



ASX ANNOUNCEMENT

2 July 2019

NOTICE OF GENERAL MEETING

BMG Resources Limited (ASX: BMG, “BMG” or “the Company”) is pleased to advise it has today despatched to all shareholders a Notice of Meeting for an upcoming General Meeting of Shareholders, a copy of which is appended to this announcement.

The Meeting will be held at 11.00am (WST) on 2 August 2019 at Level 14, 225 St Georges Terrace, Perth, Western Australia, 6000.

Option Issue

The General Meeting will provide eligible shareholders the platform to vote on the offer of new options to holders of BMGOA Options (“Option holders”) which expired on 30 June 2019 (**New Options**). Only those shareholders who did not hold BMGOA Options at 30 June 2019 are eligible to vote on the resolution for the offer and issue of New Options.

Under the offer, which the Company first announced on 7 June 2019 and is subject to shareholder approval, the Company will offer Option holders the opportunity to subscribe for 1 New Option for every BMGOA Option which they held, and which expired, at 30 June 2019 unexercised. New Options will be issued for a nominal price of \$0.001 per New Option, will have an expiry date of 31 December 2019 and an exercise price of \$0.02.

If shareholders approve the offer of the New Options and the offer is fully subscribed, the Company will have the opportunity to generate a cash inflow of \$6.9M before costs in the second half of CY19. This will support the Company’s plans to develop its Chilean lithium joint venture beyond the maiden drill program and carry out further resource drilling, scoping work and geophysics.

Executive Services Agreement

The notice of meeting provides a summary of the material terms of the Executive Services Agreement entered into with the Company’s Managing Director, Mr Bruce McCracken. These terms, including agreed remuneration, are described at sections 3, 4 and 9 within the explanatory statement. Mr McCracken was appointed as Managing Director of the Company in June 2011. During the two year period from 1 July 2016 to 30 June 2018, Mr McCracken was not paid by the Company as the Company sought a new project opportunity. In FY19 to date, Mr McCracken has led the identification and securement of the Company’s interests in world-class lithium brine projects in Chile.

The notice of meeting can be located on the BMG Resources Limited website at www.bmgl.com.au .

*****ENDS*****

For further information, shareholders and media please contact:

Sean Meakin
Company Secretary
+61 8 9424 9390

14th Floor, 225 St Georges Terrace, Perth, Western Australia 6000
Telephone: (61) (8) 9424 9390 Facsimile: (61) (8) 9321 5932 Web: www.bmgl.com.au



BMG Resources Limited

ACN 107 118 678

Notice of General Meeting, Explanatory Statement and Proxy Form

General Meeting to be held at

**Level 14
225 St Georges Terrace
Perth Western Australia 6000**

On Friday, 2 August 2019 at 11.00am (WST)

IMPORTANT NOTE

The Notice of General Meeting and Explanatory Statement should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Important Information

Contents

Item	Page
Notice of General Meeting	2
Voting Prohibitions and Exclusions	6
Proxy Appointment, Voting and Meeting Instructions	8
Explanatory Statement	10
Glossary	46
Schedule 1 – Terms of Placement Options	49
Schedule 2 – Terms and conditions attaching to Performance Rights	51
Schedule 3 – Summary of Executive Service Agreement	55
Schedule 4 – Terms of Director Options	58
Schedule 5 – Terms of New Options under Options Offer	61
Proxy Form	Attached

Important dates

An indicative timetable of key proposed dates is set out below. These dates are indicative only and are subject to change.

Event	Date
Last day for receipt of Proxy Forms – Proxy Forms received after this time will be disregarded	11.00am (WST) on Wednesday, 31 July 2019
Snapshot date for eligibility to vote	11.00am (WST) on Wednesday, 31 July 2019
General Meeting	11.00am (WST) on Friday, 2 August 2019

Defined terms

Capitalised terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary set out in the Explanatory Statement.

Notice of General Meeting

Notice is hereby given that the General Meeting of BMG Resources Limited (ACN 107 118 678) (**BMG or Company**) will be held at **Tribis Pty Ltd, Level 14, 225 St Georges Terrace, Perth, Western Australia** at 11.00am (WST) on **Friday, 2 August 2019**.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary as set out in the Explanatory Statement.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions (in respect of Resolutions 1 to 15).

Resolution 1 – Ratification of issue of Shares and Options under the 2018 Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 26,905,162 Shares, issued at a price of \$0.009 and 26,905,162 free-attaching Options, issued under the placement of Shares and Options conducted in November 2018 (the 2018 Placement), in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 2 – Ratification of issue of Shares under the 2019 Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 8,888,888 Shares at an issue price of \$0.009 each, issued under the placement of Shares and Options conducted in March 2019 (the 2019 Placement), in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 3 – Ratification of issue of Options under the 2019 Placement

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 8,888,888 free-attaching Options, issued under the placement of Shares and Options conducted in March 2019 (the 2019 Placement), in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 4 – Approval of Employee Incentive Plan

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

“That for the purposes of Listing Rule 7.2 Exception 9(b) and for all other purposes, Shareholders approve the issue of securities under the Company’s Employee Incentive Plan for a period of 3 years commencing on the date of this Meeting, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 5 – Approval to issue Shares to the Managing Director

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,666,666 Shares to Bruce McCracken, the Managing Director of the Company, or his nominee, for his services as Managing Director, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 6 - Approval to issue Performance Rights to the Managing Director under Employee Incentive Plan

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

“That subject to Resolution 4 being approved, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 20,000,000 Performance Rights to Bruce McCracken, the Managing Director of the Company, or his nominee, under the Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 7 – Approval to issue Options to a Director under Employee Incentive Plan - Malcolm Castle

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

“That for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 1,500,000 Options to Malcolm Castle, a Director of the Company, or his nominee, under the Employee Incentive Plan, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 8 – Approval to issue Options to a former Director - Peter Munachen

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

“That for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 1,500,000 Options, to Peter Munachen, a former Director of the Company, or his nominee, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 9 – Approval to issue Shares to a Director - Malcolm Castle

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,500,000 Shares to Malcolm Castle, a Director of the Company, or his nominee, for his services as a Director, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 10 – Approval to issue Shares to a Related Party - Tribis Pty Ltd

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 8,000,000 Shares to Tribis Pty Ltd, a Related Party of the Company, for administration services provided by Tribis to the Company, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 11 – Approval of Termination Entitlements of a Director - Mr Bruce McCracken

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

“That for the purposes of section 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, Shareholders approve the Termination Entitlements described in the Explanatory Statement which may become payable to the Company’s Managing Director, Mr Bruce McCracken, under the terms of his Executive Service Agreement with the Company.”

Resolution 12 – Approval to offer and issue New Options to non-Related Parties of the Company.

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

“That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the offer and issue of up to 296,624,516 New Options, exercisable at \$0.02, on or before 31 December 2019, at an issue price of \$0.001 per New Option, to non-Related Parties of the Company who held BMGOA Options which expired unexercised on 30 June 2019, on the basis of one (1) New Option for every one (1) BMGOA Option held, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 13 – Approval to offer and issue New Options to Tribis Pty Ltd and Tribis Equity Investments Pty Ltd

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, Shareholders approve the offer and issue of up to:

(a) 24,511,354 New Options to Tribis Pty Ltd; and

(b) 12,262,200 New Options to Tribis Equity Investments Pty Ltd,

both of whom are Related Parties of the Company by virtue of their relationship with Mr Simon Trevisan, a Director of the Company, with each New Option exercisable at \$0.02, on or before 31 December 2019, at an issue price of \$0.001, on the basis of one (1) New Option for every one (1) BMGOA Option held which expired unexercised on 30 June 2019, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 14 – Approval to offer and issue New Options to Bruce McCracken

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

“That, for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, Shareholders approve the offer and issue of up to 10,383,354 New Options to Bruce McCracken (or his nominee), a Director and Related Party of the Company, exercisable at \$0.02, on or before 31 December 2019, at an issue price of \$0.001, on the basis of one (1) New Option for every one (1) BMGOA Option held which expired unexercised on 30 June 2019, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Resolution 15 – Approval to offer and issue New Options to Malcolm Castle

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

“That, for the purposes of Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act, and for all other purposes, Shareholders approve the offer and issue of up to 2,721,110 New Options to Mr Malcolm Castle (or his nominee), a Director and Related Party of the Company, exercisable at \$0.02, on or before 31 December 2019, at an issue price of \$0.001, on the basis of one (1) New Option for every one (1) BMGOA Option held which expired unexercised on 30 June 2019, in the manner and on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibitions and Exclusions

Corporations Act voting prohibitions

Pursuant to sections 224 and 250BD of the Corporations Act, a vote on the following Resolution must not be cast (in any capacity) by or on behalf of the party specified in the table below or their respective Associates:

Resolution	Excluded Parties
Resolution 7	Malcolm Castle or any other Related Parties to whom Resolution 7 would permit a financial benefit to be given.
Resolution 8	Peter Munachen or any other Related Parties to whom Resolution 8 would permit a financial benefit to be given.
Resolution 11	Bruce McCracken or any other Related Parties to whom Resolution 11 would permit a financial benefit to be given.
Resolution 13	Simon Trevisan or any other Related Parties to whom Resolution 13 would permit a financial benefit to be given.
Resolution 14	Bruce McCracken or any other Related Parties to whom Resolution 14 would permit a financial benefit to be given.
Resolution 15	Malcolm Castle or any other Related Parties to whom Resolution 15 would permit a financial benefit to be given.

However, this voting prohibition does not prevent the casting of a vote on any of Resolutions 7, 8, 11 and 13 to 15 if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution, and it is not cast on behalf of a Related Party to whom the Resolution would permit a financial benefit to be given, or their Associate.

In relation to Resolutions 7, 8, 11 and 13 to 15 members of Key Management Personnel and their Closely Related Parties (other than the Chairperson) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairperson may vote as proxy in accordance with an express authorisation on the Proxy Form.

ASX voting exclusion statements

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of the following persons or an Associate of those persons:

Resolution	Excluded Parties
Resolution 1	The persons to whom Shares and Options were issued under the 2018 Placement.
Resolution 2	The persons to whom Shares and Options were issued under the 2019 Placement.
Resolution 3	The persons to whom Shares and Options were issued under the 2019 Placement.
Resolution 4	Any Director or their nominees
Resolution 5	Bruce McCracken and any nominee of Bruce McCracken
Resolution 6	All eligible Directors or their nominees
Resolution 7	All eligible Directors or their nominees
Resolution 8	Peter Munachen and any nominee of Peter Munachen
Resolution 9	Malcolm Castle and any nominee of Malcolm Castle
Resolution 10	Tribis Pty Ltd or any closely related Associates, and any nominee of Tribis Pty Ltd
Resolution 11	Bruce McCracken and any nominee of Bruce McCracken

Resolution 12	Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of New Options.
Resolution 13	Tribis Pty Ltd, Tribis Equity Investments Pty Ltd and Simon Trevisan, and any closely related Associates or nominee of Tribis Pty Ltd, Tribis Equity Investments Pty Ltd or Simon Trevisan.
Resolution 14	Bruce McCracken and any nominee of Bruce McCracken
Resolution 15	Malcolm Castle and any nominee of Malcolm Castle

However, the Company need not disregard a vote on Resolutions 1 - 15 if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board



Sean Meakin

Company Secretary
25 June 2019

Proxy Appointment, Voting and Meeting Instructions

Lodgement of a Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) must be received at an address given below by 11.00am (WST) on **Wednesday, 31 July 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid. Proxy Forms may be lodged as follows:

By hand: Security Transfer Australia Pty Ltd - 770 Canning Highway, Applecross, WA, 6153

By post: Security Transfer Australia Pty Ltd - 770 Canning Highway, Applecross, WA, 6153

By email: registrar@securitytransfer.com.au

By fax: (08) 9315 2233 (within Australia)
+61 8 9315 2233 (outside Australia)

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

If you wish to appoint the Chairman as your proxy, mark the appropriate box on the Proxy Form. If the person you wish to appoint as your proxy is someone other than the Chairman, please write the name of that person in the space provided on the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, you may photocopy the Proxy Form or an additional Proxy Form may be obtained by telephoning the Security Transfer Australia Pty Ltd on 1300 992 916 (from within Australia) or +61 3 9628 2200 (if overseas).

To appoint a second proxy you must, on each Proxy Form, state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Security Transfer Australia Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

Certificates of Appointment of Corporate Representatives are available at <https://www.securitytransfer.com.au/forms/appointment-corporate-representative.pdf> or on request by

contacting Security Transfer Australia Pty Ltd on telephone number 1300 992 916 (from within Australia) or +61 3 9628 2200 (if overseas).

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in the 'FOR', 'AGAINST' or 'ABSTAIN' box opposite the Resolution. All your votes will be cast in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate boxes. If you do not mark any of the boxes next to a Resolution, your proxy may vote as he or she chooses. If you mark more than one box on the Resolution, your vote will be invalid.

Chairman voting undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolutions 7, 8 (Approval of issue of Options to Directors) and Resolutions 13 to 15 (Approval to issue New Options to Related Parties) even though the Resolutions are connected directly or indirectly with the issue of Options to Key Management Personnel.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares 11.00am (WST) on **Wednesday, 31 July 2019**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Questions from Shareholders

At the Meeting, the Chairperson will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company may be submitted by no later than 11.00am (WST) on **Sunday, 28 July 2019** in the same manner as outlined above for lodgement of Proxy Forms.

Copies of written questions will be available at the Meeting.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Resolutions 1, 2 and 3: Ratification of issue of Shares and Options under the Placements

1.1 Background

Resolutions 1, 2 and 3 are ordinary resolutions seeking ratification and approval by Shareholders of the prior issue of Shares and Options by the Company by way of placement of the Securities to professional and sophisticated investors (**Placement Participants**) in November 2018 and March 2019 (**Placements**).

On 8 November 2018 the Company issued 26,905,162 Shares and 26,905,162 free-attaching Options to Placement Participants, utilising the Company's 15% capacity under Listing Rule 7.1 (**2018 Placement**).

On 5 March 2019 the Company issued a further 8,888,888 Shares and 8,888,888 free attaching Options to Placement Participants, utilising the Company's remaining 15% and 10% placement capacities under Listing Rules 7.1A and 7.1 respectively (**2019 Placement**).

Under the 2019 Placement, 8,888,888 Shares were placed to Placement Participants utilising the Company's placement capacity under Listing Rule 7.1A.

Additionally, the 8,888,888 free attaching Options were placed to Placement Participants utilising the Company's additional placement capacity under Listing Rule 7.1.

A total of \$322,146 has been raised pursuant to the Placements before costs.

The Securities issued under the Placements were issued on the same terms and conditions as the following Securities issued with the approval of Shareholders at the 2018 AGM (at the 2018 AGM Shareholders approved the issue of up to 222,222,222 Shares at \$0.009 per Share and 222,222,222 free-attaching Options, to raise up to \$2 million):

- (a) 62,436,741 Shares and 62,436,741 free attaching Options issued to professional and sophisticated investors by way of placement on 7 and 14 December 2018, raising \$561,930 (before costs);
- (b) 14,277,782 Shares and 14,277,782 free attaching Options issued to Shareholders and other investors who participated in the Company's securities purchase plan offer and shortfall offer pursuant to the Company's prospectus dated 8 November 2019 and issued on 17 December 2018; raising \$128,500 (before costs); and
- (c) 59,186,665 Shares and 59,186,665 free attaching Options issued to professional and sophisticated investors by way of placement issued on 6 March 2019, raising \$532,680 (before costs).

If Resolutions 1, 2 and 3 are approved, the Company's issuing capacities under Listing Rule 7.1 and 7.1A will be refreshed, allowing the Company to issue, without Shareholder approval, further Equity Securities representing up to an aggregate of 25% of the Company's issued capital in the next 12 months.

1.2 **Applicable Listing Rules**

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of Equity Securities if the Equity Securities will, when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting, to issue an additional 10% of its issued capital, over a 12 month period. The 10% capacity under Listing Rule 7.1A is in addition to the Company's 15% issuing capacity under Listing Rule 7.1.

Listing Rule 7.4 provides that an issue by a company of Equity Securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's shareholders subsequently approve it. Issues of securities made with approval under Listing Rule 7.1A can also be ratified under Listing Rule 7.4.

1.3 **Listing Rule information requirements – Resolution 1**

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

(a) **The number of Securities issued**

The following Securities were issued under the 2018 Placement:

- (i) 26,905,162 Shares; and
- (ii) 26,905,162 Options.

(b) **The price at which the Securities were issued**

The Shares were issued at an issue price \$0.009 each to raise approximately \$242,146 (before costs).

The Options were issued as free-attaching Options on the basis of one Option for every one Share subscribed for under the 2018 Placement.

(c) **The terms of Securities**

The Shares were fully paid ordinary shares that ranked equally with all existing Shares then on issue.

The Options are exercisable at \$0.02 each, on or before 30 June 2019. The full terms and conditions of the Options are set out in Schedule 1.

(d) **The names of the persons to whom the Securities were issued or the basis on which those persons were determined**

The Securities were issued to the Placement Participants, being various professional and sophisticated investors identified by the Company and the Lead Manager.

None of the persons who were issued Placement Securities were Related Parties of the Company.

Each Placement Participant was a sophisticated or professional investor for the purposes of the Corporations Act, being an investor to whom Securities may be issued without a prospectus or other disclosure document.

(e) **The use or intended use of the funds raised**

The Company intends to use the funds raised from the issue of the Shares for general working capital requirements and for any cash outlays related to the Chilean Lithium Projects transaction.

The Company did not raise any funds from the issue of the Options as the Options were issued as “free attaching” Options for nil cash consideration. Any funds raised on exercise of the Options will be applied by the Company to its general working capital requirements at that time.

1.4 Listing Rules information requirements – Resolution 2

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 2:

(a) **The number of Securities issued**

8,888,888 Shares were issued under the 2019 Placement utilising the Company’s additional placement capacity under Listing Rule 7.1A.

(b) **The price at which the Securities were issued**

The Shares were issued at an issue price \$0.009 each.

(c) **The terms of the Securities**

The Shares were fully paid ordinary shares that ranked equally with all existing Shares then on issue.

(d) **The names of the persons to whom the Securities were issued or the basis on which those persons were determined**

Shares were issued to the Placement Participants, being various professional and sophisticated investors identified by the Company and the Lead Manager.

None of the Placement Participants who received Securities under the 2019 Placement were Related Parties of the Company.

Each Placement Participant was a sophisticated or professional investor for the purposes of the Corporations Act, being an investor to whom Securities may be issued without a prospectus or other disclosure document.

(e) **The use or intended use of the funds raised**

The Company intends to use the funds raised from the Placements for general working capital requirements and for any cash outlays related to the Chilean Lithium Projects transaction.

1.5 Listing Rules information requirements – Resolution 3

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 3:

(a) **The number of Securities issued**

Under the 2019 Placement, 8,888,888 Options were issued using the Company’s placement capacity under Listing Rule 7.1.

(b) **The price at which the Securities were issued**

The Options were issued as free-attaching Options on the basis of one Option for every one Share subscribed as described in Section 1.1.

(c) **The terms of the Securities**

The Options are exercisable at \$0.02 each, on or before 30 June 2019. The full terms and conditions of the Options are set out in Schedule 1.

If the Options are exercised into Shares, the Shares will be fully paid ordinary Shares which will rank equally with all Shares in the Company then on issue.

(d) **The names of the persons to whom the Securities were issued or the basis on which those persons were determined**

Options were issued to the Placement Participants, being various professional and sophisticated investors identified by the Company and the Lead Manager.

None of the Placement Participants who received Securities under the 2019 Placement were Related Parties of the Company.

Each Placement Participant was a sophisticated or professional investor for the purposes of the Corporations Act, being an investor to whom Securities may be issued without a prospectus or other disclosure document.

(e) **The use or intended use of the funds raised**

The Company did not raise any funds from the issue of the Options as the Options were issued as “free attaching” Options for nil cash consideration. Any funds raised on exercise of the Options will be applied by the Company to its general working capital requirements at that time.

1.6 **Directors’ recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1, 2 and 3 as it will refresh the Company’s issuing capacities under Listing Rules 7.1 and 7.1A and give the Company the flexibility to raise additional working capital through the offer and issue of Equity Securities, if and as required.

2. **Resolution 4: Approval of Employee Incentive Plan**

2.1 **Background**

As part of its incentive arrangements for Directors and senior employees, the Company has established an Employee Incentive Plan (**Incentive Plan**) which is governed by the Employee Incentive Plan Rules (**Rules**).

A summary of the terms of the Employee Incentive Plan is set out in section 2.4 below.

Pursuant to the Employee Incentive Plan, the Board may grant Options or Performance Rights (**Awards**) to the persons described in section 2.4(a) below, in accordance with the Rules and otherwise on terms and conditions set by the Board at its discretion.

Resolution 4 seeks Shareholder approval of the issue of Securities under the Employee Incentive Plan for the purposes of Listing Rule 7.2 (Exception 9).

2.2 **Applicable ASX Listing Rules**

Listing Rule 7.1 limits the number of Securities a listed company may issue in any 12 month period without shareholder approval. However, Securities issued pursuant to an exception to Listing Rule 7.1 are not counted for the purposes of the limit.

Listing Rule 7.2 (Exception 9) provides that shareholders may approve the issue of Equity Securities under an employee incentive plan as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of Equity Securities in the listed company made under an employee incentive plan within three years of the date of the approval.

2.3 **Objectives of the Employee Incentive Plan**

The objectives of the Employee Incentive Plan are to:

- (a) establish a method by which eligible persons can participate in the future growth and profitability of the Company;
- (b) provide an incentive and reward for eligible participants for their contributions to the Company;

- (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company; and
- (d) align the interests of eligible participants more closely with the interests of Shareholders, by providing an opportunity for eligible participants to hold an equity interest in the Company.

2.4 Summary of terms of Employee Incentive Plan

(a) Eligibility

The following persons can participate in the Employee Incentive Plan if the Board makes them an offer to do so:

- (i) a full-time or part-time employee, including an executive and Non-Executive Director of the Company or its related bodies corporate;
- (ii) a contractor of the Company or its related bodies corporate;
- (iii) a casual employee of the Company or its related bodies corporate where the employee or contractor is, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; and
- (iv) a person to whom an Offer has been made, but whose acceptance of the Offer is conditional upon the person becoming one of the above.

(b) Board discretions

The Board has broad discretions under the Employee Incentive Plan, including (without limitation) as to:

- (i) the timing of making an offer to participate in the Employee Incentive Plan;
- (ii) identifying persons eligible to participate in the Employee Incentive Plan;
- (iii) the terms of issue of Awards (including vesting conditions, performance hurdles and exercise conditions if any); and
- (iv) the periods during which Awards may be exercised.

(c) 5% Limit

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in that Class Order.

(d) Exercise price

The Exercise Price of an Award will be the price determined by the Board in its absolute discretion prior to or on grant of the Award.

(e) Awards not to be quoted

The Awards will not be quoted on the ASX. However, application will be made to ASX for official quotation of Shares issued upon the exercise of Awards, if the Shares are listed on ASX at that time.

(f) Shares issued on exercise of Awards

Subject to any applicable vesting conditions, performance hurdles and exercise conditions:

- (i) each Option entitles the holder to subscribe for and be issued with one Share; and
- (ii) each Performance Right entitles the holder to subscribe for and be issued with one Share.

Shares issued pursuant to the exercise of Awards will in all respects rank equally and carry the same rights and entitlements as other Shares on issue.

Holders of Awards have no rights to vote at meetings of the Company or receive dividends until Shares are allotted on the exercise of Awards pursuant to the Employee Incentive Plan.

(g) **Lapse of Awards**

Unless the Directors in their absolute discretion determine otherwise, Awards will automatically lapse and be forfeited if, prior to the satisfaction of an exercise condition or vesting condition:

- (i) the holder resigns employment or terminates engagement with the Company;
- (ii) the holder is dismissed from employment or engagement with the Company for:
 - A. material breach of contract or negligence; or
 - B. conduct justifying termination without notice;
- (iii) the holder ceases employment or engagement with the Company and breaches any post-termination restraint;
- (iv) the holder is ineligible to hold his or her office pursuant to the Corporations Act; or
- (v) any performance milestones applicable to the Awards are not satisfied – if a portion are satisfied, then a proportionate number of Awards may continue at the Board's discretion.

Awards will not lapse and be forfeited if the holder ceases employment or engagement with the Company:

- (vi) due to:
 - A. death or permanent disablement;
 - B. retirement; or
 - C. redundancy; or
- (vii) where the Board determines that the Awards continue.

(h) **Restrictions on disposal**

An Award holder is not able to sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Awards, or agree to do any of those things, without the prior consent of the Board or unless such disposal is required by law.

(i) **Participation rights of Award holders**

Holders of Options and Performance Rights will only be permitted to participate in an issue of new Shares by the Company if they exercise their Options or Performance Rights (as applicable) before the record date for the relevant issue. The Company must ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue of new Shares is announced. This will give Option holders and Performance Right holders the opportunity to exercise their Options or Performance Rights prior to the date for determining entitlements to participate in any such issue.

(j) **Adjustment of Awards**

- (vii) If the Company makes a pro rata bonus issue, and an Option or Performance Right is not exercised before the record date for that bonus issue, then on exercise of the Option or Performance Right (as applicable), the holder is entitled to receive the number of bonus shares which would have been issued if the Option or Performance Right had been exercised before the record date.

(viii) In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Awards to which each Award holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Awards which are not conferred on Shareholders.

(k) **Takeovers**

In the event of a takeover bid, certain capital reorganisations, or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise of an Award may lapse so that Award holders are able to participate in the relevant transaction.

(l) **Tax deferral**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth), which enables tax deferral on Awards offered under the Employee Incentive Plan (subject to the conditions in that Act), may apply to Awards granted under the Employee Incentive Plan.

(m) **Amending the Employee Incentive Plan**

To rely on Listing Rule 7.2 exception 9, the Board (without the necessity of obtaining prior or subsequent consent of Shareholders) may from time to time amend all or any provisions of the Employee Incentive Plan, provided any proposed amendments are not material in nature.

2.5 **Directors' recommendation**

The Directors decline to make a recommendation as to how Shareholders should vote in respect of Resolution 4 as they are each entitled to participate in the Employee Incentive Plan.

3. **Resolution 5 - Approval to issue Shares to a Related Party - Bruce McCracken**

3.1 **Background**

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.11, for the issue of 6,666,666 Shares in the Company to Bruce McCracken (or his nominee) on the terms and conditions set out below.

Pursuant to the Executive Services Agreement between the Company and Managing Director, Bruce McCracken, the Board has resolved, subject to Shareholder approval at this General Meeting, to issue to Mr McCracken 6,666,666 Shares in the Company.

The primary purpose of the grant of Shares to Mr McCracken is to reward the performance of Mr McCracken in his respective role as Managing Director of the Company and remunerate him for his past services when the Company has not remunerated him. Mr McCracken agreed with the Company to receive nil remuneration from the Company from 1 July 2016, while the Company sought a new project, the Company has since remunerated Mr McCracken effective from 1 July 2018.

For the period 1 July 2018 to 31 December 2018, Mr McCracken has elected to forego \$60,000 of his base remuneration otherwise payable in cash, and receive Shares in the Company, subject to shareholder approval.

6,666,666 is the calculated number of Shares based on the intention of the Board to provide Mr McCracken a benefit of \$60,000 in shares, on same the terms and conditions as those Shares issued with the approval of Shareholders at the 2018 AGM, being \$0.009 per Share. Prior to the date of this Notice, the latest available market price of a Share in the Company as at 24 June 2019, is \$0.012.

If Shareholder approval is not obtained at the Meeting, the Company has agreed to pay Mr McCracken a cash amount of \$60,000 equal to the corresponding value of 6,666,666 Shares

A summary of terms of the Executive Services Agreement is set out in Schedule 3.

3.2 **Applicable Listing Rules**

Listing Rule 10.11 provides that a company must not issue or agree to issue any Equity Securities (i.e. Shares), or other securities with rights of conversion to equity, to a related party without shareholder approval.

Bruce McCracken is the Managing Director of the Company and accordingly, a Related-Party of the Company for the purposes of the Listing Rules.

If Resolution 5 is approved, then approval is not required under Listing Rule 7.1 for the issue of the Shares.

3.3 **Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The issue of Shares to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Having considered the Company's circumstances, Mr McCracken's position as Managing Director of the Company, the Board (other than Mr McCracken) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Shares to Mr McCracken, as the Shares are being issued to Mr McCracken as a part of his remuneration for services provided to the Company in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

Accordingly, the Board (other than Mr McCracken) considers that the remuneration is reasonable for the purposes of the exception in section 211 of the Corporations Act, and has determined not to seek Shareholder approval under section 208 of the Corporations Act for the issue of Shares.

3.4 **Listing Rule information requirements**

Listing Rule 10.13 requires that the following information be provided to the Shareholders in relation to Resolution 5 for the purposes of obtaining approval under Listing Rule 10.11:

(a) **Name of the recipient**

Mr Bruce McCracken is the Managing Director of the Company.

(b) **Maximum number of securities to be issued**

A maximum of 6,666,666 Shares are proposed to be issued to Mr McCracken.

(c) **Issue date**

Listing Rule 10.13.3 requires that any securities issued pursuant to Shareholder approval under Listing Rule 10.11 be issued within 1 month of the meeting at which approval was obtained.

Accordingly, the Company proposes to issue the Shares to Mr McCracken within 1 month of the Meeting subject to Shareholder approval.

(d) **Issue price**

The deemed issue price will be \$0.009 per Share, however, the Shares are being issued for nil cash consideration.

(e) **Terms of the Securities**

Shares will be fully paid ordinary shares in the capital of the Company, with the same rights and entitlements as the existing Shares on issue. The Company will apply for quotation of all Shares issued.

(f) **Intended use of the funds raised**

As the Shares are being issued as part of Mr McCracken's remuneration package and are issued for nil cash consideration, there will be no funds raised from the issue of Shares.

3.5 **Directors' recommendation**

The Directors (other than Mr McCracken) recommend that Shareholders vote in favour of Resolution 5.

The Directors (other than Mr McCracken) consider that the issue of Shares to Mr McCracken (or his nominees):

- (a) aligns the interests of Mr McCracken with the financial success of the Company; and
- (b) is a reasonable and appropriate method to provide cost effective and efficient remuneration, as the non-cash form of this benefit will allow the Company to spend a greater portion of its available cash on its operations than it would if alternative cash forms of remuneration were given to Mr McCracken.

4. **Resolution 6 - Approval to issue Performance Rights to the Managing Director under the Employee Incentive Plan**

4.1 **Background**

Resolution 6 seeks Shareholder approval for the issue of 20,000,000 Performance Rights to Bruce McCracken, the Managing Director of the Company, subject to Shareholder approval of Resolution 3 (Approval of Issue of Securities under Employee Incentive Plan).

The Company's Employee Incentive Plan will be available on the Company's website (<http://bmgl.com.au/corporate/corporate-governance.html>) and a summary of the Employee Incentive Plan is set out in Section 2.4 to this Explanatory Statement.

4.2 **Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The issue of Performance Rights to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Based on the latest available market price for Shares prior to the date of this Notice of Meeting, being \$0.014 each, the Performance Rights that are proposed to be granted to Mr McCracken have a total value of \$280,000.

If Resolution 6 is approved, the value of the Performance Rights for the Company's accounting purposes will depend on the closing price of Shares traded on ASX for BMG on the day of the Meeting, or if no Shares are traded on that day, the last recorded price of Shares prior to the Meeting. Accordingly, for the Company's accounting purposes, the value of the Performance Rights to be recorded in the Company's accounts when the Performance Rights are granted may differ from the value stated above.

Notwithstanding the value ascribed to the Performance Rights stated above, vesting of Performance Rights (and the consequential issue of Shares on vesting) is conditional upon the satisfaction of Vesting Conditions set out in the table at Schedule 2 of this Explanatory Memorandum. If applicable Vesting Conditions are not satisfied, the relevant tranche or tranches of Performance Rights will expire and will be of no value.

Having considered the Company's circumstances and Mr McCracken's position as Managing Director of the Company, the Board (other than Mr McCracken) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Performance Rights to Mr McCracken, as the Performance Rights are being issued to Mr McCracken as a part of his remuneration for services provided to the Company in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

Accordingly, the Board (other than Mr McCracken) considers that the remuneration is reasonable for the purposes of the exception in section 211 of the Corporations Act, and has determined not to seek Shareholder approval under section 208 of the Corporations Act for the grant of the Performance Rights.

4.3 **Applicable Listing Rules**

Listing Rule 10.14 provides that the approval of shareholders is required before a director (or an Associate of a director) of a company can acquire securities issued under an employee incentive scheme.

Accordingly, in order for a Director to acquire a beneficial interest in Performance Rights and any Shares which may be issued on the vesting of Performance Rights, the Company must first obtain Shareholder approval for the purposes of Listing Rule 10.14.

If Resolution 6 is approved, then approval is not required under Listing Rule 7.1 for the issue of the relevant Performance Rights.

4.4 **Listing Rule information requirements**

In accordance with the disclosure requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

(a) **Relationship requiring Shareholder approval**

Mr Bruce McCracken is the Managing Director of the Company.

(b) **Maximum number of securities to be issued**

A maximum of 20,000,000 Performance Rights will be issued to Mr McCracken, comprising:

- (i) 10,000,000 Tranche 1 Performance Rights;
- (ii) 5,000,000 Tranche 2 Performance Rights; and
- (iii) 5,000,000 Tranche 3 Performance Rights,

to be granted on the terms set out in Schedule 2.

(c) **Issue price of the securities**

The Performance Rights will be issued for nil cash consideration under the Employee Incentive Plan and the terms as set out in Schedule 2 at a nil issue price. Accordingly, funds will not be raised on issue of the Performance Rights.

(d) **Related Party recipients of securities since last approval**

The issue of the Performance Rights is subject to Shareholders approving the issue of securities under the Employee Incentive Plan is sought under Resolution 4.

As at the date of this Notice, the Company has not made any issues of securities under the Employee Incentive Plan to any Director or any Associate of a Director.

(e) **Related Parties entitled to participate in the Employee Incentive Plan**

As at the date of the Notice, the persons referred to in Listing Rule 10.14 who are entitled to participate in the Employee Incentive Plan are the Directors, being:

- (i) Greg Hancock – Non-Executive Chairman;
- (ii) Bruce McCracken – Managing Director;
- (iii) Malcolm Castle – Non-Executive Director; and
- (iv) Simon Trevisan – Non-Executive Director.

(f) **Terms of loans**

There are not currently any arrangements or proposed arrangements between the Company and any participant in the Employee Incentive Plan whereby the Company has entered into, or proposes to enter into, any loan with a plan participant for the purposes of acquiring securities under the plan.

(g) **Date by which securities will be issued**

The Company intends to issue the Performance Rights as soon as practicable, and in any event, within 12 months after the date of the Meeting.

4.5 **Directors' recommendation**

The Directors (other than Mr McCracken) recommend that Shareholders vote in favour of Resolution 6.

The Directors (other than Mr McCracken) consider that the issue of Performance Rights to Mr McCracken (or his nominees):

- (a) aligns the interests of Mr McCracken with the financial success of the Company, in that achieving the vesting milestones of his Performance Rights would generally be highly beneficial for the Company; and
- (b) is a reasonable and appropriate method to provide cost effective and efficient remuneration, as the non-cash form of this benefit will allow the Company to spend a greater portion of its available cash on its operations than it would if alternative cash forms of remuneration were given to Mr McCracken.

5. **Resolution 7: Grant of Options to Malcolm Castle under Employee Incentive Plan**

Resolution 7 seeks Shareholder approval, under Chapter 2E of the Corporations Act and Listing Rule 10.14, for the grant of 1,500,000 Options to Non-Executive Director Mr Malcolm Castle, or his nominee, under the Company's Employee Incentive Plan.

The Company's Employee Incentive Plan will be available on the Company's website (<http://bmgl.com.au/corporate/corporate-governance.html>) and a summary of the Employee Incentive Plan is set out in Section 2.4 to this Explanatory Statement.

5.1 Regulatory requirements

(a) Chapter 2E of the Corporations Act

Section 208 of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Director Options to Directors constitutes the giving of a financial benefit to a Related Party pursuant to the Corporations Act.

Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act for the grant of the Director Options to Directors.

(b) Listing Rule requirements

Listing Rule 10.14 provides that a company must not permit a director and any of his or her Associates to acquire securities under an employee incentive plan without shareholder approval.

Mr Castle is a Director of the Company and therefore a Related Party of the Company. Accordingly, Shareholder approval is required for the grant of the Director Options.

Listing Rule 7.1 provides that prior approval of a company's shareholders is required for an issue of Equity Securities (including shares) if the Equity Securities will, when aggregated with the Equity Securities issued by that company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period.

If Resolution 7 is approved, then approval is not required under Listing Rule 7.1, or Listing Rule 10.11 which prohibits the issue of Equity Securities to Related Parties without first obtaining shareholder approval.

Accordingly, the Director Options to be granted to Mr Castle will not be included in the Company's issuing capacity calculation for the purpose of Listing Rule 7.1.

5.2 Corporations Act information requirements

Section 219 of the Corporations Act requires that the following information be provided to Shareholders in relation to Resolution 7 for the purposes of obtaining approval under Section 208 of the Corporations Act:

(a) Names of the Related Party

The Related Party is Mr Malcolm Castle – Non-Executive Director.

(b) **Nature of the financial benefit**

The nature of financial benefit that will be given to the Directors if Resolution 7 is approved is the grant of a total of 1,500,000 Director Options to a Non-Executive Director (or his nominee) in the proportions set out in the table below:

Related Party	Number of Director Options
Malcolm Castle	1,500,000

(c) **Value of the financial benefit**

A valuation of the Director Options was conducted by the Company which applied the Black-Scholes option pricing model (**Black-Scholes Model**).

The Black-Scholes Model is based on a number of assumptions and variables, including the following:

- (i) the exercise price for each Director Option is \$0.025;
- (ii) each Director Option has an expiry date of 31 January 2022, and it is assumed that the Director Options will be exercised immediately prior to the expiry date;
- (iii) the closing price of Shares traded on ASX on 7 June 2019 was \$0.014;
- (iv) a risk-free rate of 1.21% has been adopted;
- (v) a dividend yield rate of 0% has been adopted; and
- (vi) a volatility factor of 125% has been adopted.

The table below sets out the estimated value of the Director Options and the estimated financial benefit to be received by Mr Castle, applying the above valuation, as at the date of the Notice of Meeting.

Related Party	Individual value	Number of Director Options	Total value
Malcolm Castle	\$0.00485	1,500,000	\$12,622

The value of the Director Options for the Company's accounting purposes will be determined at the time the Director Options are granted, the value will be directly related to the closing price of Shares traded on the ASX for BMG on the day of the meeting, or if no Shares are traded on that day, the price at which the Company's shares most recently traded before that day.

Accordingly, the value of the Options issued to Mr Castle may differ from the value stated above.

(d) **Remuneration of Malcolm Castle**

The table below sets out the total remuneration paid or payable to Mr Castle for the last financial year and the proposed total remuneration for the current financial year (including the value of the proposed Director Options to be considered at the Meeting), including superannuation entitlements.

Related Party	2017/18 Financial Year	2018/19 Financial Year
Cash		
Malcolm Castle	Nil	\$15,000
Non-cash		

Related Party	2017/18 Financial Year	2018/19 Financial Year
Malcolm Castle	Nil	\$12,622 – value of 1,500,000 Director Options

Note: Estimated value of existing Options in the table above was conducted applying the Black-Scholes Model.

(e) **Security holdings of Malcolm Castle**

The table below sets out the securities and rights in the Company in which Mr Castle has a direct or indirect interest at the date of the Notice. The table does not include the Director Options to be considered at the Meeting.

Related Party	Shares	Performance Rights	Options
Malcolm Castle	5,475,220 Shares held directly; 39,896 Shares held indirectly as spouse of Susan Castle; 542,960 Shares held indirectly as sole shareholder of Agricola Mining Consultants Pty Ltd	Nil	2,721,110 Options exercisable at \$0.02 each on or before 30 June 2019 held directly.

(f) **Voting interests and voting power of Malcolm Castle**

The table below sets out details of the respective voting interests of Mr Castle, including how these interests may change upon the events specified in the table occurring.

Event	Shares received	Total Shares held after event	Voting power after event (rounded)
Existing Shares held	Nil	6,058,076	1.05%
Exercise of all existing Options	2,721,110	8,779,186	1.56%
Exercise of all proposed Director Options	1,500,000	7,558,076	1.30%
Exercise of all existing Options and proposed Director Options	4,221,110	10,279,186	1.76%

(g) **Dilution**

If Resolution 7 is approved, a total of 1,500,000 Director Options will be granted to Non-Executive Director Mr Malcolm Castle. The grant of these Options will not dilute the shareholding interests of existing Shareholders unless and until the Options are exercised.

Assuming that the number of Shares currently on issue (557,732,376) does not change, the dilutive effect on the shareholding interests of existing Shareholders if all Director Options are exercised would be approximately 0.27%.

(h) **Exercise**

The market price of Shares during the period of the Director Options will normally determine whether or not the Director Options are exercised.

At the time any Director Options are exercised and Shares are issued pursuant to the same, Shares may be trading on ASX at a price which is higher than the exercise price of the Director Options.

(i) **Trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX since 24 June 2018 (i.e. approximately 12 months from the Notice date) is summarised in the table below.

	High	Low	Last
Price	\$0.014	\$0.005	\$0.012
Date	17 August 2018	4 February 2019	24 June 2019

(j) **Funds raised**

The Company will not raise any funds from the issue of Director Options under Resolution 7. These Director Options are granted under the Employee Incentive Plan.

If all of the Director Options to be granted are exercised, the Company will raise \$37,500 (before costs). These funds will be applied to the general working capital requirements of the Company at that time.

(k) **Directors' interests in the proposed resolution**

Malcolm Castle has a material personal interest in the outcome of Resolution 7 and will be the only Director to receive a benefit from that Resolution.

(l) **Any other information**

Other than as set out in this Explanatory Statement, the Directors do not consider there is any further information which the Shareholders would reasonably require in order to decide whether or not to approve Resolution 7.

5.3 Listing Rule information requirements

Listing Rule 10.15 requires that the following information be provided to Shareholders in relation to Resolution 7 for the purposes of obtaining approval under Listing Rule 10.14:

(a) **Maximum number of securities to be granted**

1,500,000 Director Options to Non-Executive Director Mr Malcolm Castle.

(b) **Price of the securities**

The Director Options will be granted for nil cash consideration under the terms of the Employee Incentive Plan. Accordingly, no funds will be raised upon grant of the Options

Each Director Option will be exercisable at \$0.025. This exercise price represents a premium of approximately 91% above the VWAP of Shares traded on ASX over the 5 trading days up to and including 7 June 2019, being \$0.0131 per Share

(c) **Related Party recipients of securities since last approval**

The issue of securities under the Employee Incentive Plan is subject to the approval of Resolution 4.

As at the date of this Notice, the Company has not made any issues of securities under the Employee Incentive Plan to any Director or any Associate of a Director.

(d) **Related Parties entitled to participate in the Employee Incentive Plan**

As at the date of the Notice, the persons referred to in Listing Rule 10.14 who are entitled to participate in the Employee Incentive Plan are the Directors, being:

- (i) Greg Hancock – Non-Executive Chairman;
- (ii) Bruce McCracken – Managing Director;
- (iii) Malcolm Castle – Non-Executive Director; and
- (iv) Simon Trevisan – Non-Executive Director.

(e) **Terms of any loans**

There are not any arrangements or proposed arrangements between the Company and any participant in the Employee Incentive Plan whereby the Company has entered into, or proposes to enter into, any loan with an Employee Incentive Plan participant for the purposes of acquiring securities under the Employee Incentive Plan.

(f) **Date by which securities will be granted**

If Resolution 7 is approved, the Company intends to grant the Director Options as soon as practicable following the Meeting. In any event, the Company will not grant the Options later than 12 months after the date of the Meeting.

5.4 **Directors' recommendations**

The Directors (other than Mr Castle) recommend that Shareholders vote in favour of Resolution 7.

The Directors (other than Mr Castle) consider that the issue of Director Options to Mr Castle (or his nominee):

- aligns the interests of Mr Castle with the financial success of the Company, in that exercise of the Director Options would generally only be warranted by an increase of the price of Shares traded on ASX to above the exercise price; and
- is a reasonable and appropriate method to provide cost effective and efficient remuneration, as the non-cash form of this benefit will allow the Company to spend a greater portion of its cash reserves on its operation than it would if alternative cash forms of remuneration were given to Mr Castle.

Mr Castle has a material personal interest in Resolution 7 and therefore declines to make any voting recommendation to Shareholders in relation to this resolution.

6. **Resolution 8 – Grant of Options to former Director – Peter Munachen**

Resolution 8 seeks Shareholder approval, under Chapter 2E of the Corporations Act and Listing Rule 10.11, for the grant of 1,500,000 Options to a former Non-Executive Director Mr Peter Munachen, or his nominee.

Mr Munachen resigned as a Director on 7 May 2019.

Prior to his resignation the Board had determined to make a grant of Options to Malcolm Castle and Peter Munachen as Directors at the time.

Notwithstanding his resignation as a Director, the Board considers it appropriate that Mr Munachen is granted 1,500,000 Options in recognition of his services as a Director.

6.1 Regulatory requirements

(a) Chapter 2E of the Corporations Act

Section 208 of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Peter Munachen is a Related Party because he has been a Director within the last 6 months.

The grant of Options to Peter Munachen constitutes the giving of a financial benefit to a Related Party pursuant to the Corporations Act.

Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act for the grant of the Director Options to Directors.

(b) Listing Rule requirements

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

The grant of Options to Peter Munachen involves the issue of securities to a Related Party of the Company and shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

If Shareholder approval of Resolution 7 is given, Shareholder approval of the issue of the Options is not required under Listing Rule 7.1. An effect of passing Resolution 7 will be to allow the Company to issue the Options to Mr Munachen (or his nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

6.2 Corporations Act information requirements

Section 219 of the Corporations Act requires that the following information be provided to Shareholders in relation to Resolution 8 for the purposes of obtaining approval under Section 208 of the Corporations Act:

(a) Names of the Related Parties

The Related Party is Peter Munachen – former Non-Executive Director (retired 7 May 2019).

(b) Nature of the financial benefit

The nature of financial benefit that will be given to Mr Munachen if Resolution 8 is approved is the grant of a total of 1,500,000 Director Options to the former Non-Executive Director (or his nominee).

(c) **Value of the financial benefit**

A valuation of the Director Options was conducted by the Company which applied the Black-Scholes option pricing model (**Black-Scholes Model**).

The Black-Scholes Model is based on a number of assumptions and variables, including the following:

- (i) the exercise price for each Director Option is \$0.025;
- (ii) each Director Option has an expiry date of 31 January 2022, and it is assumed that the Director Options will be exercised immediately prior to the expiry date;
- (iii) the closing price of Shares traded on ASX on 10 June 2019 was \$0.014;
- (iv) a risk-free rate of 1.21% has been adopted;
- (v) a dividend yield rate of 0% has been adopted; and
- (vi) a volatility factor of 125% has been adopted.

The table below sets out the estimated value of the Director Options and the estimated financial benefit to be received by Mr Munachen, applying the above valuation, as at the date of the Notice of Meeting.

Related Party	Individual value	Number	Total value
Peter Munachen	\$0.00485	1,500,000	\$12,622

The value of the Director Options for the Company's accounting purposes will be determined at the time the Director Options are granted, the value will be directly related to the closing price of Shares traded on the ASX for BMG on the day of the meeting, or if no Shares are traded on that day, the price at which the Company's shares most recently traded before that day.

Accordingly, the value of the Options issued to Mr Munachen may differ from the value stated above.

(d) **Remuneration of Peter Munachen**

The table below sets out the total remuneration paid or payable to Mr Munachen for the last financial year and the proposed total remuneration for the current financial year (including the value of the proposed Director Options to be considered at the Meeting), including superannuation entitlements.

Related Party	2017/18 Financial Year	2018/19 Financial Year
Cash		
Peter Munachen	\$12,000	\$22,000
Non-cash		
Peter Munachen	Nil	\$12,622 – value of 1,500,000 Director Options

Note: Estimated value of existing Options in the table above was conducted applying the Black-Scholes Model.

(e) **Security holdings of Peter Munachen**

The table below sets out the securities and rights in the Company in which Mr Munachen has a direct or indirect interest at the date of the Notice. The table does not include the Director Options to be considered at the Meeting.

Related Party	Shares	Performance Rights	Options
Peter Munachen	Nil	Nil	Nil

(f) **Voting interests and voting power of Non-Executive Directors**

The table below sets out details of the respective voting interests Mr Munachen, including how these interests may change upon the events specified in the table occurring.

Event	Shares received	Total Shares held after event	Voting power after event (rounded)
Existing Shares held	Nil	Nil	Nil
Exercise of all existing Options	Nil	Nil	Nil
Exercise of all proposed Director Options	1,500,000	1,500,000	0.026%
Exercise of all existing Options and proposed Director Options	1,500,000	1,500,000	0.026%

(g) **Dilution**

If Resolution 8 is approved, a total of 1,500,000 Director Options will be granted to Mr Peter Munachen. The grant of these Options will not dilute the shareholding interests of existing Shareholders unless and until the Options are exercised.

Assuming that the number of Shares currently on issue (557,732,376) does not change, the dilutive effect on the shareholding interests of existing Shareholders if all Director Options are exercised would be approximately 0.27%.

(h) **Exercise**

The market price of Shares during the period of the Director Options will normally determine whether or not the Director Options are exercised.

At the time any Director Options are exercised and Shares are issued pursuant to the same, Shares may be trading on ASX at a price which is higher than the exercise price of the Director Options.

(i) **Trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX since 24 June 2018 (i.e. approximately 12 months from the Notice date) is summarised in the table below.

	High	Low	Last
Price	\$0.014	\$0.005	\$0.012
Date	17 August 2018	4 February 2019	24 June 2019

(j) **Funds raised**

The Company will not raise any funds from the issue of Director Options under Resolution 8.

If all of the Director Options to be granted are exercised, the Company will raise \$37,500 (before costs). These funds will be applied to the general working capital requirements of the Company at that time.

(k) **Directors interests in the proposed resolutions**

No Director has a material personal interest in the outcome of Resolution 8, Peter Munachen, a former Director, will be the only person to receive a benefit from the Resolution.

(l) **Any other information**

Other than as set out in this Explanatory Statement, the Directors do not consider there is any further information which the Shareholders would reasonably require in order to decide whether or not to approve Resolution 8.

6.3 Listing Rule information requirements

Pursuant to and in accordance with Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval in relation to Resolution 8:

- (a) the Director Options will be issued to Mr Munachen or his nominee, who is a Related Party to the Company;
- (b) the maximum number of Director Options to be issued is 1,500,000 Director Options;
- (c) the Director Options will be issued on the same terms as the Director Options issued to Mr Castle in Resolution 6 (exercisable at \$0.025 on or before 31 January 2022). Refer to Schedule 4 for further information regarding the terms of Director Options;
- (d) the Director Options will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and
- (e) the Director Options will be granted for nil cash consideration; accordingly, no funds will be raised upon the grant of Options.

6.4 Directors Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

Prior to the retirement of Mr Munachen, the Board had resolved to issue Options to two of the Directors, including Mr Munachen, for service provided to the Company, particularly during a time of transition while the Company sought new investment opportunities.

The proposed grant of Options to Mr Munachen is of modest value. The Board considers the award of these Options appropriate, notwithstanding Mr Munachen's retirement, given the service he has provided to the Company during his tenure.

7. Resolution 9 – Approval to issue Shares to Director - Malcolm Castle

7.1 Background

The Directors of the Company, other than Mr Castle, propose that the Company issue 1,500,000 Shares to Malcolm Castle, a Non-Executive Director, or his nominee, for Mr Castle's past services as a Director.

The proposed issue of 1,500,000 Shares is made at the recommendation by the Board's Nomination and Remuneration committee.

Mr Castle was appointed as a Director of the Company on 6 October 2010, and for the period from 1 July 2016 until 31 December 2018 provided his services to the Company for nil remuneration. The primary purpose of the issue of the Shares to Mr Castle or his nominee is to acknowledge the service of Mr Castle to the Company during this period of two and a half years.

From 1 January 2019, the Company has commenced remunerating Mr Castle at rate of \$2,500 per month.

7.2 Chapter 2E of the Corporations Act

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires that, where a public company proposes to give a financial benefit to a Related Party, the public company must:

- obtain the approval of the company's members in accordance with section 208 of the Corporations Act in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 211 of the Corporations Act provides that shareholder approval is not required to give a financial benefit in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

The issue of Shares to a Director (or their nominee) constitutes the giving of a financial benefit to a Related Party of the Company for the purposes of section 208 of the Corporations Act.

Based on the latest available market price for Shares prior to the date of this Notice of Meeting, being \$0.014 per Share, the Shares that are proposed to be granted to Mr Castle pursuant to Resolution 9 have a value of \$21,000.

The Board (other than Mr Castle) has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Shares to Mr Castle, as the Shares are being issued as remuneration for Mr Castle's past services provided to the Company as an officer of the Company in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the Related Party's circumstances.

Accordingly, the Board (other than Mr Castle) considers that the remuneration is reasonable for the purposes of the exception in section 211 of the Corporations Act, and has determined not to seek Shareholder approval under section 208 of the Corporations Act for the issue of the Shares.

7.3 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

As the issue of Shares to a Director involves the issue of Securities to related parties of the Company, shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

If Resolution 8 is approved, the approval is not required under Listing Rule 7.1 for the issue of the Shares. An effect of passing Resolution 9 will be to allow the Company to issue the Shares to Mr Castle (or his nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval in relation to Resolution 9:

- (a) the Shares will be issued to Malcolm Castle or his nominee, a Non-Executive Director of the Company and a Related Party;
- (b) the maximum number of Shares to be issued is 1,500,000 at a deemed issue price of \$0.014 per Share;
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and
- (d) the Shares will be issued in consideration for services provided by Mr Castle to the Company as a Director for nil cash consideration payable to the Company and accordingly no funds will be raised by the issue of the Shares.

7.5 Directors' recommendation

Mr Castle has a material personal interest in the outcome of Resolution 9 and accordingly declines to make a recommendation in respect of Resolution 9.

The Directors (other than Mr Castle) recommend Shareholders vote in favour of Resolution 9.

8. Resolution 10 – Approval to issue Shares to Related-Party - Tribis Pty Ltd

8.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue to Tribis Pty Ltd (**Tribis**), a Related-Party of the Company, 8,000,000 fully paid ordinary Shares, in lieu of a cash payment for administrative services rendered to the Company pursuant to the administration services agreement between the Company and Tribis (**Administrative Services Agreement**).

Tribis entered into the Administration Services Agreement with the Company in November 2010. Pursuant to the Administration Services Agreement Tribis was paid a fee of \$25,000 per month. Tribis provides comprehensive administration services to the Company 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' 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.

From July 2016, Tribis agreed to stop charging the Company the monthly fee while the Company sought a new project. Tribis recommenced charging a reduced monthly fee of \$12,000 plus GST from 1 July 2018. Tribis was not remunerated for providing the services under the Administration Services Agreement for a period of two years.

In addition, Tribis agreed to provide any necessary financial support to the Company to ensure that it would continue as a going concern for the financial years 2016 and 2017 or until BMG completed a capital raising.

In order to help preserve the Company's working capital position, Tribis agreed to accrue fees and at the reduced rate of \$12,000 per month for the period on 1 July 2018 to 31 December 2018 and, and subject to shareholder approval to accept payment for these accrued fees in Shares. Resolution 10 seeks Shareholder approval for the issue of 8,000,000 Shares at a deemed issue price of \$0.009 per Share to Tribis (or its nominee) in consideration for the provision of administration services to the Company by Tribis in lieu of a cash payment of \$72,000 otherwise payable to Tribis for provision of administrative services for a period of 6 months.

The proposed terms of issue of the Shares are the same as the terms of issue of the Shares issued to non-related parties under the Placements and to Shareholders under the Company's securities purchase plan offer and shortfall offer pursuant to the Company's prospectus dated 8 November 2019 and issued on 17 December 2018 (refer Section 1.1 of this Explanatory Statement for further details). The Shares issued under those capital raisings were issued at \$0.009 each with one free-attaching Option for every Share issued, Tribis will not be issued one free attaching Option for each share issued. Since those capital raisings the market price for the Shares has not materially changed.

The proposed issue of Securities to Tribis avoids the need for the Company to utilise cash raised from these capital raisings to satisfy amounts payable to Tribis for administration services.

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

If shareholder approval is not received for the settlement of the accrued fees in the form of shares, the Company will settle the amount accrued with cash.

8.2 Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares constitutes giving a financial benefit and Tribis is a related party of the Company by virtue of being controlled by a Non-Executive Director of the Company. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered to be reasonable as if the parties were dealing at arm's length, therefore, the exception in section 210 of the Corporations Act applies.

Section 210 provides that shareholder approval is not required for the purposes of section 208 in circumstances where it would be reasonable given the company's and the related party are dealing at arm's length.

Tribis provides ongoing commercial administrative services to the Company including but not limited to office services, company secretarial services, administrative and other services in the administration of the Company

In determining the number of Shares proposed to be issued by the Company to Tribis, the Board has had regard to the terms of issue of the Placements made to non-related parties and the Company's securities purchase plan made offer to Shareholders pursuant to the Company's prospectus dated 8 November 2019. The Shares under these capital raisings were issued at \$0.009 per Share, with one free-attaching Option exercisable at \$0.02 each on or before 30 June 2019 (ie. at the same price and on the same terms as the Securities proposed to be issued to Tribis if Resolution 10 is approved).

Having considered the Company's circumstances and agreement pursuant to which Tribis provides administration services, the Board other than Mr Trevisan considers that:

- (a) the financial benefit conferred by the issue of Shares to Tribis is reasonable;
- (b) the value of the Shares proposed to be issued to Tribis is the same as the value of an equivalent number of Shares issued under the Company's recent capital raisings (ie. the Placements and securities purchase plan offer made in late 2018 and early 2019), funds from which would otherwise have to be used to satisfy the payment to Tribis in cash for the administration services if Resolution 10 is not approved;
- (c) it is in the best interests of the Company to satisfy the amounts payable to Tribis for the services provided under the administration services agreement, being \$72,000, exclusive of GST, for 6 months of services, by the issue of Securities than in funds raised from the Company's recent capital raisings, to maximise the funds available to the Company for its other activities;
- (d) the administration services agreement is on arms' length terms; and
- (e) accordingly, the exception in section 210 applies.

8.3 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, Securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

As the proposed issue of Shares to Tribis involves the issue of Securities to related parties of the Company, shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

If Shareholder approval of Resolution 9 is given, Shareholder approval of the issue of the Shares not required under Listing Rule 7.1. An effect of passing Resolution 10 will be to allow the Company to issue the Shares to Tribis (or its nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is not received for Resolution 10, the Company will not issue the Shares to Tribis or its nominee and will be required to satisfy the outstanding administration service payments with cash.

8.4 Information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- (a) the Shares will be issued to Tribis or its nominee;
- (b) the maximum number of Securities to be issued is 8,000,000 Shares.
- (c) the Shares will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and

- (d) the Shares will be issued in consideration for administration services provided by Tribis to the Company and will be issued at a deemed issue price of \$0.009 each, but for nil cash consideration payable to the Company and accordingly no funds will be raised by the issue of the Shares.

8.5 Directors' recommendation

The Directors (other than Mr Trevisan) recommend Shareholders vote in favour of Resolution 10.

9. Resolution 11 - Approval of Termination Entitlements of a Director - Bruce McCracken

9.1 Background

Resolution 11 seeks Shareholder approval under section 200E of the Corporations Act for certain termination payments and benefits which Mr Bruce McCracken may become entitled to if his employment with the Company is terminated (**Termination Entitlements**).

Details of the termination events and the payments and benefits which may be made to Mr McCracken are set out below.

9.2 Section 200E of the Corporations Act

Section 200B of the Corporations Act prohibits a company from giving a benefit to a director in connection with the director's retirement or removal from office unless the company's shareholders approve that benefit under section 200E or the benefit falls within certain exceptions set out in the Corporations Act.

A payment or benefit will only fall within the exceptions set out in the Corporations Act if the amount of the payment is less than a prescribed multiple of the director's remuneration and if the nature of the payment falls within one of the categories set out in the Corporations Act (for example, a payment by way of damages for breach of contract or a payment for past services).

Mr McCracken's Termination Entitlements under the terms of his Executive Service Agreement may not technically fall within any of the categories of exception set out in the Corporations Act and accordingly Shareholder approval is sought.

The Board has formed the view that the circumstances in which the Termination Entitlements may be made to Mr McCracken are appropriate and the amounts of such entitlements are not excessive or unusual for an executive with the role and responsibilities of Mr McCracken.

Section 200E of the Corporations Act requires that, where shareholders are asked to approve a payment or other benefit to a director that would otherwise be prohibited by section 200B, shareholders must be given details of the amount of the payment or benefit, or, if the amount cannot be ascertained at the time of the disclosure, the manner in which the amount or benefit is to be calculated and any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The amount of any payment or other benefit that may be made to Mr McCracken in connection with his retirement or removal from office depends upon his remuneration at the time that he ceases to hold office and the circumstances in which he ceases to hold office.

To inform Shareholders of the manner in which termination payments and benefits may be calculated, the following paragraphs summarise the remuneration and termination provisions of Mr McCracken's Executive Service Agreement.

9.3 Listing Rule 10.18

Listing Rule 10.18 provides that the Company must ensure that no officer of the Company or any of its child entities will be entitled to termination benefits if a change occurs in the shareholding or control of the Company or child entity.

The Company considers that the Termination Entitlements that are the subject of Shareholder approval pursuant to Resolution 11 do not infringe Listing Rule 10.18 because Mr McCracken does not immediately become entitled to any Termination Entitlements if a change occurs in the shareholding or control of the Company.

9.4 Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of Shareholders, the Company must ensure that no officer of the Company or its child entities will be or may be entitled to termination benefits (without shareholder approval first being obtained prior to payment) if the value of those benefits and the termination benefits which are or may become payable to all officers together, exceeds 5% of the equity interests of the Company as set out in the latest accounts given to ASX.

The value of the Termination Entitlements that may be payable to Mr McCracken on termination of employment may exceed 5% of the equity interests of the Company as set out in the last accounts given to ASX prior to termination. Accordingly, the Company seeks Shareholder approval for the Termination Entitlements for the purpose of Listing Rule 10.19.

9.5 Termination Entitlements

The Termination Entitlements which may accrue or be payable to Mr McCracken on termination of employment may comprise:

- (a) in the event employment is terminated without notice (other than in circumstances where the Company is entitled to summarily terminate employment for cause), an amount of up to 6 months' salary payable in lieu of notice of termination;
- (b) payment of the annual leave to which Mr McCracken has become entitled but which he has not taken; and
- (c) the vesting of Performance Rights - if the Vesting Conditions for a class of Performance Rights are satisfied during the period of Mr McCracken's employment with or directorship of the Company or a company within the Group, that class of Performance Rights will vest and will not be subject to forfeiture.

9.6 Value of Termination Entitlements

Based on the current base salary amount of \$180,000, an amount of up to \$98,550, equivalent to 6 month's salary and superannuation entitlement, may be payable to Mr McCracken on termination without notice.

Based on the market price of Shares on 10 June 2019 of \$0.014 per Share, the value of the 20,000,000 Performance Rights that may vest on termination of employment (if all Vesting Conditions are satisfied) is assessed at \$280,000. The value of the Performance Rights on termination (assuming they all vest) will be higher than this amount if the Share price at the time of termination of employment is higher than \$0.014 per Share.

The equity interests of the Company as set out in the Company's financial statements for the half-year ended 31 December 2018 was \$1,551,035, 5% of this amount is \$77,551.

The value of the Termination Entitlements as set out above, if Mr McCracken was to become entitled to them, would exceed 5% of the Company's equity interests as at 31 December 2018.

9.7 Remuneration entitlements

Set out below is a breakdown of Mr McCracken's total remuneration package for the current financial year.

Cash
Salary: The Executive's annual salary for the period 1 July 2018 to 31 December 2018 is \$60,000, for all hours worked, excluding superannuation. The Executive's annual salary from 1 January 2019 is \$180,000 gross, for all hours worked, excluding superannuation.
Non-Cash
Shares:

The Company agrees to issue 6,666,666 Shares to the Executive (or his nominee), subject to the approval of Shareholders in accordance with the Listing Rules. The Company shall seek the approval of Shareholders for the issue of 6,666,666 Shares at the General Meeting.

If the Company's shareholders do not approve the issue of 6,666,666 Shares to the Executive at the General Meeting, the Company must pay to the Executive the sum of \$60,000 gross.

Performance Rights:

The Company agrees to grant 20,000,000 Performance Rights to the Executive (or his nominee) on the terms and conditions set out in Schedule 2, subject to the approval of Shareholders at the General Meeting.

These will be issued in the following tranches:

- Tranche 1: 10,000,000 Performance Rights
- Tranche 2: 5,000,000 Performance Rights
- Tranche 3: 5,000,000 Performance Rights

In addition to the above, Mr McCracken is entitled to reimbursement for all reasonable expenses incurred in connection with the performance of his duties, including reasonable expenses relating to entertainment, accommodation, meals, and travelling.

A summary of the Executive Services Agreement for Mr McCracken is set out in Schedule 3.

9.8 Termination arrangements and entitlements

The termination provisions of the Executive Service Agreement for Mr McCracken are described below.

(a) Termination with notice by the Company

The Company may terminate this agreement by giving 6 months' written notice to the Executive.

At its sole discretion, the Company may:

- (i) require the Executive to work out the notice period in full or in part; or
- (ii) provide payment to the Executive in lieu of notice.

(b) Summary termination by the Company

The Company may, at any time, by providing notice in writing, summarily terminate the Employment of the Executive without notice:

- (i) engages in any act or omission constituting gross misconduct;
- (ii) engages in any conduct which seriously injures the reputation or the Business of the Company or any company within the group;
- (iii) is convicted of an indictable offence which brings the Company or its Related Bodies Corporate into lasting disrepute, by giving notice effective immediately and without payment of any salary other than salary accrued to the date of termination;
- (iv) commits a serious or persistent breach of the Executive Services Agreement;
- (v) is continually or significantly neglectful of or demonstrates incompetence in relation to the performance of the duties;
- (vi) refuses or neglects to comply with any lawful, reasonable direction or order given to him by the Company which the Executive, after receipt of prior notice, has failed to rectify to the reasonable satisfaction of the Company within 10 Business Days after receipt of that notice;

- (vii) is or becomes bankrupt or insolvent or suspends payment or compounds with or assigns the Executive's estate for the benefit of creditors;
- (viii) is or becomes incapacitated by illness or injury of any kind which prevents the Executive from performing the duties for a period greater than 3 consecutive months or any periods aggregating more than 3 months in any period of 12 months during the term of the Employment (except that any period in which the Executive takes Paid Personal/Carer's Leave will not be included in calculating either of the 3 month periods for the purposes of this clause);
- (ix) is found by a Court of competent jurisdiction to be of unsound mind or mentally ill; or
- (x) while the Executive is a Director of the Company or a director of any company within the group, becomes disqualified under any law from serving as a director.

(c) **Termination by the Executive**

The Executive may terminate this Executive Service Agreement by providing the Company with 6 months' prior notice of termination, or such lesser period as agreed between the parties. If the Executive fails to give the required period of notice, then the Executive forfeits the equivalent amount of salary in lieu of notice.

The Executive will be remunerated for the actual period of notice provided to the Company, or an amount otherwise agreed.

(d) **Performance Rights**

- (i) If the Vesting Conditions for a class of Performance Rights are satisfied during the period of a Holder's employment with or directorship of the Company or a company within the group, that class of Performance Rights will vest and will not be subject to forfeiture.
- (ii) Each Performance Right that has not vested will automatically lapse and be forfeited if the Holder:
 - A. voluntarily resigns from employment with the Company or a company within the group; or
 - B. if the Holder's employment with the group is summarily terminated by the employer in circumstances where the employer is expressly permitted by the terms of the employment agreement to summarily terminate the employment without notice.
- (iii) A Performance Right will not lapse and be forfeited if the Holder ceases employment with the Company or a company within the group due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Right should not lapse and be forfeited.

9.9 Protection of Company interests

The Executive Services Agreement contains restraint of trade provisions which in summary prevent Mr McCracken engaging in conduct in any one or more of the following:

- (a) induce or attempt to induce any director, manager or employee of the Company to terminate the Executive's or her employment or relationship with the Company, whether or not that person would commit a breach of that person's contract of employment; or
- (b) employ any person who during the last 6 months of the Employment has been a director, manager, or employee of the Company who is or may be likely to be in possession of any confidential information or trade secrets relating to:
 - (i) the Business; or
 - (ii) the customers of the Company;

- (c) disparage the Company or otherwise make any statements that may or may be likely to injure the commercial reputation of the Company to any person or persons whatsoever; or
- (d) induce or attempt to induce any person who has a commercial relationship with the Company to engage in a commercial relationship, agreement or understanding with a competitor to any Company, contrary to the interests of the Company.

9.10 **Directors' recommendations**

The Directors (other than Mr McCracken) consider that the Termination Entitlements payable by the Company to Mr McCracken under the Executive Service Agreement are reasonable in the circumstances and recommend that Shareholders vote in favour of Resolution 11.

Mr McCracken makes no recommendation in relation to Resolution 11 in light of his personal interest in this Resolution.

9.11 **Proxy voting restrictions**

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this Resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this Resolution.

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

10. **Resolution 12 - Approval to offer and issue New Options to non-Related Parties**

10.1 **Background**

Resolution 12 seeks Shareholder approval under Listing Rule 7.1 for the proposed offer and issue of up to 296,624,516 new Options (**New Options**) to all persons (other than Related Parties of the Company) who held BMGOA Options which expired unexercised on 30 June 2019 or which were exercised prior to their expiry date, on the basis of one (1) New Options for every one (1) BMGOA Option which expired or was exercised (**Options Offer**).

The Company has resolved to extend this offer to reflect the longer than anticipated period in which BMG has established the Chilean Lithium JV and planned its maiden drill program.

The offer and issue of New Options will be at an exercise price of \$0.02 on or before 31 December 2019, at an issue price of \$0.001 per New Option to raise up to \$296,625 (before costs).

The Options Offer is proposed to be made to all persons who:

- (a) held BMGOA Options which expired unexercised on 30 June 2019; or
- (b) exercised BMGOA Options on or before 30 June 2019.

If the New Options are fully subscribed and exercised, the Company may experience a cash inflow of up to \$6.9 million (before costs) in the second half of the 2019 calendar year.

If Resolution 12 is not approved, no New Options will be issued to any person.

The terms and conditions attaching to the New Options are set out in Schedule 5.

10.2 **Listing Rules information requirements**

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting of the precise terms and conditions of the proposed issue.

If approval is obtained for Resolution 12, the issue of New Options will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

In accordance with Listing Rule 7.3, the following information is provided to enable Shareholders to assess the merits of Resolution 11 for the purposes of Listing Rule 7.1:

- (a) A maximum number of 296,624,516 New Options will be issued to all persons (other than Directors or Related Parties of the Company) who held BMGOA Options which expired unexercised on 30 June 2019 or which were exercised, on the basis of the of one (1) New Option for every one (1) BMGOA Option which expired or which was exercised.
- (b) The New Options approved under Resolution 12 will be all issued at the same time on one date within 3 months of the date of the Meeting or within such other time as may be permitted by the Listing Rules or any waiver of the Listing Rules granted by ASX.
- (c) The issue price of the New Options will be \$0.001 per New Option. The subscription amount will help the Company to cover the cost of issuing the New Options.
- (d) The New Options will be granted on terms and conditions outlined in Schedule 5. Upon the exercise of New Options by option holders into Shares, those Shares will rank equally in all respects with existing Shares in the Company then on issue.
- (e) The Company intends to use the funds raised by the proposed grant of New Options (up to \$296,625) for the Company's ongoing general working capital requirements.

11. Resolutions 13 to 15 - Approval to offer and issue New Options to Related Parties

11.1 Background

The proposed offer and issue of New Options to Related Parties of the Company, as contemplated by Resolutions 13 to 15, are offered, subject to Shareholder approval, to those Related Parties of the Company only in their capacity as existing holders of BMGOA Options.

New Options proposed to be offered and issued to Related Parties of the Company will be on the same terms as the New Options proposed to be offered and issued to non-Related Party holders of BMGOA Options, as contemplated by Resolution 12.

Accordingly, Resolutions 13 to 15 seek Shareholder approval to offer and issue up to a total of up to 49,877,818 New Options to the following Directors or Related Parties of the Company:

- (a) under Resolution 13, up to:
 - (i) 24,511,354 New Options to Tribis or its nominee, a Related Party by virtue of its relationship to Simon Trevisan as described in 8.1; and
 - (i) 12,262,200 New Options to Tribis Equity or its nominee, a Related Party by virtue of its relationship with Simon Trevisan, as he is a Director of Tribis Equity;
- (b) under Resolution 14 – up to 10,383,354 New Options to Bruce McCracken or his nominee; and
- (c) under Resolution 15 – up to 2,721,110 New Options to Malcolm Castle or his nominee.

Resolutions 13 to 15 are subject to Shareholder approval. Accordingly, no New Options will be offered and issued to Directors or Related Parties if Resolutions 13 to 15 are not approved.

11.2 Section 195(1) of the Corporations Act

Section 195(1) of the Corporations Act provides that a director who has a “material personal interest” in a matter being considered at a director's meeting must not be present while the matter is being considered or vote on the matter.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors' meeting because of section 195(1), the directors may call a general meeting of shareholders to consider the matter.

The Directors are unable to form a quorum to consider any matters relating to the offer of New Options under Resolutions 13 to 15, as Messrs Trevisan, McCracken and Castle, being 3 of the 4 Directors of the Company, have a material personal interest in the outcome of the Resolutions. Therefore, the Company is seeking approval under section 195(4) of the Corporations Act to deal with the matter.

11.3 Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The offer of New Options to the Related Parties under the Options Offer, as contemplated by Resolutions 13 to 15, constitutes the giving a financial benefit for the purposes of the Corporations Act, and to each of Tribis, Tribis Equity, Bruce McCracken and Malcolm Castle as Related Parties of the Company.

Accordingly, Shareholder approval is sought for the purposes of section 208 of the Corporations Act.

11.4 Listing Rule 10.11

As the proposed offer of New Options contemplated by Resolutions 13 to 15 involves the issue of New Options to Related Parties of the Company, shareholder approval pursuant to Listing Rule 10.11 is required.

If Shareholder approval of Resolutions 13 to 15 is given, Shareholder approval of the offer and issue of New Options is not required under Listing Rule 7.1. An effect of passing Resolutions 13 to 15 will be to allow the Company to issue New Options to the Related Parties without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is not received for Resolutions 13 to 15 (as applicable), the Company will not offer and issue New Options to the applicable Related Parties or their nominees.

11.5 Corporations Act information requirements

Section 219 of the Corporations Act requires that the following information be provided to Shareholders in relation to Resolutions 13 to 15 for the purposes of obtaining approval under Section 208 of the Corporations Act:

(a) Names of the Related Party

The Related Parties are:

- (i) Tribis and Tribis Equity by virtue of their relationship to Simon Trevisan, a Director of the Company. Simon Trevisan is a director of each Tribis and Tribis Equity and controls each of those entities within the meaning of the Corporations Act;
- (ii) Bruce McCracken – Managing Director of the Company; and
- (iii) Malcolm Castle – Non-Executive Director of the Company.

(b) **Nature of the financial benefit**

The nature of financial benefit that will be given to the Directors and other Related Parties of the Company if Resolutions 13 to 15 are approved is the issue of a total of 49,877,818 New Options to a Director (or his nominee) in the proportions set out in the table below:

Related Party	Number of New Options
Tribis	24,511,354
Tribis Equity	12,262,000
Bruce McCracken	10,383,354
Malcolm Castle	2,721,110

(c) **Value of the financial benefit**

A valuation of the Director Options was conducted by the Company which applied the Black-Scholes option pricing model (**Black-Scholes Model**).

The Black-Scholes Model is based on a number of assumptions and variables, including the following:

- (i) the exercise price for each New Option is \$0.02;
- (ii) each New Option has an expiry date of 31 December 2019, and it is assumed that the New Options will be exercised immediately prior to the expiry date;
- (iii) the closing price of Shares traded on ASX on 10 June 2019 was \$0.014;
- (iv) a risk-free rate of 1.21% has been adopted;
- (v) a dividend yield rate of 0% has been adopted; and
- (vi) a volatility factor of 125% has been adopted.

The table below sets out the estimated value of the New Options and the estimated financial benefit to be received by Simon Trevisan, Tribis, Tribis Equity, Bruce McCracken and Malcolm Castle, applying the above valuation, as at the date of the Notice of Meeting.

Related Party	Individual value	Number of New Options	Total value
Tribis, Tribis Equity and Simon Trevisan	\$0.00354	36,773,354	\$130,360
Bruce McCracken	\$0.00354	10,383,354	\$36,809
Malcolm Castle	\$0.00354	2,721,110	\$9,646

(d) **Remuneration of Simon Trevisan, Tribis, Tribis Equity, Bruce McCracken and Malcolm Castle**

The table below sets out the total remuneration paid or payable to Messrs Trevisan, McCracken and Castle for the last financial year and the proposed total remuneration for the current financial year, including superannuation entitlements.

Related Party	2017/18 Financial Year	2018/19 Financial Year
Cash		
Simon Trevisan ¹	Nil	\$15,000
Bruce McCracken ¹	Nil	\$164,250
Malcolm Castle ¹	Nil	\$15,000

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

Mr McCracken received a payment of \$60,000 in January 2019 for services provided in the period 1 July 2018 to 31 December 2018 and has been paid an amount of \$15,000 per month from 1 January 2019

Messrs Trevisan and Castle have been paid an amount of \$2,500 per month from 1 January 2019 for their services as Non-Executive Directors of the Company.

(e) **Security holdings of Simon Trevisan, Tribis, Tribis Equity, Bruce McCracken and Malcolm Castle**

The table below sets out the securities and rights in the Company in which Messrs Trevisan, McCracken and Castle has a direct or indirect interest at the date of the Notice. The table does not include Equity Securities to be issued to Messrs Trevisan, McCracken and Castle subject to Shareholder approval of Resolutions 5, 6, 7, 9 and 10, or New Options to be offered to the Related Parties subject to the Shareholder approval of Resolutions 13 to 15.

Related Party	Shares	Performance Rights	Options
Simon Trevisan, Tribis, Tribis Equity	193,334 Shares held by Simon Trevisan; 48,944,844 Shares held by Tribis; 29,068,800 Shares held by of Tribis Equity.	Nil	24,511,354 Options exercisable at \$0.02 each on or before 30 June 2019 held by Tribis; 12,262,000 Options exercisable at \$0.02 each on or before 30 June 2019 held by Tribis Equity.
Bruce McCracken	19,920,042 Shares held indirectly as beneficiary of the McCracken Family Super Fund; 180,000 Shares held directly.	Nil	10,308,354 Options exercisable at \$0.02 each on or before 30 June 2019 held indirectly as trustee for the McCracken Family Super Fund; 75,000 Options exercisable at \$0.02 each on or before 30 June 2019 held directly.
Malcolm Castle	5,475,220 Shares held directly; 39,896 Shares held indirectly as spouse of Susan Castle; 542,960 Shares held indirectly as sole shareholder of	Nil	2,721,110 Options exercisable at \$0.02 each on or before 30 June 2019 held directly.

Related Party	Shares	Performance Rights	Options
	Agricola Mining Consultants Pty Ltd.		

(f) **Voting interests and voting power of Simon Trevisan, Tribis, Tribis Equity, Bruce McCracken and Malcolm Castle**

The table below sets out details of the respective voting interests of Messrs Trevisan, McCracken and Castle, including how these interests may change upon the events specified in the table occurring.

Event	Options received	Total Shares held after event	Voting power after event (rounded)
Simon Trevisan Simon Trevisan, Tribis and Tribis Equity			
Existing Shares held	Nil	78,206,978	14.02%
Exercise of all existing Options	36,773,354	114,980,332	19.34%
Exercise of all proposed New Options	36,773,354	151,753,686	24.04%
Exercise of all existing Options and proposed New Options	73,546,708	151,753,686	24.04%
Bruce McCracken			
Existing Shares held	Nil	20,100,042	3.60%
Exercise of all existing Options	10,383,354	30,483,396	5.37%
Exercise of all proposed New Options	10,383,354	40,866,750	7.06%
Exercise of all existing Options and proposed New Options	20,766,708	40,866,750	7.06%
Malcolm Castle			
Existing Shares held	Nil	6,058,076	1.08%
Exercise of all existing Options	2,721,110	8,779,186	1.57%
Exercise of all proposed New Options	2,721,110	11,500,296	2.04%
Exercise of all existing Options and proposed New Options	5,442,220	11,500,296	2.04%

(g) **Dilution**

If Resolutions 13 to 15 is approved, a total of 49,877,818 New Options will be offered to Directors Messrs Trevisan, McCracken and Castle (or their nominees). The offer of these New Options will not dilute the shareholding interests of existing Shareholders unless and until the New Options are exercised.

Assuming that the number of Shares currently on issue (557,732,376) does not change, the dilutive effect on the shareholding interests of existing Shareholders if all New Options are exercised would be approximately 8.2%.

(h) **Exercise**

The market price of Shares during the period of the New Options will normally determine whether or not the New Options are exercised.

At the time any New Options are exercised and Shares are issued pursuant to the same, Shares may be trading on ASX at a price which is higher than the exercise price of the New Options.

(i) **Trading history**

The most recent available data concerning the price of the Company's Shares traded on ASX since 24 June 2018 (i.e. approximately 12 months from the Notice date) is summarised in the table below.

	High	Low	Last
Price	\$0.014	\$0.005	\$0.012
Date	17 August 2018	4 February 2019	24 June 2019

(j) **Funds raised**

New Options will be issued to directors and other Related Parties of the Company at an issue price of \$0.001 each. Accordingly, up to \$49,877 (before costs) will be raised from the issue of New Options under Resolutions 13 to 15.

If all New Options to be issued are exercised, the Company will raise up to approximately \$997,556 (before costs). These funds will be applied to the ongoing working capital requirements of the Company at that time.

(k) **Directors' interests in the proposed resolution**

Simon Trevisan has a material personal interest in the outcome of Resolution 13 and will be the only Director to receive a benefit from that Resolution.

Bruce McCracken has a material personal interest in the outcome of Resolution 14 and will be the only Director to receive a benefit from that Resolution.

Malcolm Castle has a material personal interest in the outcome of Resolution 15 and will be the only Director to receive a benefit from that Resolution.

(l) **Any other information**

Other than as set out in this Explanatory Statement, the Directors do not consider there is any further information which the Shareholders would reasonably require in order to decide whether or not to approve Resolutions 13 to 15.

11.6 Information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

(a) **The recipients of New Options and number of New Options to be issued**

The maximum number of securities which may be issued pursuant to Resolutions 13 to 15 is 49,877,818 New Options, as follows:

(i) under Resolution 13, up to:

A. 24,511,354 New Options to Tribis or its nominee;

B. 12,262,000 New Options to Tribis Equity or its nominee;

- (ii) under Resolution 14: up to 10,383,354 New Options to Bruce McCracken or his nominee; and
- (iii) under Resolution 15: up to 2,272,110 New Options to Malcolm Castle or his nominee.

(b) **The issue date**

Subject to Shareholder approval, New Options will be issued following the expiry of BMGOA Options, being 30 June 2019, and on one date no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).

(c) **The issue price**

The New Options proposed to be offered to the Related Parties will be issued at an issue price of \$0.001 per New Option. The subscription amount will help the Company to cover the cost of issuing the New Options.

(d) **The terms of securities**

New Options to Related Parties will be issued under the same terms as those offered to non-Related Party BMGOA Option holders. Upon the exercise of New Options by option holders into Shares, those Shares will rank equally in all respects with existing Shares in the Company then on issue.

See Schedule 5 for the terms of the New Options.

(e) **The intended use of funds raised**

Funds raised from the issue of New Options to Related Parties (up to \$49,877) will be used for the same purpose as outlined in Section 10.2(e).

11.7 Directors' recommendation

Each recipient of New Options contemplated by Resolutions 13 to 15 is a Related Party of the Company by virtue of its relationship with a Director.

Accordingly:

- (a) Simon Trevisan has a material personal interest in the outcome of Resolution 13;
- (b) Bruce McCracken has a material personal interest in the outcome of Resolution 14; and
- (c) Malcolm Castle has a material personal interest in the outcome of Resolution 15.

In the interests of good corporate governance, Messrs Trevisan, McCracken and Castle decline to make any recommendations as to how Shareholders should vote on any of Resolutions 13 to 15 (not just in respect of those Resolutions in which they individually have a material personal interest) as they may each acquire a relevant interest in New Options if Resolutions 13 to 15 are approved.

The Company's Chairman, Mr Greg Hancock does not have a material personal interest in the outcome of Resolutions 13 to 15 and recommends that Shareholders vote in favour of the Resolutions.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

A\$ or \$	Australian dollars.
Administration Services Agreement	Administration Services Agreement between the Company and Tribis Pty Ltd entered into in November 2010.
Associate	Has the meaning given to that term in the Listing Rules.
ASIC	Australian Securities and Investment Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, as the context requires.
Award	An award of Securities under the Employee Incentive Plan.
Board	The board of Directors of the Company.
BMGOA Options	A series of Options in the Company quoted on ASX, exercisable at \$0.02 per Option, on or before 30 June 2019.
Chairman	The chairman of the General Meeting.
Chilean Lithium Projects	Salar West Claims, Pajonales Claims and Natalie Claims in the Salar de Atacama and surrounding areas in northern Chile.
Company or BMG	BMG Resources Limited (ACN 107 118 678).
Constitution	The Constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Director Option	An Option to subscribe for a Share in the Company, proposed to be issued to Non-Executive Director Mr Malcolm Castle and former Non-Executive Director Mr Peter Munachen under Resolutions 7 and 8 respectively, on the terms set out in Schedule 4.
Employee Incentive Plan	A plan to issue Options and Performance Rights to incentivise employees and senior management, including Directors.
Employee Incentive Plan Rules	The rules, terms and conditions of the Employee Incentive Plan.
Entitlement	The right to one Share in the Company on the vesting of a Performance Right.
Equity Security	Has the meaning given to that term in ASX Listing Rule 19.12, being: <ul style="list-style-type: none">(a) a share;(b) a unit;(c) a right to a share or unit or option;(d) an option over an issued or unissued security;(e) a convertible security;(f) any security that ASX decides to classify as an equity security;(g) but not a security that ASX decides to classify as a debt security.
Executive	Mr Bruce McCracken.

Executive Service Agreement	The agreement between the Company and Bruce McCracken for the Company's engagement of Mr McCracken as Managing Director.
Expiry Date	The expiry date of Options, being: <ul style="list-style-type: none">(a) in relation to Director Options proposed to be granted pursuant to Resolutions 7 and 8, 31 January 2022;(b) in relation to Options granted under the Placements, 30 June 2019; and(c) in relation to New Options offered and issued under the Options Offer, 31 December 2019.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice.
General Meeting or Meeting	The general meeting of Shareholders, or any adjournment thereof, convened by this Notice.
Glossary	This glossary of terms.
Group	The Company and its subsidiaries.
Key Management Personnel	Has the same meaning as the definition of that term in section 9 of the Corporations Act, being those persons whose details of remuneration are included in the Company's annual remuneration report having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
LCS	Lithium Chile Spa, a company incorporated in Chile and the holder of the Chilean Lithium Projects.
Lead Manager	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).
Listing Rules	The listing rules of ASX, as amended from time to time.
Managing Director	The Company's managing director, being Bruce McCracken.
New Option	Options offered to eligible Option Holders of BMGOA outlined in Sections 10.1 and 11.1 of this Explanatory Statement.
Non-Executive Director	A non-executive director of the Company.
Notice or Notice of Meeting	The Notice of General Meeting which accompanies this Explanatory Statement.
Option	An option to subscribe for a Share.
Option Holder	The holder of an Option.
Options Offer	The placement of New Options to BMGOA Option holders who held BMGOA Options, which were exercised prior to 30 June 2019 or expired unexercised, as outlined in Section 10.1 of this Explanatory Statement.
Performance Rights	The Entitlement to one Share in the Company on the satisfactory achievement of a Vesting Condition.
Placements	The placements of Shares and Options to Placement Participants as described in Section 1.1 of this Explanatory Memorandum.
Placement Participants	Sophisticated and professional investors to whom Placement Securities were issued under the Placements.
Placement Securities	Shares and Options issued by the Company under the Placements.

Proxy Form	The proxy form accompanying this Notice of Meeting.
Related Party	Has the meaning given to that term in section 228 of the Corporations Act.
Resolution	A resolution set out in the Notice.
Securities	The securities of the Company within the meaning of section 761A of the Corporations Act and includes Shares and Options.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	The holder of a Share.
Termination Entitlements	The amounts and benefits payable to the Managing Director upon termination of his employment by a Group Company as set out in Section 9.5 of this Notice.
Tranche 1 Performance Rights	10,000,000 Performance Rights proposed to be granted to the Managing Director and described as "Tranche 1 Performance Rights" in paragraph 3(a) of Schedule 2.
Tranche 2 Performance Rights	5,000,000 Performance Rights proposed to be granted to the Managing Director and described as "Tranche 2 Performance Rights" in paragraph 3(a) of Schedule 2.
Tranche 3 Performance Rights	5,000,000 Performance Rights proposed to be granted to the Managing Director and described as "Tranche 3 Performance Rights" in paragraph 3(a) of Schedule 2.
Tribis	Tribis Pty Ltd ACN 009 017 985.
Tribis Equity	Tribis Equity Investments Pty Ltd ACN 143 454 522
Vesting Conditions	The conditions precedent under the Performance Rights, which when satisfied, entitles the holder of the right one Share in the Company. Outlined in Schedule 2.
VWAP	Volume weighted average price of Shares traded on ASX.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1 – Terms of Options granted under Placements

The terms and conditions of the Options are as follows:

- (a) Each 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 Options.
- (c) The exercise price of the Options is \$0.02 each, and will be payable in full on exercise.
- (d) Each Option may be exercised at any time before 5.00pm (WST) on 30 June 2019 (**Expiry Date**). Any 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 Options issued to the Option Holder;
 - (ii) the exercise price of the Options; and
 - (iii) the date of issue of the Options.
- (f) Subject to quotation on ASX, the Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until the expiry date of the Options. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX.
- (g) An instrument of transfer of an 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 Options to be transferred and any other evidence as the Directors require to prove the title of the transferor to that Options, the right of the transferor to transfer those Options and the proper execution of the instrument of transfer.
- (h) The Company will apply for quotation of the 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 Options.
- (j) There will be no participating entitlements inherent in the Options to participate in new issues of capital that may be offered to Shareholders during the currency of the Option. Prior to any new pro-rata issue of Securities to Shareholders, holders of Options will be notified by the Company in accordance with the requirements Listing Rule 6.22.2.
- (k) In the event of a bonus issue of Securities, the number of Shares over which the 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 Options or to the number of Shares over which the 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 Options.
- (n) 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 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 Options. An exercise of only some of the Options will not affect the rights of the Option Holder to the balance of the Options held by him.
- (o) 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 Option.
- (q) Shares allotted pursuant to an exercise of 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.

Schedule 2 – Terms and Conditions attaching to Managing Director’s Performance Rights

1. Grant

- (a) The Company will offer performance rights (**Performance Rights**) on and subject to these terms and conditions.
- (b) To the extent of any inconsistency between these terms and any Employee Incentive Plan Rules, these terms will prevail.
- (c) The grant of any Performance Rights is subject to the approval of Shareholders at a general meeting.

2. Classes of Performance Rights

The following classes of Performance Rights will be granted by the Company on and subject to these terms:

- (a) Tranche 1 Performance Rights;
- (b) Tranche 2 Performance Rights; and
- (c) Tranche 3 Performance Rights.

3. Entitlement

- (a) Subject to this paragraph 3 and any applicable requirements of the ASX Listing Rules, each vested Performance Right entitles the holder of that Performance Right (**Holder**) to be issued with one Share (**Entitlement**) as follows:

Class	Vesting Condition	Entitlement
Tranche 1 Performance Rights	Satisfaction of each of the following conditions: (i) the proposed agreement between the Company and the owners of Lithium Chile SpA (LCS) as announced to ASX on 29 November 2018 being formally concluded; (ii) the Company raising a minimum of \$1 million net of costs pursuant to its capital raising strategy as announced to ASX on 5 and 8 November 2018; and (iii) the successful completion of an initial drilling program at Salar West or other Lithium project areas.	10,000,000 Shares
Tranche 2 Performance Rights	The Tranche 1 Performance Rights vesting and a JORC Mineral Resource being defined on any mining exploration project held or controlled by the Group or LCS by 30 June 2020.	5,000,000 Shares
Tranche 3 Performance Rights	The Tranche 2 Performance Rights vesting and completion of positive feasibility within 12 months of a JORC Mineral Resource being defined on any mining exploration	5,000,000 Shares

Class	Vesting Condition	Entitlement
	project held or controlled by the Group or LCS.	

- (b) The Company's obligations to the Holder in relation to a Performance Right are discharged and satisfied in full upon issuing the Entitlement for that class of Performance Rights.

4. **Vesting**

- (a) Subject to paragraph 14, a Performance Right automatically vests in the Holder upon satisfaction of the conditions stated in the table in paragraph 3(a) (each a **Vesting Condition**) following which the Holder may elect to receive the Holder's Entitlement.
- (b) If a Vesting Condition for a class of Performance Rights is not achieved, that class of Performance Rights will not vest, subject to these terms and any Employee Incentive Plan Rules.
- (c) The Board's determination as to whether a Vesting Condition has been achieved is final.
- (d) Satisfaction of the Vesting Conditions is to be determined in relation to each class of Performance Rights, subject to these terms and any Employee Incentive Plan Rules.
- (e) The Performance Rights may also vest in the circumstances set out in paragraph 13 or the Employee Incentive Plan Rules.
- (f) If the Vesting Conditions for a class of Performance Rights are satisfied during the period of a Holder's employment with or directorship of the Company or a company within the Group, that class of Performance Rights will vest and will not be subject to forfeiture.

5. **Expiry and forfeiture**

- (a) Each Performance Right that has not vested will automatically:
- (i) lapse and terminate at midnight on the last day by which the Vesting Condition for that class of Performance Rights must be achieved; and
- (ii) lapse and be forfeited if the Holder:
- A. voluntarily resigns from employment with the Company or a company within the Group; or
- B. if the Holder's employment with the Group is summarily terminated by the employer in circumstances where the employer is expressly permitted by the terms of the employment agreement to summarily terminate the employment without notice.
- (b) A Performance Right will not lapse and be forfeited if the Holder ceases employment with the Company or a company within the Group due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Right should not lapse and be forfeited.

6. **Transfer and encumbrances**

- (a) A Performance Right is not transferrable.
- (b) A Holder must not grant or permit any security interest or other encumbrances over a Performance Right.

7. Quotation of Performance Rights

The Company will not apply for quotation of any class of Performance Right.

8. Quotation of Shares

If the Entitlement is issued for a class of Performance Rights and the Company is admitted to ASX, the Company will apply to ASX for official quotation of those Shares.

9. New issues

A Holder is not entitled to participate in any new issue to Shareholders of Securities in the Company unless the Holder's Performance Rights (or any of them) have vested and the Entitlement has been issued before the record date for determining entitlements to the new issue of Securities and participate as a result of holding Shares.

10. Participation in entitlements and bonus issues

A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to Shareholders, such as a bonus issue or an entitlement issue.

11. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Holder in relation to each class of Performance Rights held by the Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made in relation to paragraph 11(a) will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Holder.
- (c) The Company must, within a reasonable period of a reorganisation paragraph 11(a) occurring, give to the Holder notice of any change to the number of Shares which the Holder is entitled to receive under the Entitlement for a class of Performance Rights.

12. Issue of Entitlement

- (a) If the Company elects to provide the Entitlement for a class of Performance Rights, within 10 days after issuing the Election Notice, the Company must issue to the Holder the Entitlement for that class.
- (b) Subject to the Company's Constitution, all Shares issued in relation to the Entitlement for a class of Performance Rights will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
- (c) Any Shares that are acquired on the vesting of Performance Rights in accordance with a Rights Offer will be issued or transferred to the Rights Holder free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in Securities.

13. Vesting on change of control

In the event that:

- (a) a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board;

- (b) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or
- (c) a Court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act,

prior to the Performance Hurdles being achieved for one or more classes of Performance Rights (**Unvested Rights**) being achieved, then all of the Unvested Rights on issue will vest.

14. **Deferral of vesting**

If the vesting of any class of Performance Rights (or any part thereof) would result in any person being in contravention of section 606(1) of the Corporations Act (**Takeover Restriction**) then:

- (a) The vesting of those Performance Rights (or any part thereof) will be deferred until such later time or times that the vesting would not result in a contravention of the Takeover Restriction.
- (b) A Holder may give written notification to the Company if they consider that the vesting of those Performance Rights (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the vesting of those Performance Rights will not result in any person being in contravention of the Takeover Restriction.
- (c) The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in paragraph 14(b) within 7 days if the Company considers that the vesting of those Performance Rights (or any part thereof) may result in a contravention of the Takeover Restriction. If the Holder does not give notification to the Company within 7 days that they consider the vesting of the Performance Rights (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the vesting of the Class A Performance Rights (or part thereof) will not result in any person being in contravention of the Takeover Restriction.

15. **Amendments required by ASX**

These terms may be amended as necessary by the Company's Board of Directors in order to comply with the ASX Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the terms, provided that, subject to compliance with the ASX Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

16. **Governing law**

These terms and the rights and obligations of the Holder are governed by the laws of Western Australia. The Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia in this respect.

Schedule 3 – Summary of Executive Service Agreement

The Company has entered into an executive services agreement (**Agreement**) with the Managing Director, Bruce McCracken, for the provision of managing director and chief executive officer services of Mr McCracken on the terms and conditions described below:

Subject	Provision
Parties	BMG Resources Limited (BMG or Company); and Bruce McCracken (Executive or Managing Director)
Term	The employment of the Managing Director under the Agreement continues until terminated.
Services to be provided by the Managing Director	<ol style="list-style-type: none"> 1. Manage the day-to-day corporate and administrative affairs of BMG and its subsidiaries (Group) but excluding services that would ordinarily be, or by law, be required to be performed by the company secretary of the Group or of any company within the Group. 2. Manage the commercial, financial, operational and business activities of, or incidental to, the Group. 3. Ensure compliance with regulatory bodies such as ASIC and ASX. 4. Plan, develop and implement strategies for operational management so as to meet agreed organisational performance plans within agreed budgets and timeframes. 5. Establish and maintain appropriate systems for measuring necessary aspects of operational management. 6. Monitor, measure and report on operational issues, opportunities and development plans and achievements based on agreed formats and timeframes. 7. Supervise and implement appropriate financial controls and accounting procedures, and preparation of financial statements. 8. Supervise and implement appropriate operational health and safety policies, procedures and monitoring systems. 9. Supervise and implement appropriate operational environmental protection policies, procedures and monitoring systems. 10. Manage and develop subordinate staff. 11. Retain specialist consultants and advisers as required. 12. Endeavour to reduce the Group's exposure to risks. 13. Comply with the reasonable direction of the Board from time to time including to undertake any activity for the benefit of the Company. 14. Perform any other duties delegated to the Managing Director by the Board. 15. Maintain an ongoing shareholder engagement plan with major shareholders, brokers and investment groups. 16. Promote the Group in selected investment forums so it is seen positively in investment markets. 17. Work with the Board to ensure the Group is sufficiently well capitalised to achieve its stated objectives. 18. Maintain an active and positive relationship with joint venture partners and others who are strategic to the Company enhancing its market capitalisation.

Subject	Provision
	19. Perform such other duties as are normally entrusted to the Managing Director of a public listed company engaged in mining exploration activities.
Remuneration	<p>The Company must provide the Managing Director a total remuneration package comprising of the following during the employment:</p> <ul style="list-style-type: none"> (a) an annual salary \$180,000 gross (excluding superannuation) commencing 1 January 2019; (b) a salary of \$60,000 gross (excluding superannuation) for the period 1 July 2018 to 31 December 2018; (c) the award of 20,000,000 Performance Rights on the terms set out in Schedule 2, subject to Shareholder approval; if Shareholders do not approve the Performance Rights and the Board determines that a tranche of Performance Rights would have vested had the Performance Rights been granted, the Company shall pay to the Managing Director a cash amount calculated by multiplying the number of Shares applicable to the Entitlement by the VWAP of Shares traded on ASX over the last 5 trading days prior to the vesting date; (d) the issue of 6,666,666 Shares, subject to Shareholder approval; If the Shareholders do not approve the issue of 6,666,666 Shares at the General Meeting, the Company must pay to the Managing Director the sum of \$60,000 gross; and (e) superannuation entitlements.
Termination	<p>The Executive may terminate this Agreement by providing the Company with 6 months' prior notice of termination, or such lesser period as agreed between the parties. If the Executive fails to give the required period of notice, the Executive will be remunerated for the actual period of notice provided to the Company, or an amount otherwise agreed.</p> <p>The Company may, at its discretion, terminate the Agreement for any reason by providing the Executive with 6 months' notice of termination. The Company may provide for payment in lieu of notice.</p> <p>The Company may summarily terminate the employment if the Managing Director without notice engages in certain circumstances, including if the Managing Director:</p> <ul style="list-style-type: none"> (a) engages in gross misconduct; (b) engages in any conduct which seriously injures the reputation of the Group; and (c) commits a serious or persistent breach of the Agreement. <p>Further specific details of termination arrangements and entitlements are set out in Section 9.8 of the Explanatory Statement.</p>
Policies and procedure	<p>The Managing Director must comply with the Company's rules, policies and procedures as in place from time to time, including but not limited to any corporate governance, securities trading, continuous disclosure, health and safety, anti-discrimination and communication policies.</p>
Restrictive covenants	<p>Except with the written permission of the Board, the Managing Director must not during the "Covenant Period" (a period of up to 12 months following termination) and within the "Covenant Area" (Australia and Chile), do or assist any third party to do, any one or more of the following:</p>

Subject	Provision
	<ul style="list-style-type: none"><li data-bbox="411 241 1390 304">(a) induce or attempt to induce any employee of the Group to terminate his or her employment or relationship with Company; or<li data-bbox="411 320 1390 383">(b) employ any person who during the last 6 months of the employment has been an employee of the Company;<li data-bbox="411 398 1390 461">(c) disparage the Group or otherwise make any statements that may or may be likely to injure the commercial reputation of the Company; or<li data-bbox="411 477 1390 598">(d) induce or attempt to induce any person who has a commercial relationship with the Company to engage in a commercial relationship, agreement or understanding with a competitor to the Group, contrary to the interests of the Group.

Schedule 4 – Terms of Director Options

1. **Entitlement**

Each Director Option entitles the holder (**Option Holder**) to subscribe for one (1) fully paid ordinary Share in the Company.

2. **No payment on grant**

The Option Holder is not required to pay any amount on the grant of a Director Option.

3. **Exercise price**

The exercise price of each Director Option (**Exercise Price**) is \$0.025.

4. **Expiry date**

Each Director Option not exercised by 5.00pm (WST) on the 31 January 2022 (**Expiry Date**) will automatically lapse and terminate.

5. **Certificate or holding statement**

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Director Options granted to the Option Holder;
- (b) the Exercise Price of the Director Options; and
- (c) the date of grant of the Director Options.

6. **Restrictions on dealing and transfer**

- (a) An Option Holder must not sell, transfer, mortgage, pledge, charge, grant a security interest over or otherwise dispose of (**Dispose**) any Director Options, or agree to do any of the same, without the prior consent of the Board, except where such Disposal occurs by force of law.
- (b) The transfer of any Director Option is subject to any restrictions on transfer under the Corporations Act or the Listing Rules.

7. **Quotation of Director Options**

The Company will not apply for quotation of any Director Options.

8. **New issues**

The Option Holder is not entitled to participate in any new issue to the Shareholders of securities in the Company unless they have exercised their Director Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

9. **Bonus issues**

If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Director Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Director Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Director Option before the record date for determining entitlements to the issue.

10. Pro rata issues

If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Director Option before the record date for determining entitlements to the issue, the Exercise Price of each Director Option will be reduced in accordance with Listing Rule 6.22.2.

11. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Director Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Director Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a Director Option.

12. Exercise

- (a) To exercise Director Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Director Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Director Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company;
 - (iii) the Certificate, or documentary evidence satisfactory to the Board that the Certificate was lost or destroyed; and
 - (iv) where required by the Company in accordance with rule 19.2 of the Rules, payment in full of the amount of Withholding Tax Amount that the Company is required to remit as a result of the exercise of the Director Option.
- (b) Where a payment is received by the Company under paragraph 12(a)(iv), those moneys will be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant as soon as reasonably practicable.
- (c) The Option Holder may only exercise Director Options in multiples of 500 Director Options unless the Option Holder holds less than 500 Director Options.
- (d) A notice of exercise in relation to any Director Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Director Options specified in the notice, in cleared funds.
- (e) Director Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.

13. **Re-issue of certificate or holding statement**

If the Option Holder exercises less than the total number of Director Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their Director Option certificate (if any); and
- (b) the Company must cancel the Director Option certificate (if any) and issue the Option Holder a new Director Option certificate or holding statement stating the remaining number of Director Options held by the Option Holder.

14. **Issue of Shares**

Within 10 days after receiving an application for exercise of Director Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

15. **Equal ranking**

Subject to the Company's Constitution, all Shares issued on the exercise of Director Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary Shares of the Company at the date of issue.

16. **Quotation of Shares**

The Company will apply to ASX for official quotation of the Shares issued on exercise of Director Options.

17. **Governing law**

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.

In the case of Director Options proposed to be granted to Malcolm Castle the following additional term applies.

18. **Employee Incentive Plan**

- (a) Each Director Option is granted pursuant to the Employee Incentive Plan of the Company.
- (b) Terms defined in the rules of the Employee Incentive Plan (**Rules**) will, when used in these terms of Director Options, have the same meaning given to those terms under the Rules or the Notice (as the case may be) unless expressly stated otherwise in these terms of Director Notice.
- (c) To the extent of any inconsistency between these terms and the Employee Incentive Plan Rules, these terms will prevail.
- (d) The grant of any Director Options is subject to the approval of Shareholders at a general meeting.

Schedule 5 – Terms of New Options under Options Offer

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) New Options will be granted at an issue price of \$0.001 per New Option, payable in full on subscription.
- (c) The exercise price of the New Options is \$0.02 each, payable in full on exercise.
- (d) Each New Option may be exercised at any time before 5.00pm (WST) on or before 31 December 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 Options at any time until the expiry date of the New Options. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX.
- (g) An instrument of transfer of an 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 those 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 Listing Rule 6.22.2.
- (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 New Option holders would have received if the New 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 a New 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.

This page has been left blank intentionally.

BMG RESOURCES LIMITED

ACN: 107 118 678

REGISTERED OFFICE:

C/- TRIBIS PTY LTD
14TH FLOOR
225 ST GEORGES TERRACE
PERTH WA 6000

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«EFT_REFERENCE_NUMBER»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

Code:

BMG

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am WST on Friday 2 August 2019 at Tribis Pty Ltd, Level 14, 225 St Georges Terrace, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*	For	Against	Abstain*	
1. Ratification of issue of Shares and Options under the 2018 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Approval to issue Shares to a Director - Malcolm Castle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of issue of Shares under the 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Approval to issue Shares to a Related Party - Tribis Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of issue of Options under the 2019 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Approval of Termination Entitlements of a Director - Mr Bruce McCracken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Approval to offer and issue New Options to non-Related Parties of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue Shares to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. Approval to offer and issue New Options to Tribis Pty Ltd and Tribis Equity Investments Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue Performance Rights to the Managing Director under Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. Approval to offer and issue New Options to Bruce McCracken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to issue Options to Director under Employee Incentive Plan - Malcolm Castle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. Approval to offer and issue New Options to Malcolm Castle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Approval to issue Options to a former Director - Peter Munachen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

Please note that if you were a holder of BMGOA Options as at 30 June 2019, being those options exercisable at \$0.02 on or before 30 June 2019, you may benefit from the proposed issue of Options to which resolution 12 relates. Consequentially, you are required to Abstain from voting on resolution 12 by marking "X" in the appropriate box. Please refer to pages 6 and 7 of the Notice of Meeting for the full list of voting prohibitions and exclusions.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11:00am WST on Wednesday 31 July 2019.

+ BMGPX2210619

1

2

BMG

BMGPX2210619

+

