code "BMG").

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

- the annual financial report of the Company for the financial year ended 30 June 2018, being the annual financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus;
- the half year financial report of the Company for the half financial year ended 31 December 2017, being the half year financial report of the Company most recently lodged with the ASIC before the issue of this Prospectus; and
- any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report of the Company for the financial year ended 30 June 2018 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 Annual General Meeting

The Company has convened its Annual General Meeting for Thursday, 29 November 2018 at which Shareholder approval will be sought for the issue of:

- (a) Shares to the value of US\$200,000 to the LCS Vendors – refer to Section 8.2(a) and Resolution 4 of the Notice of AGM for further information;
- (b) up to 222,222,222 New Shares and 222,222,222 New Options, which includes New Shares and New Options which may be issued under the Tranche 2 Placement, the Security Purchase Plan and/or the Shortfall Offer – refer to Resolution 5 of the Notice of AGM; and
- (c) 15,000,000 New Options to the Lead Manager – refer to Section 2.5 and Resolution 6 of the Notice of AGM.

A copy of the Notice of AGM is available at the Company's website at www.bmgl.com.au/investors/asx-releases.html.

8.2 Material and related party contracts

(a) Binding Terms Sheet with LCS Shareholders for Chilean Lithium Projects

BMG and the LCS Shareholders have entered into a binding and exclusive agreement (**Terms Sheet**) to form a joint venture to undertake the exploration and development of the Chilean Lithium Projects and other related opportunities in Chile, subject to satisfactory due diligence enquires, capital raising and required shareholder and regulatory approvals.

LCS will be the joint venture entity in Chile which will own all right, title and interest in the Chilean Lithium Projects. BMG will acquire an initial 20% shareholding interest in LCS and will earn-in to a 50% shareholding interest in LCS. The respective shareholding interests in LCS, which will be managed and operated in accordance with a shareholders agreement between BMG and the LCS Shareholders.

In consideration for the establishment of the joint venture and the acquisition of a 20% interest in LCS, BMG will pay the LCS Shareholders US\$800,000 in initial consideration comprising:

- (i) a payment of US\$100,000 (already paid), which provides the Company an exclusive period to undertake due diligence and enter into a definitive joint venture agreement with the LCS Shareholders; and
- (ii) a cash payment of US\$500,000 and the issue of Shares to the value of US\$200,000 (**Initial Consideration Shares**) at completion of the transaction (**Completion**), to occur by 20 December 2018 or within such longer period as agreed by the parties.

The number of Initial Consideration Shares to be issued to the LCS Shareholders at Completion will be determined by the issue price of Shares issued under the Capital Raising (ie. \$0.009 per Share).

Completion is subject to the satisfaction of several outstanding conditions precedent, including:

- (i) BMG completing its due diligence investigations within 90 days of 22 August 2018;

- (ii) BMG undertaking a capital raising of such amount as BMG in its absolute discretion determines; and
- (iii) BMG obtaining all necessary ASX, Shareholder and other regulatory approvals for the issue of securities pursuant to the transaction and the capital raising.

The issue of the Initial Consideration Shares to the LCS Shareholders is subject to Shareholder approval at the AGM – refer Resolution 4 of the Notice of AGM.

(b) **Lead Manager Engagement**

The Company and Peak Asset Management have entered into a corporate advisory and capital raising mandate under which Peak Asset Management was appointed to act as the sole lead manager to the Placement and the Offers (**Lead Manager Engagement**).

In consideration for its services, Peak Asset Management is entitled to be paid or issued (as applicable) the following pursuant to the Lead Manager Engagement:

- a placement fee of 6% of the total amount raised under the Placement and the Shortfall Offer;
- 15,000,000 New Options if the total amount raised under the Capital Raising is at least \$1,250,000 (these New Options are offered to Peak Asset Management under the Lead Manager Offer); and
- a corporate engagement fee of \$6,000 per month for a minimum of 6 months.

(c) **Administration services agreement with Tribis**

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

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

The Company must pay a monthly fee to Tribis plus reimbursement each month for certain costs, expenses and liabilities incurred and/or paid by Tribis 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. With effect from 1 July 2016, Tribis agreed to stop charging the monthly fee while a new project was being sought for the Company.

Tribis is a related party of the Company as Mr Simon Trevisan, a Non-Executive Director of the Company, is the managing director of Tribis.

(d) **Directors' indemnity and insurance deeds**

The Company has entered into deeds of access, indemnity and insurance with each Director and its Company Secretary.

Under the deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- indemnify each Director and the Company Secretary (each an **Officer**) in certain circumstances;
- maintain directors' and officers' insurance cover (if available) in favour of each Officer whilst an Officer and for 7 years after the Officer has ceased to be an Officer;
- cease to maintain directors' and officers' insurance cover in favour of each Officer if the Company reasonably determines that the type of coverage is no longer available; and
- provide access to any Company records which are relevant to the Officer's holding of office with the Company, for a period of 7 years after the Officer has ceased to be an Officer.

The deeds otherwise contain terms and conditions considered standard for deeds of this nature.

8.3 **Litigation**

As at the Prospectus Date, 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.

8.4 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
Greg Hancock	Nil	Nil	Nil	Nil
Bruce McCracken	180,000	18,253,375 ¹	2,575,000	8,641,687 ¹
Simon Trevisan	193,334 ²	76,706,977 ³	Nil	35,106,687 ⁴
Malcolm Castle	5,457,220	582,856 ⁵	2,721,110	Nil
Peter Munachen	Nil	Nil	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. Held by Simon Trevisan as trustee of Trevisan Superannuation Fund.
3. 29,428,800 shares held as a Director of Tribis Equity Investments and 47,278,177 Shares held as a Director of Tribis Pty Ltd, totalling 76,513,643 shares.
4. 12,262,000 options held as a Director of Tribis Equity Investments and 22,844,687 Options held as a Director of Tribis Pty Ltd, totalling 35,106,687 Options.
5. 39,896 Shares held as spouse of Susan Castle and 542,960 Shares held as director and sole shareholder of Agricola Mining Consultants Pty Ltd, totalling 582,856 Shares.

8.5 Directors' participation in Security Purchase Plan

Subject to ASX granting the Company a waiver from the application of Listing Rule 10.11 to enable the participation of the Directors in the Security Purchase Plan without the approval of Shareholders, the following Directors (or their associated entities) propose to participate in the Security Purchase Plan:

Director	Security Purchase Plan ¹	Shortfall Offer
Bruce McCracken	1,666,667 New Shares 1,666,667 New Options	Nil
Simon Trevisan	1,666,667 New Shares 1,666,667 New Options	Nil

1. Subscription for the maximum amount allowed of \$15,000 under the Security Purchase Plan. If ASX does not grant a waiver from Listing Rule 10.11 then the Directors will not acquire any Offer Securities under the Security Purchase Plan.
2. The Directors and their associated entities are not entitled to participate in the Shortfall Offer.

8.6 Remuneration of Directors

The Constitution provides that the Directors may be paid for their services as Directors, as determined by the Company prior to the first annual general meeting. Such payment, in relation to Non-Executive Directors, is to be paid by way of a fixed sum and not by a commission or percentage of operating revenue or Company profits. The sum fixed, which is currently \$300,000, may be divided amongst the Directors as they may from time to time agree or, in the absence of agreement, in equal shares.

Subject to the provisions of any contract between the Company and any Executive Director, the remuneration for Executive Directors may be fixed by the Directors from time to time.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the cash remuneration of each Director for the financial year ended 30 June 2018 and the current financial year ending 30 June 2019.

Director	Financial year ended 30 June 2018	Financial year ended 30 June 2019
Greg Hancock (appointed 6 February 2018)	\$44,000	\$5,000 per month
Bruce McCracken ¹	Nil	Nil
Simon Trevisan ¹	Nil	Nil
Malcolm Castle ¹	Nil	Nil
Peter Munachen (appointed 2 January 2018)	\$12,000	\$2,000 per month

Note:

1. Mr McCracken, Mr Trevisan and Mr Castle agreed not to receive any director fees while a new project was being sought for Company.

Further information relating to the remuneration of Directors can be found in the Company's 2018 Annual Report, which can be found on the Company's website (www.bmgil.com.au) or the ASX announcements webpage for the Company (ASX Code "BMG").

8.7 Expenses of the Placement and the Offers

The expenses of the Placement and the Offers (assuming full subscription) are expected to comprise the following estimated costs, exclusive of GST.

Expense	Amount
ASIC fees	\$3,206
ASX fees	\$18,443
Legal fees	\$20,000
Lead Manager fees and disbursements as lead manager to Placement	\$60,000
Printing, distribution and Share Registry expenses	\$5,573
TOTAL	\$107,222

8.8 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 2 years before the Prospectus Date, any interest in:

- the formation or promotion of the Company;
 - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
 - the Offers; and
- amounts have not been paid or agreed to be paid (whether in cash, Securities or otherwise), and other benefits have not 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.

Expert/advisor	Service or function	Amount paid or to be paid
Peak Asset Management	Lead Manager	Peak Asset Management will be paid approximately \$60,000 (plus GST) for services related to the Placement, this Prospectus and the Offers, and may be issued 15,000,000 New Options.
Jackson McDonald	Solicitors to the Offers	<p>Jackson McDonald will be paid approximately \$20,000 (plus GST) for services related to the Placement, this Prospectus and the Offers.</p> <p>Including the fees above, Jackson McDonald has been paid or is entitled to be paid approximately \$84,243 (plus GST) for legal services provided to the Company in the period 2 years prior to the Prospectus Date.</p>
BDO Audit (WA) Pty Ltd	Auditor	BDO Audit (WA) Pty Ltd has been paid or is entitled to be paid approximately \$44,672 (plus GST) for audit services provided to the Company in the period 2 years prior to the Prospectus Date.
Security Transfer Australia Pty Ltd	Share Registry	<p>Security Transfer Australia Pty Ltd will be paid approximately \$5,573 (plus GST) for services to be provided in relation to printing and despatch of this Prospectus and for receiving and managing Applications under the Offers.</p> <p>In addition, it has been paid or is entitled to be paid approximately \$23,296 (plus GST) for the provision of share registry services to the Company in the period 2 years prior to the Prospectus Date.</p>

8.9 Market prices of Shares on ASX

Information about the closing market price of Shares quoted on ASX during the 3 month period prior to Prospectus Date is set out in the table below.

	Price	Date(s)
Highest	\$0.014	17 August 2018
Lowest	\$0.007	17 September 2018
Latest	\$0.010	7 November 2018

Note: The above trading data has been sourced from ASX, which has not consented to its use in this Prospectus.

8.10 Consents and liability statements

The following persons have given their written consent to be named in the Prospectus in the form and context in which they are named and to the inclusion of a statement or report in this Prospectus in the form and context in which it is included:

Party	Capacity in which named	Statement or report in this Prospectus
Peak Asset Management	Lead Manager to the Placement and the Offers	Not applicable
Jackson McDonald	Solicitors to the Offers	Not applicable
Security Transfer Australia Pty Ltd	Share Registry	Not applicable
BDO Audit (WA) Pty Ltd	Auditor	Financial accounts as at 30 June 2018 set out in Section 4.5, on which the pro forma statement of financial position is based.

Each of the parties named above as providing their consent:

- did not authorise or cause the issue of this Prospectus;
- 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 8.10; and
- 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 8.10.

9. Directors' Statement

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, 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', with a long horizontal flourish extending to the right.

Bruce McCracken
Managing Director

Date: 8 November 2018

10. Glossary of Terms

A\$ or \$	Australian dollars.
AGM or Annual General Meeting	The Company's annual general meeting of Shareholders convened for 29 November 2018.
Applicant	A person who applies for Offer Securities under and in accordance with this Prospectus.
Application	A valid application for Offer Securities offered under this Prospectus.
Application Form	The application forms that accompany this Prospectus, being the Security Purchase Plan Application Form, the Shortfall Offer Application Form, and the Lead Manager Offer Application Form, or any one or more of those applications forms as the case may be.
Application Moneys	Money received from an Applicant in respect of an Application.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Rules	The settlement rules of ASX Settlement.
Board	The board of Directors of the Company.
Business Day	Has the meaning given to that term in the Listing Rules.
Capital Raising	Has the meaning given to that term in Section 1.2.
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, being 5.00pm WST on Friday, 30 November 2018 or such other date as determined by the Directors.
Company or BMG	BMG Resources Limited (ACN 107 118 678).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Company Secretary	The company secretary of the Company.
Custodian	A custodian, trustee or nominee holder of Shares within the meaning of "custodian" in ASIC Class Order 09/425.
Director	A director of the Company as at the Prospectus Date.

Eligible Shareholder	A Shareholder who is registered as the holder of Shares on the Record Date and is resident in Australia or New Zealand.
Executive Director	An executive Director of the Company.
General Meeting	Has the meaning given to that term in Section 1.2.
GST	Goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
LCS	Lithium Chile SpA.
LCS Shareholders	The shareholders of LCS, being Gino Alfredo Zanodai Steel and Natalie Anne Stevens.
Lead Manager or Peak Asset Management	Peak Asset Management Pty Ltd ACN 607 161 900, as trustee for Peak Asset Management Unit Trust, the corporate authorised representative (#1249050) of Arrow Securities Group Pty Ltd ACN 165 731 144 (AFSL #448218).
Lead Manager Engagement	The lead manager mandate between the Company and Peak Asset Management in relation to management of the Placement, as described in Section 8.2(b).
Lead Manager Offer	The offer under this Prospectus of 15,000,000 New Options to the Lead Manager pursuant to the terms of the Lead Manager Engagement.
Listing Rules	The official listing rules of ASX.
New Option	An Option exercisable at \$0.02 each on or before 30 June 2019, and otherwise on the terms and conditions set out in Section 6, to be issued or offered under the Placement, Security Purchase Plan, Shortfall Offer or Lead Manager Offer.
New Share	A new Share, which the Company may issue to investors under the Placement, Security Purchase Plan or Shortfall Offer.
Non-Executive Director	A non-executive Director of the Company.
Notice of AGM	The Company's notice of annual general meeting for the AGM.
Offer Period	The period that an Offer is open, being the period between the Opening Date and the Closing Date.
Offer Price	\$0.009 per New Share.
Offer Securities	The Securities offered under this Prospectus, being any one or more of the following, as the context requires: <ul style="list-style-type: none"> the New Shares and New Options under the Security Purchase Plan and Shortfall Offer; and the New Options under the Lead Manager Offer.
Offers	The Security Purchase Plan, Shortfall Offer and Lead Manager Offer, or any one or more of those offers as the case may be.

Official Quotation	The admission of Securities to the official list of the ASX.
Opening Date	The opening date of the Offers, being Thursday, 8 November 2018 or such other date as determined by the Directors.
Option	An option to subscribe for a Share.
Quoted Options	Options quoted on ASX (ASX Code: BMGOA) previously granted on the same terms as the New Options as set out in Section 6.2.
Placement	Has the meaning given to that term in Section 1.2.
Placement Participant	A person to whom New Shares and New Options have been issued or are to be issued under the Placement.
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Prospectus	This document, including the Application Forms.
Prospectus Date	The date of this Prospectus, being the date that this Prospectus is lodged with ASIC.
Record Date	The date at which entitlement of Shareholders to participate in the Security Purchase Plan is determined, being 5.00pm (WST) on Wednesday, 7 November 2018.
Related Bodies Corporate	Has the meaning given to that term in the Corporations Act.
Section	A section of this Prospectus.
Securities	Has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.
Security Purchase Plan or SPP	The offer to each Eligible Shareholder of up to 1,666,667 New Shares at an issue price of \$0.009 per Share totalling \$15,000, with one free-attaching New Option for every one New Share subscribed.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Share Registry	The Company's Share Registry, Security Transfer Australia Pty Ltd.
Shortfall	The New Shares and New Options offered under the Security Purchase Plan for which Applications are not received and accepted.
Shortfall Offer	Has the meaning given to that term in Section 1.3.
Terms Sheet	Has the meaning given to that term in Section 8.2(a).
Timetable	The indicative timetable for the Offers as set out in the Key Offer Information on page 1.
Tranche 1 Placement	Has the meaning given to that term in Section 1.2.
Tranche 2 Placement	Has the meaning given to that term in Section 1.2.

Tribis	Tribis Pty Ltd ACN 009 017 985 (formerly named Transcontinental Investments Pty Ltd).
WST	Western Standard Time, being the time in Perth, Western Australia.